

REPUBLIC OF CYPRUS



**Report on National Follow-up
to the UNECE Regional Implementation Strategy (RIS)
of the Madrid International Plan of Action on Ageing (MIPAA)**

April 2007



**ΥΠΟΥΡΓΕΙΟ ΕΡΓΑΣΙΑΣ
& ΚΟΙΝΩΝΙΚΩΝ ΑΣΦΑΛΙΣΕΩΝ**
**MINISTRY OF LABOUR
AND SOCIAL INSURANCE**

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Introduction

The report of the United Nations Secretary-General to the Commission for Social Development on the modalities for the review and appraisal of MIPAA (E/CN.5/2006/2) considers most relevant for countries to share information, experiences and good practices, draw conclusions and set priorities for future cooperation and technical assistance **primarily at regional-level review and appraisal exercises** organized by the regional commissions. It is expected that the regional commissions will elaborate concrete plans for conducting the review and appraisal exercises and convene regional conferences on MIPAA review and appraisal in 2007. The secretariat of the United Nations Economic Commission for Europe (UNECE) is engaged in this work, receiving support from the European Centre Vienna and from the Task Force for Monitoring MIPAA/RIS. The Government of Spain has proposed to host the Conference on Ageing in the UNECE region in autumn 2007.

The present guidelines are designed to assist Member States in reporting on the national follow-up to the UNECE Regional Implementation Strategy (RIS) of MIPAA. They are meant for national focal points on ageing and all the others involved in writing the report on the review and appraisal of national follow-up to MIPAA/RIS. It is hoped that the report outline provided in this document would help the focal point on ageing to organize existing as well as newly collected material into a concise report. The harmonised structure of country reports is also helpful for summarising ageing related developments across the region and for exchanging experiences between Member States. Information provided through these reports would form the basis for discussions at the 2007 UNECE Conference on Ageing.

It is suggested that the length of the report is 6000 to 8000 words (excluding annexes), including an abstract of 700-1100 words. **The deadline for submitting this report to the UNECE is 16 April 2007.**

For additional background information, you are referred to the following documents available through our website <http://www.unece.org/pau>:

- *Regional Implementation Strategy (RIS) of the Madrid International Plan of Action on Ageing*
http://unece.org/pau/age/berlin2002/docs/berl_ris_rev_e.pdf
- *Berlin Ministerial Declaration – A Society for All Ages in the UNECE Region*
http://www.monitoringris.org/documents/norm_reg/berl_md_e.pdf
- *Guidelines for the review and appraisal of MIPAA*
http://www.monitoringris.org/documents/imp_glob/Guidelines_draft_final_June.pdf
- *Note on the UNECE Conference on Ageing*
<http://www.unece.org/pau/age/focalpointsmeeeting/Note2007UNECEConferenceonAgeing.pdf>
- *Implementation of the Madrid International Plan of Action on Ageing in the UNECE Region*
http://unece.org/pau/age/focalpointsmeeeting/summary_report_questionnaires.pdf

Outline of the Report on the Follow-Up to the Regional Implementation Strategy (RIS) of the Madrid International Plan of Action on Ageing (MIPAA) in [country]

ABSTRACT

Please provide an abstract of 700 - 1100 words (depending on the number of priority areas chosen) according to the structure below.

Methodology used for this report, in particular the explanation of bottom-up participatory approach used (about 100 words)

A social dialogue has been initiated by the national focal point (Social Welfare Services) concerning the review and appraisal of MIPAA/RIS. All relevant stakeholders involved on ageing issues (government, non-governmental organisations, social partners and academic institutions) have been invited to contribute towards the preparation of the present report.

A letter was sent by the national focal point to all stakeholders (government, NGOs, social partners) explaining the background, the purpose and the procedure for the preparation of the present Report. Stakeholders were then invited to contribute towards the Report by sending, in writing, their position on priorities and other issues on ageing. At a later stage, a draft Report was sent to all stakeholders for comments.

The final Report was approved by the Council of Ministers on 7.5.2007.

Review and analysis of national progress in fulfilling the commitments of the RIS (about 200 words for each priority commitment; about 300 words in total for the remaining commitments)

Several bodies have been established in order to facilitate the coordination and **mainstreaming of ageing** issues (Commitment 1) into all policies such as the Supreme Policy Making Body on Issues Concerning Older Persons, the Coordinating Body for Older Persons, the Advisory Board and the Elders' Parliament.

Integration and participation of older persons (Commitment 2) is aimed through the provision of benefits (e.g. pension, public assistance) an array of long-term care services, especially on a local level, social support schemes (e.g. for housing, holidays, employment), lifelong learning programmes and incentives for participation in cultural activities.

The promotion of equitable and sustainable economic growth in response to population ageing (Commitment 3) is among the core political objectives of the government. Implementing the planned consolidation of public finances over the medium term will reduce the risks to long-term sustainability while other parametric reforms (i.e. changes to the social security system and fundamental reforms of the health care system) will be necessary to contain the projected high increase in age-related expenditure in the period up to 2050.

Adjustments of the social protection system are underway **in response to demographic changes and their social and economic consequences** (Commitment 4). Reforms of the social security system are under discussion with the social partners.

Furthermore, the Special Allowance Scheme (payable to every pensioner with a predetermined annual pension income) is under review with an aim to target those in need.

In order to tackle challenges in the healthcare system, the Government of Cyprus is proceeding with the introduction of a National Health Scheme (NHS) and the restructuring of the public hospitals into autonomous establishments. The main characteristics of the NHS are:

- universal residence based coverage of the population
- financing by tripartite earnings-related contributions calculated on total income
- freedom of choice of provider between the public and the private sector
- separation of provision from financing health care
- management of the NHS by an independent public law Health Insurance Organisation.

With an aim to **enable the labour market to respond to the economic and social consequences of population ageing** (Commitment 5), the National Employment Strategy identified the following areas for policy action:

- Maintenance of high rates of increase in labour supply, particularly by raising older persons and female participation rates and by reducing gender inequality (see active employment policies, employment schemes etc)
- Increase in the flexibility of the labour market
- Orderly management of foreign workers issues to serve the economic and social needs of the country
- Further development of human capital
- Further enhancement of the conditions of social cohesion.

In order to **promote life-long learning** (Commitment 6), a draft National Strategy for Lifelong Learning has been prepared and is under discussion with the social partners. **In order to meet the changing economic, social and demographic conditions, the educational system** is undergoing several **adaptations** to improve the link between the school and the labour market (e.g. Apprenticeship System, the evening technical school) and to increase school retention (e.g. Educational Priority Zones, Supportive Teaching Programme, the Literacy Programme and the Support Programme for Children with Special Needs).

Ongoing improvement of access to goods, healthcare, education and services aims to ensure that all citizens of Cyprus enjoy **quality of life at all ages and maintain independent living including health and well-being** (Commitment 7). Early diagnosis

and prevention of disease, together with promotion of healthy life styles are promoted as a positive influence to the quality of life. Weaknesses of the healthcare system are expected to be resolved to a significant extent through the introduction of a National Health Scheme in 2008.

The Government is in the process of finalising an Action Plan for the Equality between Men and Women (Ministry of Justice and Public Order) with an aim to promote **gender mainstreaming in all policies** (Commitment 8). The State encourages NGOs to develop a range of care services (for children, older persons, persons with disabilities), on a local level, in order to support families and facilitate intergenerational solidarity.

Family support programmes (care services for children, older persons and other dependent family members, support of informal home-care etc) have been strengthened, in recent years (Commitment 9). As mentioned earlier, special emphasis is placed on the encouragement of NGOs that operate social care programmes on a local level.

Promotion of the implementation and the follow-up of the Regional Implementation Strategy (Commitment 10) have been initiated by the national focal point through a social dialogue. RIS Commitments are largely integrated in national policies. Resources available for ageing issues are ongoing within the framework of the Government annual budgets. Therefore no resources were specifically dedicated to MIPAA/RIS follow-up.

Conclusion (about 100 words)

The ageing of population, although still not an issue for Cyprus, is projected to become an issue of concern by 2030. Hence, ageing has only recently been mainstreamed in policies such as economic, social protection, labour market and health.

The overriding objective of the government policies is to enhance long-term growth and the standards of living of all citizens, to maintain macroeconomic stability, to implement structural reform which improves the functioning of the market mechanism and to ensure that the government sector provides, adequately and efficiently, services to the public.

Adjustments of the social protection system (social security system and healthcare system) are underway in response to demographic changes and their social and economic consequences. A key government policy is that social spending should be further geared towards those who are in greater need such as low income earners, pensioners and people living in rural areas.

0. General Information

This introductory chapter should contain general information about the Member State that is submitting the report, in particular:

Country name: Cyprus

Name of and information about the author(s) of the report: Toula Kouloumou, Director of Social Welfare Services (Ministry of Labour and Social Insurance)

Contact details for the author(s) of the report: Social Welfare Services, 1468 Lefkosia, Cyprus

Name of official focal point on ageing and contact details: Hara Tapanidou, Social Welfare Services, 1468 Lefkosia, Cyprus

Name, reference, and date of adoption or status of preparation of national strategy, action plan or similar policy document on ageing (please attach relevant documents in the annex).

National Action Plan on Older Persons, 2005-2015

Adopted by the Council of Ministers on November 2nd, 2005 (Decision no 62.797).

The present Report was approved by the Council of Ministers on May 7, 2007.

