



European Union Network for the Implementation  
and Enforcement of Environmental Law

## *IMPEL REVIEW INITIATIVE (IRI)*

“A voluntary scheme for reporting and  
offering advice  
to environmental authorities”

*Report on the IRI that took place in Nicosia, Cyprus  
14 – 17 November 2017*

Date report: 20 November 2017





## Introduction to IMPEL

The European Union Network for the Implementation and Enforcement of Environmental Law (IMPEL) is an international non-profit association of the environmental authorities of the EU Member States, acceding and candidate countries of the European Union and EEA countries. The association is registered in Belgium and its legal seat is in Brussels, Belgium.

IMPEL was set up in 1992 as an informal Network of European regulators and authorities concerned with the implementation and enforcement of environmental law. The Network's objective is to create the necessary impetus in the European Community to make progress on ensuring a more effective application of environmental legislation. The core of the IMPEL activities concerns awareness raising, capacity building and exchange of information and experiences on implementation, enforcement and international enforcement collaboration as well as promoting and supporting the practicability and enforceability of European environmental legislation.

During the previous years IMPEL has developed into a considerable, widely known organisation, being mentioned in a number of EU legislative and policy documents, e.g. the 7th Environment Action Programme and the Recommendation on Minimum Criteria for Environmental Inspections.

The expertise and experience of the participants within IMPEL make the network uniquely qualified to work on both technical and regulatory aspects of EU environmental legislation.

Information on the IMPEL Network is also available through its website at: [www.impel.eu](http://www.impel.eu)



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<p><b>Executive Summary</b></p> <p>The IRI Team appreciated the opportunity to review environmental permitting arrangements in Cyprus, and particularly welcomed the transparency evidenced in the information provided, and the openness with which Department of Environment (DoE) and Department of Labour Inspection (DLI) staff engaged in discussion, particularly in areas where risks and issues were identified. IRIs benefit participants as well as hosts, and the team members were unanimous in acknowledging examples of good practice, and in their appreciation of the warmth and hospitality afforded by their hosts.</p> <p>The objectives of the IRI process are to help benchmark current practices, assist continuous improvement, encourage capacity building, exchange experience, and spread good practice. In all these areas, the Cyprus IRI has been a conspicuous success. The IRI Team identified a number of areas of good practice (GP) and opportunities for development (OP), and these are summarised below.</p> <p><b>2.1 Dedicated, qualified and hard-working people, focused on improvement (GP)</b></p> <p>The DoE and DLI teams demonstrated clearly their dedication and hard work, in an environment of considerable resource pressure, in part as a result of shortcomings in processes. They also, however, see the need for improvement and exhibit a real willingness to change what they are doing for the better. Delivering excellence, and delivering significant change in particular, relies</p>	



absolutely on people. Proposals for change are mere words, until people make them a reality. It was evident that the teams in Cyprus recognize the need for change, and demonstrate a real commitment to delivering it successfully.

## **2.2 Staff competence and development (OP)**

There is an opportunity to enhance competency and develop staff through a process of competency assessment and on-the-job training, for example in technical areas of waste management and air emission abatement techniques. There are a number of ways in which this can be delivered, for example e-learning, webinars, in-house, and through IMPEL.

## **2.3 Collaboration and co-operation (GP)**

Good examples of collaboration and co-operation were identified, for example between DoE and DLI over air permitting, and DoE and Customs over the transport of wastes. There is potential to build on this good practice in many areas, strengthen the collaboration with the parties involved, and use the range of available tools creatively, to deliver multiple benefits for the people of Cyprus.

## **2.4 Strengthening the enforcement chain (OP)**

There is an opportunity to further strengthen collaboration and co-operation, particularly in the enforcement chain. Penalties for environmental crimes in Cyprus are low in comparison with some countries, for example, so enhancing relationships with the Police and the Attorney General's office would help these services work supportively together to deliver enforcement, particularly in relation to criminal activity. There are already some indications of positive moves in this direction, but top-level support may need to be engaged if real progress is to be made. The European Network of Prosecutors for the Environment may be helpful in this regard. There may also be opportunities to develop creative and innovative relationships with other partner organisations, including local authorities, and undertaking an assessment of current and potential relationships would be a useful first step.

## **2.5 Public engagement (GP)**

The level of public and non-governmental organization engagement and participation in the environmental permitting process, particularly IED is high. Ensuring a wide range of perspectives are considered in the permitting process is potentially a real strength.

## **2.6 Operator commitment to permit compliance (GP)**

The fact that operators are required to sign in person for their environmental permits, acknowledging that they both understand the conditions and intend to comply with them, effectively establishes a contract between the operator and the Regulator, which is very positive. Not only does it encourage operators to consider and accept their environmental responsibilities, it also potentially provides additional leverage for enforcement action in the event of non-compliance.



### **2.7 Quick win: increase the term of permits (OP)**

Environmental permits in Cyprus have a term of either four or five years, after which the permits must be renewed, undergoing the full application process again. Permits are therefore coming up for renewal before the backlog of outstanding initial applications can be cleared. This is putting unsustainable pressure on staff resources. Extending the term of permits, for example to eight or ten years, would be an easy quick win which would free up staff time to process initial permit applications, and send a strong signal to staff that positive changes are being implemented. It would be essential, however, to retain the potential for both operators and the regulator to amend conditions at any time during the term of the permit.

### **2.8 Quick win: DLI and DoE have different enforcement practices and tools (OP)**

The DoE and DLI each has a range of different enforcement practices and tools at its disposal. Combining these tools would quickly enhance the toolkit available to both departments, and strengthen their potential for effective enforcement action.

### **2.9 Permitting of IED activities (OP)**

Resource pressures within the DoE and DLI are constraining the potential to deliver the requirements of IED fully, including online publishing of permits and inspection of all relevant aspects of a site. There is also potential for omissions in permits, such as air emissions from waste due to a shared competency across Ministries. Limited inspection capacity exists in DLI

### **2.10 Developing a road map for change (OP)**

The recognition of, and commitment to, change in environmental regulation in Cyprus is clearly evident, and aspirations are ambitious. It is, however, difficult to deliver significant change while continuing to deliver a challenging day-job. Developing a strategic plan and road map for change will help clarify outcomes and objectives, critical paths, and quick wins which can be implemented. This will help frame significant change in manageable deliverables and clear milestones, and identify the actions and resources required to move coherently and progressively towards a successful outcome.

### **2.11 Regulatory impact assessment (OP)**

Introducing changes to regulatory regimes has the potential to impact differently on certain sectors and operators. Understanding those potential impacts in advance of making changes helps regulators identify, and address, concerns and issues which might be raised. Undertaking Regulatory Impact Assessments would inform this process.

### **2.12 Cost recovery (OP)**

There are clearly considerable resource pressures on DoE and DLI staff. There is, however, also a relatively low level of cost recovery for permitting activities. Progressively seeking



opportunities to recover a higher proportion of costs where possible has the potential to reduce those resource pressures and send a clear message in establishing the basis for cost recovery in the future.

**Disclaimer**

This report is the result of a project within the IMPEL network. The content does not necessarily represent the view of the national administrations or the Commission.



## Table of Contents

<b>1. INTRODUCTION .....</b>	<b>8</b>
1.1 THE IRI SCHEME .....	8
1.2 PURPOSE OF THE IRI .....	8
1.3 SCOPE OF THE IRI IN CYPRUS .....	8
1.4 STRUCTURE OF THE IRI IN CYPRUS .....	9
<b>2. BACKGROUND TO THE ENVIRONMENTAL REGULATION FRAMEWORK IN CYPRUS .....</b>	<b>10</b>
2.1 OVERVIEW .....	10
2.2 STRUCTURES & COMPETENT AUTHORITIES .....	12
<b>3. MAIN FINDINGS .....</b>	<b>16</b>
3.1. IMPLEMENTATION AND ENFORCEMENT OF ENVIRONMENTAL LAW IN CYPRUS .....	16
3.2. THE ENVIRONMENTAL PERMITTING SYSTEM IN CYPRUS .....	18
3.3. ENVIRONMENTAL IMPACT ASSESSMENT (EIA), PLANNING PERMITS AND CONSTRUCTION PERMITS .....	22
3.4. WASTE DISCHARGE PERMITS, WATER AND SOIL POLLUTION CONTROL (WSPC) LAW .....	23
3.5. WASTE MANAGEMENT PERMITTING .....	25
3.6. EXTRACTIVE WASTE LAW .....	27
3.7. SEVESO .....	28
3.8. AIR EMISSIONS PERMITTING (DLI) .....	29
3.9. AIR EMISSIONS TRADING .....	30
3.10. INDUSTRIAL EMISSIONS DIRECTIVE (IED) PERMITTING .....	32
3.11. SINGLE INTEGRATED PERMITTING – A PORTUGUESE CASE STUDY .....	34
3.12. GENERAL DISCUSSIONS INITIAL IRI FINDINGS: .....	34
<b>SUMMARY CONCLUSIONS .....</b>	<b>38</b>
<b>A VOTE OF THANKS .....</b>	<b>38</b>
<b>ANNEX 1 .....</b>	<b>39</b>



## 1. Introduction

### 1.1 The IRI Scheme

The IRI scheme is a voluntary scheme providing for informal reviews of environmental authorities in IMPEL Member countries. It was set up to implement the European Parliament and Council Recommendation (2001/331/EC) providing for minimum criteria for environmental inspections (RMCEI), where it states:

“Member States should assist each other administratively in operating this Recommendation. The establishment by Member States in cooperation with IMPEL of reporting and advice schemes relating to inspectorates and inspection procedures would help to promote best practice across the Community.”

