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Digital Decade 2026 country report

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**COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN
PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL
COMMITTEE AND THE COMMITTEE OF THE REGIONS**

**State of the Digital Decade 2026: Closing structural gaps and mobilising investments for
2030 and beyond**

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DIGITAL DECADE COUNTRY REPORT 2026

Cyprus

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Executive summary

Cyprus possesses a strong foundation for its digital transition with its extensive gigabit connectivity coverage across the territory, performing well in all key connectivity indicators. A significant proportion of SMEs in Cyprus have reached at least a basic level of digital intensity, but few have achieved a higher level of digital intensity. In terms of AI uptake, Cypriot enterprises are lagging behind the EU average overall. At the same time, the share of ICT specialists in employment in the country is around the EU average, albeit with no signs of progress.

The slow adoption of AI by enterprises in Cyprus may limit their ability to fully harness the transformative potential of this technology across all economic sectors and enhance **competitiveness**. Additionally, while the share of the population with at least basic digital skills is improving, the current level remains a constraint, limiting access to digital opportunities, public services, and professional development. This skills gap could further hinder participation in the labour market and reduce the broader benefits of a digital economy and society. Online access to public services for people has improved, but it is still below the EU average.

Cyprus demonstrates **digital leadership** in strategic areas, for example, by participating in a major European project to strengthen digital sovereignty. Cyprus's Quantum Communication infrastructure (CYQCI) initiative is part of a pan-European project to develop a secure, scalable quantum network connecting the national quantum communication infrastructures of four EU countries. The project will provide ultra-secure communication channels reinforcing Europe's cybersecurity resilience. In terms of cross-border cybersecurity cooperation, Cyprus is also hosting one of the three EU Cyber Hubs established under the Cyber Solidarity Act. Through its federated and standards-based approach, the project contributes to the broader European vision of interconnected and resilient cross-border security operation centre (SOC) ecosystems. Furthermore, with its dynamic start-up ecosystem, Cyprus has implemented measures to attract and facilitate the relocation of start-ups, reinforcing its position as an emerging start-up ecosystem.

Cyprus in the Digital Decade

Cyprus shows a substantial level of ambition in its contribution to the Digital Decade having set 14 national targets (out of a possible 14), 86% of which are aligned with the EU 2030 targets. In its national roadmap, Cyprus provided 13 trajectory points for 2025 (out of 13 analysed). The country is following them well with 77% considered on track. Cyprus addressed 40% of the five recommendations issued by the Commission in 2025, either by implementing significant policy changes (20%) or making some changes (20%) through new measures. According to the national roadmap, 50% of the measures will come to an end by the end of 2026. The total public budget associated with these measures is EUR 117 million, representing 16% of the total public budget outlined in the roadmap.

According to the special Eurobarometer on 'the Digital Decade 2026', 89% of people in Cyprus consider that digital policy should have a very high/high priority for the EU in shaping Europe's future. They also think that, in the next 10 years, the EU should cooperate with Member States to: (i) reinforce cybersecurity and protection from online threats (93%); (ii) promote digital education and skills programmes (91%); and (iii) strengthen the regulation of online platforms (e.g. online social media networks, marketplaces, app stores, etc.) (88%). In addition, 76% of Cypriot respondents think that the EU should reduce its dependencies on digital services from third countries, and 85% that the EU should prioritise investments in digital infrastructure and services that are developed and controlled in

Europe. Meanwhile, 49% would be willing to switch to an EU-based digital service provider even if it meant slightly higher costs.

Funding for digital and multi-country projects

Cyprus is allocating 30% of its total recovery and resilience plan (RRP) to digital (EUR 0.3 billion). In addition, under cohesion policy, EUR 0.1 billion – representing 12% of the country’s total cohesion policy funding – is also being dedicated to advancing Cyprus’s digital transformation.

Cyprus is a member of the EUROPEUM-EDIC (European Digital Infrastructure Consortium) set up to deepen cooperation on blockchain services. Cyprus is also a participating state in the EuroHPC Joint Undertaking (JU) and of the Chips JU.

Digital Decade KPI ⁽¹⁾	Cyprus				EU		Digital Decade target by 2030	
	Last available	DESI 2026 (year 2025)	Annual progress	National trajectory	DESI 2026	Annual progress	CY	EU
Fixed Very High Capacity Network	89.1%	95.5%	7.2%	84.0%	85.5%	3.7%	100.0%	100%
Fibre to the Premises (FTTP)	89.1%	95.5%	7.2%	84.0%	74.1%	7.1%	100.0%	-
Basic 5G coverage	100.0%	100.0%	0.0%	100.0%	96.8%	2.6%	100.0%	100%
Edge Nodes (estimate, new methodology)	-	14	-	2	7451	-	10	10 000
SMEs with at least a basic level of digital intensity *	67.3%	74.4%	5.1%	75.6%	71.4%	11.0%	90.1%	90%
Cloud *	45.5%	48.5%	3.2%	54.2%	46.7%	9.5%	75.0%	75%
Artificial Intelligence	7.9%	9.3%	17.3%	11.0%	20.0%	48.0%	75.0%	75%
Data analytics *	33.5%	42.8%	13.1%	37.2%	39.9%	9.5%	75.0%	75%
AI or Cloud or Data analytics *	58.0%	64.7%	5.6%	-	63.2%	7.5%	-	75%
Unicorns	4	4	0.0%	0	324	10.2%	5	500
At least basic digital skills *	49.5%	55.8%	6.2%	55.0%	60.4%	4.3%	80.0%	80%
ICT specialists	5.0%	4.9%	-2.0%	6.1%	5.0%	2.0%	10.0%	~10%
e-ID scheme notification		Yes						
Digital public services for citizens	77.6	80.3	3.5%	80.0	84.6	2.8%	100.0	100
Digital public services for businesses	86.0	85.9	-0.1%	89.3	88.6	2.7%	100.0	100
Access to electronic health records	75.4	78.8	4.4%	78.2	86.5	4.6%	100.0	100

(1) Indicators full description, metadata and sources in the [DESI 2026 methodological note](#)

(2) Last available data is DESI2025 (reference year 2024) except for indicators marked with a star * for which it is DESI2024 (reference year 2023)

(3) National trajectory value for 2025, if set by the country in its Digital Decade national roadmap

A competitive, sovereign and resilient EU based on technological leadership

Cyprus continues to deploy its fixed gigabit network at a rapid pace. A very efficient symmetrical access regime has helped develop the networks, as has – in underserved areas – the implementation of a major investment project funded by the recovery and resilience facility (RRF), with full network deployment scheduled for mid-2026. The country also demonstrates strong performance in 5G coverage. Regarding digital infrastructure, Cyprus is active in all aspects of the security and resilience of submarine cables, which is increasingly important in the current geopolitical environment. It is intensifying its efforts to enhance the submarine ecosystem, having a strategic target to become a regional connectivity hub. On the business side, Cyprus shows promising advancements in digitalisation of SMEs and uptake of cloud and data analytics by businesses, but there is room for

improvement in the adoption of artificial intelligence. Policies and initiatives aimed at enhancing these areas could further bolster Cyprus's digital competitiveness, in particular the implementation of the upcoming new national AI strategy. Continued focus on digital transformation and investment in advanced technologies will be crucial for sustaining and enhancing Cyprus's position in the digital landscape.

Protecting and empowering EU people and society

Cyprus continues to work towards narrowing the digital skills gap, although it demonstrates a positive trend in digital skills acquisition. Significant disparities based on education level and age, persist, particularly among older adults and those with low formal education. Cyprus is making progress in digital public services but still lags behind EU averages, particularly in cross-border services (including judicial services) and local government digitalisation, as well as in the digitalisation of its justice system. However, Cyprus is actively advancing the practical deployment of artificial intelligence in the public sector through its programme 'AI-in-Government' to support the development and implementation of innovative AI-driven solutions in key domains such as meteorology, labour market monitoring, and transport, contributing to improved public service delivery and enhanced decision-making. Cyprus is also developing an integrated national digital health ecosystem and participate in the European cross-border e-health services network. Currently, people have access to their health data through an online portal, but the mobile Health application is under development. Cyprus reached all major preparatory milestones and started the implementation phase in early 2026, but the project's completion is expected by the end of 2027.

Recommendations

- **Adoption of AI by businesses:** Swiftly turn the new national AI strategy into concrete support measures for greater AI adoption by businesses, including SMEs, by: (i) developing targeted AI capacity-building initiatives, particularly for traditional, non-ICT sectors; (ii) taking advantage of the sectoral approach outlined in the EU Apply AI Strategy; (iii) addressing cross-cutting challenges, such as enabling an AI-ready workforce and attracting and retaining top AI talent; (iv) promoting access for all types of enterprises (incl. SMEs, start-ups) to the recently created AI Factory Antenna in Cyprus; (v) leveraging the widespread fixed high-speed broadband coverage to accelerate efforts to create a local ecosystem of AI excellence around the AI Factory Antenna.
- **Building technological leadership:** With a view to the sovereignty of the digital backbone infrastructure of the island and the EU, secure investment to enhance Cyprus's submarine cable ecosystem, and to participate in the Team Europe strategy on Submarine cable security and resilience for the Mediterranean regional sea basin.
- **Cybersecurity:** Strengthen Cyprus's cybersecurity resilience in response to ever-increasing risks, especially to critical infrastructure (in particular submarine cables); further explore the use of an experimental national quantum communication infrastructure to enhance protection of critical assets.
- **Digital public services:** Accelerate implementation of the digital transformation strategy for the public sector, prioritising seamless and inclusive access to digital services for all citizens, with a focus on weaker areas, such as: (i) boosting cross-border digital services, especially for Transport, Health, Business Start-Ups, and Justice; and (ii) supporting central and local authorities in digitalising services. Improve the efficiency of the justice system by leveraging innovative digital technologies to introduce well-functioning digital tools and procedures.

