

SUMMIT MEETING

BARCELONA PROCESS: THE EURO-MEDITERRANEAN PARTNERSHIP

(Intervention of the President of the Republic, Paris, 13th July 2008)

The development potential of the Cypriot economy is being tested this year from the increased oil prices and the continuing drought and water shortage. The rise in the price of oil and Cyprus' total reliance on imported fuels are creating inflation related problems and are having a negative impact on tourism and the general economy.

At the same time, the continuing drought and the drastic depletion of the water reserves make the conditions even more difficult, impacting the agriculture, livestock farming and irrigation in an extremely negative way. In order to address the water shortage issue the Government of Cyprus has already taken a series of administrative, correcting and enriching actions to improve the current situation and the future resource planning. I have already notified H.E. the President of the European Commission about the problems that Cyprus is facing and the actions planned to address them, asking him to activate the relevant mechanisms by which EU can help Cyprus. I expect that negotiations between the relevant departments from Cyprus and the EU will start soon in order to discuss the options than can be offered.

Unfortunately, water shortage, which is the result of increased demand and climate changes, does not appear to be a temporary problem. It is expected that it will get worse and that all the Mediterranean and Middle Eastern countries will be increasingly affected. The report from the Meeting of the Directors of the Water Resource Departments that took place in December 2007 in Bled, Slovenia, stresses the need for a renewed long term water strategy. Cyprus has committed to adopting a Complete Water Strategy, which will not only address the water demand but also will also secure long term water resources and minimize impact on the environment.

The continuously changing climate changes prohibit Cyprus from relying solely on rainfall for its water resources. The Republic of Cyprus is obliged to secure its long term water resources and rely on solutions like importing water from abroad and desalination. However, desalination is an extremely energy intensive process, that is not only costly but also affects the environment; despite this, desalination is the only way forward for Cyprus. Taking into account the needs of the population and the economy and the need to respect its EU and international obligations,

Cyprus has decided to intensify its efforts towards finding a solution that can address both the energy and water issues. Specifically, this solution could come from using solar energy to produce both electricity and desalinated water. The Government of Cyprus has already announced its intention to invest €18 million in an ambitious but at the same time completely pragmatic strategic project. The project is based on the latest technological and scientific developments in the field of solar energy and will lead to the construction of a prototype solar thermal unit for simultaneous production of electricity and desalinated water by the use of Concentrated Solar Power (CSP)

There are multiple advantages and benefits from this initiative, both for Cyprus, the EU and our Mediterranean neighbors, Middle East and North Africa. In addition to the direct benefits, this initiative is expected to promote innovation and increase the funds spent on research, helping Cyprus and the EU reach their Lisbon targets for innovation and research. Concluding, I am asking your aid in promoting the positive repercussions that such a project can bring in the region.