### 1.2 Purpose of the IRI

The aims of the IRI are to:

- provide advice to environmental authorities seeking an external review of their structure, operation or performance by experts from other IMPEL member countries for the purpose of benchmarking and continuous improvement of their organisation;
- encourage capacity building in environmental authorities in IMPEL member countries;
- encourage the exchange of experience and collaboration between these authorities on common issues and problems;
- spread good practice leading to improved quality of the work of environmental authorities and contributing to continuous improvement of quality and consistency of application of environmental law across IMPEL member countries (“the level playing field”).

The IRI is an informal review, not an audit process. The IRI is intended to enable the environmental authority and review team to explore how the authority carries out its tasks. It aims at identifying areas of good practice for dissemination together with opportunities to develop existing practice within the authority and authorities in other IMPEL member countries.

### 1.3 Scope of the IRI in Cyprus

The IRI focused on environmental permitting in Cyprus. The IRI looked primarily at the work of the Department of the Environment (DoE) within the Ministry of Agriculture, Rural Development and Environment (MARDE) but also included to a lesser extent the permitting carried out by the Department of Labour Inspection (DLI) within the Ministry of Labour, Welfare and Social Insurance (MLWSI).





## 1.4 Structure of the IRI in Cyprus

A pre-review meeting was held in Nicosia, Cyprus on 30th August 2017 in which plans for the IRI were discussed. The meeting comprised the team leader and the hosts.

The review itself took place in Nicosia at the Department of Environment from 14 – 17 November 2017. The review took the form of structured presentations from members of DoE and DLI, followed by open question and answer sessions with the review team. The IRI Review team consisted of representatives from the following IMPEL member countries:

### Team Leader:

- Simon Bingham (UK, Scotland, Scottish Environment Protection Agency - SEPA)

### Rapporteur:

- Mark Wells (UK, Scotland, SEPA)

### Reviewers:

- Jaako Heinolainen  
(Regional State administrative Agency for Southern Finland)      Finland
- Elisabete Dias Ramos  
(Portuguese Environment Agency – APA)      Portugal
- Francisco Medeiros  
(Regional Inspectorate for the Environment)      PT – Azores
- Fraser Allan  
(Scottish Environment Protection Agency)      UK - Scotland

### Observer:

- Chris Dijkens  
(Netherlands Ministry of Infrastructure and Water Management)

### Hosts:

- Project leader: Dr Chrystalla Stylianou, Head of pollution control section, DoE



## 2. Background to the environmental regulation framework in Cyprus

### 2.1 Overview

#### **Geography**

Cyprus is the third largest island in the Mediterranean, after Sicily and Sardinia, with an area of 9.251 sq. kms (3.572 sq. miles). It is situated at the north-eastern corner of the Mediterranean, at a distance of 300 km north of Egypt, 90 km west of Syria, and 60 km south of Turkey. Greece lies 360 km to the north-west (Rhodes-Karpathos).

The country has two mountain ranges: the Pentadaktylos range, which runs along almost the entire northern coast, and the Troodos massif in the central and south-western parts of the island. The coastline of Cyprus is indented and rocky in the north, with long sandy beaches in the south. The north coastal plain, covered with olive and carob trees, is backed by the steep and narrow Pentadaktylos mountain range of limestone, rising to a height of 1042 m. In the south, the extensive mountain massif of Troodos, covered with pine, dwarf oak, cypress and cedar, culminates in the peak of Mount Olympus at a height of 1953 m. above sea level. Between the two ranges lies the fertile plain of Messaoria. Cyprus is almost surrounded by coastal valleys where the soil is suitable for agriculture. Arable land constitutes 46.8 percent of the total area of the island. There are no rivers, only torrents which flow after heavy rain.





### **Population**

The population of the Republic of Cyprus is 952 100 (2012 figure), of whom 681 000 (71.5%) belong to the Greek Cypriot community, 90 100 (9.5%) to the Turkish Cypriot community (estimate), and 181 000 (19%) are foreign citizens residing in Cyprus.

### **Climate**

Cyprus has a Mediterranean climate: hot, dry summers from June to September and mild, wet winters from November to March, which are separated by short autumn and spring seasons of rapid change in weather patterns in October, April and May. Sunshine is abundant during the whole year, particularly from April to September when the daily average exceeds eleven hours. Winds are on the whole light to moderate. Gales are very infrequent and heavy storms rare.

Snow hardly falls in the lowlands and on the northern range, but is a frequent feature every winter on ground above 1000 metres in the Troodos range. From December until April snow is usually in evidence there, but hardly continuous.

### **Politics**

Cyprus is a unitary presidential representative republic meaning that the President is both head of state and head of government. The Republic of Cyprus Parliament known as the House of Representatives is made up of Members from various parties, elected by proportional representation. Members are elected for a term of five years. It is in the House of Representatives where changes to legislation are made and the national budget is set.

## **2.2 Structures & Competent Authorities**

Historically competency for the environmental acquis in Cyprus has been shared by many Ministries. The Ministry of Agriculture, Rural Development and Environment (MARDE) now has the majority of competencies relating to the environment. However, although there has been some consolidation there are still a few major exceptions:

- Birds & Habitats Directives – Ministry of Interior
- End of Life vehicles – Ministry of Transport & Public Works
- Ambient air quality, air pollution control (including air aspects of IED) - Ministry of Labour, Welfare and Social Insurance

MARDE also has to work with a range of other Ministries including:

- Spatial planning – Ministry of Interior
- Drinking water – Ministry of Health
- Renewable energy – Ministry of Energy, Commerce, Industry and Tourism



- Chemicals & REACH - Ministry of Labour, Welfare and Social Insurance

It has been agreed that the competencies relating to emissions to air will move to MARDE but as yet no agreement has been made to transfer any resource. Some of the opportunities for development noted relate directly to the need to bring all competencies under one roof. This fragmented institutional set-up was noted in a World Bank Study of 2013 and although changes have been made its effects are apparent in the day-to-day working of the regulators.

### **Ministry of Agriculture, Rural Development and Environment**

Cyprus is a small island, so sustainable management of its natural resources is vital. The agricultural and rural areas that make up the unique character of the Cypriot countryside, forests as well as other natural areas and aquatic ecosystems, must be preserved and become more sustainable. The Ministry of Agriculture, Rural Development and Environment (MARDE) takes responsibility for promoting an integrated and co-ordinated approach to the protection and sustainable management of the environment and natural resources, and the sustainable management of agricultural, livestock and fisheries production.

MARDE contains a number of departments covering three thematic areas: firstly, agriculture/fisheries containing the Department of Agriculture, Land Consolidation Department, Veterinary Services Department, Agricultural Research Institute and the Department of Fisheries and Marine Research. The second thematic area is natural resources containing five sections, namely, Water Development Department, Department of Forests, Geological Survey Department, Meteorological Service and the Mines Service. There is only one department within the remaining environment thematic area, the Department of Environment which is the smallest department (staff & budget) within MARDE's fully-fledged Departments. MARDE is directly responsible for the work of each of its departments.

### **Department of Environment**

The Department of Environment's (DoE) vision is to become the authority that protects and enhances the environment, and also aims to ensure sustainable development and improve the quality of life. The mission of the DoE is to protect the environment for the benefit of public health and quality of life, and against loss of biodiversity, through effective management and strengthening public awareness, both for today's society and for future generations. The Department achieves this through the rational management of resources and waste, environmental impact assessment, pollution control, and actions to tackle climate change and halt the risk of loss of species and habitats, while helping to promote green growth within the context of a circular economy.

Key DoE objectives for 2016 – 2018:

- Reducing the environmental impact of development.



- Implementing management plans and actions for the NATURA 2000 protected area network, aiming at the effective protection of the network.
- Promoting the licensing of all facilities that have waste water, in order to protect both the soil and water resources of Cyprus.
- Creating an integrated network of waste management installations promoting separation systems at source, as an important target for recycling and recovery.
- Mitigating, and adapting to, climate change.
- Continuously strengthening institutional capacity and improving the efficiency of the Department.

## **Strategic plan of the Department of the Environment**

### ***Climate change mitigation and adaptation***

- Reduction in greenhouse gas emissions and adaptation to climate change.
- Implementation of international and EU commitments on climate change, protection of the ozone layer, and regulation and monitoring of fluorinated greenhouse gases.
- Co-ordination of climate change policy issues.
- Project implementation: funding of projects and actions on climate change.
- Dissemination of information on climate change.

### ***Environmental protection***

- Protection of the environment from the activities of industrial and livestock installations, waste management operators and waste producers.
- Managing species and habitats with the objective of halting the degradation of their conservation status.
- Assessment of the impacts on the environment from plans, programmes, projects and other actions.
- Dissemination of information.
- Project implementation.

### ***Resource efficiency***

- Efficient management of waste, use of waste as a resource and actions towards the transition to a green economy
- Promoting the implementation and wider uptake of environmental market tools and labelling (EMAS, ECOLABEL, Green Public Procurement)
- Project implementation

### ***Enhancing the institutional capacity, and improving the effectiveness, of the Department***

- Improving the institutional framework.



- Improving productivity and the quality of the services provided.
- Programmes to enhance the achievement of objectives.

