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COVER NOTE

From:	Secretary-General of the European Commission, signed by Ms Martine DEPREZ, Director
date of receipt:	16 June 2025
To:	Ms Thérèse BLANCHET, Secretary-General of the Council of the European Union
No. Cion doc.:	COM(2025) 290 annex
Subject:	ANNEX 6 ANNEX to the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions State of the Digital Decade 2025: Keep building the EU's sovereignty and digital future

Delegations will find attached document COM(2025) 290 - Annex 6.

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ANNEX 6

ANNEX

to the

**Communication from the Commission to the European Parliament, the Council and the
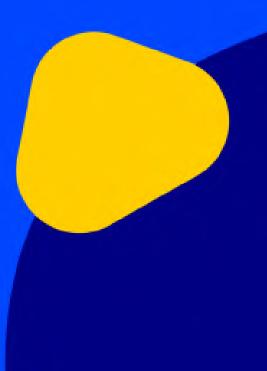European Economic and Social Committee and the Committee of the Regions**

State of the Digital Decade 2025: Keep building the EU's sovereignty and digital future

{SWD(2025) 290 final} - {SWD(2025) 291 final} - {SWD(2025) 292 final} -
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SHORT COUNTRY REPORTS 2025

Cyprus

Executive summary

Cyprus has made remarkable progress in gigabit connectivity infrastructure but continues to face challenges in closing the digital skills gap between different population segments. Nonetheless, the country can count on a relatively good share of ICT specialists in employment.

Cyprus shows a substantial level of ambition in its contribution to the Digital Decade having set 14 national targets, 86% of which are aligned with the EU 2030 targets. The country is following its trajectories very well with 100% of them being on track (based on the 2024 trajectories defined for 8 KPIs out of 8 analysed). Cyprus addressed 63% of the 11 recommendations issued by the Commission in 2024, either by implementing significant policy changes (36%) or making some changes (27%) through new measures.

In 2024, the adoption of Artificial Intelligence (AI) by enterprises shows significant progress while remaining subpar. An AI taskforce has recently been tasked with formulating recommendations for a national strategy to harness the growth potential of AI. In addition, last year, Cyprus adopted a new national strategy for research and innovation (2024-2026), aimed at positioning the country as a regional hub for entrepreneurship and high-tech innovation. With regards to the digitalisation of public services for citizens, while progress was made last year, the pace of change is not yet sufficient to reach the EU average. Nonetheless, Cyprus remains on track according to its national trajectory. The digital transformation of the public sector continues to be a priority, with several measures added to the revised roadmap, including a measure to improve access to e-health records.

Digital Decade KPI [1]	Cyprus				EU		Digital Decade target by 2030	
	DESI 2024 (year 2023)	DESI 2025 (year 2024)	Annual progress	National trajectory 2024 (3)	DESI 2025	Annual progress	CY	EU
Fixed Very High Capacity Network (VHCN) coverage	77.1%	89.1%	15.5%	72.0%	82.5%	4.9%	100.0%	100%
Fibre to the Premises (FTTP) coverage	77.1%	89.1%	15.5%	71.2%	69.2%	8.4%	100.0%	-
Overall 5G coverage	100.0%	100.0%	0.0%	100.0%	94.3%	5.9%	100.0%	100%
Edge Nodes (estimate)	5	9	80.0%	-	2257	90.5%	10	10000
SMEs with at least a basic level of digital intensity (2)	-	74.3%	3.0%	-	72.9%	2.8%	90.1%	90%
Cloud	45.5%	-	-	-	-	-	75.0%	75%
Artificial Intelligence	4.7%	7.9%	69.2%	8.0%	13.5%	67.2%	75.0%	75%
Data analytics	33.5%	-	-	-	-	-	75.0%	75%
AI or Cloud or Data analytics	58.0%	-	-	-	-	-	-	75%
Unicorns	3	3	0.0%	-	286	4.4%	5	500
At least basic digital skills	49.5%	-	-	-	-	-	80.0%	80%
ICT specialists	5.6%	5.0%	-10.7%	5.2%	5.0%	4.2%	10.0%	~10%
eID scheme notification		Yes						
Digital public services for citizens	74.0	77.6	5.0%	71.5	82.3	3.6%	100.0	100
Digital public services for businesses	86.1	86.0	-0.1%	89.8	86.2	0.9%	100.0	100
Access to e-Health records	68.1	75.4	10.7%	74.1	82.7	4.5%	100.0	100

(1) See the methodological note for the description of the indicators and other metrics
(2) DESI 2025 reports the version 4 of the Digital Intensity Index, which is comparable with the DII value from DESI 2023 (referring to year 2022) for the calculation of the annual progress. It is not comparable to the national trajectory is based on version 3 of the index.
(3) National trajectory value if present in the national roadmap and if the indicator was measured in DESI2025 (year 2024)

Cyprus

According to the Special Eurobarometer 'Digital Decade 2025', 81% of Cypriot citizens consider that the digitalisation of daily public and private services is making their lives easier. On the action of the public authorities, 91% consider it important to counter and mitigate the issue of fake news and disinformation online, and on competitiveness, 87% consider it important to ensure that European companies can grow and become 'European Champions' capable of competing globally.