1. Situation, Activities and Priorities Related to Ageing

a) National ageing situation

This first chapter includes an overview of the national ageing situation with respect to demographic, social, economic and political developments.

One of the key objectives of the reports is to allow Member States share good practices and different approaches to similar challenges and opportunities related to the ageing of their societies, deeply understanding the different contexts in which the latter evolves. Therefore, this chapter may consist of the following sections:

- *Presentation of **demographic indicators** that could help better understand the country's development regarding the issues discussed.*

The population of Cyprus¹ is estimated at 766.400 at the end of 2005, an increase of 2,3% since 2004. An ageing trend in the population is shown by the proportion of children below 15 which decreased to 18,4% compared to 25,4% in 1992 and 25% in 1982. The proportion of persons 65+ years increased to 12,1% (2006) compared to 11% in 1992 and 10,8% in 1982 (See point 3 of Annex, Table 1). The proportion of the population 65+ years is projected to increase to 17,6% by 2028 and to 26,2% by 2050.

The working population is ageing as well. The proportion of persons aged 45-64 years increased to 23,8% from 19,4% in 1992 and 17,6% in 1982. The age dependency ratio (65+/15-64) is expected to increase from 17,3% in 2005 to 43,2% in 2050 (See point 3 of Annex, Table 2).

Infant mortality is at a low level of 4,6 infant deaths per 1.000 live births in 2005. Since 1996, the total fertility rate remains below replacement level of 2,10. The total fertility rate in 2005 was 1,42 (1,66 in the period 1998-2001 and 1,48 in the period 2002-2005) and is expected to decline to 1,43 by 2010, when it will start to increase and gradually reach 1,50 in 2030-2050. Life expectancy at birth is at 77,0 for males and 81,7 for females for the period 2004/2005 (compared with 76,1 and 81,0 respectively in the period 2000/2001) and is projected to increase by 2050 to 81,9 years for males and 85,1 years for females (See point 3 of Annex, Table 3).

Cyprus shows high levels of educational attainment in the population. For the ages 25-64 years, 65,3% have completed at least Upper Secondary level compared to an average of 68,9% in the 25 Member States of the European Union (EU-25). For the ages 25-64 years, 29,4% have tertiary education qualifications compared to an average of 21,9% in the EU-25 (See point 3 of Annex, Table 4).

¹ All data in the Report refer to the government controlled area of the island.

- *Presentation of key quantitative social and **economic indicators** and features that may help to put into focus the issues treated and ease quantitative analyses.*

Cyprus shows an overall positive economic performance as shown by high growth (3,6% in 2006), low unemployment (5,3% in 2005) and relatively stable inflation rates (2,4% in 2006). The performance of the economy of Cyprus during the last few years has been satisfactory, in spite of the challenges posed by unfavourable external environment. After a slowdown in 2002-2003, GDP grew in real terms by 3,9% in 2004, 3,8% in 2005 and 3,7% in 2006.

The rate of inflation, which in 2003 reached 4,0%, declined to 1,9% in 2004, whilst in 2005 it increased to 2,1% and 2,4% in 2006, mainly because of the rising oil prices in the international market.

The fiscal deficit, which in 2003 rose to 6,3% of GDP, declined to 4,1% in 2004, to 2,5% in 2005 and to 1,4% in 2006 and is expected to decline until it reaches a close to balance stance by 2009, as a result of the implementation of the fiscal consolidation measures included in the European Union Convergence Programme 2006-2010.

Public debt increased from 69,3% of GDP in 2003 to 71,7% in 2004, 71,1% in 2005 and decreased to 65,3% in 2006 whilst it is expected to decline to 61% in 2007 and below 60% in 2008.

The overriding objective of **economic policy** is to enhance long-term growth and the standards of living of all citizens, to maintain macroeconomic stability, to implement structural reform which improves the functioning of the market mechanism and to ensure that the government sector provides, adequately and efficiently, services to the public.

Cyprus faces a high risk with regard to the long-term sustainability of **public finances** in view of the budgetary impact of ageing populations. Implementing the planned consolidation of public finances over the medium term will reduce the risks to long-term sustainability, while other parametric reforms will be necessary to contain the projected high increase in age-related expenditure in the period up to 2050 and to reduce the risk of long-term sustainability.

The improvement of the quality of public finances is a major goal and is expected to play an important role in creating a growth supportive environment (European Lisbon Strategy). On the expenditure side, major categories are public investment in infrastructure, the promotion of the Information Technology Programme for the Public Sector, research and development, education and health. In the 2007 Government Budget, total expenditure for infrastructure amounts to 2,2% of GDP for the completion of a number of projects in the area of road transport, the promotion of schemes included in the Strategic Action Plan for Road Safety and the re-development of the two airports in Cyprus. Public investment in infrastructure will be maintained at high levels as a percentage of GDP. The implementation rate of infrastructure projects is expected to increase to 80-85% by 2010 from 70% today.

- *Brief description of the **social and political situation**, which may help to understand in which context ageing related issues are dealt with in your country*

You are invited to use the indicators developed in the European Centre Vienna [MA:IMI](http://www.euro.centre.org/detail.php?xml_id=81) project (http://www.euro.centre.org/detail.php?xml_id=81) for the above descriptions.

Families in Cyprus are changing in size and structure. One- to two-person households have increased from 30% in 1982 to 37% in 1992 and 43% in 2001. The total divorce rate has increased sharply in the last decade from 7,3 (1990) to 23,3² (2005). The percentage of single parents, however, shows only a slight increase from 4,2% in 1992 (3,7% single mothers – 0,5% single fathers) to 5,7% in 2001 (5,0% single mothers – 0,7% single fathers).

Although intergenerational solidarity is still strong in Cyprus, the social developments (increasing complexity of family problems, family violence, urbanisation, break-up and reconstitution of families, the repercussions of globalisation, the mass media and modern technology) have led to the loosening of family and social networks.

As a response to a weakening informal care and an increasing participation of women in the labour market, new forms of formal care and other family support services have been developed in recent years. The current social trends suggest that there is a need for continuous development and adjustment of measures at all levels of prevention, including measures reconciling work and family life. The Government, the social partners and civil society are involved in the development of these measures.

In 2004, **the risk of poverty rate** for the general population was 16%³. For the population aged 65 years or more the rate was 51%⁴. In 2004, the risk of poverty for children aged 0-17 years was 13%. The at-risk-of-poverty threshold in PPP for a single member household in 2003 was € 7.822 (EU-25: €7.716). Income inequality (as measured by the ratio S80/S20) was 4,3. Social protection expenditure in 2004 was 17,8% of GDP (16,2% in 2002). In 2004, social transfers reduced the risk of poverty by 13 percentage points (29% before social transfers and 16% after social transfers).

The **labour market** of Cyprus is characterised by comparatively high participation and employment rates. The participation rate in 2006 was 73%, compared to 72,4% in 2005 and 72,6% in 2004. The employment rate in 2006 was 69,6% compared to 68,5% in 2005 and 69,1% in 2004. Female employment rate was 60,3 % that is, 19 percentage points lower than the respective rate for men. The employment rate of older workers (persons aged 55-64) was 53,6% (slightly above the national target of 53% by 2010) against 50,6% in 2005, and 50,1% in 2004.

² For every 100 marriages, 23,3 are expected to end in divorce.

³ Eurostat, EU-SILC (Survey on Income and Living Conditions)

⁴ Provident Funds that cover about 30% of the gainfully employed population and provide lump sum benefits in case of retirement, death, invalidity or termination of employment are not taken into account for calculating the income of retired people. In 2002, the average contribution rate to these Funds was around 11,4% (5,6 and 5,8% from the employer and employee, respectively). In the same year, the total Provident Fund payments to retired members amounted to CY€16,3m. Should the Provident Funds be converted into pension schemes, there would be a reduction in the proportion of elderly people who are at risk of poverty.

In 2006, unemployment remained at a low level of 4,5% (5,3 in 2005 and 4,7 in 2004).

The **employment policy** promotes measures which encourage the participation of women in the labour market, more active participation of older workers and more effective management of economic migration.

Structural reforms (see National Reform Programme, 2005 and Progress Report, 2006) aim at boosting productivity and competitiveness that will deliver high growth and living standards for the citizens of Cyprus. Among others, the reform of the social security and health care systems addresses key challenges in light of the prospective ageing of the population. The Government is working with the social partners on possible parametric changes to the social security system and for a fundamental reform of the health care system. A key government policy is that social spending should be further geared towards those who are in greater need such as low income earners, pensioners and people living in rural areas.

Total expenditure on **health** is budgeted to increase by 6,6% in 2007 compared to 2006, reaching C€268.1 million or 3% of GDP. In the 2007 Budget, expenditure on health refers mainly to the operation of two new general hospitals, the implementation of an agreement between Harvard University and the Republic of Cyprus on Public Health and the Environment and the promotion of the National Health Scheme. The improvement of the quality in the provision of health care will be achieved through the restructuring of public hospitals, the introduction of regulated competition among private and public health care providers as well as the introduction of performance linked remuneration schemes for general practitioners and specialists.