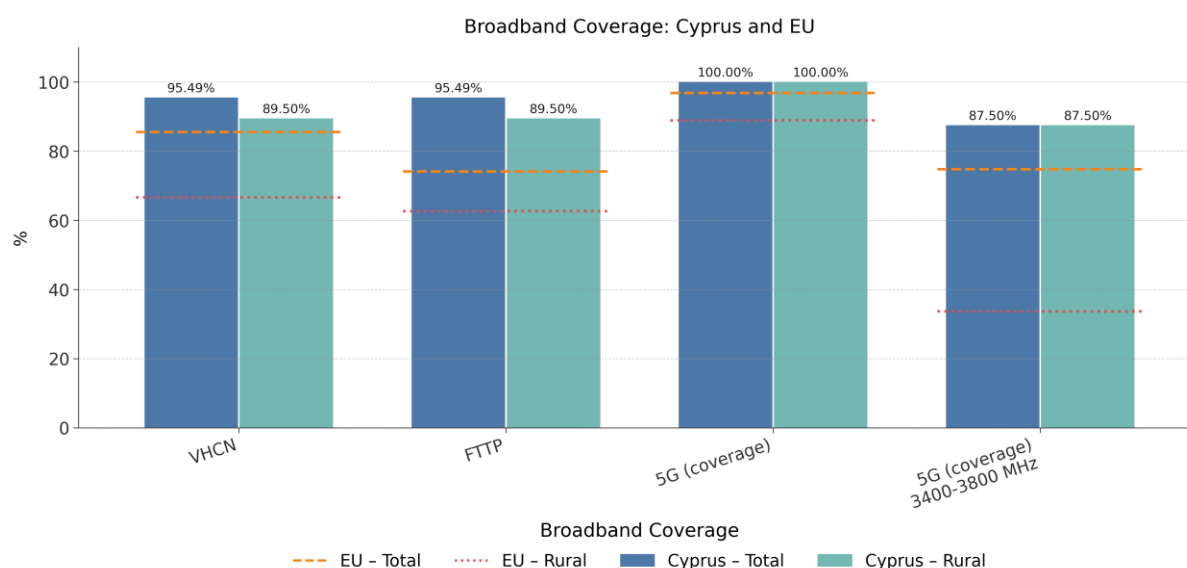
- **Basic digital skills:** Strengthen and expand targeted initiatives to enhance the digital skills of the population. Provide accessible and tailored training programmes, especially for groups presenting a lower percentage of at least basic digital skills, such as people with no or low formal education and older people, and targeted awareness raising actions to help ensure inclusive development of digital skills across all population groups.
- **E-health:** Ensure swift implementation of ongoing projects to provide: (i) access to e-health records through a mobile application ; (ii) timely availability of medical images and hospital discharge reports, (iii) equality of access to electronic health records (EHRs) for all demographic groups (e.g. by providing a legal basis and technical features for authorised persons to access EHRs on behalf of others; an online access service that fully complies with web accessibility guidelines and by promoting the use of e-health solutions also by people with no or low formal education).

A competitive, sovereign and resilient EU based on technological leadership

Building technological leadership: digital infrastructure and technologies

Connectivity infrastructure

Performance assessment



Cyprus achieved coverage of 95.49% for fixed very high-capacity networks (VHCN) in 2025, surpassing the EU average of 85.54%. The country is on track according to its trajectory presented in the Digital Decade national roadmap. In 2024, Cyprus had 89.05% coverage and was already above the EU average of 82.49%. In terms of progress, this represents a 7.2% increase in one year, outperforming the EU's growth of 3.7%. In sparsely populated areas, Cyprus's VHCN coverage stood at 89.50% in 2025, exceeding the EU's 66.66%. In 2024, Cyprus had 78.10% coverage and was already above the EU average of 61.87%. This represents an annual growth rate of 14.6% in Cyprus, compared to the EU's 7.7%.

Cyprus's fibre to the premises (FTTP) coverage was 95.49% in 2025, above the EU's 74.13%. The country is on track according to its trajectory. In 2024, Cyprus had 89.05% coverage and was already above the EU's 69.24%. This represents an annual growth rate of 7.2%, around the same as the EU's 7.1%. In sparsely populated areas, Cyprus's FTTP coverage was 78.10% in 2024, compared to the EU's 58.76%. This figure rose to 89.50% in 2025, still above the EU's 62.61%. The annual growth rate was 14.6% in Cyprus, surpassing the EU's 6.5%.

Internet take-up is very high in Cyprus overall (97.48%) and is above the EU average (94.74%). The share of fixed broadband subscriptions for services of at least 100 Mbps (86.19%) exceeded the EU average (76.24%) in 2025. For fixed broadband subscriptions with speeds of 1 Gbps or more, Cyprus was lagging behind the EU average in 2025, with only 9.78% of subscriptions at this speed, compared to the EU's 26.97%. Nevertheless, this reflects substantial annual growth up from 3.32% in 2024.

Cyprus already achieved full 5G coverage in 2024. In 2025, the figure remains 100%, above the EU's 96.79%, which is an increase of 2.6%. In comparison to full 5G coverage in sparsely populated areas in Cyprus, the EU average is 88.88% which is an increase of 11.7%.

Cyprus's 5G coverage in the 3.4-3.8 GHz band increased significantly in 2025 to reach 87.5%, surpassing the EU's 74.75%. In 2024, Cyprus was only at 35.00%, below the EU's 67.60%. This represents an annual growth rate of 150.0% in Cyprus, far exceeding the EU's 10.6%. In sparsely populated areas, Cyprus's coverage in this band was 28.0% in 2024, slightly above the EU's 25.36%. This figure rose to 87.5% in 2025, significantly above the EU's 33.71%, representing an annual growth rate of 212.5% compared to the EU's 32.9%.

Cyprus has demonstrated strong performance in all connectivity areas, fixed very high-capacity network (VHCN) coverage, fibre to the premises (FTTP) coverage, and 5G coverage. The country has consistently surpassed EU averages, with particularly impressive growth rates in sparsely populated areas. This suggests effective strategic planning and implementation, with a focus on sparsely populated areas which is commendable.

There is no table for Cyprus presenting VHCN, FTTP and 5G coverage across NUTS-2 regions (the standard EU statistical nomenclature for regions in territorial analysis), since the country does not have administrative subdivisions classified under the NUTS system.

Policy context and assessment of recommendations

Cyprus remains committed to its national target of 100% gigabit connectivity coverage by 2030. The latest 2025 figures for both VHCN and FTTP are even above Cyprus's forecast for that year in its national trajectory. Alongside targeted public investment projects, Cyprus's planned reforms to facilitate and accelerate VHCN deployment, as outlined in the national strategic roadmap are producing significant and measurable improvements, highly contributing overall to the country's digital transformation goals.

In Cyprus, most of the obligations of the Gigabit Infrastructure Act (GIA) which entered into force in November 2025 are already embedded in national legislation. A very efficient symmetrical access regime, highly used by the telecom operators, has helped develop the networks. Collocation is widely used by operators and leads to cost reduction in deployment of the fibre networks over the years. Nonetheless, the National Regulatory Authority (NRA) – the Office of the Commissioner for Electronic Communications and Postal Regulation (OCECPR) – has launched a process to scrutinise the legislation and assess if additional adjustments are necessary to align it with the GIA. The NRA has also engaged in discussions with other authorities involved in implementing the symmetrical access regime (e.g. the Department of Public Works) to simplify procedures, remove access restrictions and contribute to reducing costs, also for the benefit of small-scale projects.

The implementation of the major investment project for deploying VHCN in underserved areas in Cyprus is advancing very successfully. By the end of 2025, substantial progress had been achieved in all three intervention areas reaching 40 000 premises, with full network deployment scheduled for completion by mid-2026. A small number of households may remain unserved in particularly remote or geographically challenging areas where fixed infrastructure deployment is not feasible. These residual gaps will be fully addressed through targeted 5G Fixed Wireless Access (FWA) solutions delivering at least 100 Mbps, ensuring 100% coverage of all populated areas.

The second major investment project under the Recovery and Resilience Plan (RRP), the voucher scheme supporting uptake of VHCN services, was successfully completed in June 2025. In total, 91 025 households benefited from the scheme. This significantly improved digital inclusion by providing more people, including those in remote and rural areas, with affordable access to high speed and secure broadband services.

The switch-off of copper networks is progressing well. In June 2025, only 12.6% of the customers were still on copper networks in Cyprus. The current plan of the operator holding significant market power (SMP) is a full switch-off by the end of 2029.

In 5G connectivity, Cyprus has already reached the EU 2030 5G coverage target, namely 100% of households covered by at least one 5G mobile network. The country is therefore on track according to its national trajectory.

The decision to proceed with formal authorisation of the 26 GHz band has been taken by the Deputy Ministry of Research, Innovation and Digital Policy (DMRID). In 2025, pilot licences were granted to interested operators to facilitate field-testing and evaluation of 26 GHz-compatible equipment. Consequently, a public consultation lasting one month was launched in February 2026, outlining the proposed award process based on a competitive auction procedure. After review of the stakeholder submissions, it is anticipated that the auction contest will be concluded within the fourth quarter of 2026.

Regarding the transition to 5G Standalone (SA) networks, market readiness currently varies among providers. A provider has already confirmed that the deployment of a 5G SA network is part of its immediate plans. Other operators are currently more cautious, citing limited equipment availability and a lack of immediate use cases, which could have an impact on investment. As one of the industries with the biggest electricity consumption (mobile, fixed infrastructure, data centre), investing in green energy is a key aspect of cost reduction for telecom operators. This depends not only on the telecom sector, but also on certain legal and infrastructure challenges in the domestic electricity system.

Regarding the sovereignty and security of digital infrastructure Cyprus's strategic target is to become a regional connectivity hub and data gateway in the Northeastern Mediterranean Sea. The objective is to attract investments in digital technologies and foster collaborations with international high-impact technology companies. The country is intensifying its efforts to enhance its submarine cable ecosystem in terms of performance, availability, diversity, resilience and security. Cyprus regularly exploits opportunities for (i) new agreements with neighbouring countries to deploy new submarine cables and upgrade existing ones; or (ii) participation in large-scale connectivity projects.

The BlueMed East submarine cable reached Cyprus on 31 October 2025, landing at Cyta's Yeroskipos station. This strengthens Cyprus's strategic role as a digital hub and provides high-speed, low-latency connectivity linking Cyprus to Greece, Italy, Western Europe, and the wider Middle East.

Cyprus is interested in participating in the Medusa Submarine Cable System, which is led by AFR-IX Telecom. The Medusa Cable is an 8 700-km long digital interconnection with a total capacity of 480 Tbps. It aims to link the Atlantic coast, Mediterranean Sea, and Red Sea through 21 landing stations, forming a new high-speed data corridor that enhances connectivity between Europe and Africa. The project is partly financed by the EU, through an investment grant of EUR 40 million from GÉANT and the European Investment Bank. In addition, an EUR 11.9 million funding grant has been awarded by CEF-DIGITAL for the deployment of the Cyprus-Crete-Sicily branch. Based on the current

implementation plan, the Medusa cable is expected to reach Cyprus at the Yeroskipou landing station by the end of 2026.