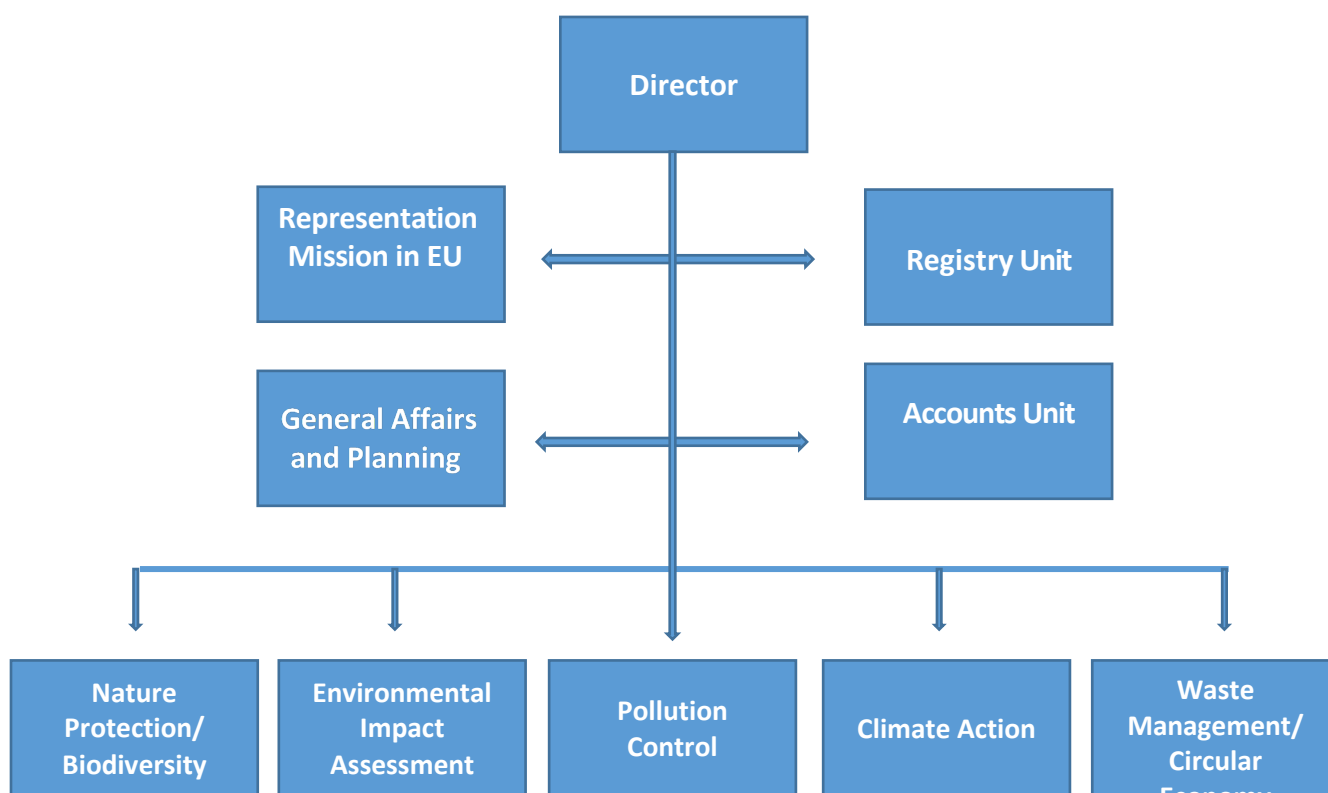
### **DoE Structure**

The DoE has five principal divisions and their core-competency areas are listed below:

- **Nature protection/biodiversity**  
Natura 2000 network, ecosystems and species protection and management, GMOs, invasive alien species, trade in species, Nagoya protocol, environmental liability.
- **Environmental Impact Assessment**  
Assessment of environmental impacts from plans, programs and projects and issuing environmental opinions and permits. EMAS, ECOLABEL, green products, environmental noise, eco-innovation, transboundary impacts.
- **Climate Action (mitigation/adaptation)**  
EU-ETS, F-gas, ozone depletion, mitigation and adaptation to climate change, Offshore Protocol – hydrocarbons exploitation, NER 300 ESD/R, LULUCF.
- **Waste management/circular economy**  
Solid and hazardous waste hierarchy, recycling (packaging, WEEE, Tyres, Batteries etc). Circular economy, action plan, Strategy, Extended Producer Responsibility.
- **Pollution Control (water & Soil – permitting & inspection)**  
Water & soil pollution control, IED, Nitrates, Bathing waters, Sludge, Waste Shipment Regulations, Ship dismantling & environmental liability. Permitting and inspection of waste discharges; waste management facilities and transporters.



Although the work of several divisions was included within the IRI the primary focus was on the Pollution Control division. The structure of the DoE is shown below in an organisation chart:



### 3. Main Findings

#### 3.1. Implementation and enforcement of environmental law in Cyprus

The Council of Ministers has overall responsibility for the formulation of environmental policy. Relevant environmental policy is co-ordinated by the Ministry of Agriculture, Rural Development and Environments (MARDE) Department of Environment (DoE) Regulatory Authority. Environmental policy on air quality and air pollution is co-ordinated by the Ministry of Labour, Welfare and Social Insurance, through the Department of Labour Inspection (DLI). Spatial Planning is the responsibility of the Ministry of Interior.





Responsibilities are assigned to different Ministries and Departments according to their competencies, but following Council of Ministers policy decisions and the EU Acquis. Decision-making is basically centralised. The role of local authorities is limited, and most decisions are taken within central government. Everything related to plans and programmes within the competencies of those Ministries and Departments is their responsibility.

Considerable change is proposed in relation to both key competency areas of inspection and permitting both within the Department of Environment and through combining the competencies of the Ministry of Labour, Welfare and Social Insurance.

### ***Good practice***

- DoE has considered and is integrating aspects of the findings of the World Bank and the EU Environmental Implementation Review studies. The DoE treated potentially negative aspects not as criticism but as informing positive change.
- DoE staff recognise the shortcomings of current processes, and the need and opportunity for change and improvement, particularly in integration, efficiency and cost-effectiveness. Change is much easier to enact when staff are supportive of the need for change.
- Key members of DoE staff have researched potential development opportunities in relation to the development of integrated permitting and enhancing inspectorate capabilities. They know broadly what they want to achieve through a review of existing processes.
- There are good opportunities for public and NGO participation in the existing permitting processes through public consultation and the inclusion of NGO representation in the committee structure.
- Operators must sign in person on receipt of their permit, which effectively establishes a contract between the operator and the Regulator regarding compliance with permit conditions.
- Civil penalties are available to the Regulator, and are a useful tool to encourage compliance, although some limitations to their use have been identified.

### ***Opportunities for Development***

- Although staff recognise the shortcomings of existing processes, they would benefit from being more creative and assertive in how to resolve them in order that real change can be achieved quickly, and the direction of travel clearly established.



- The DoE's aspirations for change are ambitious and extensive, so developing a strategic road map and implementation plan for the proposed changes would help focus effort on effectively delivering the practical organisational, administrative and financial requirements involved.
- A study in 2001 recommended the establishment of an environmental inspectorate in Cyprus, but this has not yet been implemented, so the pace of implementation of positive change could be improved to create the energy, momentum and engagement needed to deliver on the Department's plans.
- The Government has agreed to the transfer of responsibility for air permitting from DLI to DoE, but no decision has been taken on either capacity or capability in DoE to undertake this work, so there is a pressing need to find a way to get air permitting integrated effectively into the DoE.

### 3.2. The environmental permitting system in Cyprus

Currently, media based non-integrated permits are issued. Additional permits covering waste management activities are also issued for IED Chapter 5 waste activities. Permits are thorough and extensive in nature although some gaps particularly in relation to air emissions in two activities were noted.

Each permitting process is slightly different but follows a similar pathway. The pathway is extremely comprehensive but not particularly risk based. Each permit (white, blue or blue/white in diagram below) is considered by a technical committee of peers from other Ministries and organisations at the end of the permitting of process. Where no changes are made they are then signed by the relevant Minister and for IED permits two Ministers. The permits last for 4-5 years depending on regime. When they 'fall' the operators must apply for a new permit.



## Environmental permitting responsibilities

Planning Permit	• EIA Sector of DOE
Construction Permit	• EIA Sector of DOE
Discharge Permit	• Pollution Control Sector of DOE
Waste Management Permit	• Pollution Control Sector of DOE
ETS Permit	• Climate Change Sector of DOE
IED Permit	• Pollution Control Sector of DOE • Atmospheric Pollution Sector of DLI
Air Emissions Permit	• Atmospheric Pollution Sector of DLI



### ***Good practice***

There are many local authorities across Cyprus, and the process of the DoE bringing together coalitions of smaller local authorities to build their competence and capacity is a valuable way of adding value to their contribution to permitting decisions.

- With the exception of the air pollution and air quality sectors, everything concerned with environmental permitting of emissions and discharges is now largely under one roof in DoE, and levels of expertise there have increased over the past 20 years which has reduced the requirement for input of external expertise and enhanced efficiency. (Some competencies transferred from the ministry of Interior in 2016).
- There is a civil service Code of Conduct which helps ensure good governance and integrity in the technical committee process. All staff members have to follow this code.

