

***EU CAP Network workshop on Durability of Investments***  
**14<sup>th</sup> December 2023, Brussels**

**Ensuring durability in on-farm and off-farm investments**  
**The case of Cyprus**

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**MINISTRY OF AGRICULTURE, RURAL DEVELOPMENT AND ENVIRONMENT**



# Achieving durability in agricultural (on – farm) investments

*Our primary objective is not to enforce the continuation of the functioning of EU financed projects through the setting of mandatory rules and provisions*

*BUT*

*to establish a solid foundation, through a policy mixture, which gives the possibility to the beneficiaries for achieving long-term viability and growth.*



# Basic Figures and characteristics of Cyprus primary sector

- C0.1 Total rural population **274.216**
- C12. Total number of farms **34,940**
- C17 Total utilized agricultural area (UAA) **125,350 ha**
- C10. Contribution of the primary sector to the GDP **2,3%**
- C14 Age structure of farms managers
  - o **55 years and over** → **76,3%** (EU average 58%)
- Structure and size of agricultural holdings
  - o **Less than 2 ha** → **75%**
- **Only 7%** of farm owners /directors have **basic or higher agricultural education** (EU average ≈ 30%)



# Intervention 4.1.1: Investments in agricultural holdings

The support covers investments which improve the overall performance of the agricultural holdings and the economic viability of the farm.

Support rates: **40% - 80% of the eligible expenditure**

Type of investments: improvement of immovable property, machinery and equipment, general costs

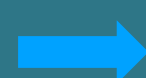
The beneficiary has to keep the investment functional for at least 5 years after the final payment.

The Managing Authority has the responsibility for setting a framework that will attract high quality projects and beneficiaries with a vision about their project.

**General provisions/  
structure of the  
intervention**



**Eligibility  
criteria**



**Selection  
criteria**



# General provisions / structure of the intervention

- Higher support rate for young farmers
- Emphasis on competitive sectors
- Focus on energy saving / renewable energy investments



## Eligibility Criteria

- Business plan with positive Net Present Value (NPV)
- Prove of land ownership or multiannual land rental
- Focus on energy saving / renewable energy investments



## Selection Criteria

- Priority to young farmers
- Priority to full-time farmers
- Priority for having university degree or other vocational agricultural training
- Priority for achieving economies of scale



**“EVALUATION OF THE BENEFIT FOR THE PRIMARY SECTOR AND RURAL DEVELOPMENT FROM INVESTMENTS FUNDED BY EAFRD AND EAGF”**

- Examination of **54 beneficiaries / projects (€19,3 millions)** funded from **2007-2016** in order to examine the economic viability and durability of the investments.
  - Proposals and recommendations to be taken into account in future calls.
- **23,4%** of the sample showed improvement in their economic position
  - **13,1%** negative economic data
  - **24,9%** neutral economic position
  - **21,1%** - not stable improvement in economic viability
  - **11,8%** - not sufficient data on behalf of the beneficiary
  - **5,7%** - **3 beneficiaries under closure/ under closure management (€1,1 million)**

*The Managing Authority believes that the outcome of the examination can be considered as positive taking into account the various crises that the global economy has faced the last few years (2009 financial crisis, COVID-19 pandemic, conflict in Ukraine)*



# Achieving durability in public off farm investments

*The most important components to achieve durability in public investments are the following:*

- a) The proposal has to cover **a real need to be solved**. The investment has to directly improve the everyday life of rural population.*
- b) The proposed project has to prove **synergies and complementarity** with other investments or local initiatives.*
- c) The investment has to prove the **involvement of various actors / authorities**.*