Cyprus is also investing in upgrading existing connectivity links with neighbouring countries, with the implementation of new submarine cables with higher capabilities. As part of this effort, Cyta signed an agreement with the Lebanese Ministry of Telecommunications for the construction and maintenance of CADMOS-2, which aims to gradually replace the CADMOS cable and upgrade connectivity capabilities between Cyprus and Lebanon. In October 2025, the environmental impact assessment study for the project was completed, while the implementation phase is expected to start in 2026.

Improving the security and resilience of submarine cable systems is also of significant importance for Cyprus. The country aims to participate in the initiative of the EU Action Plan on cable security for the creation of the Mediterranean Regional Cable Hub, whose role will be to enhance threat detection and security of submarine cables in the region. The project aims to establish and operationalise the hub as an integrated, secure, and interoperable surveillance and coordination platform that enhances the protection, resilience, and rapid response capacity for undersea cables across the Mediterranean basin.

Currently, the Deputy Ministry of Research, Innovation and Digital Policy (DMRID) is preparing the new national Broadband Plan, which will be included in Cyprus's cohesive new forthcoming Digital Strategy (five-year horizon).

[Semiconductors](#)

Cyprus's new digital strategy will include a policy paper on the National Strategy for Semiconductors (five-year horizon), focusing on identifying and strengthening roles that can be developed in the semiconductor sector, as well as enhancing the country's position in this field.

A competence centre for semiconductor technologies will be established in Cyprus under the European Chips Act. It will provide access to technical expertise in the semiconductor sector, support SMEs and start-ups in enhancing their design capabilities and skills, and guide users in accessing other infrastructures developed under the initiative. The funding was approved following the selection of Cyprus's proposal to establish a Chips JU Competence Centre. The DMRID will support it with up to EUR 1.94 million over a period of four years, with EU co-funding.

[Edge nodes](#)

[Performance assessment](#)

According to the Edge Node Observatory report, Cyprus is estimated to have 14 edge nodes by 2025. Due to a change in the methodology, this number cannot be compared to previous estimates.

[Policy context and assessment of recommendations](#)

The development of edge nodes in Cyprus is at a very early stage and will require a collective focus on setting up a whole ecosystem, based on a mix of skills, infrastructure, security, innovation and public and private cooperation. Cyprus is following closely the work of the EU Edge Node Observatory and assessing the market for the development of edge nodes in Cyprus.

Quantum technologies

In 2025, Cyprus made significant progress in the development of its Quantum Communication Infrastructure (CYQCI). Phase A of the project has been extended until October 2026. This involves the development of experimental national quantum communication infrastructure in Cyprus to protect critical national infrastructures from cyberattacks through Quantum Key Distribution (QKD) technologies. The infrastructure will be interconnected with the broader European EuroQCI initiative through an optical gateway.

Following the progress made in Phase A, Cyprus and the CYQCI consortium joined the cross-border consortium 'South-East European to Western European Quantum Communication Infrastructure' (SEEWQCI). The consortium is expanding into Phase B of European quantum infrastructure development. The consortium is coordinated by Greece, with the Netherlands, Bulgaria and Cyprus. This project is significant in terms of digital sovereignty. It will (i) develop the first cross-border satellite-based link between CYQCI and EuroQCI; (ii) establish the first terrestrial QKD network in Cyprus, interconnecting government ministries and departments with other EU entities; (iii) position Cyprus as a European hub for research and testing in secure optical satellite communications; (iv) create cross-border space links via an Optical Ground Station (OGS) connecting initially with the Netherlands, Greece, and Bulgaria; (v) set up an initial interconnection of national Security Operations Centres (SOCs); and (vi) install an Optical Ground Station (OGS) at CYTA, giving Cyprus an additional communication gateway beyond submarine cables. Completion of Phase B is expected in 2029.

Supporting EU-wide digital ecosystems and scaling up innovative enterprises

SMEs with at least basic digital intensity

Performance assessment

In 2025, 74.35% of SMEs in Cyprus had at least a basic level of digital intensity¹, up from 67.28% in 2023², representing an annual growth rate of 5.1%. In 2025, Cyprus remained above the EU average of 71.39%, although its annual growth rate was lower than the EU's 11.0%. The country is lagging behind compared to its national trajectory.

Only 6.87% of SMEs in Cyprus have a very high digital intensity, according to the index³ despite annual growth of 24.0% since 2023. Cyprus is below the EU average of 9.07% and the EU's annual growth rate, which is significantly higher at 43.9%. In 2023, 4.47% of SMEs in Cyprus were at this level, slightly above the EU's 4.38%. Despite progress in Cyprus, there is a clear need for further improvement, particularly in achieving a very high digital intensity among SMEs.

Policy context and assessment of recommendations

In 2025, Cyprus continued to implement the 'Digital Upgrade of Enterprises' programme (2021-2027) with the launch of a third call. Overall, in the past three calls, approximately 66% of proposals

¹ The digital intensity score is based on counting how many out of 12 selected technologies are used by enterprises. A basic level requires a usage of at least 4 technologies.

² The Digital Intensity Index (DII) composition varies between different survey years, depending on the questions included in the survey. The exact composition can be found at [Digital Intensity Index composition](#).

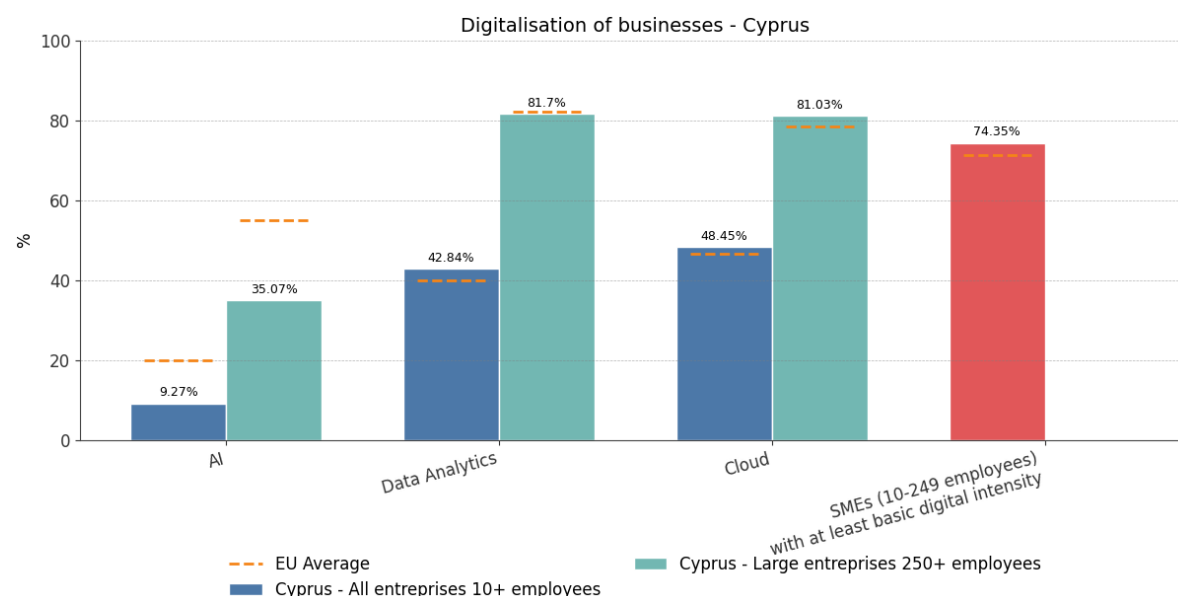
³ A very high level of digital intensity requires a usage of at least 10 technologies out of 12 selected in the DII

involved the use of advanced digital technologies (including AI, cloud, blockchain or extended reality (XR) technologies, robotic process automation (RPA), data analytics). In terms of budget, the current results allow the possibility to launch a new call in the future.

Cyprus's Digital Innovation Hub, DiGiNN, delivered 148 digital maturity assessments and helped create 40 roadmaps in 2025. The Hub organised more than 60 training sessions for 443 participants and helped find investment and supported networking for 37 entities. In 2025, funding for the continuation of the Hub was approved by the European Commission. DiGiNN 2.0 is expected to start in September 2026.

Take up of advanced technologies

Performance assessment



In terms of cloud computing services, enterprises in Cyprus had an adoption rate of 48.45% in 2025, higher than the EU average of 46.69%. The country is lagging behind compared to its trajectory, with an annual increase of 3.2%, which is slower than the EU's annual growth rate of 9.5%. In 2023, Cypriot enterprises already had an adoption rate (45.47%) surpassing the EU's 38.97%. Looking specifically at SMEs in 2025, their adoption rate was 47.74%, presenting a steady annual increase of 3.2% since 2023. This result also exceeds the EU average of 45.74% for SMEs. However, the EU's annual growth rate for SMEs is three time higher (9.7%). The adoption rate for large enterprises in Cyprus is 81.03% surpassing the EU average of 78.32%, although the annual increase of 3.6% since 2023 is lower than the EU's 6.0%. In 2023, Cyprus already had an adoption rate for large enterprises (75.51%) higher than the EU's 69.72%.

The adoption rate for data analytics in Cyprus is 42.84% for enterprises, also surpassing the EU average of 39.85%. The country is on track according to its national trajectory. It has had an annual increase of 13.1% since 2023, while the EU's annual growth rate is 9.5%. In 2023, Cyprus had an adoption rate of 33.5%, marginally higher than the EU's 33.25%. Focusing on SMEs, Cyprus has a 42.0% adoption rate after an annual increase of 13.3% since 2023 and exceed the EU average of 38.59%. The EU's annual growth rate for SMEs is 9.7%. In 2023, Cyprus already had an adoption rate (32.73%) slightly above the EU's 32.09%. For large enterprises, Cyprus has an 81.7% adoption rate, after an annual increase of 7.5% since 2023, slightly below the EU average of 82.03%. The EU's annual growth

rate for large enterprises is 6.9%. In 2023, Cyprus had an adoption rate of 70.66%, marginally lower than the EU's 71.81%.

Regarding enterprises using AI technologies, Cyprus has a 9.27% adoption rate, after an annual increase of 17.3% since 2024, which is below the EU average of 19.95%. The country is lagging behind compared to its trajectory. The EU's annual growth rate for this indicator is 48.0%. In 2024, Cyprus had an adoption rate of 7.9%, lower than the EU's 13.48%. For SMEs, Cyprus has an 8.72% adoption rate after an annual increase of 19.3% since 2024, which is below the EU average of 18.9%. The EU's annual growth rate for SMEs in this area is 49.5%. In 2024, Cyprus had an adoption rate of 7.31%, lower than the EU's 12.64%. For large enterprises, Cyprus has a 35.07% adoption rate, after an annual increase of 0.5% since 2024, significantly lower than the EU average of 55.03%. The EU's annual growth rate for large enterprises is 33.7%. In 2024, Cyprus had an adoption rate of 34.91%, lower than the EU's 41.17%.