Total expenditure on **education** is budgeted to increase by approximately 5,7% in 2007 compared to 2006, reaching C€426.8 million or 5% of GDP. Expenditure on education is focused mainly on the computerisation of schools, the construction and extension of school buildings, the creation of appropriate infrastructure for the operation of the first University of Technology, as well as the creation of new research and academic institutions. Expenditure on education will continue to rise to higher percentage of GDP levels.

b) Instrumental assessment

This assessment should focus on **policies, laws and regulations** adopted and/or modified since the Berlin Conference (for instance, a new law on palliative care, etc.); on **programmes** established to adjust to demographic change (such as a new program for home care, etc.); on measures to adapt the **physical environment** (such as new housing or new transportation facilities for older persons); and on the allocation and rates of change per annum of **budgets** relevant for ageing related issues.

Reform of the Social Security System

The dialogue with the social partners concerning the long-term financial sustainability of the General Social Insurance Scheme begun on March 2005 by presenting and analyzing the findings of an actuarial study in relation to certain alternative reform scenarios. In July 2005, within the context of the presentation to the social partners of the National Strategy Report on Pensions, the consultations intensified and expanded to a wider range of measures. Furthermore, the consequences of each one of the proposed measures had been evaluated and analyzed while scenarios for gradual application of some of the measures discussed had been prepared in combination with certain amendments in the legislation targeting the improvement of procedures or the marginal increase of the benefits without causing to the Social Insurance Fund substantial financial burden.

A series of separate meetings with the leadership of the social partners have taken place in an effort to find a balanced packet of measures that would enjoy the greatest possible acceptance.

In March 2007, a relevant actuarial study undertaken by the two major trade unions was presented to the Ministry of Labour and Social Insurance and the final round of consultations will commence in April 2007 aiming towards the final conclusion of the measures to be adopted.

The projected debt-GDP ratio under alternative scenarios is shown in Annex, point 4.

Reforms of the Healthcare System

Improvement of the quality of health care system and the effective tackling of the anticipated increases in public health expenditure constitute important challenges to the Cyprus economy.

In order to tackle these challenges, the Government of Cyprus is proceeding with the introduction of a National Health Scheme (NHS) and the restructuring of the public hospitals into autonomous establishments, under the wider public sector. As regards the implementation of the NHS, a Strategic Plan was prepared in November 2006 which proposes the following:

- A phased introduction of the NHS; primary care is envisaged to be introduced by late 2008 whereas the secondary care will follow at a later stage.
- Development of remuneration schemes for general practitioners and specialists, providing incentives for high quality health care and contained costs.

- In relation to the funding of the Scheme and in order to close the potential gap between the costs and the revenues of the NHS, a number of levers are being suggested; increase of contribution rates, introduction of so called “sin-taxes”, application of co-payments etc.

c) Identification of areas for in-depth evaluation

Based on the overview of the national ageing situation and the instrumental assessment, an identification of national priorities can be undertaken. These priorities reflect the main axes of intervention for your country and indicate which areas deserve an in-depth evaluation. These priorities would also be the subject of the short (max. seven minute) statement that your government delegation may wish to make at the Commission for Social Development in February 2007.

Reforms in the social protection system are among the national priorities in response to demographic changes and their social and economic consequences. More discussion may be found under Commitment 4.

2. Methodology of In-Depth Evaluation of Identified Priorities

This chapter deals with the methodology for an in-depth evaluation of policy actions taken towards the implementation of MIPAA/RIS within the identified national priorities. It is suggested that both a quantitative and a qualitative approach be used for assessing the impact of policy actions.

Quantitative information can be taken from ongoing and new studies on ageing, both cross-sectional (assessing the impact of policies across several sectors) and longitudinal (observing a specific policy impact over a longer period of time).

Qualitative information can be obtained through a **bottom-up participatory approach**. Participatory approach refers to the involvement of older persons in assessing the impact of policy actions on the quality of their lives. This approach is flexible, as it can be adapted to country-specific challenges and opportunities.

This chapter should address interactions with the different stakeholders, such as ministries, NGOs, private sector, academia, older persons, and on how this contributed to the report. If applicable, the link of the review and appraisal of MIPAA/RIS to other established monitoring mechanisms in your country should be discussed here.

The national focal point on ageing is expected to organize the process of bottom-up participatory assessment. The focal point is encouraged to identify and engage one or more *facilitators* with the expertise of using a participatory methodology. Such facilitators could come from academia or non-governmental organizations for the participatory assessment.

A letter was sent by the Social Welfare Services (national focal point) to all relevant stakeholders (government, NGOs, social partners) explaining the background, the purpose and the procedure for the preparation of the present Report. Stakeholders were then invited to contribute towards the Report by sending, in writing, their positions on priorities and other issues on ageing. At a later stage, a draft Report was sent to all stakeholders for comments.

3. National Capacities for Follow-up to MIPAA/RIS

This chapter analyses to what extent national capacities exist to ensure national follow-up of the commitments made by your country in the MIPAA/RIS. Issues to be analyzed could include:

- a) *institutional follow-up: what institutions are responsible for follow-up to MIPAA/RIS?*
- **National focal point** on policies concerning older persons: Social Welfare Services (Ministry of Labour and Social Insurance)
 - **The Supreme Policy Making Body on Issues Concerning Older Persons**, established in 2000. This Body has been set up by the Council of Ministers to advise on the formulation of comprehensive policies for older persons and to coordinate relevant services and programmes. It is chaired by the Minister of Labour and Social Insurance and it is composed of the Permanent Secretaries of the Ministries of Finance, Health, Labour and Social Insurance and the Planning Bureau.

b) *organizations of older persons: do national organizations of older people take part in the follow-up activities?*

All national organisations of older persons were involved in the preparation of a National Action Plan for Older Persons, 2005-2015 and of the present Report (see point 1. in Annex).

c) *educational, training and research activities on ageing: what activities on education, training and research are undertaken in your country with regard to ageing?*

Limited.

d) *data collection and analysis: does the available data and research allow getting an adequate picture on ageing related situation in your country?*

Data collection may be adequate. Data analysis and research are needed.

e) *mobilization of financial resources: what resources have been specifically dedicated to MIPAA/RIS follow-up?*

No resources specifically dedicated to MIPAA/RIS follow-up. Resources available for ageing issues are ongoing within the framework of the Government annual Budgets.

f) *independent and impartial monitoring of progress in implementation: what are the monitoring mechanisms in place for the review and appraisal of MIPAA/RIS?*

A social dialogue has been initiated by the national focal point (Social Welfare Services) concerning the review and appraisal of MIPAA/RIS. All stakeholders involved on ageing issues (government, non-governmental organisations, social partners and academic institutions) have been invited to contribute towards the preparation of the present report.

4. Review and Appraisal by Subject Area

This part of the report is expected to be organized along the lines of RIS commitments. Most of the commitments are divided into *themes* with guiding *questions* on each theme, aligned with the content of the corresponding RIS commitment.

You are expected to report on all commitments, while focusing on one or more national priorities selected for in-depth review in your country. Reporting on these priorities is expected to address all the guiding questions pertaining to that area of priority. In other areas, you are expected to provide at least some information about related activities or reflect on their absence. In other words, more detailed information and analysis are expected in reporting on the priority areas selected for in-depth review, while less detailed information is expected on all other areas.

The report is expected to include evidence of **results and outcomes** that the described measures, programmes or initiatives have achieved, especially in the areas chosen for in-depth evaluation.

The structure provided for this part of the report should be seen as a framework for presentation of pre-existing and newly collected information and its analysis. The questions under each commitment are formulated to assist you in selecting and presenting relevant information. You may also wish to add other observations, as appropriate, to supplement the themes (issues) mentioned under each commitment.

RIS Commitment 1: Mainstreaming ageing

This chapter analyzes whether and to what extent mainstreaming ageing is part of national priorities. It reveals whether ageing is included in development plans and policy strategies on the national, regional and local levels. This specifically refers to RIS Commitment 1, which intends to mainstream ageing in all policy fields with the aim of bringing societies and economies into harmony with demographic change to achieve a society for all ages.

The analysis could focus on the following issues:

- a) *What are the areas in which ageing is mainstreamed and to what extent is this done?*

The ageing of population, although still not an issue for Cyprus, is projected to become an issue of concern by 2030. Hence, ageing has only recently been mainstreamed in policies such as economic, social protection, labour market and health. For further discussion, see points a) and b) under Chapter 1. , "Situation, Activities and Priorities Related to Ageing"

- b) *To what extent do the different policies related to ageing pursue a holistic approach and are coordinated and applied consistently?*

The mandate of the Supreme Policy Making Body on Issues Concerning Older Persons (established in 2000 by the Council of Ministers) is to advise on the formulation of comprehensive policies for older persons and to coordinate relevant services and programmes. The Action Plan for Older Persons, 2005-2015 as well as the preparation of

the present report have made an effort to coordinate different policies related to ageing with the involvement of all stakeholders (government, NGOs and social partners).

c) *What initiatives has your country taken to tackle age discrimination? Which results have these initiatives achieved?*

d) *What is the participation of older persons in the development of policies and strategies and in their implementation?*

- **The Supreme Policy Making Body on Issues Concerning Older Persons**

See point a) under Chapter 3.

- **The Pancyprian Volunteerism Coordinative Council (PVCC)** as the umbrella organisation of all voluntary organisations has an advisory role in the planning of social policy, including issues concerning older persons.

- **The Coordinating Body for Older Persons**

This body, also chaired by the Minister of Labour and Social Insurance, has an advisory role on policy issues with special emphasis on matters related to social services, health services and special privileges which can be granted to facilitate the access of older people to different sites and services. Governmental departments as well as trade unions, NGOs and older persons themselves are represented on this Body.

