



MINLEX - Cyprus Country Report

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1. CYPRUS

1.1. Summary of findings

It should be first stressed that all information related to permitting procedures provided in this report, as described by the Cyprus experts, “correspond to data collected and procedures within the territory of the Republic of Cyprus, which excludes the Turkish military controlled area”. The EU has the whole island as an EU Member State and its citizens as EU citizens while it suspended the *acquis communautaire* in the areas in which the government of the Republic of Cyprus does not exercise effective control (following a military intervention by the Turkish army in 1974, in 1983 the self-declared “Turkish Republic of Northern Cyprus” was founded, recognised only by Turkey), until a peace settlement is found. The area not under effective control of the government involves 37 % of the island whereas another 3 % of the island is formed by a narrow buffer zone under the effective control of the United Nations Peacekeeping Forces command in Cyprus (UNFICYP) and another 3 % falls under the British Sovereign Base Areas (SBAs) of Akrotiri and Dhekelia.

Cyprus has been historically linked to the mining of raw materials. Until 1974 the country had had very vigorous mining activity, but soon after, such activity declined. By 2004, at the time of Cyprus’s accession into the EU, and since then, extractive activities have been limited to mining copper ore and inert building materials. Historically Cyprus mined asbestos, chromite, iron and copper pyrites, as well as other metal ores with emphasis on gold and silver. Nowadays, besides copper, there are quarries of sandstone, limestone, clay and gypsum. Rocks such as diabase, bentonite and others are extracted and often used for building. All minerals belong to the state. ***The Republic is a unitary centralised state with a unicameral legislative body and a centralised permitting regime.***

In Cyprus, the Chapter 270 is the main encompassing law that sets up a general framework for exploration/exploitation permits and the running of the industry overall. The substantive part of the licensing procedure is, however, delivered by the Council of Ministers’ regulations, pursuant to the provisions of the general law (Mines and Quarries Regulations 1958-2014). The key permitting authorities in the exploration and exploitation are the Council of Ministers, the Mines Service, the Town Planning and Housing Department, the Ministry of Agriculture, Rural Development and Environment, the Department of the Environment, and the District Administrator. The Council of Ministers is the authority granting the licenses for exploration and exploitation; however, the process is implemented by the Mines Service in tandem with the Council of Ministers. In case any mineral activity is desired at any of the areas outside the control of the Republic, other authorities shall be involved.

Exploration, reconnaissance or prospecting permits must be applied to the Mines Service, including an environmental management study, and, if applicable, a permit for waste management. With regards to exploitation, an application must be submitted to the Town Planning and Housing Department (requesting a mining lease or a quarrying license) and, if approved, to the Mines Service. In parallel an environmental management study needs to be sent for evaluation to the Department of the Environment. If the extracted material will be treated on site, an application for a building permit needs to be submitted to the Town Planning Department and to the District Officer.

According to the Cyprus experts, “Cyprus does have a well-structured system: however, there exist some substantial lags in the implementation of the existing framework, that create obstacles for the effective governance of the industry, perhaps stymieing a potential for sustainable growth. For example, the Council of Ministers issued an Executive Administrative Act ((EAA) ΚΔΠ 12/2010), under which a total ban in new licenses for exploration was declared for the period 2010-2015, and expanded indefinitely since then (by ΚΔΠ 54/2015) which has led to a paradoxical situation of an outwards appearing

against new exploration despite the administrations being keen on promoting exploration. Though the reason for this was to arm the Mines Service with an excuse to say no to potential exploration applications that lack sufficient practicality or implementation potential, this paradox is still counterproductive as far as new potential investments are concerned”.

Again, according to the country experts, it can be understood that Cyprus, as a relatively recent member of the EU (since 2004), “*has found, generally speaking, the transition to the full implementation of the Acquis a difficult process with the field of extraction fairing no better. The existing EU legislation in all areas, as interpreted and inserted into the national legal frame of laws in Cyprus, creates real blocks in efficient governance as it creates demands from regulators and industry which are unprecedented. At the same time, there has not been a thorough removal of previous national legislation and impediments. Thus, the complexities in the legal system, the voluminous cross-over between jurisdictions of government departments (such as the Town Planning and the District officers when it concerns construction and planning permits for the establishment of waste facilities or the Department of Antiquities and the Department of Environment, all racing for their mandated concerns), coupled with the small size of the economy contribute to a problematic setting”.* Despite these reported problems, the permitting success rates (2013-2015) are high: for onshore activities, they were 95 % for exploration and 85 % for exploitation applications. No applications were received for offshore activities in such period.

1.2. General introduction

Cyprus is the third largest island in the Mediterranean Sea, with an area of 9251 square kilometres (3572 square miles). It is located at the north-eastern end of the Mediterranean basin, to the west of Syria, south of Turkey and north of Egypt. Its climate is warm and dry during the summer, changing to mildly cold and moderately wet during the winter. The mountainous regions are typically cooler and moister than the rest of the island and it is mostly there, especially in the Troodos mountain range and the semi-mountainous regions (identified as the Troodos Ophiolite Complex) that surrounds it, where the key mineral extraction areas are located. The legal points of entry to the Republic of Cyprus are its two airports, namely, the International Airport of Larnaca (LCA) and that of Pafos (PFO), as well as its two ports in Larnaca and Limassol. The Republic's official languages are Greek and Turkish, with English being widely spoken.

Historically Cyprus mined asbestos, chromite, iron and copper pyrites, as well as other metal ores with emphasis on gold and silver. Nowadays, besides copper (extracted by the only active mine in Cyprus i.e. that of “Skouriotissa” managed by the Hellenic Copper Mines Ltd.), there are quarries of sandstone, limestone, clay and gypsum, with instances of umber and ochre extraction extracted in the past. Rocks such as diabase, bentonite and others are extracted and often used for building purposes.

The Republic of Cyprus, as it is officially addressed, was founded in 1960, after gaining independence from the British Empire, through an agreement known as the Treaty of Establishment, between the modern states of the United Kingdom, Greece, and Turkey. It is a unitary centralised state with a unicameral legislative body. Its system of government is presidential: the head of the executive arm of government—the President—is elected independently of the Parliament. This relates to the industry as the President, through his Council of Ministers has the ultimate authority for the granting of exploration and exploitation rights, though this power has been to some degree delegated to different governmental authorities, ministries and departments.

Concerning its extraction industry, the Republic of Cyprus does not exercise full control of its natural resources. Through the Treaty of Establishment previously mentioned, Cyprus' control over its territory is not absolute since the existence of the British Sovereign Base Areas (SBAs) of Akrotiri and Dhekelia, covering just under 3% of the island (see Fig. 1

below). Within the SBA's consent by the British Monarchy's is needed for extractive and exploration activities to take place in that area.

Furthermore, the events of 1974 had as a consequence that the northern part of the island (an additional 37% of the total area of the Republic) was no longer under the effective control of the government, with *de facto* jurisdiction being exercised by the self-declared and non-internationally recognised "Turkish Republic of Northern Cyprus" (or "Turkish Cypriot-administered area", see Fig. 1). *De jure* control of the island as a whole is still, as a matter of international law, exercised by the sovereign Republic of Cyprus. However, the Republic does not currently exercise effective control over that 37% of land for any exploration and extraction. In addition, a narrow buffer zone which separates the northern part of the country from the areas of Republic of Cyprus where the government exercises effective control, encompasses a further 3% of the island. This "green line" (or buffer zone) is under the effective control of the United Nations forces command in Cyprus (UNFICYP), which can often lead to complications in the requests for exploration or extractions in areas sited in or adjacent to the buffer zone.

Fig. 1: Cyprus. Political map.



Source: CIA World Factbook. Note: The map shows the areas under the effective control of the government of the Republic of Cyprus, the area not falling under the effective control of the government, the UN buffer zone and the areas of the SBAs

All information in this report corresponds to that collected by the Republic of Cyprus, which excludes the area not under its effective control. On May 1st 2004, the Republic of Cyprus became a full member of the EU and recently held the rotating presidency of the Council of the EU during the second half of 2012. As of 2008, the official currency is the euro.

This report can only discuss the Republic's processes and legislation as it exercises the *de jure* control over the island. It was not possible to ascertain the level of extraction activities in the areas which are not under its control, despite some extensive evidence of quarrying. In fact, under the EU "Green Line Regulations" it can be ascertained that trade in quarried goods takes place. The Green Line Regulations systematise trade across the UN buffer zone for goods principally extracted or manufactured in the whole of Cyprus. Statistical data collected shows there is trade between the areas under the effective control of the Republic and government and the non-government controlled in stones and other building materials, in raw or processed form.

It should be noted that no person can carry out any prospecting, mining or quarrying activity without the prior approval of the government as prescribed in the Constitution, Art.

(23) and the law, Art. (4), Chapter 270. The specifics are documented in the following sections of this report.

In addition to the 37% that is not under the effective control of the Republic, there are limits to the unilateral ability of the Republic to grant exploration and exploitation rights in the area it controls. As aforementioned, the consent of the authorities involved is required for activity near or in the UN buffer zone or situated in the SBAs. This has practical implications. For instance, a recent agreement with the SBAs foresees that in addition to the formal procedures of the Republic, the consent of the SBA authorities is needed for privately owned land within their jurisdiction. The formalization of this agreement is ongoing and its effects on the extraction industry is yet unclear.

The state is also a custodian of land through the existence of areas deemed as national forest. National Forests take up a substantial proportion of the mountain areas, which are also those richest for mineral exploitation. In those circumstances the Department of Forests of the Republic of Cyprus is involved in any decision making over the exploration and exploitation licencing. The remainder of the key authorities involved in the exploration and extraction process is analysed in subsequent sections.

