



REPUBLIC OF CYPRUS

**DIRECTORATE GENERAL GROWTH**

**MINISTRY OF FINANCE**

**Supporting Non-Paper for the Inclusion of Cyprus in EUSAIR Strategy**

**A. Introduction**

The EU Strategy for the Adriatic and Ionian Region (EUSAIR) is a key macro-regional strategy aimed at fostering economic development, connectivity, environmental sustainability, and social cohesion among participating countries. The revised EUSAIR Action Plan, adopted 7<sup>th</sup> of May 2025, presents an opportunity to enhance regional cooperation by incorporating Cyprus, a Mediterranean EU Member State with strong economic, historical, and strategic ties to the Adriatic-Ionian Region and the Western Balkans. This non-paper aims to clarify the benefits Cyprus would bring as a fully aligned partner within the existing EUSAIR framework. It is important to emphasize that Cyprus's involvement would complement and strengthen the Strategy's current priorities without altering its scope.

Once Cyprus is included in the Strategy, will apply for participation in the Interreg Adrion post 2027 programme, where it will contribute financially to support joint regional projects.

**B. Rationale for Cyprus' Inclusion**

**1. Enhancing Regional Connectivity and the Blue Economy**

Cyprus maintains practical and longstanding links with the Adriatic-Ionian Region, particularly through maritime transport. Its experience in commercial shipping and the development of port infrastructure, such as in Limassol and Larnaca, offers relevant insights that can support efforts to improve connectivity within Pillar 2 (Connecting the Region). Ongoing investments in digital logistics systems and sustainable port operations can be shared to help streamline cross-border trade and enhance multimodal transport, particularly among coastal regions<sup>1</sup>.

The development of the Western Balkans–Eastern Mediterranean Corridor (part of TEN-T)<sup>2</sup> reinforces Cyprus' existing transport and trade ties with EUSAIR partners, contributing to greater regional

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<sup>1</sup> The STEAM (Sea Traffic Management in the Eastern Mediterranean) project is a strategic initiative aimed at transforming the Port of Limassol into a leading transshipment and information hub in the Eastern Mediterranean. Launched in January 2019 with a budget of approximately €1 million, the project is co-financed by the European Regional Development Fund and the Republic of Cyprus

<sup>2</sup> The Western Balkans–Eastern Mediterranean Corridor (part of the TEN-T Core Network) connects Central Europe with the Eastern Mediterranean via Germany, Austria, Hungary, the Western Balkans, Greece, and Cyprus, supporting multimodal transport and regional integration.

interoperability. In parallel, the Great Sea Interconnector, which is expected to link Cyprus with Greece, is a strategic energy infrastructure project envisaged to support regional energy cooperation focused on renewable sources. It aligns with EUSAIR's aims of building sustainable and resilient energy networks across the macro-region.

In terms of Pillar 1 (Blue Growth), Cyprus has gained considerable practical experience in managing fisheries sustainably with the implementation of several measures including establishing six Marine Protected Areas (MPAs) with artificial reefs for the enrichment of the fisheries stocks, developing sustainable aquaculture within the framework of three main pillars of sustainability and specifically economic viability, social acceptability and environmental compatibility, exploring marine biotechnology, and promoting coastal tourism. The country works towards balancing the use of marine resources with environmental protection and support for local communities.

As part of its broader sustainability efforts, Cyprus has recently begun promoting coastal fishing tourism as a viable alternative income source for small-scale fishers. This initiative has already shown positive results - increasing income for fishers and attracting younger generations to participate in sustainable coastal livelihoods. It complements Cyprus Blue Growth strategy by preserving traditional fishing practices, diversifying the local economy, enriching the visitor experience through maritime culture, and reinforcing community resilience - contributing meaningfully to long-term sustainable coastal development.

Participation in EUSAIR would also allow Cyprus to tap into a broader pool of regional expertise, particularly from Adriatic-Ionian countries facing similar ecological and economic conditions. Considering Cyprus's adoption of its first National Maritime Spatial Plan in December 2023, closer collaboration within the strategy, would help both Cyprus and Adriatic-Ionian countries expand their knowledge base, share their experiences and good practices in marine spatial planning and support the integration of emerging technologies in maritime activities.