- **The Advisory Board**

The Advisory Board is appointed by the Minister of Labour and Social Insurance, under the law regulating the establishment and operation of homes for older persons and persons with disabilities. The role of the Board is to advise the Minister on the implementation and the improvement of legislation related to older persons. Governmental departments, NGOs, local authorities and older persons themselves are represented on the Board.

- **Elders' Parliament**

The Elders' Parliament was established in 1999 during the International Year of Older Persons. It consists of 56 members representing various non-governmental organisations dealing with matters related to older persons. The general aim of the body is to bring up issues and recommendations relevant to older citizens.

e) *To what extent are NGOs and the private sector involved in policy development and what is their role in the implementation of policies and programmes?*

See d) above.

RIS Commitment 2: Integration and participation of older persons

The Member States have committed to further enhance the social, economic, political and cultural **participation** of older persons.

- a) *What measures has your country undertaken to recognise, encourage and support the contributions of older people to society (e.g. media campaigns, school curricula)?*

Intergenerational understanding is encouraged through the following activities in the school curriculum:

- o students' visits to adult day care centres or residential homes,
- o older persons' visits to schools and
- o organisation of common recreational activities between students and older persons.

The Cultural Services (Ministry of Education and Culture) provide older persons with the services presented below:

- o reduced tickets for all events organised by the Cultural Services,
- o monthly ex gratia allowance for creators of over 63 years old (poets, novelists, actors, musicians etc) who require financial support and
- o annual honorary grant for creators (poets, novelists, actors, musicians etc) of over 63 years old who have accomplished an invaluable contribution in the domain of culture.

- b) *What mechanisms has your country put in place to take into account the views of older persons on the services provided to them?*

See point d) under RIS Commitment 1.

- c) *How has your country encouraged the participation of older persons in society, culture, and economy?*

Long-term care is the right of every resident, who is unable to secure it by own means. For eligible persons, this care is provided directly by the Social Welfare Services, NGOs, local authorities and private institutions with **state financing**. Long-term care services include home care, day care and residential care. The following care services and support schemes are provided for older persons with the aim of enhancing their quality of life and participation in social life:

Home care

It includes home cleaning, help in personal hygiene, shopping, reading of newspaper etc.

Day care

Day Care Centres for Adults may offer breakfast, lunch, laundry services and a range of activities such as handcrafting, cooking, discussion groups, excursions, group games etc.

Residential care

Residential homes for older persons provide accommodation, care and activities for residents.

Subsidisation of Holidays for Older Persons and Persons with Disabilities Scheme

Persons 63 years of age or older who are public assistance beneficiaries are eligible for a holiday allowance which covers hotel accommodation in Cyprus for a specified period throughout the year.

Self-Employment Scheme for Older Persons

The scheme aims to encourage self-employment in persons 63 of age or older (e.g. in handcrafting, writing, drawing etc.)

In the area of education, the **Adult Education Centres** (Ministry of Education and Culture) implement the following programmes:

(i) Special educational programmes

Within the general government policy for lifelong learning, Adult Education Centres provide free educational programmes for persons aged 65 and over. Programmes cover a wide array of subject areas.

(ii) Lectures

The Adult Education Centres in cooperation with schools offer a series of lectures for older persons.

Social Card

The Social Card is granted to all persons aged 63 years and over. It entitles them to attend social and cultural events and enjoy several benefits such as free transportation by bus in rural and urban areas.

d) What activities have you undertaken to promote the political participation of older persons and in particular of older women?

See point d) under RIS Commitment 1.

e) What mechanisms and organisations exist in your country to provide a political voice for older persons and how have they been promoted?

See point d) under RIS Commitment 1.

f) Have you set up a national advisory body on ageing or a similar institutional mechanism that includes older persons to ensure a dynamic and coordinated contribution of older persons to national policy responses to ageing?

See point d) under RIS Commitment 1.

g) Have you adopted policies and programmes to improve the housing and living environment of older persons especially in rural areas? This includes access to and affordability of services, such as housing, utility, sanitation and in particular transportation.

Persons who cannot secure their basic and special needs (including accommodation and hygiene utilities) are entitled to public assistance. Furthermore, the following schemes aim to improve older persons' living conditions:

Scheme for the Improvement of Housing Conditions

This is a scheme which aims to improve the living conditions of public assistance recipients or persons who would be eligible for public assistance should rent be added in their special needs. The scheme provides for house repairs and house extensions.

Family Support Scheme for the Informal Care of their Elderly and Disabled Members

This scheme aims to promote independence and prevent institutionalisation. It provides financial support to individuals and families who provide care and accommodation to a family member or a friend for the following purposes: house extensions or house adjustments or purchase of house equipment necessary for the beneficiary (e.g. special bed/mattress).

Scheme of Incentives for Co-habitation of first degree Family Members

This scheme targets low-income parents living alone (irrespective of age). It provides financial support for house extensions with an aim to facilitate parents who wish to co-habit with their children provided that the parents or the children own the house where the parent(s) intend to reside.

Cyprus is a small country with an excellent road infrastructure. The longest distance to a network of services is quite short (an hour by bus) but frequency of public transportation may be low in some areas (e.g. once a day). Public transportation is provided free of charge for persons 63 years of age and over (See Social Card, point c) of Commitment 2).

Member States also committed to promoting the **integration** of older persons by encouraging their active involvement in the community and by fostering **intergenerational relations**.

- a) What steps has your country taken to promote age-integrated communities where facilities are made available to people of all ages and where they can meet and interact (e.g. joint community centres for the elderly and the young)?*

The Government encourages the development of care services on a local level to support families for reconciling work and family life and older persons to remain in their communities for as long as possible. Through the Grants-in-Aid Scheme, the government subsidises social care services (e.g. childcare, home care, day care and residential care), run by Community Volunteerism Councils and voluntary organisations, especially in disadvantaged or remote communities.

- b) How has your country promoted volunteer activities to enable younger and older people to interact and help each other?*

Volunteer activities are promoted by the Cyprus Volunteer Corps which is a coordinating body that promotes volunteerism and facilitates volunteer service. Its mission is to identify social problems and needs, to match need and demand for voluntary service, to register, train and support volunteers, to monitor volunteer placements and to initiate volunteer projects. It gives the opportunity to older and younger people to serve in many capacities within organisations by contributing time, energy or talent that help to fulfil the organisations' mission.

Older persons tend to spare more time in volunteerism. They usually engage in voluntary sector decision making processes as board members in voluntary organisations.

The RIS commitments also refer to the need to **promote a positive image of ageing**.

- a) *What steps has your country taken to promote a positive image of ageing (e.g. media campaigns, incentives for employers to promote continued employment of older persons, initiatives within local communities and with participation of other social actors to facilitate dialogue and a better understanding between the generations)? In this respect, it is important to promote a differentiated and heterogeneous view of the life of older persons to better reflect reality.*
-

- b) *What actions (in particular in cooperation with mass media) have been taken to encourage older persons to make the general public more aware of the positive aspects of ageing?*
-

RIS Commitment 3: Promotion of equitable and sustainable economic growth in response to population ageing

Member States committed to promoting **equitable and sustainable economic growth** in response to population ageing. Efforts should be made to raise the economic growth rates and productivity so as to increase available resources for transfer and distribution and to ensure the **financial sustainability of social protection systems** in general and pension schemes in particular.

- a) *What strategies has your country adopted to transform your economies with a view to eradicating poverty especially among older person?*

One of the three priorities of the 2006-2008 Strategy for Social Inclusion is the reduction of the risk of poverty in general and especially for the population aged 65+ years.

A reduction of the risk of poverty in the above age group is expected through the gradual maturation of the General Social Insurance System and the increase in the labour force participation rate observed in recent decades – particularly for women – which will result in higher retirement benefits.

To tackle the issue of the risk of poverty among the 65+ age group, more selective and effective policy measures will be pursued (e.g. through the modernisation of the Special Allowance Scheme to pensioners) with an aim to increase the incomes of households with a below-the-poverty-line income but not of every older person in general. In this way, resources will be utilised better and at the same time the objective of sustainability of the social protection system and of public finances will be served.

In parallel, a study will be initiated on the possibility of introducing a second pension pillar of defined contribution for those who are not covered by occupational pensions. The improvement of access to such pensions will serve the three objectives of adequacy, of reducing inequalities in the distribution of pension income between the employees of the

broader public sector and the rest of the working population and of improving the sustainability of the pension system and of public finances.

For more information on the reform of the Social Security System, see point b) in Chapter 1.

- b) *What measures has your country taken to review and adjust the macroeconomic policies to address the needs of a growing ageing population?*

See points a) and b) under Chapter 1.

RIS Commitment 4: Adjustment of social protection systems in response to demographic changes and their social and economic consequences

Member States committed to take steps to **ensure the financial sustainability of social protection systems** in the face of demographic ageing. They agreed that social security systems should strengthen incentives for citizens to participate in the labour force while protecting the weakest groups in society. Social protection systems should be adjusted so that they can fulfil their basic functions of safeguarding those who are deprived and covering those who are at risk. They need to be supported by high level of employment, comprehensive health services, functioning educational systems and active labour market policies.

In this regard, the Member States agreed to pursue the objective of preserving and strengthening the basic objectives of **social protection**, namely to prevent and/or reduce poverty and provide adequate benefits for all. In addition, the Member States agreed to adapt existing social protection systems to demographic changes and changes in family structures.

