

**Dear Ms Caroli, Representative of the European Commission, dear innovative companies, dear friends,**

Welcome to the 2<sup>nd</sup> virtual info day for the Innovation Fund Calls.

Let me first thank the Employers & Industrialists Federation (OEB) for the excellent collaboration in organizing today's event so as to inform the Cyprus innovation ecosystem of one of the world's largest programmes aimed at facilitating innovative low-carbon technologies successfully entering the market.

The Innovation Fund, the successor to the NER300 program, is one **key financial instrument for meeting the EU's commitments under the Paris Agreement and supporting the European Commission's strategic vision for a climate-neutral Europe by 2050**. With a budget of around € 20 billion over the period 2020 - 2030, it will provide support to horizontal projects for innovative technologies that can lead to significant reductions in carbon emissions, the main culprit for the imminent climate change threat.

A threat that is now impossible to ignore, and which takes form in increasingly frequent extreme weather events, in the disruption of food supply systems, in the spread of diseases from animal populations, and many more. And even though the world has been facing a deadly pandemic for the last two years, scientists are sounding the alarm that climate change is **still** the greatest threat to human health in recorded history.

Europe Ladies and Gentlemen has an ambitious plan for facing this threat: the 'European Green Deal', a comprehensive strategy aiming to transform Europe into a modern, resource-efficient and competitive economy, a vehicle for enhancing Europe's sustainability and competitiveness, by turning climate and environmental challenges into opportunities.

The already ambitious pan-European target of reducing greenhouse gas emissions by 40% compared to 1990 has currently been revised to at least 55%. Cyprus is expected to contribute to this effort by achieving a reduction of 24% compared to 2005 towards the achievement of the 40% target, while the contribution for the 55% is yet to be decided. The estimated overall amount of investment needed to achieve the aforementioned target is in the order of €14 billion, for the period 2021 – 2030.

In order to achieve this overall emission reduction, Cyprus will have to meet additional targets: to increase the share of renewable energy sources in the final energy consumption from today's 13.9% to 22.9% by 2030, import and use natural gas to increase energy efficiency and reduce GHG emissions in power generation by the end of 2022, however this target will be achieved at a later date, increase the share of RES in the transport sector from 7.3% to 14.1% and increase investments in research and innovation from €110m (which constitutes 0.56% of the Gross Domestic Product) to €395m (1.5% of GDP by 2023).

Some of the main policies and measures described in the national plan for energy and climate are:

- Promote the installation of photovoltaic systems on houses, commercial and industrial buildings via the net-metering or the net-billing regimes
- Promote energy efficiency by renovating existing dwellings (households, governmental buildings and municipality buildings)
- Provide financial support for new electric vehicles
- Install public charging stations
- Use biofuels in the transport sector
- Interconnect Cyprus with the European electricity market

- Modernize the energy infrastructure by installing smart meters (400 000 by 2027)

In November 2020, the Council of Ministers decided to set up a Ministerial Committee to monitor the implementation of the national plan on energy and climate as well as all relevant policies and measures for the achievement of the European Green Deal goals. Five Ministers are participating in this Committee (Ministers of Finance, Energy, Environment, Transport, Research and Innovation and Digital Policy). Also, twelve technical groups have been established, including one for research, innovation, competitiveness and digitalization, to monitor and evaluate all policies and measures.

Additionally, a National Action plan for the enhancement of the circular economy was adopted in June 2021, aiming to shift the Industrial Base in Cyprus from the linear operating model to a circular operating model, thus improving competitiveness and decreasing operational cost.

Dear Friends,

With the passing of time, the climate change challenge has become more pressing, and its consequences more severe. Yet, our response – at national, regional, European and global level – is only just beginning to catch up to the enormous task we are confronted with!

The **Innovation Fund** is undoubtedly an important tool of the ‘European Green Deal’, not just paving the way to climate neutrality, but also reinforcing European technological leadership on a global scale. I urge you all to make good use of it, utilizing all available opportunities and promoting synergies and effective collaboration between industry stakeholders. On our part, as Deputy Ministry of Research, Innovation and Digital Strategy, we are committed to support your efforts in any way we can.

Cyprus has made some first attempts in last year’s launching Calls, by submitting 5 proposals in the Large-scale and 4 proposals in the Small-scale Calls. Even though they have not been selected for funding, as competition is fierce, we encourage you to keep participating and keep innovating. Innovation is the only way to face this challenge.

Ms Caroli of the European Commission, who I thank very much for her participation in this event, will explain to us how it all works.

Thank you for your attention.