In addition, it should be clarified that the state is a custodian of Turkish Cypriot property falling under its area of effective control. In these areas, the Ministry of Interior acts as the responsible authority for granting possible rights to the use of that land. This is because the vast majority of Turkish Cypriots reside in the northern part of the island and have no real contact with these properties.

Mineral ownership

The Republic of Cyprus owns all mineral resources (minerals and quarry materials) in its territory and is deemed to exercise control over all minerals and quarry materials. Though there is no exhaustive list on what is considered to be minerals and quarry materials, the law does provide some definitions and examples. As per Art. (2) of Chapter 270, unofficial translation, "Quarry materials' means sand, stone, slate, granite or other rocks, chalk, clay, flint, gravel, gypsum, limestone, marble, marl and quartz." The same article provides a definition of "minerals" which includes "*all economic value materials that are part of, or derived naturally from the earth's crust...*". These include "*...mineral oil but not minerals in dissolving or peat state, trees, timber and the similar forest products or any quarry materials*".

1.3. Legislation governing mineral exploration and extraction

In Cyprus, the Chapter 270 is the main encompassing law that sets up a general framework for exploration/exploitation permits and the running of the industry overall. The substantive part of the licensing procedure is, however, delivered by the Council of Ministers' regulations, pursuant to the provisions of the general law (see Table 1 below, Mines and Quarries regulations) that vests power to the Council of Ministers to issue such secondary legislation. There are furthermore specialized laws dealing with post extraction and the management of waste from the extraction industry, as we have inserted in Table 1. It should be noted that legislative areas may overlap one another and here the major statutes and secondary legislative provisions have been included. The significance of secondary legislation should by all means not be overlooked as much of the substantive workability of public administration laws in general are delivered through such means.

- The consent of the British Bases commander (Mines and Quarries (regulations) Ordinance of 2012) must be acquired, if the territory concerned falls within the area of the Bases, in accordance with the Treaty Establishing the Republic of Cyprus between the UK, Greece and Turkey.
- If the territory is Turkish Cypriot property, then the consent of the Minister of Interior is required which acts as custodian of properties belonging to Turkish Cypriots (Turkish Cypriot properties law, see CY-L8 in Table 1 below).
- If the area concerned is located within the territory where the Republic does not exercise control, then no legitimate action can be taken.
- Special liaison with the U.N. buffer zone director need be sought for those areas falling in or adjacent to the buffer zone

Table 1: Cyprus. Legislation relevant to exploration and extraction permitting.

Legislative sector	Code	English title	Web link	Permitting provisions (Y/N)	Deadlines (Y/N)	Relevant to (Y/N)			Relevant at (Y/N)			Remarks
						exploration	extraction	post-extraction	local	Regional	(central) national	
mining, minerals management,	CY-L1	Mines and Quarries Regulating Law Chapter 270	http://www.cylaw.org/nomoi/indexes/270.html	Y	N	Y	Y	Y	N/A	N/A	Y	Primary legislation. A unified version of the law 1959-2011. This is the principal act dealing with this legislative area in a broad way. It also allows the council of ministers to issue regulations to better govern the mining industry in Cyprus.

CY-L2	Mines and quarries regulations (1958-2014)	Unofficial Unification Available at the mining service website (click here for direct link to secondary legislation)	Y	Y	Y	Y	Y	N/A	N/A	Y	Secondary legislation made pursuant to Mines and Quarries law ch.270. It delivers a more detailed and thorough approach to the licensing procedures in Cyprus. In essence this is the main working principal act when it comes to licensing of mines and quarries in Cyprus and is exceptionally detailed; it also contain the templates on mining licenses and all activities related to that.
CY-L3	ΚΔΠ (KDP) 108/2011-Second Table	Available at the mining service website	N	N	Y	Y	Y	N/A	N/A	Y	Secondary legislation, Executive Administrative Act, specifying the minimum required expenditure expected by those vested with a surveying permit as well as the rents and duties owed by those applying or in possession of a surveying or an extraction permit as well as with respect to those vested with or applying for so called mining licenses.
CY-L4	ΚΔΠ (KDP) 108/2011-Eighth Table [Within CY-L1]	Available at the mining service website	N	N	Y	Y	Y	N/A	N/A	Y	Secondary legislation, Executive Administrative Act, deals with earmarking the funds received as fees from mining activity to the local communities and the restoration of the environment etc. More relevant to the topic, it also determines a percentage of the output of the mine to be also paid as a fee to the government and stipulates a minimum amount of output to be achieved.
CY-L5	Mines and Quarries (Health	Available at the mining	N	N	Y	Y	N	N/A	N/A	Y	Secondary legislation, Executive Administrative Act, deals with obligatory administration when it comes to health and safety.

	Organization) regulations	service website										Contains provisions for the committee to be elected and in which representatives of the workers participate.
CY-L6	Mines and Quarries(prevention of pneumoconiosis) regulations 91961-2011)	Available at the mining service website	N	N	N	Y	Y	N/A	N/A	Y	Secondary legislation. Deals with health issues relating to miners.	
CY-L7	Cement Industry Management and Control Law 130	http://www.cylaw.org/nomoi/enop/non-ind/0_130/full.html	N	N	N	Y	N	N/A	N/A	Y	Primary legislation meant to promote the industry of cement by giving the council of ministers authority to take measures (following a petition) to attract large scale investment in the industry and capital.	
CY-L8	Turkish Cypriot properties (management and other issues) (temporary provisions) law of 1991 (139/1991)	http://www.cylaw.org/nomoi/enop/non-ind/1991_1_139/full.html	Y	N	Y	Y	N	N/A	N/A	Y	Primary legislation designating the minister of interior as the guardian of Turkish Cypriot properties following the events of the Turkish invasion and the mass movement of the population into areas not controlled by the republic of Cyprus. His consent must be sought in matters concerning the involvement of property belonging to Turkish Cypriots.	

Environment	CY-L9	Management of waste in the extractive industry law 82(I)/2009)	www.cylaw.org/nomoi/enop/non-ind/2009_1_82/full.html	Y	N	N	Y	Y	N/A	N/A	Y	Primary Legislation designed specifically to deal with the management of waste as it relates to the mining industry and all such other activities. E.U. Directive 2006/21/E.U. 15 March 2006 has been incorporated in the basic Law.
	CY-L10	Environmental Protection through the Criminal Justice law 2011 (N. 22(I)/2012)	http://www.cylaw.org/nomoi/enop/non-ind/2012_1_22/full.html	N	N	Y	Y	Y	N/A	N/A	Y	Primary Legislation Aiming at criminalizing environmental damage as a result of grave negligence or intention to do so. It includes acts/omissions done so in violation of certain articles of the Mines and Quarries law Chapter 270 mentioned above. Harmonization with E.U. Directive 2008/99/EK, 19 November 2008.
	CY-L11	Minimum requirements (noise pollution at the environment from equipment for outdoor usage) regulations (K.Δ.Π.-KDP-535/2003)	Available at the mining service website	N	N	Y	Y	N	N/A	N/A	Y	Secondary Legislation, Administrative Executive Act for noise emittance standards of machinery and equipment used outdoors None
	CY-L12	Environmental responsibility as to the prevention and restoration of environmental damage law 2007(189(I)/2007))	http://www.cylaw.org/nomoi/enop/non-ind/2007_1_189/full.html	N	N	Y	Y	Y	N/A	N/A	Y	Primary legislation. Places safeguards and measures that need to be taken so as to prevent and restore damage done to the environment. It does not however give the right to individuals for compensation for damages occurred. Harmonization with E.U. Directive

											2013/30/EE 12 of June 2013. None
CY-L13	Evaluation of the consequences to the environment law from certain programs law 140(I)/2005)	http://www.cylaw.org/nomoi/enop/non-ind/2005_1_140/full.html	Y	N	N	Y	N	N/A	N/A	Y	Primary legislation which deals with environmental consequences in a supplementary capacity to the town planning laws. The EIA is majorly governed by this law. It requires the submitting of an Environmental Impact Assessment study (e.g. Mines/Quarries) or an initial environmental study y for certain other projects.
CY-L14	Evaluation of the consequences to the environment law from certain designs and or programs (102(I)/2005)	http://www.cylaw.org/nomoi/enop/non-ind/2005_1_102/full.html	N	N	N	Y	Y	Y	N	N	Primary Legislation designed to deal with environmental consequences in a rather broad way and requires Public Authorities to produce an environmental study when intending to engage in designs and/or programs that could have effects on the environment. It also makes specific references to the mining industry. It substituted the 2001 law by the same name.
CY-L15	Evaluation and management of environmental noise law 2004 (224(I)/2004)	http://www.cylaw.org/nomoi/enop/non-ind/2004_1_224/full.html	N	N	Y	Y	N	N/A	N/A	Y	Primary legislation indented to unify the legal area of noise pollution as it pertains to noise created human acts done in the country side and stipulates maximum levels of noise pollution. A relative study of noise pollution. Made pursuant to E.U. Directive, EE L 189 of 18.7.2002.
CY-L16	ΚΔΠ(KDP) 295/2009 Mines	Available at the mining	Y	N	Y	Y	N	N/A	N/A	Y	Secondary Legislation, rule 4(5) Executive Administrative Act,

		and Quarries regulation	service website									contains specifications on how the environmental study type A1 which is a prerequisite for exploration activities should contain and be carried out.
	CY-L17	ΚΔΠ(KDP) 295/2009 Mines and Quarries regulations)	Available at the mining service website	Y	N	Y	Y	N	N/A	N/A	Y	Same as above but refers to regulation 4(5) and deals only with extraction. Type C1
Nature conservation, forestry	CY-L18	Protection and management of nature and wildlife law 2003 (153(I)/2003)	http://www.cylaw.org/nomoi/enop/non-ind/2003_1_153/full.html	NA	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Law deals with consequences of acts of public authorities.
	CY-L19	Protection and management of wild birds and game law 2003 (152(I)/2003)	http://www.cylaw.org/nomoi/enop/non-ind/2003_1_152/full.html	NA	N/A	N/A	N/A	N/A	N/A	N/A	N/A	As per the title and not specifically designed for Mining, Quarrying etc.
Water management	CY-L20	Water pollution control Law 1991 (69/1991)	http://www.cylaw.org/nomoi/enop/non-ind/1991_1_69/full.html	N	N	Y	Y	Y	N/A	N/A	Y	Primary legislation specifically designed for the protection of water against pollution from industrial and other waste. Permissions can be granted. Environmental legislation listed in the above section on Environment also contains references. Contains criminalization of activities and provisions for party at fault to restore damage. Law 1991 (70/1991) on air pollution contains similar provisions