### **Development opportunities**

- Building the environmental competencies of staff in small local authorities is valuable but needs significant effort and resource, so exploring opportunities to streamline the process and make it more efficient while maintaining its effectiveness would be worthwhile.
- Building on the existing coalitions of local authority could further enhance their environmental competencies, potentially to the extent that some responsibilities for environmental protection could be transferred from DoE to local authorities.
- Permitting and Inspection in the same section. The co-location of related functions and responsibilities creates a natural tension between the relative benefits and risks of proximity and independence, so DoE should be aware of this potential given the range of its responsibilities, and manage it to maximise the benefits of co-location while minimising the risks.
- Consider how to strengthen the compliance chain. The compliance chain can be used to best effect when all partners adopt a co-ordinated and integrated approach, so there is scope to improve connectivity across the compliance and enforcement chain in Cyprus to make the most of opportunities for joint enforcement campaigns and a cohesive and integrated approach, particularly between the DoE, the Police and the courts.
- The practice of two independent inspections for IED permits (by DoE and DLI) is both burdensome for operators and risks inconsistency between the two Regulators, so exploring the potential for



joint inspections, or bringing responsibility for IED inspection into one Regulator, would be beneficial.

- Prescribing the actions of operators through detail in permits constrains the scope of operators to explore innovative approaches and solutions. There is potential to focus permits on desired outcomes and provide operators with scope to deliver these outcomes through innovation.
- There are examples of case studies available (eg. Finland) on outcome-focused permit minimum standards, which may be transferable into the Cypriot permitting system and avoid the DoE needing to design standard conditions from scratch.
- The term of IED permits is only four or five years, which creates resource pressure on the Regulator when these permits require renewal, and limited regulatory resource availability risks some sites not being permitted, or operating illegally, while the focus of permittees may be on urgent but lower-risk activities. There is therefore an opportunity to better balance urgency and importance in permitting, better understand risk, and better focus available resource. It might be helpful to consider extending the term of permits to ten+ years, which would also help take into account the standard investment cycle of businesses. It would, however, be essential for both operators and the Regulator to retain the option of amending a permit at any time during this extended term to take account of any new developments or requirements.
- Consider removing the requirement to advertise permit applications in newspapers and the official gazette (which is both a cost and not necessarily effective), in favour of publishing permit applications online, which would both reduce costs and enable a system of direct alerts to be set up for interested parties and facilitate third party input to the decision-making process.
- It would be good practice to publish environmental permits and operator compliance online, so that permit conditions and compliance with them are readily available to the public and interested parties.
- There is potential to enhance the effective contractual commitment established by the requirement for operators to sign in person for their permits by building the operator's written commitment to compliance with permit conditions into the wider enforcement framework, strengthening the position of the Regulator in the event of non-compliance. This signed statement could be used for instance in cases to the procurator.
- There is an opportunity to reduce duplication by not issuing separate waste permits for IED sites, but integrating waste management conditions into the IED permit, and to enhance efficiency by fast-tracking waste IED permits between the different Ministries involved. Better still would be to bring the competency for IED under one roof.



### 3.3. Environmental Impact Assessment (EIA), planning permits and construction permits

The Law covers projects listed in the EIA Directive under Annex I (those with potentially more significant impacts and subject to systematic assessment) and Annex II (those with potentially less significant impacts and where assessment is assessed on a case-by-case basis).

For Annex I projects, an EIA report is submitted and evaluated by the EIA Committee which is established to advise the Environmental Authority. The reasoned opinion is issued on a proposed project. In its reasoned opinion, the Environmental Authority may suggest either the approval of the project subject to terms and conditions for the mitigation of environmental impacts, or that the project is rejected due to the significant environmental impacts which will result from it.

For Annex II projects, a Preliminary Environmental Impact report is submitted and evaluated by the Committee. In its reasoned opinion, the Environmental Authority may either suggest the approval of the project subject to conditions for the mitigation of environmental impacts, which are included in the final planning permit, or require the preparation and submission of an EIA report. The Committee comprises representatives (permanent and ad-hoc) of the authorities concerned, the local authorities and NGOs, which must be consulted during the evaluation process.

#### ***Good practice***

- There is a very thorough procedure to ensure that environmental considerations are incorporated into the overall process for granting development permission in Cyprus.
- Should the planning authority disagree with the environmental opinion provided, the application is escalated to the Ministerial Committee for determination, which provides an additional environmental safeguard in the development decision-making process.
- Town and planning are part of the environment committee process, providing additional environmental safeguards in the development decision-making process.

#### ***Development opportunities***

- It is important to ensure that required construction conditions are fully implemented before granting an environmental licence, and consideration should be given to how this assurance can best be achieved.



- There is potential to streamline and speed up the processes by which developers obtain planning permission and environmental permission, whether these are carried out in series or in parallel, in order to make the most efficient and effective use of the expertise and limited resources of the DoE.
- The inclusion of health expertise on the Environment Committee is valuable, given the close relationship between health and environmental impacts, and this health expertise should be retained under whatever future environment committee arrangements or consultation phase are put in place.

### 3.4. Waste discharge permits, water and soil pollution control (WSPC) law

The WSPC Law can be considered a “water and soil pollution framework law”, since many of the EU directives and the environmental acquis for the protection of water and soil, and some in the waste sector, have been transposed under this Law. These include the directives dealing with nitrates, urban wastewater treatment, sludge use in agriculture and dangerous substances.

Pollution in this context is defined as “the direct or indirect introduction to waters and soil, as a result of human activity, of substances, noise, vibration or heat, which may be harmful to human health or environment, the quality of aquatic or terrestrial ecosystems, that results in damage to material property, or impair or interfere with amenities and the other legitimate uses of the water”. Also, “no installation that causes, or can cause, water or soil pollution can operate without a waste discharge permit issued by the Minister”.

The DoE is the competent authority for managing the permitting process (applications, environmental investigations, data keeping, preparing draft permits, co-ordinating with other departments, preparing final permits to be signed by the Minister), inspection (checking compliance), as well as enforcement (issuing fines and preparing cases for prosecution by the Attorney General). A Technical Committee evaluates the applications and advises the Minister of Agriculture Natural Resources and Environment regarding a permit.

#### ***Good practice***

- Nearly all tertiary treated water in Cyprus is re-used, especially for recharging groundwater, which is a very efficient process in a country where water resources can be under pressure.
- The definition of pollution used under WSPC law is particularly clear and provides a useful baseline: “the direct or indirect introduction to waters and soil, as a result of human activity, of substances, noise, vibration or heat, which may be harmful to human health or environment, the quality of aquatic or terrestrial ecosystems, that results in damage to material property, or impair or interfere with amenities and the other legitimate uses of the water”.



- There is a clearly established procedure in place in Cyprus for the determination and issuing of waste discharge permits.
- DoE staff carry out a site visit before determining any waste discharge permit application, which is very useful to determine how site-specific conditions needed to be worded.
- DoE staff recognise that the threat/option of enforcement action can in itself act as a deterrent, regardless of whether enforcement action is actually taken.
- Standard rules are available for inclusion in some agricultural permits, which is a good basis for developing standard rules and conditions more widely.
- Operators must sign in person for a waste discharge permit, which effectively establishes a contract between the operator and the Regulator rather than the operator simply considering a permit to be providing permission to undertake an activity.

#### *Opportunities for development*

- There is potential to reduce the number of steps in the wastewater discharge permit application and determination process, to improve efficiency and to review the existing hierarchical approach. Example: by removing the requirement to submit the permit to the Director at the beginning of the process or require Ministerial sign-off, by deleting the committee stage in the process, and by undertaking public engagement before the permit is drafted rather than once it has been drafted.
- Permit application charges are low in comparison with those of equivalent EU regulators; there is scope to increase application charges progressively, but proportionate to the activity, and to consider linking the fee charged for permit renewal with the compliance performance of the operator, which would incentivise and encourage compliant behaviours.
- DoE staff have developed considerable individual experience and expertise, but specialism could potentially become a constraint on the process, so it would be beneficial to develop the capability to prioritise workload between regimes, and therefore between members of staff, rather than solely within the workload of individual team members, in order to build resilience into the process. It might also be helpful to consider the potential for team-working on the permitting process in order to further build competence and enhance resilience.





- Processing inaccurate or incomplete applications can take up a lot of staff time, and there are no penalties for an operator submitting an incomplete application. Application forms are often submitted immediately before deadlines, which allows little flexibility in processing. It could save considerable effort if DoE staff rejected and returned incomplete or inaccurate applications to the operator for review and re-submission, and operators would need to be made aware that such applications will be returned, and the implications this might have for processing the permit. It needs to be made clear to the operator when an application is considered to have been duly made, and information regarding this should be included in the permit regarding the timescale for renewal. It may also be possible to incentivise operators to get applications right first time, for example by charging for returned applications.
- It would be helpful to extend the term of waste discharge permits to reduce the demands on DoE staff in processing renewals.
- While some standard permit conditions for agriculture exist, there is not a complete set of standard conditions available, and it would be helpful to complete the set.

### 3.5. Waste management permitting

The DoE must ensure that:

- The waste producer or other waste holder has the responsibility for arranging waste management.
- There is traceability from production to final destination and control of hazardous waste.

The DoE, aim through inspection, to assure that the waste producers:

- Keep records about the quantity, nature and origin of the waste and, where possible, the destination, frequency of collection, mode of transport, and treatment method.
- Send the above information to the competent authority.
- Grant the authority written proof of the execution of the hazardous waste management operations.