When considering the adoption of AI, cloud and data analytics technologies together, Cyprus is at 64.71% after an annual increase of 5.6% since 2023, surpassing the EU average of 63.2%. The EU's annual growth rate for this indicator is 7.5%. In 2023, Cyprus had an adoption rate of 57.98%, higher than the EU's 54.7%. For SMEs, Cyprus has a 64.08% adoption rate after an annual increase of 5.8% since 2023, exceeding the EU average of 62.32%. The EU's annual growth rate for SMEs in this area is 7.7%. In 2023, Cyprus had an adoption rate of 57.3%, higher than the EU's 53.74%. For large enterprises, Cyprus has a 93.69% adoption rate after an annual increase of 1.7% since 2023, surpassing the EU average of 92.78%. The EU's annual growth rate for large enterprises is 3.4%. In 2023, Cyprus had an adoption rate of 90.52%, higher than the EU's 86.71%.

Cyprus demonstrates a high level of digitalisation among its businesses, particularly in the adoption of cloud technologies and data analytics. The country is above the EU average in several key performance indicators, including the percentage of SMEs with at least a basic level of digital intensity and the adoption rates of data analytics and cloud technologies. However, Cyprus lags behind the EU average in the adoption of artificial intelligence, as well as in the achievement of a very high digital intensity among SMEs. The annual growth rates for Cyprus in these areas are also lower than the EU averages, indicating a slower trend in progress than the EU average.

Policy context and assessment of recommendations

Significant initiatives have been implemented in Cyprus regarding Artificial Intelligence (AI). The new national AI Strategy, a high-level strategic roadmap for AI adoption across the public and private sectors, prepared by the National AI Taskforce is expected in Q2 2026. The national AI strategy has been developed in line with the EU Apply AI Strategy.

The European Digital Innovation Hub DiGiNN facilitates the uptake of AI in Cyprus through the provision of specialised capacity-building, testing and advisory services to enterprises and public sector organisations. It delivers structured AI training programmes and provides 'test before invest' services, including access to dedicated facilities, data analytics and AI experimentation, as well as tailored consultancy covering AI maturity assessments and responsible adoption.

In October 2025, funding for the creation of an AI Factory Antenna in Cyprus was approved. The AI Factory Antenna will provide AI services to the local ecosystem through its connection with 'Pharos', the AI Factory in Greece. National funding will amount to EUR 3 million, matched by an equal contribution from EU sources. The project is expected to start in Q1 2026 (duration: up to three years).

Cyprus is investing in the development of a national High-Performance Computing (HPC) and AI infrastructure, building on and upgrading existing public research capacities. This initiative will form a core component of the national digital ecosystem, aligning available resources with the requirements of the AI era and ensuring that researchers, innovators, enterprises and the public sector have access to modern, high-performance computational capabilities.

The establishment of a National AI Centre of Excellence (CoE) in Cyprus aims to strengthen national capabilities in artificial intelligence. The objective is to accelerate the implementation of AI use cases across government and promote research and innovation in AI. The AI CoE will act as a dedicated capability hub providing: (i) advanced AI services for government organisations, including the design, development, and deployment of AI use cases; (ii) research and development (R&D) activities in AI, aligned with emerging EU and global technological trends; and (iii) specialised technical expertise hosted permanently in Cyprus to support long-term capacity building within the public sector.

Alongside these measures, Cyprus is advancing the practical uptake of AI by mobilising the national research and innovation ecosystem to develop and implement innovative and data-driven initiatives in the public sector. The 'AI in Government' programme, implemented by the DMRID in collaboration with the Research and Innovation Foundation (RIF), is a demand-driven initiative aimed at accelerating the adoption of AI within the public sector. The programme operates through a challenge-based funding mechanism, whereby public authorities define specific, high-impact use cases that can be addressed through AI solutions. Competitive calls are mobilising the national research and innovation ecosystem to develop tailored, data-driven applications that directly respond to public administration needs. The first wave of projects is in the domain of meteorology, agrometeorology, forecast of labour market needs and skills demand, and smart traffic management and mobility optimisation. The supported solutions focus on predictive analytics, advanced data modelling, process optimisation and improved decision-support systems.

Through the Strategic Technologies for Europe Platform (STEP) funding scheme, Cyprus provides financial support for establishing or upgrading facilities and production lines for the development and manufacturing of innovative products and services, particularly in strategic areas such as digital and deep technologies. The programme aims to strengthen the innovative and productive capacity of the business sector and enhance competitiveness and market expansion.

2025 recommendation on the adoption of AI by businesses: Sustain the efforts, with a special attention to SMEs' uptake of AI in the design of the AI strategy.

Cyprus addressed fully the recommendation by putting significant policy actions into place in 2025. As described above, in 2025 the national AI Taskforce elaborated the new strategy for AI adoption across the public and private sectors in Cyprus, in line with the EU Apply AI Strategy. However, this is a high-level strategy, which will require a particular focus on implementation, in particular to facilitate and accelerate the uptake of AI technologies by SMEs.

Unicorns, scale-ups and start-ups

Performance assessment

At the beginning of 2026, Cyprus had four unicorns, the same number as in 2025 (however, the 2025 figure was revised from three to four after last year's country report). In its national Digital Decade roadmap, Cyprus estimated the number of unicorns at zero by end of 2025, with a 2030 target of five unicorns. The country is on track according to its trajectory.

Policy context and assessment of recommendations

Cyprus continues to develop its start-ups ecosystem with measures adopted to facilitate relocation of start-ups. The revision of the 'Startup Visa' scheme was approved by the Council of Ministers in December 2024 to enhance its attractiveness. It allows owners and executives of start-ups from third countries to enter, reside, and work in Cyprus for the purpose of establishing or relocating a business. In 2025, 38 applications were submitted within 12 months, of which 12 were approved, and 11 residence permits were issued. In terms of investment, the Cyprus Equity Fund established in collaboration with the European Investment Fund (EIF) invested in seven start-ups, providing total funding of EUR 2.3 million by the first quarter of 2026.

An incubation programme in space technologies - Space BIC - has been funded by the Deputy Ministry of Research, Innovation and Digital Policy (DMRID) since March 2025 and provides incubation, acceleration and advisory services to four start-ups. The incubation programme is currently ongoing, supporting the development and scaling of innovative digital solutions.

Cyprus is in the process of preparing a new national strategy for Research and Innovation for 2027-2033. The new strategy will place particular emphasis on Artificial Intelligence, which will be introduced as a horizontal priority across the strategy.

Strengthening Cybersecurity & Resilience

Regarding the implementation of cybersecurity measures by enterprises, Cyprus is almost at the EU average. In 2024, 56.41% of enterprises applied at least 5 cybersecurity measures (out of 11 measures [measured by Eurostat](#)), while the EU average was 56.85%. However, a gap remains with the EU average in terms of use of biometric authentication methods implemented by enterprises (5.80% in Cyprus, 18.27% in the EU), while encryption techniques for data, documents or e-mails are used in 36.29% of enterprises (the EU average is 39.72%).

Cyprus transposed the NIS 2 Directive into national law in April 2025, and the legislative phase of the process is complete. It is now dedicating effort to the practical implementation of the framework.

To strengthen the cybersecurity capacity of enterprises and accelerate their adoption of cybersecurity certification schemes, the National Cybersecurity Coordination Centre (NCC-CY), in collaboration with the Research and Innovation Foundation (RIF), implemented two calls for proposals, one targeting SMEs and a dedicated call for enterprises in the tourism sector in 2025. New funding schemes for the Programme 'Enhancing Cybersecurity for Small and Medium Enterprises (SMEs) and in the Tourism Sector (Hotels and Travel Agencies)' were announced on 15 September 2025. A total of 51 proposals were submitted, of which 35 were approved for funding. The total allocated budget is EUR 2.5 million, with EUR 1.5 million for SMEs and EUR 1 million for the tourism sector.

The NCC-CY is also planning a call in 2026 for cybersecurity in start-ups and innovative companies. A survey is currently being conducted to assess the needs of start-ups and innovative companies in the field of cybersecurity. The budget is EUR 1 million. A further call is planned to help organisations comply with NIS2.

Regarding the cybersecurity resilience of the healthcare sector, a national risk assessment was carried out in 2025 to help e-health entities identify the critical aspects of business continuity. The results showed that most entities did not identify their system correctly. Subsequently, a workshop on

those aspects was held and specific training courses were organised for the health sector. Additionally, the Digital Security Authority (DSA) is also working with the health authorities to review their system and advise them on cybersecurity aspects. With the NIS2 Directive, the DSA will expand the entities under its supervision to nearly 40. It plans to support the implementation of the European Health Action Plan, aiming to enhance sectoral maturity through the ENISA Support Mechanism and its Service Catalogue, by coordinating the dissemination of specialised guidance and preparedness tools across the national health ecosystem. Awareness raising in the sector allowed cybersecurity to be included as a risk for Cyprus's health sector.

In terms of cross-border collaboration, Cyprus is hosting one of the three Cyber Hubs in the EU under the Cyber Solidarity Act to improve cyber-threat detection, analysis and response. Alongside the hubs in Spain and in the Baltic region, the [ATHENA](#) project contributes to strengthening the EU's collective cyber defence capabilities and coordinated response to cyber threats and incidents across participating Member States. Coordinated by Cyprus, the ATHENA consortium brings together Cyprus, Greece, Bulgaria, Malta and recently Belgium. The objective is to improve collective situational awareness and national-level cyber resilience through secure intelligence sharing to be able to respond to threat at country level.

The NCC-CY is active in reinforcing people's cybersecurity skills and awareness. In 2025, numerous initiatives to reach the whole of society were implemented, such as educational material for junior and high school students, activities to promote cybersecurity professions, and also information for parents and people over 65. Many events took place in 2025. The ICT Academy of the Office of the Commissioner of Communications, in collaboration with the NCC-CY hosted events for children (with storytelling and songs) and visited junior schools and summer camps. For the second year, a cybersecurity festival took place during the EU cybersecurity month (more than 2000 visitors). The first dedicated cybersecurity career fair took place with 20 exhibitors (university, cybersecurity companies). They also built relationships with the Cyprus Computer Society, to organise contests with students. The winners are awarded two-week internships in member enterprises of the NCC community.