	CY-L21	Management of water pollution law 2002 (106(I)/2002)	http://www.cylaw.org/nomoi/enop/non-ind/2002_1_106/full.html	N	N	Y	Y	Y	N/A	N/A	Y	Replaced above law but Administrative Executive Acts made with the previous law that do not contradict this one, continue to be valid. Law 2002 (187(I)/2002) with respect to air pollution did the same.
Land use planning, spatial development,	CY-L22	City Planning and Development law 1972 (90/1972)	http://www.cylaw.org/nomoi/enop/non-ind/1972_1_90/full.html	Y	N	Y	Y	Y	Y	Y	Y	None
transportation, construction, catastrophe protection, police, military	There is no specific legislation on transportation, construction, catastrophe protection, military or police relevant to mining. All matters relating to transportation, construction, catastrophe protection are dealt with the legislation cited above.											

Culture heritage												
There is no specific legislation on culture or heritage relevant to mining. All matters relating to culture and heritage are dealt with by the planning legislation cited above.												
Public administration, court procedures	CY-L23	General Principles of Public Administrative Law 1999 (N. 158(I)/1999)	http://www.cylaw.org/nomoi/indexes/1999_1_158.html	N	N	Y	Y	Y	N	N	Y	Principal legislations dealing with the basic principles of Public Administrative law Applicable to the Cyprus Public Administrative Court System
	CY-L24	Civil Procedure Rules	http://www.cylaw.org/cpr.html	N	N	Y	Y	Y	N	N	Y	Secondary legislation concerning the procedure to be followed in civil and administrative courts
	CY-L25	Rules regarding the procedures to be followed in the supreme court		N	N	Y	Y	Y	N	N	Y	Secondary legislation concerning the procedure to be followed in the supreme court

1.4. Authorities governing mineral exploration and extraction

The key authorities in the exploration and exploitation of non-energy minerals are the Council of Ministers, the Mines Service, the Town Planning and Housing Department, the Department of the Environment¹ (evaluates and approves or rejects EIA studies), the Department of Forests, and the District Administrator. The Council of Ministers is the authority granting the licences for exploration and exploitation; however, the process is implemented by the Mines Service *in tandem* with the Council of Ministers.

¹ The Department of Forests falls under the Department of Natural Resources. National Forests take up a substantial proportion of the mountain areas, which are also those richest for mineral exploitation. In those circumstances the Department of Forests is involved in any decision making over the exploration and exploitation licencing.

There are instances in which consent needs to be granted by authorities outside the Republic's control. In particular:

- The consent of the British Bases commander (Mines and Quarries (regulations) Ordinance of 2012) must be acquired, if the territory concerned falls within the area of the Bases, in accordance with the Treaty Establishing the Republic of Cyprus between the United Kingdom, Greece and Turkey.
- If the territory is Turkish Cypriot property, then the consent of the Minister of Interior is required which acts as custodian of properties belonging to Turkish Cypriots (Turkish Cypriot properties law see Table 2).
- If the area concerned is located within the territory where the Republic does not exercise effective control, then no legitimate action can be taken.
- Special liaison with the U.N. buffer zone director need be sought for those areas falling in or adjacent to the buffer zone.

Table 2: Cyprus. Relevant authorities in exploration and extraction permitting.

	Code	Name of Entity	English name	Website	Role in permitting	Relevant to	Statute or relevant piece of legislation
First instance permitting	CY-E1	Υπουργικό Συμβούλιο	Council of Ministers	http://www.cm.gov.cy/cm/cm_2013/cm.nsf/page31_en/page31_en?OpenDocument	Supreme authority though it has delegated much of its powers. Calls for applications in case of off-shore areas. Grants mining leases. Decides to open/close sites. Grants Licences for mines.	Exploration / Exploitation	Ο περί Ρύθμισης Μεταλλείων και Λατομείων Νόμος Κεφ. 270 και Νόμοι του 1965 έως 2011
	CY-E2	Υπηρεσία Μεταλλείων	Mines Service	http://www.moa.gov.cy/moa/mines/minesSrv.nsf/dmlindex_gr/dmlindex_gr?opendocument	Handles applications for mines / quarries <u>exploration</u> . Is responsible for explosives. Exercises oversight. Grants and renews Licences for quarries.	Exploration / Exploitation	Ο περί Ρύθμισης Μεταλλείων και Λατομείων Νόμος Κεφ. 270 και Νόμοι του 1965 έως 2011
	CY-E3(a)	Τμήμα Πολεοδομίας	Town and Housing Planning Department	http://www.moi.gov.cy/moi/tph/tph.nsf/index_gr/index_gr?OpenDocument	Issues essential town planning licenses, waste management licences and waste discharge licences. Determines zones to be	Exploration / Exploitation	Town Planning laws 1972-2016

	Code	Name of Entity	English name	Website	Role in permitting	Relevant to	Statute or relevant piece of legislation
		και Οικήσεως			explored or exploited in tandem with the Mines Service		
	CyE3(b)	Έπαρχος	District Administrator	http://www.moi.gov.cy/moi/da/dadmi.nsf/dmlmessage/ar_gr/dmlmessage/ar_gr?OpenDocument	Issues construction permits for waste facility	Exploitation	-
	Cy-E4	Υπηρεσία Περιβάλλοντος	Department of the Environment	http://www.moa.gov.cy/moa/agriculture.nsf/All/4B7EB72FEFB243902C225788B003B8812?OpenDocument	Evaluates Environmental Impact Assessments, including for waste management. (Approves/Rejects, Conditions EIA studies)	Exploration / Exploitation	-
	CY-E5	Υπουργός Γεωργίας, Αγροτικής Ανάπτυξης και Περιβάλλοντος	Minister of Agriculture, Rural Development and Environment	http://www.moa.gov.cy/moa/agriculture.nsf/index_gr/index_gr?OpenDocument	Heads the relevant Ministry of which the department of forest and environment fall part of. Renews mining leases	Exploration (indirect) / Exploitation (direct)	-

1. **The Council of Ministers (central authority)**, is an independent collective body appointed by the President and is the main body for exercising executive power, as derived by Art. 46 of the Constitution. In terms of exploration and exploitation it derives its authority through its role in administering the supervision and disposition of property belonging to the Republic. Though the Council of Ministers is the

responsible authority in all exploration and exploitation activities; however, it has delegated much of its power (to the Mines Service). It is still however the relevant authority for granting mining leases (both offshore and onshore). In relation to off-shore activities Art. (4) chapter (270), clearly states that no application in relation to off-shore activities may be submitted unless first the council opens the area for such applications.

Its competence consists in (i) managing property belonging to the Republic, which sometimes involves the State acting in a private capacity, (ii) authoring secondary legislation, and (iii) issuing Executive Administrative acts relevant to mining. Furthermore, as it pertains to offshore activities (though at present, no offshore activity takes place in Cyprus) the procedure differs and becomes a two-stage process, which starts with the opening of a round of petitions for exploration and consequent exploitation of mineral wealth. Once a petition is approved, the Council proceeds to grant the necessary permit for the extractive activities in the normal manner described for on-shore activities. With respect to exploitation only, it still retained its power in granting mining licences. The technical work is carried out by other actors mentioned below. Its principal role therein, (after the opening of the round for petitions in relation only to offshore mining and grant licences for mines), is to issue rules that affect licensing for all Mining/Quarrying issues.

2. The Ministry of Agriculture, Rural Development and Environment: The Minister heading the Ministry is the authority responsible for renewing mining leases. The involvement of the Ministry does not end here however. It is still the relevant authority in other key areas through its various departments (e.g. see below Mines Service and Department of Environment).

3. The Mines Service. It is under the Ministry of Agriculture, Rural Development and Environment. It is the authority in charge of issuing and renewing exploration licences for minerals, both offshore (see however the paragraph above on off-shore areas and the Council of Ministers) and onshore. As to Quarry materials, it is the authority responsible for granting and renewing quarrying licenses in both exploration and exploitation.

It should be noted that for an exploration permit to be approved, it needs to be accompanied by a relevant Environmental Management Study (A1²). For an exploitation licence to be approved, the application must be accompanied by a planning permit (see below) and also an Environmental Management Study (C1). If the applicant is a legal person, the application must also be accompanied by a recent certificate of constitution and statute. Within the Ministry’s organization plan, it is placed under the section of Natural Resources. In general, mining operations and all concomitant activities fall under the remit of the Ministry of Agriculture, Rural Development and the Environment. The competent department is the Mines Service (“the Service”). However, the Town Planning department is an important co-authority and without its approval much of the workings of the mining service cannot proceed.

² The EIA, the C1 and A1 are different studies. The C1 and the EIA are relevant to extraction. The A1 is relevant to exploration. The EIA is essential for the Town-planning licence. From then on, the approved planning licence (which includes the EIA) needs to be accompanied by the C1. This is with respect to extraction only. For exploration the applicant need only submit the A1 study. In the case of the EIA with respect to Natura 2000 areas, the EIA must be adjusted accordingly.