A competitive, sovereign, and resilient EU based on technological leadership

Cyprus demonstrates strong performance in all connectivity indicators, with outstanding results in gigabit coverage (VHCN and FTTP), as well as in overall 5G coverage. The share of small and medium-size enterprises (SMEs) having at least a basic level of digital intensity is progressing quite well, slightly faster than the EU average. Enterprises are also increasingly making use of AI technologies, but uptake remains relatively low compared to the EU. The AI taskforce, recently appointed to promote the wider adoption and use of Artificial Intelligence (AI) in Cyprus, will focus on reinforcing research and development, innovation, and practical applications for economic growth. The country can also rely on a very vibrant startup ecosystem, which is growing fast. Cybersecurity is another of Cyprus's priority areas, with a new measure added in the roadmap to reinforce the country's capacity to respond to growing threats and support SMEs and startups in managing cybersecurity risks. In parallel, Cyprus is working with other EU countries to set up a coalition that addresses the cybersecurity skills shortage in the EU.

Protecting and empowering EU people and society

Cyprus faces a challenge in terms of digital skills, with only 49.46% of the population having at least a basic level of digital skills, with significant gaps between education levels and age groups. The revised roadmap upgraded a measure aimed at developing of digital skills through customised training for specific groups. In 2024, the share of ICT specialists in employment decreased slightly to 5.0% compared to 5.6% in 2023, although it is still at the EU average. Meanwhile, the digitalisation of public services for citizens has made progress but remains below the EU average, and online public services for businesses are stagnating. Access to e-health records, while improving, remains below the EU average. Nonetheless, the revised roadmap demonstrates Cyprus's commitment to leveraging digital health technologies with three additional measures aimed at improving e-health records.

Leveraging digital transformation for a smart greening

Cyprus is developing a broad strategy for smart cities where digital technologies will play a major role in minimising environmental impact. The national digital strategy also acknowledges the importance of reducing the environmental footprint of the digital sector. Furthermore, the Cyprus' Smart Specialisation Strategy 2030 explicitly recognises the critical role of digital technologies in supporting the green transition, promoting the development of energy-efficient digital solutions and infrastructures. However, the adjustment of the roadmap does not fully reflect the adoption of an overall approach for twinning the digital and green transition.

National digital decade strategic roadmap

Cyprus submitted an updated national Digital Decade roadmap on 13 January 2025, with 11 additional measures, 6 revised measures and an adjusted trajectory for ICT specialists that aligns with the EU 2030 target. Two missing targets and trajectories have been added for unicorns and edge nodes, completing the set of 14 national targets and trajectories. Except for unicorns, all targets are aligned

with the EU's level goals for 2030. The adjustment also includes reporting on the consultation of stakeholders. Overall, it addresses a substantial number of roadmap recommendations issued in 2024. The revised roadmap is composed of 62 measures with a budget of EUR 988.4 million, comprising EUR 738.4 million from public funds (equivalent to 2.21% of GDP). Although it sets out measures for most of the targets, there is room to further consolidate action in some areas, such as basic digital skills and the digitalisation of public services for businesses.

As Cyprus's 2020-2025 Digital Strategy comes to an end in 2025, a new comprehensive strategy (2026-2030) will be developed in line with EU wide strategic goals. It will focus notably on accelerating the digital transformation across four key pillars — digital skills, digital infrastructure, digitalisation of businesses, and digital public services — while integrating horizontal priorities such as artificial intelligence, interoperability, and data governance. It is expected to support the Digital Decade's goals, reduce the administrative burden and boost competitiveness.

Funding & projects for digital

Cyprus allocates 25% of its total recovery and resilience plan to digital (EUR 274 million)[1]. In addition, under cohesion policy, EUR 113 million, representing 12% of the country's total cohesion policy funding, is dedicated to advancing Cyprus' digital transformation[2].Cyprus is a member of the EUROPEUM-EDIC on blockchain. It is also a participating state of the EuroHPC Joint Undertaking (JU) and of the Chips JU.

Cyprus is not yet active in contributing to the Digital Decade's Best Practice Accelerator[3], but participated in the workshops organised in the different clusters.

Digital rights and principles

According to a support study, Cyprus has been relatively active in implementing the **European Declaration on Digital Rights and Principles**, with 42 initiatives overall and 3 new initiatives launched in 2024. Cyprus is mostly active in digital education, training and skills, while less activity has been identified with regards to the interactions with algorithms and artificial intelligence systems. Measures to put people at the centre of the digital transformation appear to have most impact on the ground, in contrast to those addressing freedom of choice.

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[1] The share of financial allocations that contribute to digital objectives has been calculated using Annex VII to the Recovery and Resilience Facility Regulation. Last data update: 16 May 2025.

[2] This amount includes all investment specifically aimed at or substantially contributing to digital transformation in the 2021-2027 Cohesion policy programming period. The source funds are the European Regional Development Fund, the Cohesion Fund, the European Social Fund Plus, and the Just Transition Fund.

[3] The Best Practice Accelerator (BPA) is a platform that enables Member States to share successful measures and challenges encountered in their efforts to meet their Digital Decade targets and objectives. Best practices are made available to Member States via the BPA Repository and showcased in regular workshops, currently focused on three thematic clusters: Digital Skills, Green IT, and the Uptake of Digital Technologies.

Cyprus

Recommendations

- **Basic digital skills**: Strengthen and expand targeted initiatives to enhance digital literacy among vulnerable groups. Provide accessible and tailored training programmes, and targeted awareness raising actions to bridge the digital gap.
- **Digital public services**: Accelerate the implementation of the digital transformation strategy for the public sector, prioritising seamless and inclusive access to digital services for all citizens.
- **Adoption of AI by businesses**: Sustain the efforts, with a special attention to SMEs' uptake of AI, in the design of the AI strategy.
- **Access to e-health records**: Ensure a comprehensive approach and swift implementation of on-going projects to allow access to e-health records
- **Smart greening**: Enhance efforts to develop an integrated approach for the digital and green transition, specifically to improve the energy efficiency of digital infrastructure, and to accelerate the deployment of digital solutions to reduce the carbon footprint in other sectors.