



# **MUNICIPAL NEWS**

**THE QUARTERLY NEWSLETTER OF THE UNION OF CYPRUS MUNICIPALITIES**

**Monday December 31, 2007**

**ISSUE 8**

## **CYPRUS ADOPTS THE EURO**

"The adoption of the euro is a historic event for Cyprus and Malta, which join the euro area only four years after they became members of the European Union. Welcome and Good Luck". With these words, Joaquín Almunia, European Commissioner for Economic and Monetary Affairs welcomed Cyprus and Malta to the Eurozone.

The euro area exists since 1 January 1999, when 11 of the then 15 EU Member States adopted the single currency. Greece followed in 2001 and Slovenia adopted the euro on 1 January 2007. Cyprus (along with Malta) will adopt the euro on 1 January 2008 at the rate of 0.585274 Cyprus pounds to one euro (one Cyprus pound corresponds to € 1.71). The euro area will thus include 15 out of the 27 EU countries and a population of 320 million out of the EU's total of 495 million.

The June 2007 European Council welcomed the adoption of the euro by Cyprus and Malta in January 2008, after the Commission concluded in Convergence Reports adopted a month earlier that they met the qualifying Maastricht criteria. The formal decision was taken by the ECOFIN Council in July, including the decision on the conversion rate.

Since that date, both countries have completed and finalised their practical preparations which should ensure them a smooth changeover to the euro according to the countries' national changeover plans.

Cyprus borrowed the necessary euro banknotes from the Eurosystem stocks via the Bank of Greece and received its euro coins from the Mint of Finland, following a call for tenders. **(Continue to page 2).**

## **Euro-Mediterranean energy partnership launched**

Together with Ministers from the EU Member States and from the Mediterranean partner countries, European Energy Commissioner Andris Piebalgs launched on December 17, 2007 the new Euro-Mediterranean energy partnership, at the 5th Euro-Mediterranean Energy Ministerial Conference that took place in Limassol, Cyprus.

Ministers and the Commissioner endorsed the Ministerial Declaration and its 2008-2013 Priority Action Plan for Euro-Mediterranean cooperation in the field of energy, which gives a new impetus to the EU external energy policy in the region and focuses on three areas:

- Firstly, to ensure the improved harmonisation of energy markets and legislations and to pursue the integration of energy markets in the Euro-Mediterranean region;
- Secondly, to promote sustainable development in the energy sector;
- And thirdly, to develop initiatives of common interest in key areas, such as infrastructure extension, investment financing and research and development.

The Action Plan entails a detailed list of infrastructure projects of common interest in the region like the "Solar for Peace" Project recently elaborated jointly by Israel and the Palestinian Authority in the area of solar energy.

For the next four-year period, the EU will devote more than 3.2 billion Euros for Euromed cooperation, in combination with Member States' bilateral cooperation envelopes, the Facility for Euro-Mediterranean Investment and Partnership of the European Investment Bank, as well as other instruments such as the upcoming Africa Infrastructure Partnership. A good share of the financing could be channelled to the priorities identified in the Action Plan.

The private sector is also closely involved, as underlined by Commissioner Piebalgs, who called on leading energy companies operating in this region to play an active role in supporting the EU Priority Action Plan.

## **CYPRUS ADOPTS THE EURO**

**(From page 1).** Commercial banks started receiving euro coins from the Central Bank of Cyprus on 22 October, and euro banknotes on 19 November. Since 1 November, some banks have also been offering citizens the possibility of exchanging Cyprus pounds into euro banknotes at the conversion rate and without exchange charges. Moreover, since 3 December, a total of 40,000 pre-packed euro coin starter-kits for businesses (worth € 172 each) and 250,000 mini-kits for the general public (worth € 17.09 each) have been on offer, in order to permit the population to familiarise itself with the new currency.

Recent survey results indicate that the Cypriot enterprises are well prepared for the changeover and have not experienced any significant problems. 7,130 businesses, including larger retailers and banks, are participating in a Fair Pricing Code launched by the government in July 2007 whereby they commit to behave fairly and not to seek advantage from the changeover. A logo displayed on shop windows attests to their adherence to the Code.

The dual display of prices in the Cypriot pound and euro has been compulsory since September, helping consumers to get used to the new scale of values. Its implementation is monitored by five Euro-Observatories whose inspectors regularly visit retail outlets throughout Cyprus. The Ministries of Finance and of Commerce and Industry monitor price developments in cooperation with the statistics office and consumers' associations.

Those consumers who still have national cash after the dual circulation period ends on 31 January will be able to exchange it for euros free of charge until 30 June. The Central Bank will continue to exchange national coins for euros until 2009 and notes until 2017. For more information see:

- [http://ec.europa.eu/economy\\_finance/the\\_euro/](http://ec.europa.eu/economy_finance/the_euro/)
- [http://www.euro.cy/euro/euro.nsf/dmlindex\\_en/dmlindex\\_en?opendocument](http://www.euro.cy/euro/euro.nsf/dmlindex_en/dmlindex_en?opendocument)
- <http://www.euro.cy>
- or contact: [info@euro.cy](mailto:info@euro.cy)

To see how the Cypriot Euro looks like go to: [http://ec.europa.eu/economy\\_finance/the\\_euro/coins8662\\_en.htm](http://ec.europa.eu/economy_finance/the_euro/coins8662_en.htm)

## ***Participation of the Union of Cyprus Municipalities to Leonardo Da Vinci***

The Union of Cyprus Municipalities participates as a partner in the action "Promoting Urban Sustainable Development in Local Authorities - PROUD" in the framework of the Leonardo da Vinci program.