# Off farm public and private investments



## Intervention 4.4 Public infrastructure in rural areas

Public  
investments

### Eligible actions

- A) Reconstruction of public areas
- B) Basic social and cultural services

### Beneficiaries

Public Bodies and Local Authorities

Support rate 100%



## Intervention 6.1 LEADER

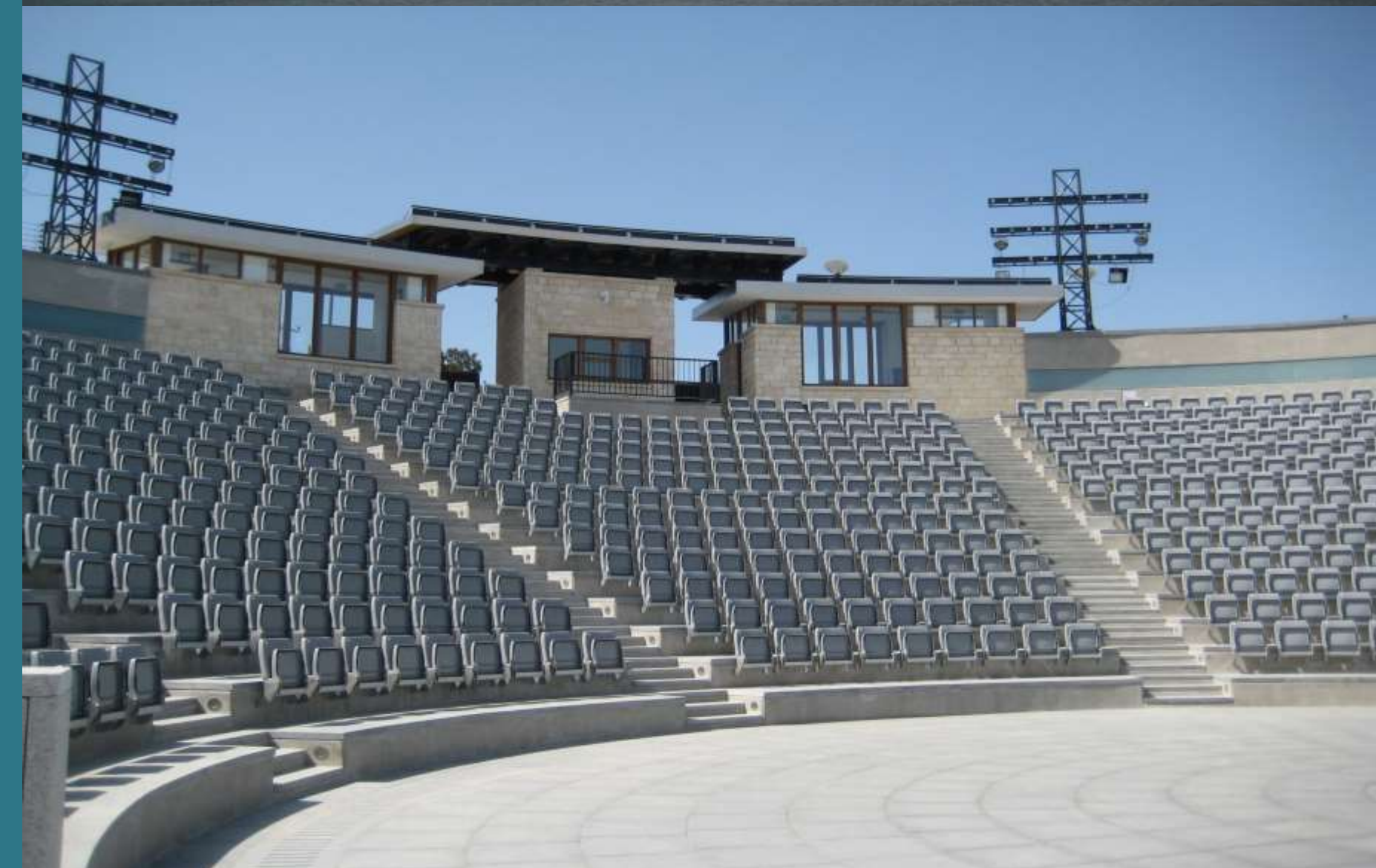
Private  
investments

Small scale  
public  
investments

### Projects

- Have to be aligned with the LAG's strategy
- Prove complementarity and synergy with other actions and initiatives

*The beneficiary has to keep the investment functional for at least 5 years after the final payment.*





Decision regarding the enhancing of long-term viability of public infrastructure projects supported under the EAFRD (November 2020)

“Taking into account the covid-19 pandemic and its consequences to the economy and the tourist sector which is expected to continue in the near future it has been decided the following:

*Supported projects can enrich their initially approved use with other complementary and enriching actions. The initiative for such a revision has to be initiated by the local authorities (beneficiary) and get the written approval of the Ministry of Interior (Implementing body of the Measure).*

*The approval will be given only for complementary, supporting actions and not for the change of use that was initially approved”*



***Procedure for approval of complementary enriching actions***

# Information center for traditional Cyprus cuisine Arsos Village



*Permission for complementary actions (organized events, theater, concerts, children summer camps)*



*Σας ευχαριστώ πολύ*  
*Thank you*



ΣΤΡΑΤΗΓΙΚΟ ΣΧΕΔΙΟ  
ΚΟΙΝΗΣ  
ΑΓΡΟΤΙΚΗΣ  
ΠΟΛΙΤΙΚΗΣ  
2023 - 2027

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