

# THE EBRD IN CYPRUS

## A greener energy mix and better resource management

2014-20

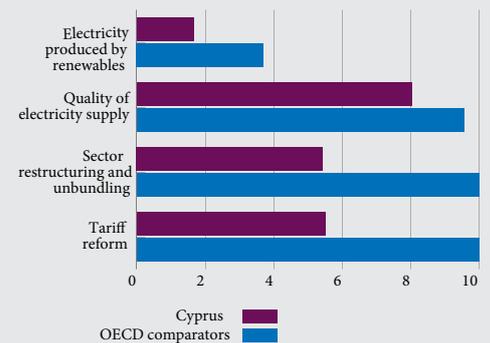
### Related SDGs



Cyprus has an isolated energy system with no interconnections to neighbouring countries. High energy costs undermine the competitiveness of local businesses and significant investments in sustainability improvements are needed. Cyprus relies on imported heavy fuel oil for power generation, with oil-fired power generation accounting for as much as 90 per cent of total generation. Although Cyprus has made considerable progress in diversifying electricity generation towards more sustainable sources, only about 7 per cent of total generation came from renewables when the EBRD started investing in the country in 2014. Cyprus has the highest solar energy potential in the EU, but further investment and regulatory improvements are needed to reap the benefits. The authorities are committed to encouraging private sector investment in the electricity and gas markets, but progress to date has been slow. Commercialisation of the state-owned power company is crucial for further development of the energy sector and economy.

### EBRD score

(1-worst, 10-best)



### How we work

The EBRD provided significant support for projects to help Cyprus transition towards a greener economy through direct investment in renewable power generation. It also provided financing for the restructuring of the dominant power-generating company to facilitate a switch from heavy oil to cleaner fuels, and policy advice on energy efficiency for the corporate sector and energy policy reform. We have acted as an anchor investor to promote the potential of renewable energy production. These investments were channelled through the EBRD's Green Economy Transition (GET) approach and energy efficiency initiatives.

### In numbers

**€90 million**

Green economy financing commitments

**€80 million**

Net cumulative investment in cleaner energy production

### Quick links

- > [Green Economy Transition](#)
- > [Energy efficiency initiative](#)

GET is the EBRD approach for helping economies in our regions to build green, low-carbon and climate-resilient economies.



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## Achievements and results: Promoting a greener energy mix and better resource management

The Bank supported an increase in renewable energy in the fuel mix and the power-sector fuel switch from heavy fuel oil to lower carbon fuels, through:

- ▶ investing in renewable energy generation through financing the development, construction and operation of five solar power plants, including the largest commercial solar power plant on the island in 2017
- ▶ promoting an improved regulatory framework to facilitate increased uptake of renewables in electricity generation, through policy advice to the Energy Regulatory Authority and the electricity market operator.

The Bank helped to promote better resource management and greater energy security through:

- ▶ advising on the much-needed reform of the energy market; and working closely with the electricity market operator to assess the new electricity arrangements and market rules being proposed to promote investment in renewables
- ▶ launching the Energy Efficiency Initiative to support energy efficiency advisory projects and training in energy management (ISO50001) for consultants
- ▶ financing Cyprus's first floating storage regasification unit (FSRU), a liquefied natural gas (LNG) import terminal aimed at substituting expensive and polluting heavy oil fuel with gas in local power generation.

### Greener energy mix

Cyprus's solar energy capacity doubled between 2014 and 2020, with support from the Bank's investment in five solar photovoltaic plants adding a capacity of 11.9 MW.

### Cleaner air

The EBRD supported a switch from oil to gas generation at the existing units at the Vasilikos power station, contributing to estimated savings of 6,000 tonnes of sulphur dioxide and 175 tonnes of particulate matter (PM) every year.

### Energy saved

Greater energy efficiency practices have been put in place as a result of the Bank's launch of the energy efficiency initiative, in order to support energy efficiency advisory projects and energy management training for local consultants.

### Less pollution

Around 900,000 tonnes of CO<sub>2</sub> per year have been avoided due to the switch from oil to gas generation at the existing units at the Vasilikos power station. This is equivalent to taking 200,000 cars off the road for one year.

### Our case study:

Supporting green economy transition in Cyprus



See how EBRD-financed solar plants came on-stream in Cyprus.



See how the EBRD supported the decarbonisation of the energy sector in Cyprus.