Regarding businesses, the NCC created a cyber hygiene framework for SMEs: a certification scheme containing 11 control measures. To be eligible for the programmes, companies need to be certified first and meet a minimum standard of cybersecurity. Joint events with the chambers of commerce took place. During the Cybersecurity weekend, taking place every year in collaboration with the Cyprus Chamber of Commerce and Industry, SMEs covered by the NIS2 Directive were hosted to inform them and put them in contact with NCC community members to assist with their compliance requirements. In 2025, this weekend was dedicated to the healthcare sector. For the first time in 2025, the NCC organised a business visit to Cyprus from abroad, with NCC Malta: the first Cyprus-Malta forum.

The cybersecurity industry in Cyprus is bigger than was anticipated some years ago. The NCC community in Cyprus currently has 106 members. These are any companies or governmental body whose main operation is cybersecurity (start-ups, software, certification business, etc). The NCC will capitalise on this.

Various training courses to enhance the cybersecurity skills of public servants have also been implemented as part of the National Action Plan for Digital Skills. Cybersecurity training programmes with varying difficulty levels were conducted by the Cyprus Academy of Public Administration (CAPA) to match the different skill levels of public sector employees. The Department of Information Technology Services (DITS) offered asynchronous training for public sector employees, from June 2023

to June 2025. Approximately 10 000 users registered on the platform. The Ministry's Cybersecurity Directorate has taken a cross-cutting role in employee training and awareness and is currently implementing a platform for 15 000 users that will offer structured training programmes, conduct phishing campaigns, and provide specialised workshops for targeted groups. In addition, the Cybersecurity Directorate is also planning in-person training sessions, focusing on compliance with legislation, organisational policies, and best practices in cybersecurity.

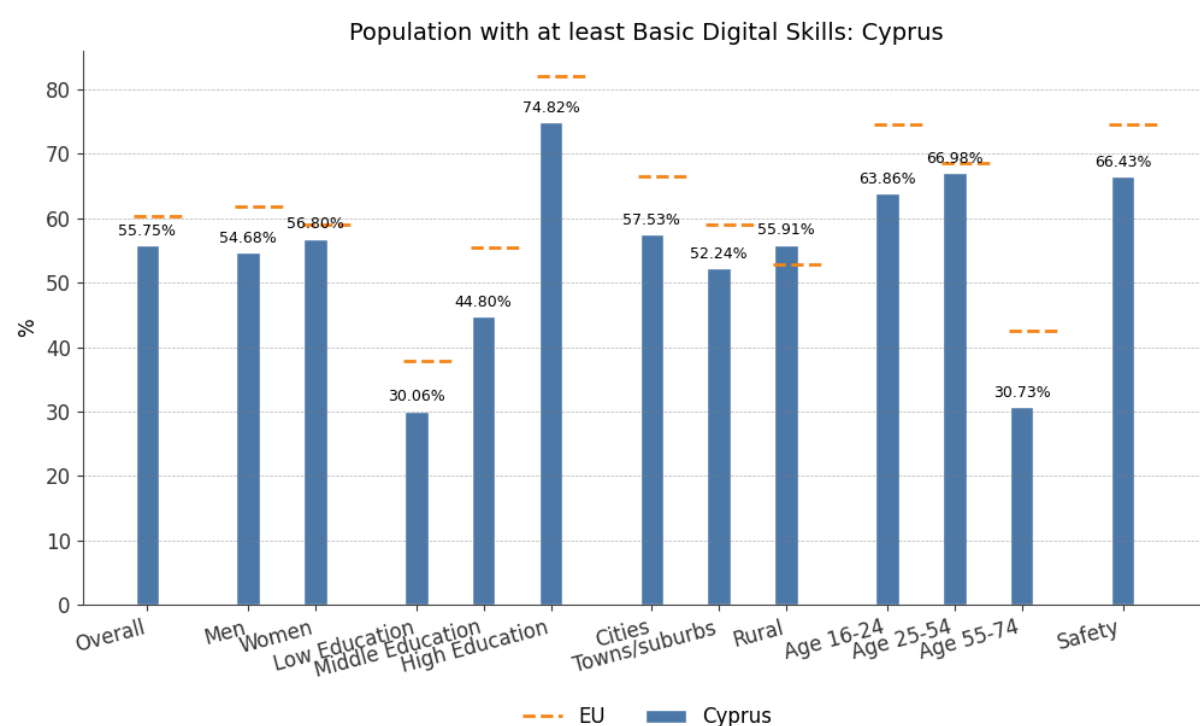
Protecting and empowering EU people and society

Empowering people and bringing the digital transformation closer to their needs

Equipping people with digital skills

Basic digital skills

Performance assessment



In Cyprus, 55.75% of individuals aged 16-74 have at least basic digital skills. This figure has increased by 6.2% annually since 2023, but it remains below the EU average of 60.40%. In 2023, the figure for Cyprus was 49.46%, which was also lower than the EU's 55.56%. However, the growth rate outpaces the EU's annual growth of 4.3%, indicating a positive trend in digital skills acquisition in Cyprus. The country is on track according to the national trajectory as defined in its Digital Decade national roadmap.

Regarding the **gender gap**, Cyprus presents a different profile from the rest of the EU. In 2025, 56.8% of women in Cyprus possessed basic digital skills, slightly higher than the 54.68% of men, resulting in a gap of 2.12 percentage points in favour of women. This contrasts with the EU, where the gap favours men by 2.75 percentage points. The annual growth rates for both genders in Cyprus—5.6% for women and 6.9% for men — exceed the EU averages of 4.1% and 4.4%, respectively.

Education level significantly influences digital proficiency in Cyprus. Individuals with no or low formal education face considerable challenges, with only 30.06% possessing basic digital skills in 2025. This

represents a 25.69 percentage point gap relative to the national average, which is larger than the EU average gap of 22.84 percentage points.

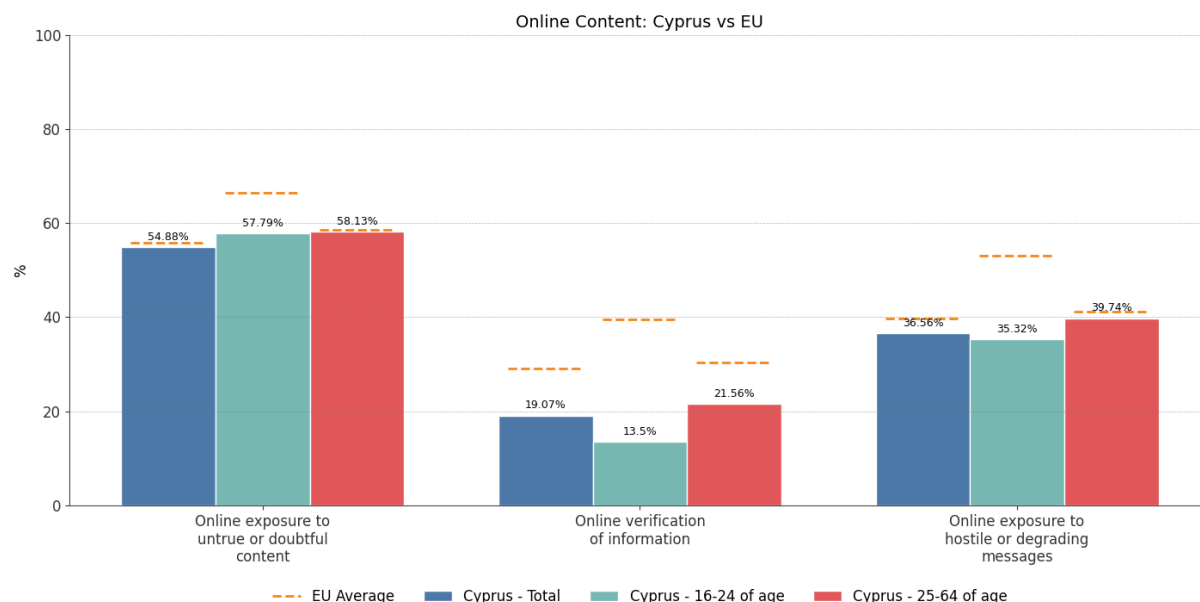
In 2025, 57.53% of individuals in cities had basic digital skills, while the figure for towns and suburbs was 52.24%, resulting in a gap of 5.29 percentage points. At the EU level, the highest gap is instead observed between cities and **rural areas**, where the gap stood at 13.67 percentage points in 2025.

Age is another critical factor in digital skills proficiency. In Cyprus, 66.98% of individuals aged 25 to 54 had basic digital skills in 2025, the highest amongst the age cohorts analysed. For the older age group of 55 to 74, only 30.73% reached at least basic digital skills, which is lower than the EU average of 42.6%.

In the area of **digital safety skills**, 66.43% of individuals in Cyprus reported taking action to protect their personal data online in 2025, which is lower than the EU average of 74.63%. The annual growth rate for this indicator in Cyprus was 0.9%, lagging behind the EU's 3.6%.

Regarding the **use of generative AI**, 44.2% of people in Cyprus used this technology in 2025 for all purposes, surpassing the EU average of 32.66%. For professional purposes, 22.65% of people in Cyprus used generative AI, again higher than the EU average of 15.36%.

In summary, there is a positive trend in digital skills acquisition in Cyprus, with growth rates outpacing the EU averages in most areas. However, there are significant disparities based on education level and age, particularly among older adults and those with low formal education. The gender gap in Cyprus favours women, contrary to the EU trend. Cyprus also shows strong adoption of generative AI, particularly for professional use. Targeted measures to support less-educated individuals and older adults could further enhance Cyprus's digital skills profile.



54.88% of individuals in Cyprus were exposed to untrue or doubtful content online in 2025, marking an increase of 26.5% annually since 2023, when the figure stood at 34.27%. This still places Cyprus below the EU average, which was 49.25% in 2023 and 55.90% in 2025, with the EU experiencing an annual growth rate of 6.5%. Focusing on the 16-24 age group, 57.79% of individuals in Cyprus were exposed to such content in 2025, compared to 66.34% in the EU. This represents an annual growth rate of 22.8% in Cyprus and 3.7% in the EU since 2023. In Cyprus, the gap between the youngest age group and those aged 25-64 is minimal with the figure for the core working-age group being 0.34

percentage points higher. By contrast, the gap in the EU is 7.77 percentage points, with a higher figure for the younger group. For individuals aged 25-64 in Cyprus, the figure was 58.13% in 2025, slightly below the EU average of 58.57%, with Cyprus experiencing a higher annual growth rate of 26.6% compared to the EU's 6.4%.