#### **IRI initial findings:**

##### ***Good practice***

- The use of legal Decrees, which do not need to be considered by the Parliament to amend, is beneficial as it increases flexibility in adapting the regulatory framework when necessary.
- The fact that waste collectors/carriers do not need to obtain a detailed permit but can operate under a certificate of registration is a good example of a more proportionate approach to



permitting, alongside the fact that certificates of registration no longer require to be signed off by the Minister, but can be signed off at Director level.

- Certificates of registration for waste collectors/carriers are renewed electronically rather than in hard copy, which is a good example of a digital approach to permitting.
- Campaigns to encourage and assess compliance with waste regulations are an example of good practice, particularly where these are conducted jointly with other enforcement agencies, such as Customs.
- Requiring waste managers to present to the Regulator before a permit is granted is helpful in ensuring that operators understand their responsibilities and assessing the capability of operators to comply with permit conditions.
- The requirement for tracking of all wastes, not just hazardous wastes, is helpful in assessing risk and providing compliance assurance, or identifying non-compliance.
- An application for registration by waste carriers includes agreement from the company that will eventually take the waste, which provides secondary assurance that waste is being handled in accordance with regulations.

#### *Development opportunities*

- It is possible that waste carriers are potentially being over-charged for permits, while producers and disposers are being under-charged, given their respective risks. It would therefore be helpful to look at the balance of charges for waste permits in order to ensure that charges reflect environmental risk and responsibilities. This would both result in more proportionate charging, and send clear messages about where environmental responsibility lies.
- All certificates of registration are renewable on the same date annually, which creates a significant pressure on human resources. It would be beneficial to consider an annual renewal date from the date of registration, which would help spread the burden of workload associated with the renewal process.
- Lowering the permit sign-off requirement from Minister to Director level is a more proportionate approach, but there is scope to consider further reducing the level for signing off permits, to below Director level.



- Staff would benefit from a better understanding of Best Available Technique (BAT), and what good practice looks like in the context of modern waste management permitting. IMPEL could help with developing this understanding through sharing best practice, but there is also potential for Cyprus to take an active role in the process and helping lead IMPEL work in this area.
- Introducing a requirement for Certificates of Technical Competence for waste facility operators would help provide assurance of operator compliance capability.
- Although waste movements are tracked, there is an opportunity to improve the collection of data on waste arisings, so the Regulator is aware of how much waste is being produced and managed.
- It would be helpful to extend the term of waste management permits to a minimum of eight or ten years to reduce pressure on limited DoE human resources.
- There is potential to streamline the waste management permit process with the EIA process for new facilities, reducing the burden both on operators and the Regulator.

### 3.6. Extractive waste law

DoE is the competent authority for the regulation of extractive wastes. No operator can operate without submitting an Extractive Waste Management Plan for approval. No significant problems have arisen since the entry into force of the Extractive Waste Directive.

#### **Initial IRI findings:**

##### ***Good practice***

- The DoE has good geological expertise available in its staff to assess and determine extractive waste permitting.

##### ***Development opportunities***

- There is potential to improve staff awareness of modern waste management regulation, for example through sharing Waste Advice Notes produced in Scotland.
- There are examples of other regulators incorporating extractive waste conditions into IED permits, and the DoE might be able to replicate best practice in its own IED permits.



### 3.7. SEVESO

The DLI conducts a safety report assessment for SEVESO, at a cost of €3000. Lower tier site arrangements require a worst-case scenario to be developed, which is beyond the requirements of the Directive. One inspection per year is conducted for upper tier sites and at least every three years for lower tier sites. Inspections take half a day on average. Seveso inspections are usually announced, as a specific agenda is set out and inspectors need to access a lot of paperwork, so the right operator personnel need to be available (the assumption being that it would not be possible to pull together appropriate paperwork within the short period of notice provided). The same approach is adopted for IED inspections. Occupational safety inspections are usually unannounced, unless inspectors need to meet a specific person. No major issues have been identified to date, and there have been no major accidents to date.

#### **Initial IRI findings:**

##### ***Good practice***

- There is a robust approach to implementing SEVESO requirements in Cyprus.
- A specialist team is in place to implement SEVESO requirements in Cyprus.
- A useful template exists, through which to facilitate the communication of findings to the operator by the Regulator.
- There is good engagement between the DLI and DoE, and good exchange of information between the two.
- Regulators use a jointly agreed approach for risk analysis assessment.
- SEVESO inspections in Cyprus exceed the minimum requirements of the Directive.
- The Regulator is involved in both the Strategic Environmental Assessment (SEA) and strategic spatial planning processes before developments are approved.
- Buffer zones around SEVESO installations are incorporated into development plans, and published.

##### ***Development opportunities***

- SEVESO installations, because of their scale and nature, represent potential ‘transboundary’ risks. Awareness of these risks by the Cypriot Authorities is incomplete, so there is scope to develop a more comprehensive awareness and understanding of ‘transboundary’ risks.
- There are several authorities and services involved in the management of risk from SEVESO installations and there is potential to increase co-operation between them, for example with the



Fire Service, and to develop integrated team inspections of these sites, to avoid a silo approach to managing these higher-risk sites.

- There is a reliance on private sector expertise, which is a potential risk. This risk should be assessed, and consideration given to developing in-house expertise which would help build resilience in the Regulator.
- The regulation of SEVESO installations relies on limited, specialist staff resources, and this approach represents a risk of a Single Point of Failure should one of these specialists be unavailable. The Regulator should therefore consider the potential to improve resilience in the system by enhancing capacity and capability in its staff.
- Only static atmospheric pollution monitoring is available in Cyprus. The Regulator should consider the potential for mobile environmental monitoring, which can be deployed at the most appropriate location in the event of a major air pollution incident.

### 3.8. Air emissions permitting (DLI)

The Ministry of Labour, Welfare and Social Insurance (DLI) is the Competent Authority for air emission permitting. Local authorities play a limited role. For IED there are two Competent Authorities. The DLI coordinates submission of applications and submission to the Technical Committees for the Protection of the Atmosphere and the Environment. The Technical Committee for the Protection of the Atmosphere examines applications for Air Emissions Permits and the Technical Committee for the Protection of the Environment examines IED applications. The DLI coordinates both Committees.

Future plans include preparing standard rules for most industries (terminals, petrol stations, wood treatment and Medium Combustion Plant), and excluding boilers of < 1 MWth by 2020 since these will be regulated by the Directive on eco design requirements for energy-related products.

#### **Initial IRI findings:**

##### ***Good practices***

- The commitment by the Regulator to developing standard rules permits is a positive step towards a more proportionate and efficient approach to permitting.
- The lowering of the sign-off requirement for air emission permits from Minister to Director level is a positive step towards a more proportionate approach to permitting.



- The Regulator maintains an electronic database of air emission permits, even though there are separate hard copy forms.
- Information on air emission permits and operators is made available online, which enhances transparency, accountability and public access.
- The Regulator makes use of a national accredited laboratory for analysing samples of air for air quality measurements, which provides a degree of quality assurance of the process.
- There is an effective website which makes air quality information available to the public, which enables real time assessment of pollution and health risks.

### ***Development opportunities***

- The basis for developing air quality standards could be made more robust, which would clarify the regulatory process both for the Regulator and operators, and enhance public confidence.
- There is further potential to improve the efficiency of the air emission permit application process by reviewing the requirement to submit applications to committee.
- Extending the term of air emission permits to eight or ten years would both improve the efficiency of the process and reduce demands on the Regulator and committee.
- There is considerable demand on limited staff resources, which a rigorous work prioritisation process would help reduce.
- While the air quality web site is a positive attribute, there is potential to further enhance its value by connecting it more widely to other air quality and environmental sites and to wider supporting information.
- The Regulator should consider the potential to introduce subsistence charging for its ongoing inspection work, rather than charging only for permit applications, as it might help provide additional inspection resource and therefore compliance assurance.

### **3.9. Air emissions trading**

The provisions of Emissions Trading Scheme law apply to greenhouse gas emissions permits, the allocation of allowances, and the issue of allowances for all the activities included in Annex II, for example energy activities, production and processing of ferrous metals, and the mineral industry.



An operator should hold a greenhouse gas emissions permit for each installation that undertakes any activity listed in Annex II, which may include one or more installations at the same location under the same operator. The permit is examined for renewal every five years. Operators must also prepare a Monitoring Plan and submit an Annual Emissions Report by 31 March of each year. The annual emission report must be verified, and the verifier must issue a verification report to the operator. The operator also has an obligation annually to surrender allowances equal to the total verified emissions.

#### **Initial IRI findings:**

##### ***Good practice***

- The Regulator cross-references Emissions Trading Scheme returns with IED and PRTR returns as a matter of course. This provides an additional check on data accuracy, and the results have identified no significant issues.
- ETS and IED applications are considered together at committee, which is a more efficient use of committee time, helps avoid overlaps or conflicts, and enhances integration between regulatory systems.
- Operator ETS emission reports are routinely verified, which enhances compliance assurance and public confidence.