- a) *How has your country adapted social protection systems to societal and demographic changes?*

See point b) under Chapter 1.

- b) *What steps has your country taken to achieve a sufficient income for all older persons?*

Old-age pension

All employed and self-employed persons are compulsorily insured under the Social Insurance Scheme. Upon reaching the age of 65, they are entitled to old-age pension provided they satisfy the relevant contribution conditions. However, entitlement may commence at the age of 63 for persons who have completed a period of insurance specified in the legislation.

A minimum pension is ensured through the General Social Insurance Scheme for every working person with low insurance record provided s/he satisfies the relevant contribution conditions for old age pension.

Widow's pension

Widow's pension is payable to a widow of an insured person who, at the time of his death, was a beneficiary of old-age pension or satisfied the contribution conditions for the

payment of old-age pension and at the time of his death she was living with him or was wholly or mainly maintained by him.

Insured widows are entitled to the concurrent payment of their old-age pension according to their own insurance, as well as the widow's pension according to the insurance of their deceased husband.

A widower's pension is payable to a widower of an insured woman if he is permanently incapable of self-support and at the time of his wife's death he was wholly maintained by her.

Social pension

This pension is financed by general taxation and is paid to persons who have completed the age of 65 and are not entitled to a pension from any other source.

Special Allowance

A special allowance is payable to every pensioner with an annual pension income not exceeding CYP6.500 without any test of income from employment or other sources.

Public Assistance

Public Assistance ensures the right to a decent standard of living through the provision of financial assistance and/or social services to persons, whose resources are not sufficient to meet their basic and special needs as determined by legislation.

Social Card (see point c) of Commitment 2.)

- c) *What policies has it adopted to address on time the needs of older persons for a variety of social and health services, including sheltered housing and long-term care?*

See point c) under RIS Commitment 2.

- d) *How has your country promoted standards of living for persons with disability and for fragile older persons that allow them to maintain their independence and dignity?*

See points c) and g) under RIS Commitment 2.

Invalidity pension is payable to persons who have been incapable for work for at least 156 days and are expected to remain permanently incapable for work i.e. are unable to earn from work which they are reasonably expected to perform, more than 1/3 of the sum earned usually by a healthy person of the same occupation or category and education in the same area or, in the case of persons between the ages of 60 and 63, more than 1/2 of the aforesaid sum.

When the loss of earnings is partial, invalidity pension is reduced

Member States also committed to establishing a regulatory framework for occupational and private **pension provision**.

- a) *What steps has your country taken to establish or further develop a regulatory framework for occupational and private pension provision?*

The Government Employees Pension Scheme

The Government Employees Pension Scheme provides supplementary retirement and survivors' pensions for permanent civil servants and members of the educational service, the police and the armed forces.

The scheme is regulated by the Pension Law N.97(I)/97 as amended

The Semi-government Employees Pension Schemes

The Semi-government Employees Pension Schemes provide supplementary pensions to the permanent employees of the publicly utility corporations of local authorities and of other public law authorities.

Each scheme is established and regulated separately either through primary or secondary legislation.

Provident Funds

The Provident Funds are arrangements that are agreed within the framework of the system of free collective bargaining. They provide defined contribution lump-sum benefits.

Provident Funds are regulated through the Provident Funds Law N. 44/81 as amended. Its main objective is to rule the establishment and operation of Provident Funds in order to secure their efficient operation in favour of their members

In 2006, the Law of Establishment, Operation, and Supervision of Occupational Pension Funds Law 146(I)/2006 was put into force. The main objective of the law is to provide a regulatory framework regarding the activities and supervision of institutions for occupational retirement provision.

Self Employed Pension Schemes (Lawyers, Doctors)

The Pension Scheme of Doctors and the Pension Scheme of Lawyers are regulated by separate secondary legislations.

- b) *Which changes have been implemented to the laws regulating mandatory retirement?*

Compulsory retirement has increased from the age of 60 to the age of 63 in the governmental sector while consensus has been reached for extending the age of retirement to the age of 63 in the semi-governmental sector as well.

Member States also pledged to pay special attention to the social protection of women and men throughout their life course.

- a) *What policies has your country adopted to ensure the equal treatment of men and women in social protection systems?*

General Social Insurance Scheme

Between 2000-2004, all discriminations against women were removed so that equal treatment of men and women is guaranteed. An exception exists in the case of a widower who is not entitled to a widower's pension unless he is incapable of working.

Occupational Social Security Schemes

In 2003, the Law of Equal Treatment between Men and Women in Occupational Social Security Schemes was put into force. The main objective of this Law is to implement in occupational social security schemes, the principle of equal treatment for men and women.

- b) *What policies has your country adopted to ensure that social protection systems support a better reconciliation of work and family responsibilities throughout the life cycle (e.g. through special leave arrangements for working parents and other caregivers, or supportive measures such as respite care services (professional care services provided on an ad-hoc basis to give the regular caregiver some time off)?*

The Parental Leave and Leave on Grounds of Force Majeure Law of 2002 was adopted as a measure for further reconciliation of work and family life. The law regulates the right of every employed parent to unpaid leave for the purpose of taking care and raising of a child. It also regulates the right of any employee to unpaid leave on grounds of force majeure by reason of a family emergency. Among others, during absence on parental leave, the employee is credited with the insurable earnings provided for by the Social Insurance legislation.

The Part-Time Workers (Prevention of Unfair Treatment) Law of 2002 also promotes the reconciliation of family and work responsibilities by safeguarding employees' rights to freely opt for part-time work and prohibiting unfair treatment of part-time workers when compared to employees in full time employment as regards the terms and conditions of employment.

Informal home-care to a person in need of care can be financed (including social insurance contribution) for public assistance recipients, in case a family member (mainly women) has to leave employment to provide care.

RIS Commitment 5: Enabling labour markets to respond to the economic and social consequences of population ageing

Member States committed to take measures to enable labour markets to respond to the economic and social consequences of ageing. In this regard, they pledged to seek increase in employment rates, especially the employment rates of older persons.

Has your country taken measures to promote access to employment opportunities and reduce unemployment rates especially for older persons, such as active labour market policies (job-search assistance, training, counselling, etc.), adaptation of curricula to labour

market needs, measures to ease the transition between formal education and work, efforts to reduce non-wage labour costs while protection workers' rights, easing of factors reducing demand for labour (e.g. too heavy administrative regulations, etc.)?

According to the **National Employment Strategy** the following main challenges are faced in the area of employment:

- Maintenance of high rates of increase in labour supply, particularly by raising older persons and female participation rates and by reducing gender inequality
- Increase in the flexibility of the labour market
- Orderly management of foreign workers issues to serve the economic and social needs of the country
- Further development of human capital
- Further enhancement of the conditions of social cohesion.

National targets for 2010 are as follows:

- Increase of the overall employment rate to 71%
- Increase of the employment rate of women to 63%
- Increase of the employment rate of older workers to 53%.

Active employment policies include the modernisation of Public Employment Services (PES) that will enhance support of persons with special problems especially public assistance recipients and persons with disabilities, through the provision of individualised assistance. At the same time, the modernised PES will improve access to the labour market through the geographical distribution of services, use of information technology in monitoring the labour market and enhancement of the capacity for the treatment of special groups.

Active employment policies also include training programmes for those whose position on the labour market is weak. In addition, measures are being undertaken to improve physical access to public buildings, sidewalks and public transport.

The Public Assistance and Services Law includes provisions which encourage employment. For example, when determining the amount of public assistance for an applicant aged 63+ years, monthly earnings of C£ 100 (€ 170) from work are not taken into account. Furthermore, an amount of up to C£ 1.000 (€ 1.700) may be granted for training or professional equipment for the claimant or a dependant.

The Member States also agreed to improve the **employability of older workers**.

Has your country taken measures to improve the employability of older workers, e.g. through vocational guidance and training, promoting life-long learning (delivery of job-relevant training to enable workers to adjust to changing labour markets), improvement of working conditions?

See point above on national target for older workers.

See point b) of pension provision under RIS Commitment 4., on measures regarding the extension of the age of compulsory retirement.

The social insurance legislation encourages employment of older persons as it provides the possibility for pensioners to enter (or remain) in employment.

The modernisation of the Public Employment Services (PES) aims to promote active employment policies including individualised assistance (for older workers, among others) for vocational training and job placement.

A study will be conducted in 2007 on new policies encouraging the prolonging of working life.

The Self-Employment Scheme for Older Persons may potentially have a greater role in the employment in persons 63 of age or older (see point c) of RIS Commitment 2). The Scheme provides for a lump sum granted for self-employment purposes such as handcrafting, writing, drawing etc.

Raising **participation rates** for all women and men is another commitment of the Member States.

a) Has your country taken steps to raise participation rates in labour markets for all women and men, e.g. through removing barriers and disincentives to stay in employment?

Yes. See answers above, under RIS Commitment 5.

Furthermore, various schemes have been developed to promote the employability of all persons, particularly of vulnerable groups such as older persons, women, young persons and persons with disabilities.

➤ **Target Group: Older persons**

See points on "...employability of older workers" under Commitment 5.

➤ **Target Group: Young persons**

• **Apprenticeship Scheme**

A New Modern Apprenticeship is promoted for the programming period 2007-2013 (co-financed by the European Social Fund) that will constitute an alternative way both to meet

the educational and training needs of young persons who leave formal education early and to satisfy the needs of the labour market.