19.07% of **individuals in Cyprus verified the truthfulness of online content** in 2025, following an annual increase of 45.2% since 2023, when the figure was 9.04%. This remains below the EU average, which rose from 24.29% in 2023 to 29.16% in 2025, with an annual growth rate of 9.6%. For the 16-24 age group, 13.5% of individuals in Cyprus verified online content in 2025, compared to 39.49% in the EU. This reflects an annual growth rate of 17.5% in Cyprus and 6.7% in the EU since 2023. The gap between the youngest age group and those aged 25-64 in Cyprus is 8.06 percentage points, with a higher figure for the core working-age group. By contrast, the gap in the EU is 9.09 percentage points, with a higher figure for the younger group. For individuals aged 25-64, the figure in Cyprus was 21.56% in 2025, below the EU average of 30.4%, with Cyprus experiencing a higher annual growth rate of 47.8% compared to the EU's 9.9%.

The data reveals that Cyprus is experiencing significant annual growth rates in exposure to untrue or doubtful content and in the verification of online information, but it remains below the EU average in both areas. Notably, the figures are higher for the core working-age group in Cyprus, whereas in the EU, the youngest age group is more exposed to these online phenomena. Additionally, Cyprus shows a lower exposure to hostile or degrading messages compared to the EU, with a decreasing trend among the youngest age group. These insights highlight the need for targeted measures to address the information landscape in Cyprus, particularly among younger individuals.

36.56% of **individuals in Cyprus were exposed to hostile or degrading messages online** in 2025, reflecting an annual increase of 2.1% since 2023, when the figure was 35.07%. This places Cyprus below the EU average, which rose from 33.5% in 2023 to 39.72% in 2025, with an annual growth rate of 8.9%. For the 16-24 age group, 35.32% of individuals in Cyprus were exposed to such content in 2025, compared to 52.99% in the EU. This represents an annual decrease of 9.3% in Cyprus and an increase of 5.6% in the EU since 2023. The gap between the youngest age group and those aged 25-64 in Cyprus is 4.42 percentage points with a higher figure for the core working-age group. By contrast, the gap in the EU is 11.85 percentage points, with a higher figure for the younger group. For individuals aged 25-64, the figure in Cyprus was 39.74% in 2025, slightly below the EU average of 41.14%, with Cyprus experiencing a lower annual growth rate of 3.3% compared to the EU's 9.2%.

Policy context and assessment of the recommendations

The national Action Plan for Digital Skills has been extended until the end of 2026. The new Action Plan will be incorporated into the forthcoming Digital Strategy (five-year horizon). In December 2025, a communication plan for digital skills was approved. The plan comprises a series of actions, including the production of promotional material for use in TV, radio and social media.

In 2025, the Government launched a targeted initiative to assess and strengthen the digital skills of women living in rural and remote areas. This initiative is part of the Action Plan for digital skills and the national Gender Equality Strategy (2024–2026). A needs assessment survey was carried out in 2025 to identify the specific digital literacy gaps and training preferences of the target group, forming the basis for the design of tailored educational programmes. The Cyprus Productivity Centre (CPC) is responsible for delivering the trainings across rural communities (from September 2025 onwards).

One of the new initiatives, led by the Deputy Ministry, aims to support citizens - particularly older adults - in conducting digital transactions with public authorities and other essential service providers. As part of a pilot programme, selected municipalities will receive grants to procure services for one-to-one digital assistance and training on their premises. This action is expected to enhance digital inclusion and strengthen the autonomy of vulnerable groups, especially older people.

In the revised National Strategy and Fourth National Action Plan on Disability 2024-2028, as well as in the Action Plan for Digital Skills, the Deputy Ministry has included an action on assessing the specific digital skills needs of persons with disabilities. The new initiative aims to strengthen their digital skills and, consequently, their autonomy and participation. Focus groups will be organised to identify needs, forming the basis for designing tailored digital skills training programmes in cooperation with relevant social partners. The objective is to map needs and deliver targeted training, on a pilot basis. Additionally, the Deputy Ministry has introduced a new initiative for assessing digital needs of third country nationals. This initiative also includes the organisation of two focus groups that will form the basis for tailored digital skills training programmes, on a pilot basis.

Training on the use of AI tools in the public sector started in October 2025, after AI tools were allocated to public servants. This was part of a national pilot and was accompanied by initial user training in October and December 2025. In February 2026, full day trainings began to further strengthen user readiness. This project is funded through the Recovery and Resilience Facility (RRF).

In 2025, for the first time, the Human Resource Development Authority (HRDA) began to cover not only training costs but also certification exam fees. Through training programmes, participants were able to obtain globally accredited certifications which are internationally recognised.

2025 recommendation on basic digital skills: strengthen and expand targeted initiatives to enhance digital literacy among vulnerable groups. Provide accessible and tailored training programmes, and targeted awareness raising actions to bridge the digital gap.

Cyprus made some efforts to address the recommendation through new policy actions in 2025. As described above, new actions targeted to vulnerable people were implemented in 2025. Training on the use of AI was also organised for public servants.

ICT specialists

Performance assessment

In Cyprus, ICT specialists account for 4.9% of total employment which is slightly below the EU average of 5.0% in 2025. The country is lagging behind compared to its trajectory presented in the Digital Decade national roadmap. Women account for 20.1% of ICT specialists in employment in Cyprus, above the EU average (19.5%). However, there is a negative growth rate of 19.1% compared to the year before, while the EU average is stagnating at 19.5%.

Policy context and assessment of the recommendations

Regarding labour-market alignment, the Department of Higher Education uses evidence from the National Graduate Tracking Survey (CY Graduates) to monitor the employment outcomes and career pathways of ICT graduates. The monitoring also allows gender differences in labour market outcomes to be identified and informs evidence-based policy decisions on the prioritisation of ICT study programmes. It also provides information to the Ministry's career counselling and guidance services, supporting gender equality in ICT fields.

In 2025, Cyprus modified the access frameworks for Public Higher Education in ICT studies. The entrance examination framework for ICT-related studies has been modified, allowing candidates with advanced mathematics as a sufficient prerequisite to gain access to ICT undergraduate programmes at public universities. This adjustment aims to broaden access to ICT studies by expanding the pool of eligible candidates.

As mentioned above, under the cybersecurity chapter, the Cybersecurity Directorate of DMRID is responsible for cybersecurity across the public service and has acquired a platform, scheduled to be launched in June 2026, offering short training modules (asynchronous training) and phishing-simulation exercises to strengthen staff awareness and preparedness.

Cyprus places the protection of minors online at the core of its digital agenda. Cyprus has established a dedicated team, working across several strands, tasked with developing an integrated approach to safeguarding minors online, including the development of a dedicated action plan focusing on: (i) Policy Formulation, (ii) Technological Solutions, and (iii) Education & Awareness Raising. Additionally, Cyprus, among other forerunner Member States, has joined efforts to support the scaling of the pilot EU Verification Solution for the development of an age verification mechanism. The preparation of the National Action Plan for the protection of minors online is progressing, with stakeholder consultations and proposed measures assessment underway, and is scheduled to be adopted in 2026.

Key digital public services and solutions – trusted, user-friendly, and accessible to all
Performance assessment

For digital public services for citizens (national and cross-border), Cyprus scored 80.34/100 points in 2025, a 3.5% increase compared to 2024, exceeding the EU average increase (2.8%). The country is on track according to its national trajectory. However, it is below the EU average of 84.64/100 points.

Looking at domestic online services for citizens, Cyprus scored 87.71/100 points – below the EU average (94.01/100), but still a 5.2% increase from 2024. For cross-border services, Cyprus scored 72.98/100, below the EU average (75.28/100). This reflects a 1.5% increase compared to 2024. Overall, the services for citizens that score particularly well related are related to the following life events: Moving (95.0), Career (83.09), and Studying (81.94), while services related to Transport (70.54), Health (71.43), and starting a small claims procedure (79.19) are the least digitalised. In terms of performance by level of government, in the domestic online services for citizens, central government services scored 81.46/100, regional government services scored 93.75/100, and local government services scored 75.0/100.

For digital public services for businesses (national and cross-border), Cyprus scored 85.94/100 in 2025, a marginal 0.1% decrease from 2024. The country is on track according to its national trajectory and lies below the EU average of 88.6/100. The Business-related life event scoring particularly well is 'Regular Business Operations' (97.2), whereas 'Business Start-Up' (74.65) show the most room for improvement.

Notably, digital public services for businesses available to national users in Cyprus scored 96.9/100. This represents a 0.2% increase since 2024 and places the country below the EU average of 98.81/100. Meanwhile, cross-border digital public services score for businesses reached 75.0/100 in 2025, reflecting a 0.5% decrease compared with 2024. These results are below the EU average of 78.37/100.

Across the two Digital Decade KPIs, Cyprus's Digital Public Services for Businesses indicator performs better than its counterpart for citizens. This stronger performance is underpinned by digital public

services for businesses available to national users, which forms the most mature component of the KPI, even as cross-border digital public services for businesses remains less developed. Recent progress has been driven primarily by improvements in cross-border digital public services for businesses, indicating that progress is uneven across the different components of the KPI. While life events such as 'Regular Business Operations', 'Moving', and 'Career' perform best, lower-scoring areas such as 'Transport', 'Health', and 'Business Start-Up' do not yet exhibit the same level of maturity.

Overall, both Digital Decade KPIs and their underlying components lag behind EU levels, with cross-border digital public services representing the area where further progress is most needed. A similar pattern appears across government tiers, where local administrations are showing the greatest need for improvement. Despite these gaps, the underlying direction of change indicates that Cyprus is on a positive upward trajectory toward achieving the 2030 digitalisation targets. Furthermore, according to the indicator related to the digitalisation of the justice system in the [2026 EU Justice Scoreboard](#), Cyprus is not performing well, although innovative digital technologies can play an important role in contributing to the quality and efficiency of justice systems. Notably, Cyprus has suffered difficulties and delays with deploying the necessary decentralised IT systems that form the basis for the 'Justice Digital Exchange system', a key reform for the digitalisation of cross-border public judicial services.

Regarding access to e-health records, Cyprus had a score of 78.75 in 2025, with an increase of 4.4% since 2024, remaining below the EU average score of 86.51. The country is on track according to the national trajectory presented in its Digital Decade roadmap.

Policy context and assessment of the recommendations

Regarding electronic identity (e-ID), Cyprus continues to promote the adoption of digital trust services, with a series of actions. The e-ID can be used to e-sign a range of governmental forms. A process has been established; 33 public applications and forms have been converted to accept e-ID submission, thereby eliminating the need for physical presence and facilitating remote access to services for citizens. To further promote digital trust and a more paperless approach across the public sector, the use of e-signatures is being progressively reinforced. Coordinated measures have been introduced to ensure the use of e-signatures by public authorities notably within internal document management, with further rollout planned during 2026. In parallel, from the second quarter of 2026, the Ippodamus IT system will expand mandatory usage of e-signatures - where applicable - to additional professional users (such as architects and consultants).