## **2. Commitment to Marine Protection and Environmental Sustainability**

Cyprus's well-established policy framework and practical experience in Maritime Spatial Planning (MSP) directly support the objectives of EUSAIR's Pillar 3 (Environmental Quality). By participating, Cyprus would reinforce regional cooperation on critical priorities such as mitigating marine pollution, combating biodiversity loss, and enhancing climate resilience in shared marine environments. Having already initiated efforts to address marine litter and promote ecosystem-based management in fisheries and aquaculture, Cyprus's inclusion would also expand the regional data pool, improve environmental monitoring and enable more effective early warning systems and cross-border response planning. This collaboration would strengthen Cyprus's ability to work closely with European neighboring countries on common marine and climate-related challenges, while contributing to EUSAIR's overall capacity to safeguard natural resources and achieve tangible results across the region.

Considering the fact that the creation and sustainable management of Marine Protected Areas (MPAs) is one of the useful tools for the protection of biodiversity, Cyprus has so far achieved the protection of 19 % of its total marine area by establishing 23 MPAs under various protection regimes. To further enhance the protection of the important marine species and habitats, Cyprus works towards achieving the goal of having MPAs that are effectively and equitably managed, well-connected, and integrated into the wider seascape. In support to the protection of its biodiversity, Cyprus has engaged in such scientific research on marine ecosystems, from shallow to deep realm, to build up a concrete knowledge based upon which, to identify

and protect areas that accommodate ecological important features and to support decision-making towards sustainable management of marine resources for a healthier and more productive marine environment. Furthermore, long-term monitoring of endangered species, including the two marine turtles that nest in Cyprus (*Caretta caretta* & *Chelonia mydas*) and the Mediterranean Monk Seal (*Monachus monachus*) have improved the status of their population, through management measures set in place. Protected habitats, such as the *Posidonia* meadows were mapped in 2022 with good ecological status shown through the monitoring program. Additionally, Cyprus has been implementing relevant monitoring and assessment programs within the framework of the Marine Strategy and the Water framework Directives and has set biological quality elements that are used for the evaluation of the environmental status of coastal & marine waters.

We are confident Cyprus' will make a positive contribution in EUSAIR, given its consistent focus in capacity building, empowering its national pollution combatting competencies as well as in fostering subregional alliances to preserve our shared marine ecosystem.

Mitigation of human-made threats and hazardous oil pollution incidents is an integral part of Cyprus' National MSP. In the framework of practically enforcing its prioritised strategy of safeguarding the marine ecosystem from hazardous human made activities, the Republic of Cyprus has already established a trilateral agreement with Greece and Israel and soon a new agreement is expected to take effect with Egypt. Through its active engagement in the practical implementation of these agreements, Cyprus has already gained valuable knowledge in fostering coordinated actions for the efficient use of resources, in expertise and in using best practices. Part of implementing its share of responsibility to timely respond to marine pollution incidents and to actively facilitate in joint efforts to combat common threats, it has recently upgraded its oil pollution fleet with an advanced anti-pollution vessel with the capacity to navigate and function independently in oil recovery operations anywhere within the Mediterranean Sea.

### **3. Advancing Sustainable Tourism and Cultural Heritage Cooperation**

Cyprus' experience in managing a diverse and competitive tourism sector aligns well with the objectives of EUSAIR Pillar 4 (Sustainable Tourism). The country is making great efforts in developing strategies that address seasonality, promote cultural and natural heritage, and support sustainable and eco-tourism, challenges shared by many Adriatic-Ionian countries. Moreover, Cyprus has taken steps to integrate digital tools into tourism services, including the use of smart tourism applications and initiatives in heritage digitization. These include funding schemes supporting digital transformation for tourism SMEs, the promotion of cultural routes like "Heartland of Legends" through digital campaigns, and participation in EU projects such as Interreg Euro-Med project HERIT ADAPT, which focuses on 3D modeling of historical sites. The Deputy Ministry of Tourism also supports innovation through workshops and training in VR, photogrammetry and digital storytelling, in collaboration with institutions like the Cyprus University of Technology. These efforts aim to enhance visitor experiences, preserve cultural heritage, and position Cyprus as a leading smart tourism destination.

Collaboration on joint branding and marketing strategies could enhance the international visibility of less-known destinations across Cyprus and the Adriatic-Ionian Region, while initiatives such as thematic maritime heritage routes and cultural festivals could promote cross-border cooperation and local economic development.