On the behest of the Council, the Mines Service functions as the gateway to the mining and quarrying industry. It handles paperwork and related activities for the issuance of all types of licenses, including the attachment of specific terms thereof. The Service is further tasked with developing and then harnessing the potential of the country's mineral wealth. It enacts programs for the optimal exploitation of minerals that are consistent with such aims as —principal aims mentioned— (i) the sustainability of the environment, (ii) the health and safety of the labour involved, and (iii) the integrity and high quality of the end products that enter the market. It also acts as a supervisory body, assessing the environmental footprint of extractive operations and whether the terms of the license are observed. The Service is, furthermore, the entity responsible for the managing and selling of explosive substances, fireworks and related materials. The Service is in charge of policy—and acts as the focal point of the strategy—for the sustainable development of the industry; with its policies influencing those of other departments and ministries. It can, to this end, be considered the cornerstone of the industry. The Service also acts as the chief body of information collection about activities within the government for potential investors.

4. The Town Planning and Housing Department. A service under the Ministry of the Interior. It is further subdivided into sections and is involved through the zoning regulations. No one can apply for any extraction licence unless first obtaining a town-planning permit. To be granted, the application here, needs to be accompanied by an approved Environmental Impact Assessment Study (EIA). It is mostly here that local authorities can express their non-binding opinions. The department also issues, waste management licences and determines zones to be explored or exploited with the Mines Service. For an area falling under a free area of mining or quarrying zone, the applicant must further submit a certificate of competency.

A prerequisite to any mineral exploitation activity is a permit from the Town Planning and Housing Department (“the Department”), which falls under the Ministry of Interior. The Department furnishes a specific form of permits for mines and quarries as well as permits relating to waste management and waste discharge. Local authorities have a right to express their non-binding opinion on whether extractive activities should be carried out within their jurisdiction. It should be noted that while their position has no binding effect, it nonetheless carries significant political weight. Therefore, before any venture, it is advised to take into account the concerns of the local community. Depending on the exploration licence, local authorities receive a substantial amount of the royalties received through such exploitation activities (up to 40% of royalty for mining and 75% for quarrying as per the mines and quarries regulations). There is thus community representation in the process of licencing for exploitation.

It should be noted that for state-owned land there is an annual rent of 3% on the market value as it is estimated every 5 years by the Department of Lands and Surveys. Thus, in practice the Town and Housing Planning authority acts both as a centralized poll of local opinion as well as a referee, having the ability to delay or stop exploitation through delays and the stay or non-issuance of the specific license sought.

5. The Department of the Environment. The application for a town-planning permit relevant to exploitation (extraction) need be accompanied by an Environmental Impact Assessment (EIA). The EIA itself is forwarded to the Department of Environment which can accept, reject or impose conditions on the EIA. Local authorities and relevant departments can express here their non-binding opinions. Naturally the EIA is essential to the town-planning permit which in turn is essential to the extraction licence. Note: See above paragraphs on who the relevant issuing authority is as the process described here does not alter the above paragraphs. The application for either Mining or Quarrying need also be accompanied by an Environmental Management Study.

Should there be a need for a waste management facility, the Department of Environment is consulted and for this, there must also be an application for a waste facility that is forwarded to the Department of Environment by the Mines Service. However, if the waste that is to be produced will require treatment, an application with the Town Planning Department need be made so as to create a treatment facility. The Town Planning Department will once again consult with the Department of Environment. From then on, a construction permit need be acquired with the District's Administration (see below). Finally, in case of waste discharge, a relevant permit must once again be obtained by the Town planning authority much in the way that the waste facility license was obtained. The Department of Environment is under the Ministry of Agriculture, Natural Resources and the Environment.

6. The 6 Relevant (based on location) District Administrations: Nicosia, Larnaca, Limassol, Pafos, Kerynia and Ammochostos (Farmagusta). Each one represents an authority under the Ministry of Interior. The various Districts Administrators are an important authority that puts precedence to the affairs of the district. Any construction of buildings related to mining and quarrying waste facilities need the necessary permits by the Distracts Administrator's of the relevant district.

7. Other co-authorities that might be relevant:

Depending on the situation at hand, other authorities might be relevant; the list below is not exhaustive and is not considered as first instance authorities. This is because their role might only be consultative, or are called into question in some rather uncharacteristic situations or they may not relate to licensing, but rather have a secondary role as overseeing authorities.

- Depending on the area of interest the Department of Forests³ might need to be advised if the area in question is considered to be a state forest.
- The Ministry of Interior (as a custodian of Turkish Cypriot property) may also need to give consent prior to exploitation. The reasons have already been explained.
- The Base's commander of the British Sovereign bases might need give consent if the area falls under the base's territory (See section 5 below)
- The Department of Labour Inspection, as an oversight authority whose task is to ensure that working standards are fully respected,
- The relevant Water Authority, the Department of Geology, the Wildlife and Fauna and the Department of Antiquities might also be consulted and have a chance to express their view in the town planning permitting process. Otherwise, they might have a role to play should a relevant statue falling within their auspices of responsibility is violated. The situation described here is characteristic

³ The Department of Environment and the Department of Forests are unique departments under the Ministry of Agriculture, Rural Development and Environment.

of the confusion that is observed in this area where a lack of centralised procedure is lacking and not made formal; like earlier stated, this of course need be balanced by the need of effective oversight.

1.5. Licensing procedures for exploration and extraction

It should first be noted that no person can carry out any prospecting, mining or quarrying activity without the prior approval of the government as prescribed in the Constitution, Art. (23) and the law, Art. (4), Chapter 270. The specifics are documented in the following sections of this report.

Exploration can be done in three ways: Reconnaissance, Prospecting Type A and Prospecting Type B licence⁴. Exploitation is granted through either a Mining lease or a Quarry Privilege A and Quarrying Privilege B, see below in Table 3. These needs be also accompanied by an environmental management study (EMS A1 type). There is a number of other licences that need be potentially obtained, such as the town planning licence that have already been previously described. Such licences have been omitted from the table below as they are supplementary to the general licences that can be applied for.

Applications for reconnaissance for minerals are submitted only with respect to a specific unified area with a maximum size of 25km².

- For prospecting permit type A, the area's maximum size is 5km².
- For Prospecting permit type B, the area's maximum size is 2 km².

The Inspector of Mines has the authority to modify the application's area size to match that of the existing permit. The exploration permit application is accompanied by a "managerial environmental study" in which the elements of the A1 form template, which can be found on the first table, are developed. It should be noted that no drilling or excavating is allowed with a reconnaissance permit. Type A concerns mining materials and Type B license concerns quarrying materials. Both permits can be renewed (between the 20th and 30th day before expiry) and corresponding renewing fees must then be paid. The renewing can concern a smaller area.

A reconnaissance permit is valid for 1 year and can be renewed for an extra 1. A type A prospecting license is valid for 1 year and can be renewed for an extra period of 4 consecutive years, while a type B prospecting license is valid for 1 year and can be renewed for an extra 1 year. The prospecting permits may be granted for another 5 and 2 years respectively. Once the maximum renewals are given, an embargo for further renewals is placed on the same license to give the chance to others to explore and possibly exploit the area.

The application for the renewing of the license must be accompanied by a summary of all activities that have been carried out in the last period. The summary must be submitted in two copies (amendable types K, L, M, 8th table). A relevant plan depicting the exploration carried out and results obtained must also be submitted in two copies. The plans when requested, including revised plans, must be submitted within 30 calendar days. Should mining material be found, then the Mining Inspector can close off the area for a period of five years to allow the holder of such an exploring license time to acquire exploitation permits. This of course means that the original explorer is given a sort of priority. Exploration permits are transferable but fees must be paid (second table).

There is also a minimum amount of expenditure the holder of such a permit must undertake (the expenses are changeable by the Mining Inspector and approved by the Minister of Agriculture, Rural Development and the Environment -due to the prevailing conditions- but

⁴ The general term 'licence' encompasses all types of licences such as leases, privileges, certificates, permits, etc.

that change cannot exceed the table 2 maximum). Such expenditure can be postponed if approved by the Mining Inspector but relevant fees must be paid. Furthermore, the area must be restored.

Table 3: Cyprus. List of general types of licences available.

Type of license	Materials	Area	First period Duration	Renewal	Prerequisites
Reconnaissance (no drilling and trenches)	Minerals: metallic, energy, radioactive, Asbestos.	Up to 25 Km ²	1 year	1 year	<ul style="list-style-type: none"> The application area must not be covered by any other exploration licence concerning the same material. Environmental Management Study for the exploration area including exploration program. Enough capital to develop exploration activities.
Prospecting A	Minerals: metallic, energy, radioactive, Asbestos.	Up to 5 Km ²	1 year	4 years, year by year	<ul style="list-style-type: none"> The application area must not be covered by any other exploration licence concerning the same material. Environmental Management Study for the exploration area including exploration program. Enough capital to develop exploration activities.
Prospecting B	Quarry materials and industrial minerals	Up to 2 Km ²	1 year	1 year	<ul style="list-style-type: none"> The application area must not be covered by any other exploration licence concerning the same material. Environmental Management Study for the exploration area including exploration program. Enough capital to develop exploration activities.