The central focus of the digital programme is citizen-focused channels and applications. The goal is to provide modern, simple tools that transform the way citizens interact with the State. Within this framework, alongside the upgraded central government portal gov.cy, the Ministry offers three key citizen-focused channels/applications: (i) the Digital Citizen App: this application focuses on the digitisation of documents and, gradually, services and interactions with the public sector. It already counts over 153 000 registered users; (ii) the Smart Citizen App: this app will enable citizens to communicate directly with local authorities and access services within the framework of smart city tools; and (iii) the myHealth@CY: this application will provide access to healthcare services, primarily focusing on the patient's electronic health record.

With the introduction of the Digital Citizen app, Cypriot citizens (over 18) can issue and store in the app their Identity Card, Driving Licence, and Vehicle Roadworthiness Certificate (MOT). In March 2025, the application became available to young people aged 14 and above, allowing them to add their Identity Card to the app.

Since May 2025, Cyprus's wallet has been interoperable with the corresponding application of the Greek government. The Digital Citizen app and the Greek Gov.gr Wallet are now interconnected, enabling mutual recognition and verification of document authenticity. Cypriot citizens can now use the Digital Citizen app in Greece as well, presenting the digital form of their Identity Card and Driving Licence in the same way they use them in Cyprus. The Fan Card was also added as an additional document, both for issuing the card and for validating its authenticity for entry to a stadium. Moreover, in February 2026, the English version of the application went live. During 2026, more documents are expected to be added, primarily tickets for entry to sport events, as well as the resident permits for third-country nationals, the registration certificates for EU citizens and the Identity Card for each dependent person in the parent's mobile application. Additional functionalities, such as automatic revocation of expired documents, are also expected.

Cyprus is progressing in the development of its EUDI Wallet, building on its existing national digital identity ecosystem. The country demonstrates engagement at EU level, including participation in Large-Scale Pilots and initial steps towards certification and procurement. The existing wallet also benefits from cross-border usability in specific contexts, reflecting early efforts towards interoperability.

Regarding gov.cy, phase A of the project's development has been completed. 86 websites have been designed and developed. Phase B has started and is to include 150 more websites to be designed and developed by March 2027. The gov.cy portal hosts 156 digital services, 246 old generation services and 161 non-digital services.

An AI-powered chatbot, the digital assistant, was launched in 2025 to simplify people's access to public services through a single, user-friendly digital channel. It allows users to type or speak their questions in natural language, in both Greek and English. Since its introduction, it has responded to around 280 000 user queries, supporting citizens across core areas of public administration, such as: (i) social welfare and benefits, (ii) social insurance and employment-related services, (iii) taxation and financial obligations, (iv) transport and mobility services, (v) justice and legal procedures, (vi) public procurement, (vii) education-related administration, (viii) digital government tools, and (ix) consular and foreign affairs. The Digital Assistant is continuously being enhanced with new topics, services, and functionalities, with the aim of progressively covering the full range of citizen and government services available through gov.cy. The high volume of interactions highlights the Digital Assistant's growing role as a practical and trusted entry point for everyday interaction with government services.

The 'AI in Government' programme, described above, enables public authorities to bridge policy priorities with technological implementation. It ensures the alignment with national strategic objectives on digital transformation and data-driven governance. The programme is currently focusing on identifying and maturing additional AI challenges across more public authorities. Several authorities have expressed interest in participating and targeted engagement is underway to support them in refining and structuring their proposed challenges in line with data readiness, feasibility and policy priorities. By embedding AI into public sector functions, the initiative contributes to institutional resilience, improved service delivery and evidence-based policymaking. It supports Cyprus's broader digital transformation and aligns with the objectives of the Digital Decade by fostering practical, scalable and sustainable AI adoption across public administration.

The DMRID is releasing AI Guidelines for the public service, which establish the policy framework and acceptable-use rules for generative Artificial Intelligence across government. The guidelines define approved AI tools and core principles such as safety, transparency, human accountability and

data protection, and set out clear restrictions on prohibited uses. Importantly, they also introduce a controlled process for the acquisition and use of new AI systems, requiring justification, risk and data protection assessments, and formal approval, so that public sector organisations cannot independently procure or deploy AI tools without oversight. The purpose of the guidelines is to enable responsible and secure innovation while protecting citizens' rights, safeguarding government data and ensuring full compliance with the EU AI Act and the General Data Protection Regulation.

The DMRID is planning to introduce AI technologies in various information systems, such as Hippodamus and iJustice. The main purpose is to introduce AI technologies in repetitive daily tasks usually initiated by citizens. These tasks are normally handled by public servants and appear to involve delays in responses to applicants. AI technologies can automate the procedure, even at the stage where the citizens submit their application, reducing response times and public services workloads.

Cyprus is in the process of evaluating G-cloud tenders with implementation to start in September 2026. Early deliverables include the completion of the cloud architecture design by December 2026 and the migration of three initial applications by March 2027. Once implemented, the G-Cloud will provide a fully governed, hybrid cloud foundation, supported by the two existing government data centres.

The National Cloud Policy was adopted by the Council of Ministers in March 2026. It provides the framework within which the G-Cloud will operate, setting the standards for governance, security, compliance, hosting regions, disaster recovery, procurement, and lifecycle management.

The DMRID has hired expert services to formulate the National Data Policy and Governance Framework. Following the completion of the tender in December 2025, a contract was signed to support the design and implementation of a comprehensive, futureproof, and legally compliant data governance regime for the Republic of Cyprus. The project begins with an in-depth analysis of national and European legislation to identify obligations, institutional mandates, and compliance gaps, forming the evidence base for subsequent policy and governance design. The work also includes the preparation of legal instruments to transpose the framework into national law alongside the development of implementation guides, operational protocols, compliance tools, and training programmes to ensure consistent adoption across the public sector. The expert will also define roles and processes, assess resource needs, and propose new or enhanced structures. The project additionally covers the formulation of the National Data Policy, setting out principles for quality, interoperability, access, ethics, security, and monitoring. A practical Action Plan and Roadmap will guide implementation beyond the project's completion, while a dedicated report will address national preparedness and compliance obligations arising from the EU Data Governance Act (DGA), including recommendations for its effective operationalisation.

Over the past year, Cyprus is advancing in the implementation of its digital transformation strategy for the public sector by strengthening the delivery of high-quality citizen-centred digital services. Key initiatives include the adoption of accessibility-by-design principles, reusable digital tools, and interoperable solutions. Cyprus has established a framework agreement for 'Digital Transformation of Government Services' to streamline procurement mechanism by reducing administrative burden and accelerating project implementation. Complementing this, the 'Express Service' tool has been introduced to expedite simple and high-demand digital services. A centralised hosting platform has been developed to support public organisations lacking their own infrastructure, enabling secure data management and online service provision.

2025 recommendation on digital public services: Accelerate the implementation of the digital transformation strategy for the public sector, prioritising seamless and inclusive access to digital services for all citizens.

Cyprus continued the implementation of existing measures but did not take any new measure in 2025. Phase A of the gov.cy project was completed. 86 websites have been designed and developed. Phase B has started. After a pilot phase in 2024, an AI-powered chatbot, has been added to simplify people's access to public services. The Digital Citizen app continues to be upgraded with new services and is now interoperable with the corresponding Greek government app.

Regarding access to e-health records, in 2025 Cyprus completed all major preparatory milestones for the mobile Health application, myHealth@CY. As of the first quarter of 2026, the project has formally entered the analysis and requirements phase marking the beginning of implementation activities. Work is now centred on defining functional and technical specifications by engaging the relevant stakeholders and validating cross-system interoperability requirements. The first functional release is expected by the end of 2026 and full implementation of the entire tender scope will follow with completion anticipated by the end of 2027. In Cyprus, access to e-health records reveals inequalities. Residents with higher education levels are more than twice as likely to seek health information online as those with lower levels. Limited digital skills also hinder access to personal e-health records.

In 2025, a tender for the provision of the Single electronic Health Records Bank (SeHRB) was prepared as a part of the integrated national digital health ecosystem. After a preliminary public market consultation, updates were carried out. Once the required approvals by different authorities are obtained, the tender will be launched (estimation by mid-2026). In parallel, a series of meetings were held with medical scientific societies to discuss and define interoperability with existing healthcare provider registries and how these will be integrated into both the SeHRB and the mobile app.

Regarding cross-border healthcare services, Cyprus is connected with several EU countries through the MyHealth@EU cross-border electronic healthcare network, allowing the secure exchange of Patient Summaries and electronic prescriptions. Through this network, which includes Greece, Luxembourg, Croatia, Estonia, The Netherlands, Poland, Ireland, Portugal, and Spain, Cypriot citizens can access healthcare services and medications abroad more efficiently, while healthcare professionals can securely retrieve essential medical information to support safer and more continuous patient care across borders. The National Contact Point has been in production since 12 May 2025, with Cyprus operating both as Country A (data-sending country) and Country B (data-receiving country) within the cross-border healthcare framework.

Cyprus aims to establish an H-Cloud as a fully governed and well-defined hybrid cloud environment dedicated to hosting and deploying all health-related projects. The H-Cloud will operate under the same framework of governance, security, compliance, hosting regions, disaster recovery as defined for the national cloud ecosystem (G-Cloud). The project is expected to be procured in 2026.

2025 recommendation on access to e-health records: Ensure a comprehensive approach and swift implementation of on-going projects to allow access to e-health records.

In 2025, Cyprus continued the implementation of existing measures but did not take any new measure. Although people have access to their health data through an online portal, a mobile application is still under development. As described above, Cyprus completed all major preparatory

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milestones for the mobile Health application, myHealth@CY, and started the implementation phase in the first quarter of 2026.

Leveraging digital transformation for a smart greening

In Cyprus, air emissions from the ICT sector are low, and the recycling of electronic equipment is relatively high. Sectoral data on the air emissions show that the ICT sector in Cyprus emitted 17.1 kg CO₂ eq per capita, which is below the EU average of 22.8 kg CO₂ eq (data from 2022). Almost all emissions come from the ICT services activities (99.7%). The ICT sector represented 0.23% of air emissions in the total economy (EU average: 0.35%). In 2023, 88.87% of ICT-related waste collected (corresponding to two categories of waste electrical and electronic equipment) are recycled or prepared for reuse while in the EU on average 80.23% are recycled or prepared for reuse. According to the Digital Decade Eurobarometer 2026, 64% of Cypriot people consider that green digital technologies will have the most positive impact in the next 10 years (EU average is at 50%).