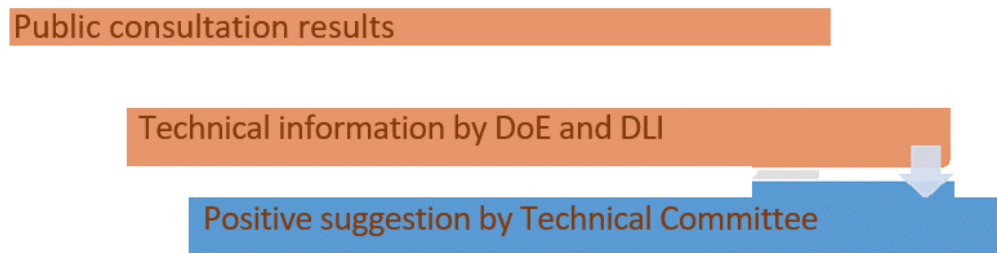
##### ***Development opportunities***

- Fugitive emissions from operations can be significant, but are not included in ETS data returns in Cyprus. It is recommended that the Regulators do not assume that there are no fugitive emissions from operations, and should inspect the activity to assess whether potential fugitive sources exist and, if so, ensure they are included in data returns.



### 3.10. Industrial Emissions Directive (IED) permitting

The transposition and implementation of the IED is the responsibility of the DoE and the DLI, and the process is as follows:



#### **Initial IRI findings:**

##### ***Good practice***

- There is a good overall approach to the implementation of IED requirements in Cyprus.
- The IED process enables considerable public engagement and input to decision-making.
- The IED process takes account of an operator's compliance record when considering issuing or renewing permits, which should enhance compliance assurance and public confidence.
- Operators must submit a written commitment to compliance when receiving a permit, which has the potential to enhance compliance assurance and may be used as supporting evidence in the event of enforcement action being required.
- The requirement for bank guarantees to be provided by operators seeking an IED permit is beneficial in the event of non-compliance causing environmental damage or abandonment of an IED site.
- The Regulator requires operators of IED sites to demonstrate basic competence in the operation of the site, which should enhance compliance assurance.

##### ***Development opportunities***

- The bank guarantees required from operators of IED sites may not be sufficient to fully cover the risks of environmental damage and site abandonment involved.





- It is proposed that if the Regulator developed an overarching framework (wider than just IED) for environmental risk assessment it would improve consistency and effectiveness.
- There is potential to enhance the expertise available within the Regulator to assess the potential impacts of aerial deposition on soil and groundwater quality, and of air emissions from waste, alongside the Regulator's capability in the application of environmental standards in permits.
- Extending the term of IED permits to eight or ten years would help reduce demands both on limited Regulator resources and on operators.
- Although there is extensive public consultation included in the IED permit process, the results of public consultations are not published. Making consultation responses available online would further enhance public engagement and confidence, and Regulator transparency and accountability.
- The requirement for sign-off of IED permits by two Ministers is inefficient, and consideration should be given to reducing this requirement to a more proportionate level. The sign-off level for some environmental permits in Cyprus has been reduced from Ministerial to Director level, and it could improve efficiency and proportionality if this approach was also taken for IED permits.
- Developing more of a team approach to IED permitting from both the DoE and DLI could help speed up some parts of the process.
- Some of the steps in the IED permitting process in Cyprus could be simplified, which would be of benefit both to the Regulators and to operators, for example streamlining the requirements for committee consideration of applications.
- There is scope to consolidate responsibility and competence for IED permitting within a single Ministry, rather than across the current two Ministries, which could enhance both efficiency and effectiveness. Similarly, there is potential to streamline the process.
- Participation in IMPEL projects and workshops related to BAT and new technologies could help the IED permitting process, and engagement with operators, by ensuring the Regulator is as up-to-date as possible in relation to new technologies and processes.
- There is scope to streamline and better integrate the IED permitting process with the EIA process for new facilities.



- Many IED sites are not yet in receipt of initial permits, despite renewal of existing permits for some IED already being due. This is creating unacceptable and unnecessary pressure on limited regulator resources, so a prioritisation of effort and simplification of processes should be considered to help alleviate these pressures.
- With two competent authorities there is potential for overlap, confusion or gaps in regulation. One such example being air emissions from industry regulated by one Ministry and Waste regulated from another. It appears that air emissions from waste are not regulated; for example there are no permit conditions for ammonia emissions from agriculture. Permits should cover any air emission, and not be dependent on the source.

### 3.11. Single integrated permitting – a Portuguese case study

Through a presentation and live video link with Portugal, an outline was provided of recent developments in single integrated environmental permitting. A new law was passed in 2015 which provided operators with the option of using a new, integrated permitting system. As an incentive, a 25% discount on the total of separate application fees was applied. Operators may opt for single permits, but using the same system.

The system is entirely electronic, with no paper elements. The online system took some 2.5 years to develop and cost approximately €500,000 to deliver through external providers, but the functionality of the platform is still being developed, including providing access to the platform by inspectors and developing a library of standard permit conditions. Of some 2000 processes, around 400 have opted for single permits, which currently take around 100 days each to process. A similar system is under development in Ireland and Finland.

The DoE welcomed the presentation on the Portuguese system and expressed their interest in delivering such a system in Cyprus in the future.

### 3.12. General discussions

Initial IRI findings:

#### ***Good practice***

- The environmental regulators in Cyprus benefit from having dedicated, well-qualified staff, with relevant degrees and qualifications.
- Operators in Cyprus are sensing a new culture in relation to environmental compliance and enforcement, and as a result are either withdrawing from activities or improving their performance.



## ***Development opportunities***

### **Training and development**

- Although staff at DoE and DLI are generally well qualified, there would be benefit in undertaking further staff development and training to enhance competencies and ensure staff are up to date with current approaches, technologies and techniques. It would be beneficial to consider establishing a competency framework for staff, against which individual and team needs and abilities can be assessed and addressed.
- There is a great deal of expertise and experience in individual staff, but there is a risk this could be lost to the Cypriot Authorities if those staff became temporarily or permanently unavailable. It would therefore be beneficial to explore ways of enhancing knowledge exchange and improving resilience and institutional memory to ensure business continuity in the event of changes to staff availability.
- When proposing training and development programmes, it would be beneficial to carry out training impact assessment to ensure the training meets an identified objective and that it has been effective in achieving that objective.

### **Systems**

- Real-time information can be very valuable to regulators, so it would be worthwhile considering the development of key performance indicators and a dashboard so that the regulatory staff can readily track the status of permits, inspections and enforcement action. There is potential for such a dashboard to also be the basis for an externally facing web site through which operators and the public can track the status of permits.

### **Strategic planning**

- The DoE's aspirations for change are ambitious and extensive, so developing a strategic road map and implementation plan for the proposed changes would help focus effort on effectively delivering the practical organisational, administrative and financial requirements involved.

### **Inspection**



- Using short-term contractors for inspections requires considerable effort in recruitment and training and does not build long term capacity or capability in the regulator, which does not make best use of resources and is a risk to effective delivery. Contractors also present a potential corruption risk since these staff are relatively low-paid and in positions of some influence and authority. Consider the balance of employing full-time inspectors versus part-time contractors.
- There might be potential for developing volunteer inspectors, along the lines of volunteer Special Constables in UK Police forces, to provide eyes and ears on the ground for the Regulator.
- Given the tendency for serious criminal involvement in waste management activities, it is suggested that the Cypriot Authorities should ensure their anti-bribery and corruption arrangements are robust.
- A more proportionate approach to permitting (e.g. moving permits down the permissioning hierarchy) would help direct resources where they are most effective, and similarly it would also be beneficial to consider a risk-based approach to inspections to free up resources to focus on high priority sites.
- It is important that inspectors are familiar with current approaches, techniques and opportunities, it is therefore recommended that a training, development and assessment programme be established for environmental inspectors to provide assurance of competencies and effectiveness.
- There are specialist air emission inspectors in the DLI, but if responsibility for air emission regulation is to pass the DoE there is a need to increase DoE capacity and capability to carry out air emission inspections.

### **Environmental Complaints and incident response**

- Complaints are a reputational and environmental risk and should therefore not be dealt with by contractors, they should be dealt with by permanent staff, preferably through an on-line complaint form so an out-of-hours service can be delivered.
- The air quality complaints process can take several days, and does not address the issue of nuisance from regulated sites. No record of non-registrable sites exists, even though most complaints arise from these sites. There is therefore scope to review the air complaints process to ensure it is fit for purpose.

### **Enforcement**



- It is recommended that the DoE consider the potential benefits of introducing new and more effective enforcement tools such as minimum fines, suspending fines pending remediation action, introducing daily cumulative fines, and making use of body cameras by inspectors etc.
- Criminal activity is becoming more prevalent in environmental regulation, so there may be benefits in establishing a specialist enforcement team to investigate more non-compliance that is serious and criminal activity, potentially making use of staff from other areas of Government, or Europol. Example: teams focussed on this area have been set-up in England and Scotland.
- Environmental enforcement can be more effective when it is effectively integrated with the Police, court, and other law enforcement bodies to resolve serious issues in a co-operative and co-ordinated approach. There are therefore potential benefits in building and strengthening relationships throughout the enforcement chain to develop collective and mutually-supportive actions.
- Enforcement action can be a powerful deterrent and encourage compliance, so there is value in building on this potential through engagement campaigns and publishing information on compliance, enforcement action and successful prosecutions communications. It would also be beneficial to make full use of the opportunity to explain potential enforcement action when operators attend in person to sign for receipt of their permits.