Type of license	Materials	Area	First period Duration	Renewal	Prerequisites
Mining	Minerals: metallic, energy, radioactive, Asbestos.	Depending on size of ore body	Up to 50 years	Unlimited renewals up to 50 years	<ul style="list-style-type: none"> • Planning permit for mine development accompanied by approved EIA. • Environmental Management Study for the mining area including techno economical data. • Enough capital to develop mining activities.
Quarrying A	Quarry materials and industrial minerals	Depending on size of ore body (over 20.000 m ²)	Up to 25 years	Unlimited renewals up to 25 years	<ul style="list-style-type: none"> • Planning permit for mine development accompanied by approved EIA. • Environmental Management Study for the quarrying area including techno economical data. • Enough capital to develop quarrying activities.
Quarrying B	Quarry materials and industrial minerals	Depending on size of ore body not over 20.000 m ²	Up to 25 years	Unlimited renewals up to 25 years	<ul style="list-style-type: none"> • Planning permit for mine development accompanied by approved EIA. • Environmental Management Study for the quarrying area including techno economical data. • - Enough capital to develop quarrying activities.

For Exploitation there are the relevant mining leasing permits and the quarrying licenses. Here also, a relevant environmental study C1 must be carried out. A town planning permit must also be obtained and this need also be accompanied by an approved EIA study. A building permission by the District's Officer need be obtained by the applicant should a waste management facility be erected. Also before this, i.e. the District Officer permit, another town planning licence must be acquired allowing for the building of the waste management facility. To be granted the town planning permit for a waste facility, an application need be approved by the Department of Environment for the creation of a facility with/without producing waste accordingly (in practice is it often part of the original EIA).

The role of each authority in the licencing procedure can be observed below in Table 4.

Table 4: Cyprus. Role of each authority in licencing.

<p>Authority issuing onshore exploration and extraction permits:</p>	<p>All applications are examined by the Inspector of Mines. According to Chapter 270. Though all licences are in effect granted by the Council of Minister, the Council of Ministers has assigned its powers as follows:</p> <ul style="list-style-type: none"> • Exploration Licenses and their renewal: Inspector of Mines <ul style="list-style-type: none"> • Mining Leases: Council of Ministers • Renewal of Mining Leases: Minister of Agriculture Rural Development and Environment • Quarry Licenses and their renewal: Inspector of Mines.
<p>Authority for offshore minerals:</p>	<p>As above, but the offshore areas are considered closed for such activities, unless the Council of Ministers decides to open one offshore area. (The Mining Law is not applied to hydrocarbons.)</p>
<p>Local authority opinions:</p>	<p>As a prerequisite for someone to submit an application for an extraction license is to obtain first a town-planning permit to develop a mine or a quarry. The local authorities express their opinions during the examination of the application of the town-planning permit and during the examination of the EIA Study (see below). The opinions are not binding.</p>
<p>The EIA procedure:</p>	<p>The main authority behind EIA is the Director of the Department of Environment.</p> <p>The procedure is as follows:</p> <ul style="list-style-type: none"> • The applicant for the town-planning permit submits with its application at the Town-planning and housing Department the relevant EIA Study. • The Town-planning and housing Department sends the EIA Study to the Department of Environment. • The Department of Environment assisted by an advisory committee examines the EIA Study and issues a negative or a positive opinion with certain terms and conditions. The opinion is sent to the Town-planning and housing Department. • During the examination of the EIA Study the Department of Environment calls the relevant state services and the local authorities to express their opinions on the EIA Study. The opinions are not binding for the Director of the Department of Environment. Note: Public views are expressed through Local authorities' opinions.

The existence of informal consultations with several government departments that are not represented in the above causes significant delays, as the services try to ensure that all government departments have a right to express concerns. It also makes the acceptance of a licence subject to concerns of departments not formally represented in the process. Table 5 thus only indicates the formal steps of licencing and exploration.

Table 5: Cyprus. The Exploration and Exploitation process (only onshore).

Note: for offshore activities, the process is the same with the exception that the Council of Ministers must first invite applications

EXPLORATION

1st STEP

Application for exploration (mine or quarry)	→	Environmental Management Study A1
MINES SERVICE	←	DEPARTMENT OF ENVIRONMENT
Approval	I	
↓		
Application for waste management for exploration license/quarry (If Applicable)	→	<u>If Applicable</u> : Application for waste management, according to the Directive 2006/21/EC
MINES SERVICE	←	DEPARTMENT OF ENVIRONMENT
Approval		
↓		
Exploration works may commence		

Note: for both Exploration and Exploitation: If the area is under management of Ministry of Interior (Turkish Cypriot land) then requires further approval. If Area is deemed a national forest, then subject to Forestry Department Approval. If in SBAs subject to consent by SBAs. If on or near UN buffer zone subject to UNFICYP consent.

EXPLOITATION

1st STEP (excavation works)

↓Town planning application for the development of mine or quarry	→	EIA evaluation including appropriate EIA evaluation in the case of Natura 2000 areas
TOWN PLANNING AND HOUSING DEPARTMENT	←	DEPARTMENT OF ENVIRONMENT
Approval		
↓		

Application for mining license/quarry MINES SERVICE	→ ←	Application for waste facility creation, according to the Directive 2006/21/EC DEPARTMENT OF ENVIRONMENT
Approval ↓ Exploitation works may commence		

2nd STEP (if treatment necessary)

Town planning application for treatment plant TOWN PLANNING AND HOUSING DEPARTMENT	→ ←	EIA evaluation including, appropriate EIA evaluation, in the case of Natura 2000 areas DEPARTMENT OF ENVIRONMENT
approval ↓		3rd STEP (waste discharge if necessary) ↓
Application for building permit DISTRICT OFFICER		Application for waste Management permit DEPARTMENT OF ENVIRONMENT
approval ↓ Treatment plant may operate without producing wastes		Application for waste facility creation, according to the Directive 2006/21/EC DEPARTMENT OF ENVIRONMENT
		approval ↓ Treatment plant may operate producing also wastes

Note: If the area is under management of the Ministry of Interior (Turkish Cypriot land) then requires further approval. If the Area is deemed a national forest, then subject to Forestry Department Approval. If in SBAs subject to consent by SBAs. If on or near UN buffer zone subject to UNFICYP consent.

Source: the Cyprus Mines Service

To gain access to the mining/quarrying industry, the applicant must first apply for an exploration permit. The classification into A and B concerns the materials to be covered by the application. The former stands for minerals. The latter for quarrying materials. The application here must be accompanied by a Type A1 Environmental Management Study.

The application is addressed to the Council of Ministers, though it is technically submitted via the Head of the Mines Service (with the Service responsible for most of the technical work), on which the Council has placed its executive authority for such issues. The applicant has to declare the size of the interested area (in square km) and furnish a corresponding map at the scale of 2 inches to a mile or 1:5000. They must also declare whether the area is partially or wholly within a State Forest.

To proceed with exploitation, the applicant must submit a form requesting a mining lease (Form B) or a quarrying license (Form C). These needs to be accompanied by an Environmental Management Study Type C1 and by a permit from the Town Planning and Housing Department for the development of a mine or quarry (Form E.A.3) and/or the relevant waste and waste management permit. Where necessary, a construction license from the District Administrator to raise facilities for processing and waste management (Form E.A.1.) need also be secured. The authority responsible for ultimately granting or refusing the applications have already been discussed thoroughly. To proceed with the Town Planning application for areas that fall within town planning mining/quarrying zones, the applicant must also first secure a Certificate of Competency for the area of interest as already mentioned.

For a mining lease or a quarrying licence, the maximum size is that deemed by the Mining Inspector to be sufficient for the exploitation of the mining deposits, plus an extra area deemed appropriate for related work. The license is given with respect to a unified identifiable area. The Inspector of Mines has the authority to modify the application's area size to match that of the existing permits or leases.

When submitting a mining lease application, the applicant must submit an exploration plan that includes all the exploration that was carried out, the value of minerals found as well as estimates for the number of minerals contained in that parcel. The exploitation permit application, i.e. mining lease or quarrying license, is accompanied by a "managerial environmental study" in which the elements of the C1 form template, that can be found on the first table, are developed.

The mining lease and the quarrying license are issued in accordance with type F and type G of the third table accordingly. The mining lease is granted with respect to an area containing minerals. The quarrying license type A is granted with respect to an area that exceeds 20 decars, or that the quarrying materials produced will require processing beyond the simple thrashing or screening with respect to an area adjoining the quarrying area, or if waste will be produced by the featured quarry other than that that can be returned to the quarry. Type B quarrying license is given with respect to those cases not falling within the type A quarrying license. Quarrying activities can also be suspended under certain conditions but fees must be paid.

Exploitation licenses can be conjoined under certain provisions and exploitation rights are transferable under the conditions set in rule 27. Other people, authorized by the Council of Ministers may conduct mining operations on the land for material other than the ones for which the license of the licensee was given and in that case, a fair remuneration will be granted. If the remuneration cannot be agreed on, the issue is settled by arbitration.

Should the State land, despite the objections of the holder of an exploitation license, be insisted on being sold or leased by the Council of Ministers, the difference is then submitted for arbitration under rule 27. Exploitation rights may be abandoned if such an application is made six months before the date upon which the abandonment is intended to take place, the relevant permit is obtained and the relevant fees are then paid.

All yearly fees are paid in advance. There is a 25% penalty fee for those fees not payable within a month of their due day and a yearly summary of all exploitation activities must be submitted at the 31st of March each year (amendable type N, O, 5th table). There are issues that are common to both exploration and exploitation. All applications are submitted to the Council of Ministers via the Mining Inspector (the Head of Mines Service). Anyone interested in acquiring such a license may apply, in accordance with the license's template.

Two copies are submitted along with respective fees as determined in table 2 of the regulations plus three copies of the area surveying with a minimum ratio of two inches to the mile (or 1: 5000 map). If the land is in or expands into a State forest, the number of survey copies is five.