The New Modern Apprenticeship aims to attract a greater number of young women and to broaden the age of eligibility and the range of skills.

- **Scheme for Enhancing Youth Entrepreneurship**

Its purpose is to promote activities for fostering youth entrepreneurship through specific incentives and to promote equality of opportunities for young persons to develop entrepreneurial activities.

- **Scheme Providing Financial Assistance for the Social Re-integration of Former Dependent Persons or Ex-Drug Users**

The Scheme provides financial assistance for the social reintegration of former dependent persons or ex-drug users who are in the course of treatment for drug dependency.

- **Target group: Women**

- **Scheme for the Enhancement of Women's Entrepreneurship**

It aims at encouraging women to develop entrepreneurial activities in various sectors of the economy with state subsidisation.

- **Scheme for flexible forms of employment**

The scheme aims to attract unemployed and economically inactive women to employment while subsidising employers who create additional jobs under flexible arrangements.

- **Target group: Persons with disabilities**

- **Centre for the Occupational Rehabilitation of the Disabled**

The Centre provides facilities for assessing the abilities of persons with disabilities and for training in technical occupations that will facilitate their placement in employment. In addition, the Centre provides services aimed at helping persons with disabilities to use their potential, to become independent and to cope with any psychological and social problem they may face.

Moreover, the Centre provides employment in its workshops to trainees with productive capacity, paying them a special allowance on top of the regular training allowance.

- **Scheme for the Self-employment of Persons with Severe Disabilities.**

The scheme provides for a grant to severely disabled persons and for a subsidy of interest for a loan to encourage self-employment of such persons. For group self-employment, an extra subsidy for each additional person is payable.

- **Scheme for Financial Assistance through the special fund of the Centre for the Occupational Rehabilitation of the Disabled for the creation and operation of small units for self-employment of persons with disabilities**

The scheme provides for a grant and for interest on a loan to persons with disabilities wishing to become self-employed.

- **Scheme for Training Persons with Disabilities in occupations for which training is not available at the Centre**

The scheme provides for a grant for fees paid by people with disabilities attending a course of vocational training that would facilitate their employment and their career prospects.

- **Scheme for Support of Employment of Severely Disabled Persons**

The purpose of the scheme is to encourage employment of severely disabled persons in the open labour market, mainly through the provision of personal support by a trained guide. Under this scheme, a grant is given to organisations that intend to offer such programmes against the costs of the support services to be provided.

- **Scheme for the Subsidisation of Employment of Persons with Disabilities**

The scheme provides subsidies to employers of up to 40% of the annual salary for every employed person with disabilities during the first 12 months of employment. The total assistance that may be granted to an employer cannot exceed the percentage by which the productivity of the person employed is reduced.

- **Scheme Providing Incentives for the Employment of Severely Disabled Persons in the private sector**

The scheme provides subsidies to employers of up to 40% of the annual salaries for the installation of facilities for severely disabled employees. In addition, it subsidises the employment of such persons up to 60% of their annual salary.

- **Unit for the Occupational Rehabilitation of the Mentally Ill**

A unit for the Occupational Rehabilitation of the Mentally Ill has been in operation since 2002 in Lefkosia (Nicosia). It is expected that, by 2013, such units will be established in all 6 districts.

b) Has your country taken specific measures to increase the labour force participation of women, e.g. through suitable education and training, measures to broaden their job opportunities and avoid discriminatory situations with regards to pension benefits or personal income?

Yes. See answers above on active employment policies (integration of vulnerable groups into the labour market) under RIS Commitment 5.

On measures for reconciling work and family life, see point b) under RIS Commitment 4. and point a) under RIS Commitment 2. on integration of older persons ... by fostering intergenerational relations.

Credits to insured women for each child

An insured woman is entitled to credits, for the purpose of entitlement to a pension or increase of the amount of pension, for every child she gave birth to or adopted after 6.1.1945, for a period up to 156 weeks within the period of the first twelve years from the date of birth of the child.

The Council of Ministers has decided that, by 2008, the **minimum wage** should gradually reach 50% of the median national wage. Increases of 6% per year are envisaged in 2007-2008, with the aim of achieving the 50% target. In early 2007, a study was completed on the possibility of extending the coverage of the minimum wage to more occupations and it is currently under consultation with the social partners.

In July 2007, a study will be completed on the **gender pay gap** with a view to analysing the extent of the problem, identifying its main parameters and making recommendations for narrowing and finally eliminating the gap.

Promoting modern and **flexible forms of employment**, with an aim to attract unemployed and economically inactive women to employment, has been the subject of a diagnostic study co-financed by the European Social Fund, in 2006. Subsequently, since the beginning of 2007, a scheme has been launched that subsidises employers who create additional jobs under flexible arrangements.

Member States committed to taking steps towards increasing the age at which people stop working and towards making **retirement** more **flexible** and **gradual**.

- a) *Has your country taken steps to offer incentives for the participation of older persons in the labour market (abolishment of incentives to take up early retirement, abolishment of disincentives to stay in the labour market)?*

See answer under current RIS Commitment 5. on raising **participation rates for all women and men**.

- b) *What mechanisms has your country adopted to promote a smooth and gradual retirement?*

RIS Commitment 6: Promotion of life-long learning and adaptation of the educational system in order to meet the changing economic, social and demographic conditions

Member States committed to promoting life-long learning and adapting their educational systems in order to meet the changing economic, social and demographic conditions.

In particular, they committed to facilitate and encourage **life-long learning**.

- a) *What steps have been taken to adjust education institutions to the needs of persons in retirement?*

The programme for **Adult Education** has been developing rapidly during the last years and constitutes the basic measure for lifelong learning. Through classes in 60 different subjects (including new technologies, foreign languages), participants are given the opportunity to explore and develop new interests.

The **State Further Education Institutes**, provide courses to pupils of all grades, as well as to adults, both in the urban and rural areas. They provide courses in foreign languages, accounting, computers etc.

A Co-ordinating Committee has been appointed to prepare a **National Strategy for Lifelong Learning**. A draft will soon be negotiated with the social partners. The Lifelong Learning Strategy focuses on four core priorities:

- Promoting universal access to lifelong learning
- Strengthening the infrastructure and systems of lifelong learning
- Promoting research and development for support of lifelong learning
- Strengthening the governance of lifelong learning.

b) *What initiatives has your country undertaken with respect to pre-retirement programmes?*

c) *What learning methods have been developed to teach older persons the use of new information technologies?*

d) *Has your country adapted educational curricula to prepare people to lives of continuous change and equip them with the necessary skills and attitude favouring flexibility? The use of which new didactic methods has been promoted in these regards?*

The Member States also committed to ensure that the **education system** achieves better **employability** of all persons.

a) *Has your country taken steps to establish closer links between educational institutions and employers and to encourage employers to provide on-the-job training for workers of different ages, including older workers?*

See point b) under RIS Commitment 5. on “Raising participation rates for all women and men”

b) *What initiatives have been taken to increase school retention rates and limit dropouts?*

Educational Priority Zones

The measure of Educational Priority Zones (EPZ) aim to reduce inequalities for pupils attending schools in disadvantaged areas with an increased proportion of immigrants. The EPZ promote the qualitative democratisation of educational opportunities and pedagogical conditions of success for all children. Currently, three EPZ are in operation covering 17 school units.

Supportive Teaching Programme

The Supportive Teaching Programme is offered to illiterate pupils of the last three forms of primary school who have sub-standard literacy and aims at helping pupils to acquire

reading skills that will lead to further school success. During the school year 2005-2006, 7,5% of all pupils benefited from this programme. This measure has been extended to eligible pupils in forms B and C of primary school (i.e. up to two years younger) as from the school year 2006-2007. This expansion is expected to reduce the share of pupils with sub-standard literacy to 7,0%.

Literacy Programmes

Literacy Programmes invest in developing the basic literacy skills of secondary education pupils. They offer systematic learning and emotional support to functionally illiterate children in lower secondary education. In 2005-2006, Literacy Programmes were in operation in 55 schools for 978 pupils. In the future, such programmes may be provided in all 62 gymnasiums (lower secondary school) in Cyprus.

Support for Children with Special Needs

During the school year 2005-2006, 2.941 pupils with special needs were attending public primary education schools, supported by 495 specially trained teachers. Another 1.019 pupils with special needs attended state Secondary Education Schools and were supported by 211 teachers. As from the school year 2006-2007, pilot Special Units for pupils with special needs have been established in Lyceums and Technical Schools (upper secondary school) for pre-vocational and vocational training. At the same time, the programme for upgrading the material and technological infrastructure of schools receiving children with special needs will continue (creation of special class-rooms, access facilities, equipment of rooms, personal equipment for children etc).

Moreover, 17 support programmes for children with special needs are provided by voluntary organisations.

Preventing the risk of drug dependency

A co-ordination committee for Health Education and Citizenship has been set up and functions at the Ministry of Education and Culture. Its main responsibility is the formulation and promotion of preventive programmes within the school environment for the prevention of the risk of narcotic substances. An important measure is the MENTOR Programme, a modern approach of health education. Its implementation contributes to changing attitudes and behaviour of pupils by enhancing their sense of responsibility, critical thinking, personality and decision-taking capacity to help them adopt positive ways of and attitudes in life.

During the school year 2006-2007, there were ten Mobile Units, of which six in primary education (one in each district) and two in secondary education (in the districts of Lefkosia and Larnaka), compared to six in 2006, five in 2005 and four in 2004.