The action is coordinated and managed by the Research Centre - Intercollege (head partner) and aims at promoting the principles as well as the practices of sustainable urban development.

This objective is expected to be achieved through the training of Officials and elected representatives of Local Authorities of new member states on basic environmental issues, encouraging them to directly participate and create their own action plans in this specific sector.

Consequently and as result of the above action, an educational material package is expected to be prepared in printed as well as in electronic form.

This package will be disseminated by the partner in each country and will be posted on a website. The material will be translated in all the languages of partners involved in this project.

The role of the Union of Cyprus Municipalities and its members in this project is to set up a team of representatives of Cypriot Local Authorities, who will receive and study the educational material, which is expected to be ready in the beginning of 2008.

The team of engineers/architects/town-planners/technicians of Municipalities who will participate will be able, on completion of the project, to promote this material, via the Union's Network of Engineers and through other activities, in collaboration with the Union of Cyprus Municipalities, so as to achieve in the biggest possible degree the desirable result, that is to say the essential and decisive engagement of local self-government in the promotion of sustainable urban development in Cyprus.

More information and/or clarifications with regard to this project are available through the Union of Cyprus Municipalities.

## **Civil Society, Environment and Sustainable Development**

The International Conference "Civil Society, Environment and Sustainable Development: from information to active participation" took place in Athens on the 23 and 24 November 2007 with the participation of a 10member Cypriot delegation.

The conference was organised by the European Centre for Environmental Research and Training of Panteion University, the Cypriot Organisation AKTI Project and Research Centre and the MEDITERRANEAN SOS Network (MedSOS), with the financing and the support of European program "Europe for the Citizens".

The conference was addressed by the Secretary of the Union of Cyprus Municipalities Mr Athos Germanos and the representative of AKTI Mrs Kyriaki Demetriou.



The Chairman of the Environmental Committee of the Cyprus Scientific and Technical Chamber (E TEK) Mr Michael Loizides chaired the session on the application of participating processes in the field.

The President of Ergaton Community Mr Kyriacos Christodoulou presented a paper on experiences from the participating processes in the Tamassou Communities and the Coastal Engineer Mrs Xenia Loizidou on behalf of the Network for Sustainable Development, presented a paper on "Overall Management of Coastal Areas: examples from Cyprus".

Beyond the need for active participation of the citizen in the development of each country, an important conclusion that resulted from the conference is that the role of Civil Society in the EU, and especially in Greece and Cyprus, will depend on the capacity of citizens to make the best out of the available institutional tools and to change the traditional Governance and decision-making methods, replacing them with new models of organisation and planning.

## **OPENDAYS 2007: Over 250 participants assisted the two NEEBOR Workshops**

The 5th OPEN DAYS-European Week of Regions and Cities was held between 8 and 11 October 2007 in Brussels for about 5,000 regional policy experts and practitioners.

The Union of Cyprus Municipalities participated at the event as Head partner of the NEEBOR, the biggest conglomerate to take part to the event with 17 partners.

NEEBOR organized two of the 150 workshops of this year's edition, both of them under the subtitle Crossing borders: Networking and best practice supporting growth and jobs.



The first one was entitled: «Transport across external borders – challenges and solutions» and took place on the 10th of October in the premises of East Finland EU Office. The workshop gathered high level politicians and local practitioners around the discussion on the role of transport connections to local development, as well as the importance of proper transport connections of the EU with its neighbours.

The second workshop was entitled: «Competitiveness and innovation in the Eastern External Border Regions» and took place on the 11th of October in the premises of the Representation of the Regions of Hungary in Brussels. Key note speakers and local practitioners compared their innovation strategies and exchanged their views on Competitiveness and Innovation, seeking new partnerships and solutions for a hot issue for all EU's regions.

More than 250 regional policy experts, practitioners and politicians assisted the two workshops and participated to the debates that followed them. The general assessment proved to be positive not only for them, but for the Union of Cyprus Municipalities and its Brussels Office who gained a lot from an overall positive experience. For more info: [www.opendays.europa.eu](http://www.opendays.europa.eu)

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- **Cyprus Government web portal**

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## THE UNION OF CYPRUS MUNICIPALITIES

The Union of Cyprus Municipalities was established in 1981. Even though membership is voluntary, all municipalities (33), accounting for 65 per cent of the population of Cyprus, are represented.

The main objective of the Union is to contribute to the development of local government autonomy, as well as to act as spokesman of local government interests vis-à-vis the central government and other national organisations and institutions.

The Union's decision-making power is vested in the General Assembly, which may look into and decide for all issues. The Executive Committee implements decisions taken by the General Assembly. The President of the Union represents the Union before any authority, while the Secretary is responsible for the day-to-day operation of the Union.

The Union follows closely and participates in international activities related to Local Authorities and in recent years, especially after the accession of the Republic to the EU, it takes an active stand and develops relations with organisations, institutions and departments of the European Union that concern Local Authorities. In this regard, the Union has, since July 2005, opened an Office in Brussels.

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