In case the Mining Inspector calls upon an applicant to attend any sort of consultation, a thirty calendar days deadline for the consultation to take place must be allowed and the Mining Inspector must set a thirty calendar days' deadline for the applicant to produce any further requested material required by the Inspector. The Mining Inspector must consult with the Department of the Environment on whether the application encompasses the creation of a facility for the storage of mining waste and for which a license is required. No such license is required for reconnaissance licenses described in rule 5 of the regulations.

Naturally all environmental studies need to match the activities actually carried out and the environmental study is in any case re-examined at least once every five years. A bank guarantee is deposited with the Mining Inspector which varies according to the size of each project, the kind of mining activities being carried out and its impact on the environment. The said deposit can be used, *inter alia*, for the restoration of damage done to the environment. The amount used for all such purposes must be made whole again by the holder of the permit.

Should the Inspector be of the opinion that the mining operations are carried out in such a way so as to endanger anyone, the inspector can order all mining activities be suspended until the inspector is of a mind that redeeming measures have done away with the danger. A hierarchical appeal can be made within ten days to the Council of Ministers or a person tasked for such matters, against the decision of the mining inspector but until then, the holder of the license must abide by any conditions set by the Mining Inspector including the total cessation of activities.

Environmental management

The exploitation of mineral resources has a certain impact on the environment. Prior to the implementation of legislation setting environmental standards, the side effects of mining activities on nature were not properly assessed and regulated. This led to adverse effects, which are particularly evident in sites of abandoned mines. The Republic of Cyprus is now in the process of restoring those sites, while taking the necessary steps towards fostering a more sustainable mining and quarrying industry.

The introduction of a more coherent environmental legislation set stricter terms regarding the parameters of the permits and licenses involved in the exploration and exploitation of mineral resources. These cover the following:

- In order to gain the permit from the Town Planning and Housing Department, the applicant has to furnish an Environmental Impact Assessment, subject to approval by the Department of the Environment.
 - The holder of a mining lease or a quarrying license is obligated to provide an Environmental Management Study every five years. In it they must record their activities within the area concerned so that the competent authorities may assess whether standards are respected.
 - The licensee must ensure that their activities do not pollute the environment.

- The licensee is required to restore the area once the exploitation activities are concluded. This is to be done in accordance with the Environmental Management Study, complemented by any further orders, from the Head of the Mines Service.

A bank guarantee, proportional to the cost of restoration, must be deposited with the Mines Service and this is deposited at all stages of the process from (and including) exploration to exploitation.

The above-mentioned, also provide the Head of the Mines Service with the discretion to terminate any activity deemed inconsistent with the environmental safeguards

The Environmental Management Study C1(Extraction) is more complex than the A1 (Exploration) and must be prepared by the licensee with the following:

1. Summary of Operations.
2. Quantification of the reserves, the expected product, and the duration of activities.
3. Maps illustrating the mine/quarry as well as timetables for the restoration and conservation period.
4. A detailed breakdown of activities regarding (i) excavation and waste management, (ii) processing and waste disposal, (iii) potential disturbances to the environment, accompanied by the necessary actions to mitigate their effect.
5. Evaluation of the costs pertaining to the restoration of the area and its subsequent conservation after the cessation of activities. Costs must also be accounted for the mitigating measures against any disturbances to the environment.

Note: A template of both the Environmental Management Study A1 and C1 can be found in the Mining and quarrying Regulations (1958-2014) sited above. The manner in which the exploration and exploitation is to be carried out, as it concerns safety regulations is also described in the regulations (regulations 68-142).

Timeframes

The time that takes place to ensure that the application licenses are processed has been generally admitted to be a limiting factor in the sustainable development of the sector. There are clear timelines set for the process. The applicants are informed of the time it will take for their application to be processed. The applicants are also informed of the means of redress which are at their disposal, should their application be rejected and the time availed to the applicants to redress any defects. Each document is issued within three months, provided that the conditions which are required in each case are fulfilled.

If the three months' period expires, this does not imply that either the certificate, the license, the approval or the consent have been granted automatically. This has proven to be a very difficult issue, as legal timeframes are often violated, citing lack of expertise or staff to carry out the processes, in the department of the environment and town planning especially.

Analysis of the permitting procedures and main problems

There is a clear procedural framework that aids the understanding of what is required by the possible prospecting or exploitation licensee. What is less clear is the ability of the relevant department to monitor the licensees adequately. In fact, the Auditor General of the Republic issued back in 1995 a damning report on the ability of State services to ensure that what was agreed on, was being done. Many issues have been corrected since 1995, but there is still protest by local communities that highlight in their opinion the lack of ownership of the process by the locality.

Overall the civil service relevant to this industry is conscientious and knowledgeable, especially within the Mines service. The industry is regulated and rules and processes are well established. We note however three issues: problems in the search of consensus, need for speedier processes and legal reform to simplify processes. The Cyprus experts also reported that there are claims for the government to stop the ban on exploration, as it prevents the speedier working of the existing system.

Despite the strive for consensus within government and local authorities, there is resistance from some communities which can carry political weight and cause an indecisiveness in various departments who may have different agendas. Often these concerns spill over in the local press. There have been recent press reports of quarries in violation of procedures and local displeasure on the encroaching activities in a Natura 2000 protected area, suggesting that public perception is of the opinion that there is still not enough regulation and oversight of the environmental processes after the granting of the license. **This creates a dual issue: local resistance in the legislative or even executive level is created, but at the same time the strive for consensus often delays the granting of the licences.**

Indicatively, the reported issue about a possible quarry license in Neo Chorio (near a Natura2000 area and within Turkish-Cypriot land) demonstrates, in part, how the prescribed process can differ from the actuality of things. According to the Cyprus experts (authors of the report): *"The local community did not engage either the Council of Ministers, which takes the final decision, or the Minister of Agriculture, who is in charge of the Department of the Environment and in whose ministry the Mines Service forms part of. Instead, the appeals were made both directly to EU institutions and to the Minister of the Interior, indicating that the Town Planning and Housing Department appears to the community as holding a greater sway than what is ascribed to it by law, especially in terms of environmental concerns, which seem to more appropriately fall within the responsibilities of the Ministry of Agriculture, Rural Development and the Environment"*.

The Cyprus experts have reported there is a need for the simplification of licences and the creation of a "one stop shop" for exploration and licencing issues. This one stop shop could be an integration of the Mines Service and the sections of the Town Planning and Housing Department that relate to issues of mining.

Depending on the specifics of the operations, a number of departments may be involved in assessing the qualitative parameters of the work concerned. In this the Mines Service acts as the coordinator requesting informal consent from departments across a range of ministries. For example, prior to exploration, the Department of Antiquities will be consulted by the Mines Service, while exploitation might require the consent of the Service for the Protection of Flora and Fauna. Of course, should any activity be of a relevant violation, the appropriate department may apply the law relevant to their case but the development of all potential scenarios is beyond the scope of this paper which is only intended to provide an overview of the Mine's and quarries industry. It is important to note however that the involvement of more authorities in the extraction/exploration process, via means of a formal inquiry would perhaps complex issues further and add on, unworkably to the delays already observed in the licencing procedure. This needs to be balanced with the want for better oversight. Experts reported that **"there is an urgent need for rapid decision making by government departments in the informal consulting round that is undertaken by the Mines Service, and upgrading the ability**

to respond to the Environmental Impact Assessment. Often there is significant delay in the environmental opinion that can deter the interest of investors. The one stop shop, could take the form of a formalised procedure, where the Mines Service is delegated all power by the Council of Ministers and formally asks all relevant department to submit concerns within a three months' period. Personnel could be dispatched from the Town planning authority and the Department of Environment who are the key co-contributors to give or deny consent within the Mines Service. Applicant could directly apply to these personnel".

The Cyprus experts have reported that *"despite the fact that we highlighted that perhaps too many differing departments seem to have a say in the licencing of this industry, we do consider the coordination of these departments as important. This is already taking place and experts are pleased to see that is **being moved away from the informal to the formal level**. This has taken place by the establishment of a committee by the Council of Ministers. The **committee of sustainable exploration and exploitation of resources** acts as an **advisory body**, represented by a range of departments. Its aim is the coordination of policy vis-à-vis the mining/quarrying industry. It provides the ministries involved with an opportunity to seek common ground between their potentially conflicting priorities. It furthermore contributes to the overall coherence of the government's programmes. This is clearly a good practice that both provides a more coherent strategy as well as familiarizes all departments to the intricacies of this industry and its licencing".*

The formalization of existing informal procedures is a very good way forward in requesting speedier feedback from all the departments. Yet for many processes there is still no clearly delineated roles, procedures, and time frames, creating bottlenecks in the sector, which imply material losses. To this end, it would be more in sync with the objectives of the committee to be granted legal status. The government would be rendering concrete its ambition to foster policy cohesion. Private actors would have a formal reference point that would shape their expectations regarding the specifics of the process (such as expected time to the completion of a certain request). The creation of a "one stop shop" provision in this sector of the economy seems much clearer cut than in other industries.

Another item that qualifies as a sound practice is the ex-ante consideration of the stakeholders' views on a given policy. Public consultation consists mostly of written feedback, although physical meetings are not uncommon. The law though it requires that a consultation takes place during various stages, including the re-examination of the Environmental Management Studies, the public views therein expressed through local administration bodies, are non-binding. The expressed positions are analysed and incorporated in an impact assessment document. The active involvement of stakeholders is believed to have a benign effect on the formulation of the policy concerned. Broad-based acceptance facilitates the government's efforts to realise its agenda.

Here again, the **consultation phase could enjoy a degree of standardisation and formalization**. In its current format, it provides too broad a scope for possible delays, which again are to the detriment of the industry and, ultimately, the government's revenue streams. Communities have felt excluded and appeal to courts and the legislature, causing further unnecessary delays. Clarity on the time frames for an authority to take action and make a decision would go a long way to improving the state of affairs, while keeping intact the government's eagerness to heed the stakeholders' opinions. Much is hoped and much is wanting.