The Pancyprian Volunteerism Coordinative Council, in co-operation with the Ministry of Education and Culture, has been implementing, since 2005, programmes of voluntary work, titled "Youth and Voluntary work", with the active participation of pupils in primary, secondary and technical education. Currently, 55 schools participate in the programme and undertake various voluntary activities with the aim of directing children and young persons to engage in healthy ways of activity through voluntary work.

- c) *Have any special programmes been developed and/or promoted to facilitate the reintegration into the labour market of those who left early the formal educational system?*

Evening schools operate in all districts with an aim to offer a second chance to persons who did not complete the formal educational system.

The **evening Technical School in Lefkosia** offers classes in the same skills provided by the morning Technical Schools, for persons who have not completed secondary education or for persons who have completed it but wish to get a certificate in a particular subject that will help them enter the labour market.

Also, see **Apprenticeship Scheme** in point a) above.

- d) *Has your country taken steps to make formal schooling more gender-sensitive, e.g. through the introduction of gender-sensitive curricula, specific programmes for girls and women, and specific programmes for older women to help them re-enter the labour market?*

RIS Commitment 7: Striving to ensure quality of life at all ages and maintain independent living including health and well-being

The UNECE Member States committed to striving to ensure **quality of life** at all ages and maintain **independent living** including **health** and **well-being**. In particular, the Member States agreed to promote health and well-being over the entire **life course**, by mainstreaming health through sectoral policies.

What actions have been taken to integrate ageing issues into sectoral policies?

Two Action Plans for Older Persons have been prepared in an effort to integrate ageing issues into all policies.

The Ministry of Health is promoting a ten-year (2004-2014) **Plan of Action for the Healthcare of Older Persons**. Services are expected to be integrated in both primary and secondary health care services in order to ensure early detection and treatment of diseases that lead to dependency in old age. The aim is to prolong the ability of older persons to look after themselves for as long as possible and to improve the quality of their lives. The objectives of the Plan fall into the following categories:

- Health promotion and prevention through the provision of special schemes
- Respect for older persons and abolition of age discrimination
- Provision of individualised and comprehensive care
- Development of intermediate Care
- Improvement of hospital services
- Comprehensive mental healthcare.

The Supreme Policy-Making Body on Issues Concerning Older Persons prepared a **National Action Plan for Older Persons, 2005-2015** which was approved by the Council of

Ministers on November 2nd, 2005. The aim is to secure synergy among different actions of the Plan for the promotion of the general well-being of older persons. The Action Plan consists of the following pillars:

- The social protection system as a means to secure a dignified standard of living
- Productive occupation and utilisation of older persons' free time
- Securing of an accessible and supportive environment
- Access to knowledge, education and lifelong learning
- Health
- Intergenerational solidarity
- Improvement of access and mobility
- Promotion of health and welfare
- Neglect and violence against older persons
- The role of NGOs
- Protection of older persons in case of a calamity or an emergency.

In addition, Member States committed to ensure **equal access** to health and social services including long-term care for persons of all ages.

- a) *What targeted measures have been taken to decrease inequalities in access to health and social services, including for people in rural and remote areas?*

The current **public health care system** (PHS) provides free-of-charge health care to Government employees and state officials, irrespective of financial and other means. The remainder of the population is classified into two categories: those entitled to free-of-charge care and those entitled to care at reduced fees.

The number of persons covered free-of-charge by the PHS is estimated at about 65-70% of the total population. Another 5-10% of the population is entitled to out-patient services care at 50% of the fees and to in-patient care at charges that cannot exceed 50% of the total cost of treatment. Family income and composition determine the help given.

For patients who are not entitled to free -or at-reduced-fee care, there is a ceiling for in-patient treatment charges, fixed in relation to the income and number of family members.

Treatment in emergency cases is provided free-of-charge for all residents at the Accident and Emergency Departments of public hospitals.

In spite of the fact that the public health care system covers the majority of the population free-of-charge or at reduced fees, the PHS do not have the capacity to provide care to all eligible persons. As a result, many eligible patients make use of the private health services paying the fees out-of-pocket. In 2003, out-patient visits at public hospitals and health centres accounted for 46% of total visits, whilst admissions to public hospitals reached 64% of total admissions.

Awareness of the serious organisational and financing problems of the current health care system has led to the decision for the introduction of a National Health Scheme which was legislated in 2001. The main characteristics of the NHS are:

- universal residence based coverage of the population
- financing by tripartite earnings-related contributions calculated on total income
- freedom of choice of provider between the public and the private sector
- separation of provision from financing health care
- management of the NHS by an independent public law Health Insurance Organisation.

The target is for the NHS to be put into operation in 2008.

The small size of Cyprus and the very good communications network facilitate geographical access to health services. In order to ensure access for all, in addition to the private health services that are concentrated in the urban centres, the Ministry of Health operates 6 hospitals in the main cities, 2 rural hospitals, 7 health centres in urban areas and 30 rural health centres with more than 200 sub-centres in rural communities.

As regards **equal access to social services**, the Social Welfare Services (Ministry of Labour and Social Insurance) are responsible for the design, implementation and monitoring of such services including long-term care. For the implementation of the relevant programmes, the Social Welfare Services operate a network of 6 District Offices and a Sub-Office under the direct administrative authority of the Central Office.

The State encourages the development of care services at the local level through subsidies and technical support within the framework of the policy for promoting involvement of the community and society at large in the provision of services.

- b) *What initiatives have been taken to improve long-term care services for older persons, in particular community-based services mostly demanded in order to overcome the mismatch between home services asked for as against residential care services supplied?*

Home-care was and will continue to be the main axis of ensuring access to long-term care services within the framework of the overall aim of retaining elderly persons and persons with severe disabilities in the family. In 2006, 4.678 public assistance recipients used home care services compared to 2.898 recipients who used residential care.

Home-care provided by a **family member** to a person in need of care can be financed only in case that member has to leave employment to provide care.

In 2006-2008, home care will be further enhanced with an aim to expand and improve services. The measures that will be implemented include the following:

- A bill on minimum standards in home care (provided by the non-governmental and private sector) is expected to be approved by the House of Representatives before the end of 2007.
- Expansion of tele-care services for older persons and persons with disabilities living alone.
- Expansion of services providing information to persons not receiving public assistance on suitable home carers.

A national network of **Community Mental Health Nursing** has been developed to support people with mental illness who live in the community. These services are provided by Primary Health Centres in collaboration with the Social Welfare Services. A pilot programme of community general nursing in one urban and one rural area is already in force. The aim is to develop a national network of community home-nursing that will meet the needs of long-term health care of elderly and disabled living in the community.

The **quality of long-term care services** is ensured through the law that regulates the establishment and operation of community and private care homes and sets minimum standards. A similar law applies to the Adult Day-Care Centres, operated by voluntary organisations.

- c) *How has your country improved the coordination and integration of services provided to older persons (e.g. through case management systems)?*

Coordination between health care (Ministry of Health) and social care services (Social Welfare Services) is implemented on a case by case basis. It is recognized that more formal procedures of cooperation would safeguard continuity and quality of services for older persons in need. The implementation of the two Action Plans (see response on integration of "...ageing issues into sectoral policies" under Commitment 7.) is expected to enhance such cooperation between the two Ministries and other stakeholders involved with older persons' issues.

- d) *What efforts have been made to improve the training of care providers: professionals, volunteers and family members?*

The Social Welfare Services implement programmes of continuing education for all members of their staff, including home-carers, welfare officers and carers employed in long-term care institutions.

The Pancyprian Volunteerism Coordinative Council (PVCC) operates a Centre for Training, Development and Research which carries out training and skills development activities for the staff and members of the management committees of voluntary organisations, including volunteers. Through the Centre, PVCC promotes lifelong learning, knowledge and new perceptions and practices in the volunteerism sector.

- e) *What efforts have been made to improve the skills of older persons with regard to self-care, health promotion, prevention of disease and disability?*

Member States also committed to ensure appropriate **financing** of health and social services for persons of all ages.

- What has been done to ensure efficient, equitable and sustainable financing of health and social services for persons of all ages?*

Early diagnosis and prevention of disease, together with promotion of healthy life styles, are among the factors that influence positively financial sustainability (see answer below on measures promoting healthy lifestyles).

Participation of care recipients in the financing of long-term care according to their means, targeting of care allowances to persons with insufficient means and introduction of incentives for enhancing home-care services and mobilisation of voluntary resources, contribute to ameliorating the pressure on public finances.

In addition, Member States pledged to enable people to make healthy choices.

What measures have been taken to facilitate the adoption of healthy life-styles (e.g. information campaigns)?

The Ministry of Health implements a number of important measures for the **prevention of disease** that take into account the disease profile of Cyprus. These measures include:

- The Breast Cancer Detection Programme which covers, free-of-charge, women aged 50-69 years. It is in operation in three districts and will gradually expand to all districts.
- The Network of Epidemiological Surveillance and Control of Infectious Diseases established, since 2004.
- Programmes for the prevention of oral diseases, especially for children.

Measures for **health promotion** include:

- Programmes of health education in schools
- Prevention of accidents for children.
An advisory Committee for the Prevention of Accidents and Poisoning was set-up, in 2002. The Committee developed a Strategic Action Plan for the prevention of accidents in children. The Plan was approved by the Council of Ministers in September 2005 and will be implemented during the period 2006-2010
- Membership in the European Network of Health Promoting Schools since 1995
- A programme for stopping smoking, under which special clinics have been set-up in all urban public hospitals to assist people trying to give up.