Furthermore, Cyprus shares historical and cultural connections with many EUSAIR countries, especially through its Mediterranean heritage. For example, the island's Byzantine and Venetian architectural legacy resonates strongly with similar cultural landmarks found in Greece, Croatia, and Italy, reflecting centuries of interconnected history across the Adriatic and Ionian regions. These shared cultural narratives can help reinforce a stronger sense of regional identity, supporting EUSAIR's goal of promoting social cohesion and fostering shared ownership of common heritage.

Complementing this, Cyprus, with its rich culinary heritage rooted in the Mediterranean diet, jointly inscribed on the UNESCO Representative List of Intangible Cultural Heritage<sup>3</sup> by seven Mediterranean countries, including Italy, Greece, and Croatia, contributes to safeguarding a body of knowledge, skills, and practices that span the entire food cycle, from cultivation and harvesting to processing and consumption. The inscription was a collaborative effort between countries and active community participation, emphasizing the need for transnational measures to transmit the heritage of the Mediterranean Diet to younger generations, as a "way of life" that goes beyond food, promoting social interaction and sustainable management of natural resources. Within the scope, the countries and emblematic communities involved, collaborate as a network and have regular exchanges to protect and enhance the Mediterranean diet, ensuring its visibility and promoting intercultural dialogue.

Finally, the Mediterranean Diet is closely linked to the Council of Europe's Cultural Routes initiative, promoting shared traditions and sustainable tourism. This aligns with EUSAIR's Pillar 4 on Sustainable Tourism, supporting cultural exchange and authentic, responsible tourism across the Adriatic-Ionian region.

#### **4. Promoting Social Cohesion, Skills Development, and Youth Engagement**

Like many Adriatic-Ionian countries, Cyprus faces structural issues such as brain drain and youth unemployment, particularly among university graduates (9.8% compared to the overall national unemployment rate of 3.7% in April 2025). In response, and in line with the objectives of EUSAIR Pillar 5 (Strengthening the Region), Cyprus is working to improve human capital, and innovation capacity, promote early interventions beginning in primary education and nurture entrepreneurial and intrapreneurial mindsets among young people by fostering stronger partnerships between universities, research institutions, and businesses, in line with the country's Research and Innovation Strategy 2024–2026. To this end, a range of programmes are being introduced to ensure better alignment between academic curricula and the evolving needs of industry, equipping graduates with practical, market-relevant skills.

In parallel, efforts are underway to increase the number of STEM PhD graduates, while expanding and diversifying their career prospects within the national innovation ecosystem. These combined efforts aim to boost the absorptive and innovation capacity of businesses and create clear, attractive pathways for talent development and retention.

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<sup>3</sup> <https://mediterraneandietunesco.org/>

## **5. Supporting the Enlargement Process of the Western Balkans**

Cyprus's participation in EUSAIR could offer constructive support to the Strategy's role in facilitating dialogue and cooperation between the EU and the Western Balkans, in line with the broader aims of the EU's enlargement and neighborhood policies. While EUSAIR is not a formal enlargement instrument, it provides a valuable platform for policy exchange and alignment, as well as a significant tool contributing towards the region's further integration and accession in the EU, an approach Cyprus supports and can contribute to.

As an EU Member State, Cyprus brings relevant experience from its own accession process and can share practical insights in areas such as economic governance, public administration reform, environmental compliance, and regional development, key themes within the EUSAIR framework.

## **6. Participation in the Adriatic-Ionian Initiative and Interreg Adrion: Building on Successful Cooperation in Interreg Programmes**

Through active participation in various Interreg Programmes since its accession in 2004, Cyprus has built strong expertise in interregional cooperation and transnational project implementation, with a focus on promoting innovation, enhancing connectivity, and strengthening institutional capacity. By taking also part in the Adriatic-Ionian Initiative and the Interreg Adrion Programme, Cyprus aims to continue building on these collaborations and contribute practical knowledge to the EUSAIR framework.

## **C. Conclusion**

Cyprus's inclusion in EUSAIR offers a practical opportunity to strengthen cooperation across the Adriatic-Ionian Region, in line with the Strategy's priorities. With experience in maritime transport, sustainable tourism, environmental policy, and social cohesion, Cyprus can contribute meaningfully to regional efforts in connectivity, blue economy development, and environmental protection. Its participation would also promote cross-pillar cooperation in areas such as energy, digitalization, and sustainability, while encouraging synergies with other EU initiatives—particularly those related to the Western Balkans–Eastern Mediterranean Corridor, for more coordinated action in transport, energy, and economic development.

**September 2025**