### **General**

- Waste arisings in Cyprus appear to be higher than most other European countries, so there is scope to improve waste prevention and reduce waste arisings, by developing a strategy and action plan to raise awareness and promote positive behaviours and actions.
- It is important that operators are aware that the regulator is assessing and acting on available information, so the DoE should consider sampling of operator returns to identify trends and send a clear message that the Regulator is assessing, and acting on, the data operators are submitting.



## Summary conclusions

The IRI team appreciated the opportunity to explore environmental regulation arrangements in Cyprus, and the comprehensive and open approach afforded by the DoE and DLI teams. Some risks and issues have been identified, along with a range of opportunities to address them.

The willingness, determination, and ability to address these risks and issues is very evident, and a clear strategic plan and road map will help focus effort on quick wins and longer-term objectives, both by the DoE and DLI teams and making use of the support available through IMPEL. There is real potential for Cyprus to demonstrate leadership in Europe in developing good practice in many aspects of environmental regulation.

## A vote of thanks

As Team Leader for this IRI, I would like to extend my thanks personally, and on behalf of the IRI Team, for the warmth and hospitality afforded by the staff of the DoE, which helped to make the IRI both a rewarding and enjoyable process.

**Simon Bingham**  
**IMPEL IRI Cyprus Team Leader**  
**20 November 2017**



## Annex 1

### Opportunities for development - management assessment list

Number	Opportunity for development	Y/N
1	Although staff recognise the shortcomings of existing processes, they would benefit from being more creative and assertive in how to resolve them in order that real change can be achieved quickly, and the direction of travel clearly established.	
2	The DoE's aspirations for change are ambitious and extensive, so developing a strategic road map and implementation plan for the proposed changes would help focus effort on effectively delivering the practical organisational, administrative and financial requirements involved.	
3	A study in 2001 recommended the establishment of an environmental inspectorate in Cyprus, but this has not yet been implemented, so the pace of implementation of positive change could be improved to create the energy, momentum and engagement needed to deliver on the Department's plans.	
4	The Government has agreed to the transfer of responsibility for air permitting from DLI to DoE, but no decision has been taken on either capacity or capability in DoE to undertake this work, so there is a pressing need to find a way to get air permitting integrated effectively into the DoE.	
5	Building the environmental competencies of staff in small local authorities is valuable but needs significant effort and resource, so exploring opportunities to streamline the process and make it more efficient while maintaining its effectiveness would be worthwhile.	
6	Building on the existing coalitions of local authority could further enhance their environmental competencies, potentially to the extent that some responsibilities for environmental protection could be transferred from DoE to local authorities.	
7	Permitting and Inspection in the same section. The co-location of related functions and responsibilities creates a natural tension between the relative benefits and risks of proximity and independence, so DoE should be aware of this potential given the range of its responsibilities, and manage it to maximise the benefits of co-location while minimising the risks.	



Number	Opportunity for development	Y/N
8	Consider how to strengthen the compliance chain. The compliance chain can be used to best effect when all partners adopt a co-ordinated and integrated approach, so there is scope to improve connectivity across the compliance and enforcement chain in Cyprus to make the most of opportunities for joint enforcement campaigns and a cohesive and integrated approach, particularly between the DoE, the Police and the courts.	
9	The practice of two independent inspections for IED permits (by DoE and DLI) is both burdensome for operators and risks inconsistency between the two Regulators, so exploring the potential for joint inspections, or bringing responsibility for IED inspection into one Regulator, would be beneficial.	
10	Prescribing the actions of operators through detail in permits constrains the scope of operators to explore innovative approaches and solutions. There is potential to focus permits on desired outcomes and provide operators with scope to deliver these outcomes through innovation.	
11	There are examples of case studies available (eg. Finland) on outcome-focused permit minimum standards, which may be transferable into the Cypriot permitting system and avoid the DoE needing to design standard conditions from scratch.	
12	The term of IED permits is only four or five years, which creates resource pressure on the Regulator when these permits require renewal, and limited regulatory resource availability risks some sites not being permitted, or operating illegally, while the focus of permittees may be on urgent but lower-risk activities. There is therefore an opportunity to better balance urgency and importance in permitting, better understand risk, and better focus available resource. It might be helpful to consider extending the term of permits to ten+ years, which would also help take into account the standard investment cycle of businesses. It would, however, be essential for both operators and the Regulator to retain the option of amending a permit at any time during this extended term to take account of any new developments or requirements.	
13	Consider removing the requirement to advertise permit applications in newspapers and the official gazette (which is both a cost and not necessarily effective), in favour of publishing permit applications online, which would both reduce costs and enable a system of direct alerts to be set up for interested parties and facilitate third party input to the decision-making process.	





Number	Opportunity for development	Y/N
14	It would be good practice to publish environmental permits and operator compliance online, so that permit conditions and compliance with them are readily available to the public and interested parties.	
15	There is potential to enhance the effective contractual commitment established by the requirement for operators to sign in person for their permits by building the operator's written commitment to compliance with permit conditions into the wider enforcement framework, strengthening the position of the Regulator in the event of noncompliance. This signed statement could be used for instance in cases to the procurator.	
16	There is an opportunity to reduce duplication by not issuing separate waste permits for IED sites, but integrating waste management conditions into the IED permit, and to enhance efficiency by fast-tracking waste IED permits between the different Ministries involved. Better still would be to bring the competency for IED under one roof.	
17	It is important to ensure that required construction conditions are fully implemented before granting an environmental licence, and consideration should be given to how this assurance can best be achieved.	
18	There is potential to streamline and speed up the processes by which developers obtain planning permission and environmental permission, whether these are carried out in series or in parallel, in order to make the most efficient and effective use of the expertise and limited resources of the DoE.	
19	The inclusion of health expertise on the Environment Committee is valuable, given the close relationship between health and environmental impacts, and this health expertise should be retained under whatever future environment committee arrangements or consultation phase are put in place.	
20	It is important to ensure that required construction conditions are fully implemented before granting an environmental licence, and consideration should be given to how this assurance can best be achieved.	
21	There is potential to streamline and speed up the processes by which developers obtain planning permission and environmental permission, whether these are carried out in series or in parallel, in order to make the most efficient and effective use of the expertise and limited resources of the DoE.	



Number	Opportunity for development	Y/N
22	The inclusion of health expertise on the Environment Committee is valuable, given the close relationship between health and environmental impacts, and this health expertise should be retained under whatever future environment committee arrangements or consultation phase are put in place.	
23	There is potential to reduce the number of steps in the wastewater discharge permit application and determination process, to improve efficiency and to review the existing hierarchical approach. Example: by removing the requirement to submit the permit to the Director at the beginning of the process or require Ministerial sign-off, by deleting the committee stage in the process, and by undertaking public engagement before the permit is drafted rather than once it has been drafted.	
24	Permit application charges are low in comparison with those of equivalent EU regulators; there is scope to increase application charges progressively, but proportionate to the activity, and to consider linking the fee charged for permit renewal with the compliance performance of the operator, which would incentivise and encourage compliant behaviours.	
25	DoE staff have developed considerable individual experience and expertise, but specialism could potentially become a constraint on the process, so it would be beneficial to develop the capability to prioritise workload between regimes, and therefore between members of staff, rather than solely within the workload of individual team members, in order to build resilience into the process. It might also be helpful to consider the potential for team-working on the permitting process in order to further build competence and enhance resilience.	
26	Processing inaccurate or incomplete applications can take up a lot of staff time, and there are no penalties for an operator submitting an incomplete application. Application forms are often submitted immediately before deadlines, which allows little flexibility in processing. It could save considerable effort if DoE staff rejected and returned incomplete or inaccurate applications to the operator for review and resubmission, and operators would need to be made aware that such applications will be returned, and the implications this might have for processing the permit. It needs to be made clear to the operator when an application is considered to have been duly made, and information regarding this should be included in the permit regarding the timescale for renewal. It may also be possible to incentivise operators to get applications right first time, for example by charging for returned applications.	
27	It would be helpful to extend the term of waste discharge permits to reduce the demands on DoE staff in processing renewals.	



Number	Opportunity for development	Y/N
28	While some standard permit conditions for agriculture exist, there is not a complete set of standard conditions available, and it would be helpful to complete the set.	
29	It is possible that waste carriers are potentially being over-charged for permits, while producers and disposers are being under-charged, given their respective risks. It would therefore be helpful to look at the balance of charges for waste permits in order to ensure that charges reflect environmental risk and responsibilities. This would both result in more proportionate charging, and send clear messages about where environmental responsibility lies.	
30	All certificates of registration are renewable on the same date annually, which creates a significant pressure on human resources. It would be beneficial to consider an annual renewal date from the date of registration, which would help spread the burden of workload associated with the renewal process.	
31	Lowering the permit sign-off requirement from Minister to Director level is a more proportionate approach, but there is scope to consider further reducing the level for signing off permits, to below Director level.	
32	Staff would benefit from a better understanding of Best Available Technique (BAT), and what good practice looks like in the context of modern waste management permitting. IMPEL could help with developing this understanding through sharing best practice, but there is also potential for Cyprus to take an active role in the process and helping lead IMPEL work in this area.	
33	Introducing a requirement for Certificates of Technical Competence for waste facility operators would help provide assurance of operator compliance capability.	
34	Although waste movements are tracked, there is an opportunity to improve the collection of data on waste arisings, so the Regulator is aware of how much waste is being produced and managed.	
35	It would be helpful to extend the term of waste management permits to a minimum of eight or ten years to reduce pressure on limited DoE human resources.	
36	There is potential to streamline the waste management permit process with the EIA process for new facilities, reducing the burden both on operators and the Regulator.	
37	There is potential to improve staff awareness of modern waste management regulation, for example through sharing Waste Advice Notes produced in Scotland.	