In addition, many voluntary welfare organisations carry out various campaigns for the prevention of disease and promotion of health (e.g. The Pancyprian Association of Cancer Patients and Friends, the Pancyprian Diabetics Association, the Cyprus Anticancer Association, the Cyprus Family Planning Association etc).

RIS Commitment 8: Mainstreaming a gender approach in an ageing society to support families that provide care for older persons and promote intergenerational and intra-generational solidarity among their members

The Member States committed to mainstream a **gender** approach in an ageing society.

- a) *What measures have been taken to mainstream gender, to remove all obstacles to achieving gender equality, to eliminate all forms of discrimination against women, and to promote individual development of women throughout their entire life cycle?*

The Government implements the following measures to strengthen the **mechanisms for equality and women's rights**:

- the establishment of a Gender Equality Committee in Employment and Vocational Training, in 2004, to overview the implementation of the equality principle,
- the enhancement of the National Machinery for Women's Rights and
- the handling of claims related to gender equality issues by the Commissioner for Administration.

The Government is in the process of finalising an **Action Plan for the Equality between Men and Women** (Ministry of Justice and Public Order) with an aim to promote gender mainstreaming in all policies.

Social partners are also active in the area of equality through the implementation of measures such as the Cyprus Equality Observatory (DEOK), the Mechanism for Supervision of the Implementation of the Equality Legislation (PEO), the Department of Working Women (SEK) and the "Code of Practice for the Prevention of Sexual Harassment at the Workplace" by OEB.

The amendment of the **Social Insurance** legislation instituted important advantages for women with dependants and introduced insurance coverage for women working in the agricultural sector - now treated as self-employed.

The **Public Assistance and Services Law of 2006** strengthened provisions supportive of women, such as:

- Exemption of a part of income from work for single parents (usually women), who are fully employed and receive public assistance, so that the monthly public allowance becomes higher.
- Provision of a monthly care allowance in cases where a family member (usually women) is obliged to stay home and care for someone, hence either losing the opportunity for a paid job or having to leave the labour market.
- Provision of home-, day- and residential care services for children, older persons or persons with disabilities by public, community or private bodies.

b) What has been done to give particular attention to collection and analysis of gender- and age-disintegrated data?

The Statistical Service of Cyprus is in line with the methods and tools used by Eurostat in the collection and analysis of data by gender and age.

- c) *What measures have been taken to promote the economic rights of women (such as legislation to ensure equal pay for equal work, to protect other women rights at work place, and to reconcile family life with work life, etc.)?*

See point on minimum wage and pay gap under RIS Commitment 5.

The Equal Pay between Men and Women for the Same Work or for Work to which Equal Value is Attributed Law of 2002 ensures that the principle of equal pay between men and women for equal work or work of equal value is applied without direct or indirect discrimination regarding remuneration or other benefits either in money or in kind. The right to submit a complaint to the Ombudsman is also granted to a person who believes that s/he has been offended by an infringement of the Law.

- d) *Have social protection policies been reviewed to ensure full and equal participation of men and women in social protection systems?*

See point b) under RIS Commitment 4.

See point a) above under present RIS Commitment.

- e) *What measures have been taken to encourage and facilitate equal sharing of family and care responsibilities between women and men?*

Through the Grants-in-Aid Scheme, the Social Welfare Services encourage NGOs to develop a range of care services (for children, older persons, persons with disabilities), on a local level, in order to facilitate parents in reconciling work and family life.

The introduction of the Parental Leave and Leave on Grounds of Force Majeure Law of 2002 regulates the rights of parents and employees – both men and women - to unpaid leave.

RIS Commitment 9: Support for families that provide care for older persons and promote intergenerational and intra-generational solidarity among their members

The RIS describes the family as the basic unit of society. Member States committed to provide support to families that provide care for older persons and to promote solidarity among its members, to respond to the needs and changing roles of individual **family** members and strengthen **intergenerational and intra-generational solidarity**.

- a) *How has your country adjusted its family policies to changing demographic circumstances?*

In recent years, the Social Welfare Services have strengthened their policies on the development of care services for children, older persons and other dependent family members. The 2006 budget for Government **subsidies granted to NGOs** for the operation of care services has increased by 43% since 2000.

Informal home-care provided by a family member to a person in need of care can be financed (including social insurance contribution) for public assistance recipients, in case that member has to leave employment to provide care.

See points c) and g) of RIS Commitment 2. for three relevant schemes:

- Scheme for the Improvement of Housing Conditions
- Family Support Scheme for the Informal Care of their Elderly and Disabled Members
- Subsidisation of Holidays for Older Persons and Persons with Disabilities Scheme

b) What policies and programmes has your country adopted to respond to the needs of family members of different ages?

Family policies are based on the following premises:

- The family unit is the core of society.
- Family members need to be supported in order to respond to their increasingly complex roles.
- Local communities can respond more efficiently and effectively to families' needs.

Family support programmes usually refer to social care services mentioned above (child care, home care/day care for families with children, older persons, persons with disabilities and residential care for older persons and persons with disabilities as a solution of last resort). Through the Grants-in-Aid Scheme, the Government provides technical and financial assistance to NGOs that operate social care programmes (see point a) above).

c) What are specific elements of these policies and programmes to promote equality between men and women?

Informal care for family members is usually provided by women. As a result, family policies and social care programmes mostly facilitate women to respond to their family and work responsibilities.

d) Have you taken any awareness-raising measures concerning the contribution of older persons to family, community and society at large?

No.

e) Have you adopted measures to help families deal with the growing responsibilities of care for their older members?

See point a) above.

f) What mechanisms are in place to strengthen the role of communities, organisations and associations in providing support and care to older persons?

See point b) above.

Member States also committed to supporting the families in coping with the social and economic consequences of demographic change.

What measures has your country adopted to support families in coping with social and economic consequences of demographic change (e.g. support to care-giving families, family friendly policies and services; adaptation of the infrastructure of towns to the needs of

families, and in particular the young and older persons, and to ensure that generations can live together; improvements in planning of services)?

See points a) and b) above.

RIS Commitment 10: Promotion of the implementation and the follow-up of the Regional Implementation Strategy through regional cooperation

UNECE Member States have the primary responsibility for the implementation and the follow-up of the RIS. They are encouraged to do so, among others, through regional cooperation, civil society involvement, and cooperation with the UNECE secretariat.

The analysis of your activities in this field could focus on the following questions:

- a) *What activities have you undertaken to strengthen cooperation among UNECE Member States in the field of ageing (e.g. participation in meetings of the UNECE and the European Centre Vienna, exchange of information with Member States and the UNECE secretariat)?*

Cyprus participated in recent European Centre Vienna regional activities and in the last general assembly with a National Liaison Official.

- b) *How have you provided opportunities for civil society to cooperate in this process?*
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- c) *Have you requested the assistance of the UNECE secretariat and/or other entities of the United Nations system in the implementation of RIS? If so, what is your evaluation and how would you describe further needs for assistance?*
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5. Conclusions and Outlook for the Future

This chapter is expected to

- a) *briefly summarize to what extent your country has addressed the challenges and opportunities of ageing since the adoption of the MIPAA/RIS in 2002;*
- b) *indicate, based on the assessment provided and in view of future demographic developments, future policy challenges and perspectives related to ageing;*
- c) *indicate major strengths and weaknesses of your country in the field of ageing;*
- d) *outline future activities in the areas of population and individual ageing and other related areas;*
- e) *propose adjustments to existing policies;*
- f) *identify priorities for further policy research;*
- g) *indicate capacity-development needs;*
- h) *describe the need and/or request for exchanges of experiences across countries;*
- i) *indicate your requests/needs/wishes with regards to the work of international organizations in the field of ageing.*

The ageing of population, although still not an issue for Cyprus, is projected to become an issue of concern by 2030. Hence, ageing has only recently been mainstreamed in policies such as economic, social protection, labour market and health.

Challenges and opportunities of ageing, as identified in MIPAA/RIS, are largely integrated in national policies.

Major strengths of Cyprus in the field of ageing are:

- overall positive economic performance
- strong intergenerational solidarity, despite increasing loosening of family and social networks
- a social protection system which guarantees a minimum standard of living for all citizens.

Major weaknesses of Cyprus in the field of ageing are:

- long-term sustainability of public finances
- higher risk of poverty for the population aged 65 years or more (51%) compared to the general population (16%)
- lack of formal coordination between healthcare and social care services.

Cyprus faces a high risk with regard to the long-term sustainability of public finances in view of the budgetary impact of ageing populations. Implementing the planned consolidation of public finances over the medium term will reduce the risks to long-term sustainability while other parametric reforms (i.e. changes to the social security system and fundamental reforms of the health care system) will be necessary to contain the projected high increase in age-related expenditure in the period up to 2050.

In the area of social protection – a high national priority - government policy gears social spending further towards those who are in greater need such as low income earners, pensioners and people living in rural areas.

The risk-of-poverty rate for persons 65+years is anticipated to fall, as a result of the gradual maturation of the General Social Insurance System and the increase in the labour force participation rate observed in recent decades – particularly, for women – which will result in higher retirement benefits.

Future policy needs to address the formal coordination of healthcare and social care services with a view to improving the quality of life in old age.

On an **international level**, exchange of knowledge, information and good practices, would give a further impetus for discussion, future policy directions and action on ageing issues.