Specialised staff does exist in areas such as the Mines Service, but the **lack of specialised staff** in other areas of the process, or at least the lack of staff with a long track record in dealing with issues of the industry, can lead to unnecessary delays.

According to our Cyprus experts, *"**the continued ban of exploration**, put in place for legal reasons must be abolished as soon as possible. It does not in fact prevent exploration but instead allows government departments to absolve blame for delays in responding to the requests. It is a carte blanche for the continued delay in the processes that one sees*

in the granting of licenses. The continued ban of exploration is in place to allow the state the authority to ban any exploration at will and without explanation and it must end”.

The addition of stricter and more complicated EU legislation in the local legal framework, without the addition of more resources, has stretched the ability of the regulators to be able to evaluate what is expected from them, while increasing the demands placed on existing exploitation licensees, who might not have been as up to date in ensuring the current limited environmental impact.

According to our Cyprus experts, **“the legal environment needs reform. One has the feeling that EU legal issues have been introduced since 2004 in Cyprus without rationalisation of existing previous regulation. Legal reform with emphasis on simplification and slight de-regulation is in order to allow the industry to prosper and for regulation to be more effective”.**

1.6. Court cases on permitting procedures

The procedural and institutional framework of court appeals

Art. 146 of the Constitution of Cyprus, grants the Supreme Constitutional Court of Cyprus an appellate jurisdiction against decisions of the administrative court, regarding decisions, acts and omissions of the government. These are according to the constitution the only courts that can adjudicate on acts and omissions of the government. However, due to the legal unrest brought on by constitutional crisis following the Turkish invasion and basing itself on the Law of Necessity, the Supreme Court is now alone responsible for the adjudication on matters of public administrative law, regarding decisions, acts and omissions of government and does so both on a first instance and on an appellate jurisdiction.

When it comes to licensing regarding mining and quarrying, it usually is the case that the legal issue will be one falling within the auspices of public administrative law; however, there exists a number of cases where mistakes as to jurisdiction have been made. According to the Cyprus experts: *“For example when the state acted as a private actor but those involved feel that it exercised public authority; some examples are provided below. It should be noted that there is a number of instances where the applicant must first submit a hierarchical appeal with the superior administrative body. For example, if the applicant is disgruntled with an administrative fine issued by the Head of the Mines Service then they must do as follows. The complaint must be lodged with the Council of Minister and then proceed if still dissatisfied with lodging an administrative appeal with the Supreme Court.”*

During cases of an Administrative legal nature, the court acting in its reviewing capacity is presided by one Supreme Court judge and the number increases to three upon appeals. The legal system of Cyprus is that of the common law-though to some extent in this area a civil law system is also infused- and as such it operates with the creation of precedence established by the higher courts and binding to those below them; should the precedent though be set on a horizontal level, i.e. courts on the same step of the hierarchy, though influential and rarely departed from, they are nonetheless not binding in the strict sense.

There is however a general law that sets the basic principles of Public Administrative law and also there exist rules of procedure, some of which have been set by the courts acting in a secondary legislative capacity. Yet the substantive development of the law is done so through the setting of precedence. Unlike other areas of the Cyprus legal order, external guidance is not so much obtained from common law countries, but instead it is imported from the civil law legal system of Greek administrative courts and legal scholars.

The Supreme Court is located in Nicosia and is made up of 13 judges one of which serves as the president of the Supreme Court. The Supreme Constitutional Court is made up of the judges of the Supreme Court and adjudicates on matters of constitutional importance,

such as the constitutionality of laws and conflicts of power regarding the Executive, Legislative and Judiciary arms of government

Most decisive and representative court judgements

A note before proceeding with the cases; in Cyprus, there is a very strict distinction between Public Administrative law and private civil law. Acts of government can fall in either category and the distinction is sometimes blurred. The licensing regime, falls for the most part under public administrative law, wherein the government acts in a public capacity for the promotion of a public interest cause. There aren't many head cases regarding the mining industry (due mostly to the size of the economy and the size of the Republic of Cyprus' territory) and mining and quarrying are closely synonymous for the purposes of this area of law.

According to our Cyprus experts: *"The head cases could only, mostly, therefore be found within the auspices of Public Administrative law (in areas unrelated to mining) but whose principles are applicable in cases concerning mining licenses with respect to exploration and exploitation. We have thus attempted to present some of the main characteristics of Cyprus Law through the rather poor inventory available for cases that concern the mining industry, so as to provide a rough compass in this rather oblique area of the law"*.

Case No: (2009) 4 A.A.Δ. 974

Name of court: Supreme Court

Date of judgement: 12/01/2012

Name of plaintiff (or appellant): Nikos E. Papaharalampous

Name of defendant: Council of Ministers

Judgment in favour of: Council of Ministers

Relevance stage of permitting: Exploitation

Piece of legislation on which the claim (or appeal) is based: N/A

Description (summary) of the case

Nikos E. Papaharalampous v Council of Ministers and others.

The case concerned the refusal by the city planning to renew his planning license which was a necessary prerequisite for him to maintain his mining license type B. The relevant authority, refused to renew the existing planning license based on the fact that the applicant violated the terms of his existing temporary one by, among other things, digging further than the 2m limit that was set and by quarrying unsuitable material for the industry for which they were intended. The court dismissed the decision of the hierarchical recourse to the ministerial commission due to the lack of justification by the ministerial committee which only reaffirmed the decision of the hierarchical inferior organ (the town planning department of the ministry of interior).

However, the ministerial commission reassembled and this time giving a different reason for the rejection of the applicant's renewal application, which had nothing to do with the previous findings of the town planning department i.e. the violation of the terms of the

temporary license, was successful in having its judgment upheld by the Supreme Administrative Court.

Expert's Comment: *"it seems the issue was still the violation of the terms which included the geographical expansion of activities into areas not covered by the license, (all claims refuted by the applicant) yet both sides were unable to argue the essence of the case, due mostly to the Administrative nature of the court system which does not replace its judgement for that of the responsible for the decision organ, as they had to battle it out on procedural and administrative matters, in essence getting a judgement through the back door. The case was dismissed as been out of the time limit (75 day) prescribed in the constitution".*

Case No.: (2009) 4 A.A.Δ. 1524

Name of court: Supreme Court

Date of judgement: 10/09/2016

Name of plaintiff (or appellant): Gennadios Theologou & sons (Skyropoieia Ltd)

Name of defendant: Ministry of Agriculture and Environment, and others.

Judgment in favour of: Ministry of Agriculture and Environment, and others.

Relevance to stage of permitting: Exploration

Piece of legislation on which the claim (or appeal) is based: Chapter (270), art. 21: the right of the council of Ministers to close off areas for exploration

Description (summary) of the case: Gennadios Theologou & sons (Skyropoieia Ltd) v Ministry of Agriculture and Environment, and others.

The case involved the conjoined adjudication of a number of cases. The issue concerned was the general proclamation of the Council of Ministers that with the exception of licenses already in force (Mining and Quarrying), no other surveying and/or mining license shall be given. The area in concern was neighbouring another area for which an environmental study was already under execution pertaining to the European Network plan "Nature 2000"; also, the Department of Geological Survey was conducting a similar survey on the geological deposits in and around the area concerned. The court decided that no matter the case, the law gave the government, which was acting through the Council of Ministers, (provided a relevant proclamation was issued with the government gazette) such power to issue such an order whether it did so exclusively to an area or in the general way which it did.

Author's Comment: *"It is clear that the case highlights that resources such as minerals belong to the government and the law provides the government with enormous authority to manage them accordingly; provided of course, that the basic principles of administrative law are observed, despite the protestations of local communities. It is in fact why the continued ban of exploration is in place; to allow the state the authority to ban any exploration at will".*

Case No.: (2008) 3 A.A.Δ. 319

Name of court: Supreme Court

Date of judgement: 12/01/2012

Name of plaintiff (or appellant): Nikos E. Papaharalampous

Name of defendant: Ministry of Agriculture, Natural resources and Environment and the Head of the Mining Service.

Judgment in favour of: Ministry of Agriculture, Natural resources and Environment and the Head of the Mining Service

Relevance stage of permitting: Exploration

Piece of legislation on which the claim (or appeal) is based: Treaty Establishing the Republic of Cyprus Appendix O and ordinance 4 1976: the Sovereignty of the British Bases

Description (summary) of the case: Andreas Kyriakou Touli V Ministry of Agriculture, Natural resources and Environment and the Head of the Mining Service.

The case here concerned the refusal of the relevant authority to even examine the granting of a quarrying license type A to the appellant based on the fact that the area concerned was located within the British Bases territory and the commander of the bases had refused to consent.

The court held that there was no point in further examining the application by the relevant authorities since it was clearly stipulated in the Treaty Establishing the Republic of Cyprus that no such activity will take place within the territory of the bases without the approval of the Bases and the relevant U.K. Ordinance vested such a power to consent or refuse to the Base's commander. The court naturally dismissed the appeal and found in favour of the mining service and the ministry

Case No.: (2012) 1 A.A.Δ. 2222

Name of court: Supreme Court

Date of judgement: 17/10/2012

Name of plaintiff (or appellant): Georgia Panagiotou and Others

Name of defendant: Westside Engineering Ltd and others

Judgment in favour of: Georgia Panagiotou and Others

Relevance stage of permitting: N/A

Piece of legislation on which the claim (or appeal) is based: N/A

Description (summary) of the case

This case is inserted here by way of a note relating to the above case to demonstrate the feasibility in mining in Turkish Cypriot land: In this case, however, it was mentioned that the plaintiff was uneventfully given permission to mine in Turkish Cypriot land located within the area controlled by the Republic of Cyprus.