The DMRID continues to develop the project 'Smart Cities' to support the green transition of cities through the use of digital technologies that optimise resource use, reduce emissions and improve quality of life for people. The objective is the creation of a national Smart Cities platform, and the implementation of three vertical solutions, initially: Smart Street Lighting; Smart Parking and Smart Waste Management. Mobile applications will be developed for the management of the solutions by the Municipalities, as well as a single mobile app for citizens, which can be used on a national basis. The project has a production milestone in August 2026. The Smart Lighting solution will deliver significant energy savings through the real-time monitoring and adjustment of lighting levels. The Smart Parking solution will contribute to reduce traffic congestion and associated emissions by enabling drivers to locate available parking spaces more efficiently, while the Smart Waste Management solution will optimize waste collection routes and schedules based on real-time data, thus supporting circular economy practices. The project also includes provisions to support the development of additional smart solutions in the future.

The launch of the new e-procurement system early 2026 will contribute to enhance the goals of the Green Public Procurement (GPP) strategy of Cyprus to promote environmentally friendly purchases. It integrates digital tools for monitoring and evaluating the environmental impact of products and services procured by public authorities, aligning with EU directives and fostering sustainable consumption.

In the development of the future Digital strategy (five-year horizon), specific objectives will focus on leveraging digital technologies and policies to support smart greening. It is foreseen to integrate horizontal European policies, such as the green transition, influencing the strategic direction of the country's digital transformation.

Regarding the sustainability of the telecom sector, although the OCECPR, the NRA, does not have a legal mandate, it is acting towards the industry and the public to promote environmental sustainability. Every 3-6 months, information is collected on the measures taken by operators regarding their environmental footprint. The OCECPR also launched a study to assess the current environmental footprint of the sector and any services related to electronic communications. The study also plans to benchmark Cyprus's performance either against other EU countries situation or regarding international standards. It should also identify regulatory or voluntary measures that could be introduced by the OCECPR to the electronic communication sector. In 2025, the OCECPR also made

awareness campaign addressed to the public through social media to encourage people to recycle their devices.

2025 recommendation on smart greening: enhance efforts to develop and integrate approach for the digital and green transition, specifically to improve the energy efficiency of digital infrastructure, and to accelerate the deployment of digital solutions to reduce the carbon footprint in other sectors.

In 2025, Cyprus continued the implementation of existing measures but did not take any new measure. The main on-going measure is the implementation of the 'Smart cities' project (as described above).

Annex I: National roadmap analysis

Cyprus's national Digital Decade strategic roadmap

Cyprus submitted an adjustment of its national roadmap on 13th January 2025. It includes 11 additional measures, six measures were revised, as well as one trajectory. Two targets and trajectories were added for unicorns and edge nodes. The adjustment aligns with the current Commission's priorities such as cybersecurity and increasing the efficiency of public services using digital technologies.

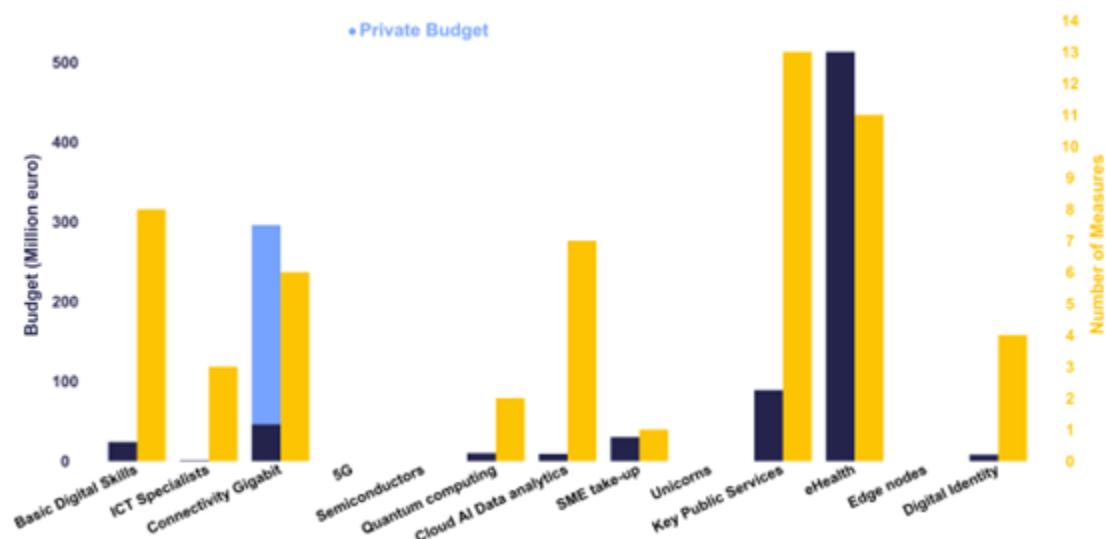
The revised roadmap addresses a substantial number of 2024 roadmap recommendations:

The revised roadmap includes a target and a trajectory for edge nodes and unicorns. Cyprus also revised its national target for ICT specialists to align it with the EU's 2030 target of 10%.

Cyprus significantly upgraded a programme implemented by the Cyprus Productivity Centre (CPC) for the development of digital skills, putting emphasis on designing customised training programmes for specific vulnerable groups including individuals aged 55 and above. In the initial roadmap, the budget was EUR 300 000; the revised roadmap provides for an additional budget of EUR 1.75 million for 2024-2026 period with the support of the RRP. In terms of business take-up of AI, no additional measures have been included in the roadmap, but Cyprus is working on designing a national AI strategy to leverage the potential of AI for growth, and on a funding scheme for the provision of AI solutions.

While there has been no systematic contribution to the implementation of the digital rights and principles was not carried out, the revised roadmap includes additional information on some initiatives contributing directly to the implementation of digital rights and principles (e.g. Cyprus's involvement in international discussions on digital rights), and indirectly, such as the measures for digital skills helping to empower people and protect them online. Regarding the general objectives, while the adjustment of the roadmap includes a measure to boost cybersecurity capacity, the implementation of the objective of greening digital has not been addressed.

Measures and budget in national roadmap⁹



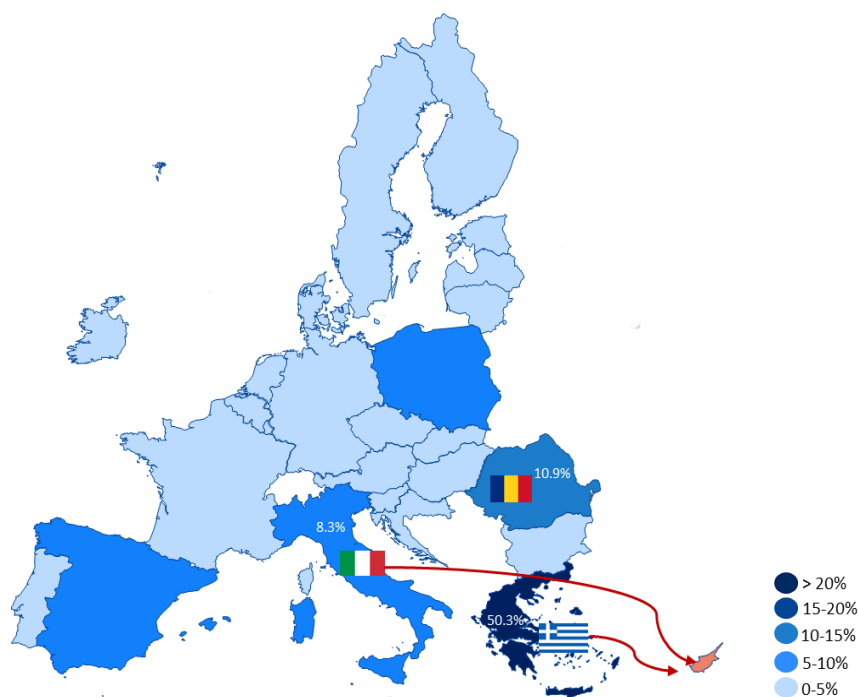
Cyprus's revised roadmap reinforces the already mostly complete roadmap submitted in 2023. In total, the national roadmap includes 62 measures totalling EUR 988.4 million (equivalent to 2.96% of Cyprus's GDP). It remains high in ambition in terms of the targets set and the inclusion of additional measures demonstrates the commitment to reach the objectives and targets of the Digital Decade. At the same time, there is room to further consolidate the action in some areas, such as digital skills for all and digital public services for businesses. The stakeholders, included in the roadmap have been consulted.

Annex II: Funding, economic impacts & Multi-Country Projects

Country results from the study 'Assessing the Economic Impact of Digital Investments under the Recovery and Resilience Facility'

A modelling study conducted by the European Commission services, with the FIDELIO model, assesses the economic impact of the digital component of the RRF. As of November 2025, the digital part of the Recovery and Resilience Plan of Cyprus was evaluated to EUR 264 million with EUR 45 million for digital infrastructures, EUR 24 million for digital skills, EUR 73 million for the digitalisation of businesses, EUR 101 million for the digitalisation of public services, and EUR 21 million for other digital priorities.

The total economic impact of RRF digital measures is estimated to EUR 189 million for the national economy. Of this, EUR 117 million stems from the direct effects of Cyprus's own RRP and EUR 72 million corresponds to spillover effects from the implementation of other EU Member States' plans. Cyprus benefited the most from spillover effects from RRFs of Greece (EUR 36 million), Romania (EUR 8 million), Italy (EUR 6 million). The most impacted sectors are ICT Services (EUR 66 million), Finance & Insurance (EUR 27 million), and Construction (EUR 21 million).



RRF spillover effects to Cyprus

Funding from the Recovery and Resilience Facility (RRF) & Cohesion Policy

Cyprus allocates 30% of its total recovery and resilience plan to digital (EUR 0.3 billion)⁴. In addition, under cohesion policy, EUR 0.1 billion, representing 12% of the country's total cohesion policy funding, is dedicated to advancing Cyprus's digital transformation⁵.

Multi-Country Projects

Cyprus is a member of the EUROPEUM-EDIC and is observer to the Alliance for Language Technologies EDIC. The country is a member of the consortium that aims to set up the EDIC in the area of cybersecurity skills. Cyprus is a participating state of the EuroHPC Joint Undertaking (JU) and of the Chips JU.

⁴ The share of financial allocations that contribute to digital objectives has been calculated using Annex VII to the Recovery and Resilience Facility Regulation. Last data update: 23 April 2026.

⁵ This amount includes all investment specifically aimed at or substantially contributing to digital transformation in the 2021 - 2027 Cohesion policy programming period. The source funds are the European Regional Development Fund (including Interreg), the Cohesion Fund, the European Social Fund Plus, and the Just Transition Fund.