Number	Opportunity for development	Y/N
38	There are examples of other regulators incorporating extractive waste conditions into IED permits, and the DoE might be able to replicate best practice in its own IED permits.	
39	SEVESO installations, because of their scale and nature, represent potential 'transboundary' risks. Awareness of these risks by the Cypriot Authorities is incomplete, so there is scope to develop a more comprehensive awareness and understanding of 'transboundary' risks.	
40	There are several authorities and services involved in the management of risk from SEVESO installations and there is potential to increase cooperation between them, for example with the Fire Service, and to develop integrated team inspections of these sites, to avoid a silo approach to managing these higher-risk sites.	
41	There is a reliance on private sector expertise, which is a potential risk. This risk should be assessed, and consideration given to developing in-house expertise which would help build resilience in the Regulator.	
42	The regulation of SEVESO installations relies on limited, specialist staff resources, and this approach represents a risk of a Single Point of Failure should one of these specialist be unavailable. The Regulator should therefore consider the potential to improve resilience in the system by enhancing capacity and capability in its staff.	
43	Only static atmospheric pollution monitoring is available in Cyprus. The Regulator should consider the potential for mobile environmental monitoring, which can be deployed at the most appropriate location in the event of a major air pollution incident.	
44	The basis for developing air quality standards could be made more robust, which would clarify the regulatory process both for the Regulator and operators, and enhance public confidence.	
45	There is further potential to improve the efficiency of the air emission permit application process by reviewing the requirement to submit applications to committee.	
46	Extending the term of air emission permits to eight or ten years would both improve the efficiency of the process and reduce demands on the Regulator and committee.	
47	There is considerable demand on limited staff resources, which a rigorous work prioritisation process would help reduce.	
48	While the air quality web site is a positive attribute, there is potential to further enhance its value by connecting it more widely to other air quality and environmental sites and to wider supporting information.	



Number	Opportunity for development	Y/N
49	The Regulator should consider the potential to introduce subsistence charging for its ongoing inspection work, rather than charging only for permit applications, as it might help provide additional inspection resource and therefore compliance assurance.	
50	Fugitive emissions from operations can be significant, but are not included in ETS data returns in Cyprus. It is recommended that the Regulators do not assume that there are no fugitive emissions from operations, and should inspect the activity to assess whether potential fugitive sources exist and, if so, ensure they are included in data returns.	
51	The bank guarantees required from operators of IED sites may not be sufficient to fully cover the risks of environmental damage and site abandonment involved.	
52	It is proposed that if the Regulator developed an overarching framework (wider than just IED) for environmental risk assessment it would improve consistency and effectiveness.	
53	There is potential to enhance the expertise available within the Regulator to assess the potential impacts of aerial deposition on soil and groundwater quality, and of air emissions from waste, alongside the Regulator's capability in the application of environmental standards in permits.	
54	Extending the term of IED permits to eight or ten years would help reduce demands both on limited Regulator resources and on operators.	
55	Although there is extensive public consultation included in the IED permit process, the results of public consultations are not published. Making consultation responses available online would further enhance public engagement and confidence, and Regulator transparency and accountability.	
56	The requirement for sign-off of IED permits by two Ministers is inefficient, and consideration should be given to reducing this requirement to a more proportionate level. The sign-off level for some environmental permits in Cyprus has been reduced from Ministerial to Director level, and it could improve efficiency and proportionality if this approach was also taken for IED permits.	
57	Developing more of a team approach to IED permitting from both the DoE and DLI could help speed up some parts of the process.	
58	Some of the steps in the IED permitting process in Cyprus could be simplified, which would be of benefit both to the Regulators and to operators, for example streamlining the requirements for committee consideration of applications.	



Number	Opportunity for development	Y/N
59	There is scope to consolidate responsibility and competence for IED permitting within a single Ministry, rather than across the current two Ministries, which could enhance both efficiency and effectiveness. Similarly, there is potential to streamline the process.	
60	Participation in IMPEL projects and workshops related to BAT and new technologies could help the IED permitting process, and engagement with operators, by ensuring the Regulator is as up-to-date as possible in relation to new technologies and processes.	
61	There is scope to streamline and better integrate the IED permitting process with the EIA process for new facilities.	
62	Many IED sites are not yet in receipt of initial permits, despite renewal of existing permits for some IED already being due. This is creating unacceptable and unnecessary pressure on limited regulator resources, so a prioritisation of effort and simplification of processes should be considered to help alleviate these pressures.	
63	With two competent authorities there is potential for overlap, confusion or gaps in regulation. One such example being air emissions from industry regulated by one Ministry and Waste regulated from another. It appears that air emissions from waste are not regulated; for example there are no permit conditions for ammonia emissions from agriculture. Permits should cover any air emission, and not be dependent on the source.	
64	Although staff at DoE and DLI are generally well qualified, there would be benefit in undertaking further staff development and training to enhance competencies and ensure staff are up to date with current approaches, technologies and techniques. It would be beneficial to consider establishing a competency framework for staff, against which individual and team needs and abilities can be assessed and addressed.	
65	There is a great deal of expertise and experience in individual staff, but there is a risk this could be lost to the Cypriot Authorities if those staff became temporarily or permanently unavailable. It would therefore be beneficial to explore ways of enhancing knowledge exchange and improving resilience and institutional memory to ensure business continuity in the event of changes to staff availability.	
66	When proposing training and development programmes, it would be beneficial to carry out training impact assessment to ensure the training meets an identified objective and that it has been effective in achieving that objective.	



Number	Opportunity for development	Y/N
67	Real-time information can be very valuable to regulators, so it would be worthwhile considering the development of key performance indicators and a dashboard so that the regulatory staff can readily track the status of permits, inspections and enforcement action. There is potential for such a dashboard to also be the basis for an externally facing web site through which operators and the public can track the status of permits.	
68	The DoE's aspirations for change are ambitious and extensive, so developing a strategic road map and implementation plan for the proposed changes would help focus effort on effectively delivering the practical organisational, administrative and financial requirements involved.	
69	Using short-term contractors for inspections requires considerable effort in recruitment and training and does not build long term capacity or capability in the regulator, which does not make best use of resources and is a risk to effective delivery. Contractors also present a potential corruption risk since these staff are relatively low-paid and in positions of some influence and authority. Consider the balance of employing full-time inspectors versus part-time contractors.	
70	There might be potential for developing volunteer inspectors, along the lines of volunteer Special Constables in UK Police forces, to provide eyes and ears on the ground for the Regulator.	
71	Given the tendency for serious criminal involvement in waste management activities, it is suggested that the Cypriot Authorities should ensure their anti-bribery and corruption arrangements are robust.	
72	A more proportionate approach to permitting (i.e. moving permits down the permissioning hierarchy) would help direct resources where they are most effective, and similarly it would also be beneficial to consider a risk-based approach to inspections to free up resources to focus on high priority sites.	
73	It is important that inspectors are familiar with current approaches, techniques and opportunities, it is therefore recommended that a training, development and assessment programme be established for environmental inspectors to provide assurance of competencies and effectiveness.	
74	There are specialist air emission inspectors in the DLI, but if responsibility for air emission regulation is to pass the DoE there is a need to increase DoE capacity and capability to carry out air emission inspections.	



Number	Opportunity for development	Y/N
75	Complaints are a reputational and environmental risk and should therefore not be dealt with by contractors, they should be dealt with by permanent staff, preferably through an on-line complaint form so an out-of-hours service can be delivered.	
76	The air quality complaints process can take several days, and does not address the issue of nuisance from regulated sites. No record of non-registrable sites exists, even though most complaints arise from these sites. There is therefore scope to review the air complaints process to ensure it is fit for purpose.	
77	It is recommended that the DoE consider the potential benefits of introducing new and more effective enforcement tools such as minimum fines, suspending fines pending remediation action, introducing daily cumulative fines, and making use of body cameras by inspectors, etc.	
78	Criminal activity is becoming more prevalent in environmental regulation, so there may be benefits in establishing a specialist enforcement team to investigate more non-compliance that is serious and criminal activity, potentially making use of staff from other areas of Government, or Europol. Example: teams focused on this area have been set-up in England and Scotland.	
79	Environmental enforcement can be more effective when it is effectively integrated with the Police, court, and other law enforcement bodies to resolve serious issues in a co-operative and co-ordinated approach. There are therefore potential benefits in building and strengthening relationships throughout the enforcement chain to develop collective and mutually-supportive actions.	
80	Enforcement action can be a powerful deterrent and encourage compliance, so there is value in building on this potential through engagement campaigns and publishing information on compliance, enforcement action and successful prosecutions communications. It would also be beneficial to make full use of the opportunity to explain potential enforcement action when operators attend in person to sign for receipt of their permits.	
81	Waste arisings in Cyprus appear to be higher than most other European countries, so there is scope to improve waste prevention and reduce waste arisings, by developing a strategy and action plan to raise awareness and promote positive behaviours and actions.	





Number	Opportunity for development	Y/N
82	It is important that operators are aware that the regulator is assessing and acting on available information, so the DoE should consider sampling of operator returns to identify trends and send a clear message that the Regulator is assessing, and acting on, the data operators are submitting.	