Case No.: (1996) 3 A.A.Δ. 49

Name of court: Supreme Court

Date of judgement: 16/2/1996

Name of plaintiff (or appellant): Peletico Ltd

Name of defendant: Ministry of Commerce and Industry, Head of the Mining Service.

Judgment in favour of: Ministry of Commerce and Industry, Head of the Mining Service.

Relevance to stage of permitting: Post Extraction

Piece of legislation on which the claim (or appeal) is based: Mines and Quarries Regulations 1977, par.1 (a) table 8: Meaning of the word Value

Description (summary) of the case:

Peletico Ltd v Republic of Cyprus through the Ministry of Commerce and Industry, Head of the Mining Service.

The dispute arose as to whether the term "value" referred to before or after F.O.B. prices. The court finding for the Republic held that the meaning of value was with respect to the processed bentonite taking account of its exporting prices and not its raw material form when produced at the mine

Case No.: (2001) 3 A.A.Δ. 463

Name of court: Supreme Court

Date of judgement: 30/4/2001

Name of plaintiff (or appellant): Chartalambos Milona

Name of defendant: Ministry of Agriculture and Natural Resources.

Judgment in favour of: Ministry of Agriculture and Natural Resources.

Relevance to stage of permitting: Exploration

Piece of legislation on which the claim (or appeal) is based:

Description (summary) of the case:

Chartalambou Milona v Republic of Cyprus through the Ministry of Agriculture and Natural Resources.

The plaintiff's application to prospect for gold was denied on the premise that such a research had already been performed with respect to a similar application. The department had in the past rejected two similar petitions based on an expert opinion that the area in question was not offered for such findings. The court upholding the department's decision -and the lower courts findings- held that not even the description in the application for "gold and other metals" could save the application, as it was too vague.

Case No.: (2010) 4 A.A.Δ. 416

Name of court: Supreme Court

Date of judgement: 16/07/2016

Name of plaintiff (or appellant): NEMESIS ASPHALT CO LTD

Name of defendant: Ministry of Interior, and the department of City planning

Judgment in favour of: Case Dismissed, lack of jurisdiction (But in essence in favour of Ministry of Interior, and the department of City planning)

Relevance to stage of permitting: Post Extraction

Piece of legislation on which the claim (or appeal) is based: N/A

Description (summary) of the case:

NEMESIS ASPHALT CO LTD V Republic of Cyprus via the Ministry of Interior, and the department of City planning.

The issue here concerned the licensing of governmental land for the use as an asphalt production unit and the storing of extraction materials. The judge, refusing to enter into the substance of the case dismissed the petition on the grounds that the arisen dispute was within the sphere of private law, since it dealt with issues of managing governmental property without the promotion of a public interest cause.

Author's comment: *"It is seen that the line in Cyprus legislation between public (administrative court) and private (civil court) law is sometimes thin and attention need be given in selecting the appropriate court for the dispute".*

Case No.: (2005) 1 A.A.Δ. 127

Name of court: Supreme Court

Date of judgement: 20/1/2005

Name of plaintiff (or appellant): Electricity Authority of Cyprus

Name of defendant: Greek Mining Company Ltd.

Judgment in favour of: Greek Mining Company Ltd.

Relevance to stage of permitting: N/A

Piece of legislation on which the claim (or appeal) is based: N/A

Description (summary) of the case:

Electricity Authority of Cyprus v Greek Mining Company Ltd.

A mining company was spared the paying of debt to the Cyprus Electricity Authority which amounted to about 1 mil. Euro, since the authority had mistakenly undercharged the mining company and the mining company, taking into account the electricity expenses had adjusted its output prices accordingly.

Case No.: (2003) 3 A.A.Δ. 630

Name of court: Supreme Court

Date of judgement: 22/12/2003

Name of plaintiff (or appellant): Milonas Charalambous

Name of defendant: Ministry of Agriculture Natural Resources and Environment and the Mines Service

Judgment in favour of: Milonas Charalambous

Relevance to stage of permitting: Extraction

Piece of legislation on which the claim (or appeal) is based: N/A

Description (summary) of the case:

Milonas Charalambous v the republic of Cyprus through the Ministry of Agriculture Natural Resources and Environment and the Mines Service

The plaintiff wanted to quarry limestone with the intention of producing gravel and sand. The court held that the authority's decision of denying the plaintiff's application for a quarry license to mine the limestone for that purpose (based on a governmental policy of using the area's limestone resources for the production of white cement only), was not contrary to the law; the government was allowed to do so, even if as the plaintiff claimed the policy existed in a rather general nature.

Case No.: (2010) 1 A.A.Δ. 306

Name of court: Supreme Court

Date of judgement: 16/12/2015

Name of plaintiff (or appellant): Nikos Papaharalambous

Name of defendant: Attorney General of the Republic of Cyprus.

Judgment in favour of: Attorney General of the Republic of Cyprus.

Relevance to stage of permitting: Post Extraction

Piece of legislation on which the claim (or appeal) is based: N/A

Description (summary) of the case:

Nikos Papaharalambous v Attorney General of the Republic of Cyprus.

The plaintiff's case was dismissed since the letter he received from the mining service concerning the non-payment of relevant fees based on extraction quantities the plaintiff supplied for the purposes of public works was not filed with the appropriate court i.e. the supreme Administrative court and was instead filed with the civil courts. The letter itself was found to be an administrative executive act and so the only remedy of the plaintiff would have been with the administrative court within the 75 days' deadline and this irrelevantly if the charges (approximately €60,000) may not have concerned him but another company he was in contract with and which should have had paid the fees.

Author's Comment: "Emphasizing that the law in Cyprus concerning the separation of administrative acts from private acts of government is adamantly strict".

Case No.: (2011) 3 A.A.Δ. 611

Name of court: Supreme Court

Date of judgement: 20/07/2011

Name of plaintiff (or appellant): The holy temple of the virgin Mary in Palouriotissa

Name of defendant: Nicosia municipality.

Judgment in favour of: Nicosia municipality.

Relevance to stage of permitting: N/A (Extraction)

Piece of legislation on which the claim (or appeal) is based: N/A

Description (summary) of the case:

The holy temple of the virgin Mary in Palouriotissa v Nicosia municipality.

The firm grasp of the town planning laws was reaffirmed by clearly letting it be known that any sort of “development” activities, and the term is broad, required first the acquiring of a permit by the town planning authority. In this case, the development activities of the church for the further enclosure of the graveyard pursuant to a revoked town planning license was contrary to the law and this despite the fact that another law required the said enclosure to be in place. At the critical time, before the taking of effect of the town planning laws, the graveyard was, as it should be enclosed; thereafter the enactment and the taking of effect of the laws, a city planning license should have been valid before any activities could continue or take place.

Case No.: (2005) 3 A.A.Δ. 376

Name of court: Supreme Court

Date of judgement: 20/9/2005

Name of plaintiff (or appellant): Hartoumbalos Vasos

Name of defendant: Ministry of Agriculture Natural Resources and Environment and the Head of the Mines Service

Judgment in favour of:

Relevance to stage of permitting: Exploration

Piece of legislation on which the claim (or appeal) is based: N/A

Description (summary) of the case:

Hartoumbalos Vasos & sons Ltd v Republic of Cyprus.

The plaintiff was successful with his claim against the government when his application for a quarrying license was denied based on the fact that though he applied for the quarrying of materials out of which split sandstone products could be produced, no such products were considered to have the potential of being adequately found in that area and therefore the government assumed the application was for the quarrying of natural sand which was

prohibited. The court held that if this was the reason for denying the permit, i.e. the lack of suitable materials for split sand, then the application should have been denied on those grounds and not on an assumption that what the plaintiff intended to mine was natural sand.

Conclusions

According to our Cyprus experts: “Cyprus effectively operates under Common Law and thus case law is important. But in this sector, there is not a lot of case law, falling directly under act (Chapt.270). Most case law in this legal area emanates from public administration issues which then pour into licensing issues relevant to exploration and/or exploitation. Though there is a great deal of legislation pertaining to environmental issues, the same could not be said of the case law. Further on, it should be noted that with the 5th amendment of the Constitution due to Cyprus’s joining into the EU. EU’s legislation now has direct effect in the Cyprus legal order and this regardless if an EU piece of legislation has been domesticated through a parliamentary enactment or not, (though such a thing, i.e. harmonization amendments and enactments of law, is usually the norm in Cyprus).

There is however a great degree of overlap of competences between various governmental department, such as the Ministry of Interior, the Ministry of Agriculture, Rural Development and the Environment, the Mines Service, the Town Planning and Housing Department, and others. The complexity of the system, the legal acts that essentially regulate the same area and the size of the economy, coupled with the size of the terrain of the island, makes mining in Cyprus quite difficult and labouring. To this, we further add the delays and dysfunctionality observed in the judicial system, as a recent report authored by a serving member of the Supreme Court, (Report of the Supreme Court for the functioning needs of Courts and other related issues, June 2016) verified, to be given at least the suggestive idea that the mining industry in Cyprus is in need of some overdue reform”.

1.7. Success rates of exploration and extraction permits

The Table 6 below indicates the number of licences approved per types of licence. Unfortunately, no data readily exist for the number of applications submitted, which makes it impossible to calculate permitting success rates.

Table 6: Cyprus. Number of licences approved (2011-2015).

	2011	2012	2013	2014	2015
Mining licenses for exploitation	2	2	2	2	3
Mining licenses for exploration	54	71	73	53	26
Quarrying licenses for exploitation	128	120	104	110	103
Quarrying licenses for exploration	25	27	29	23	26

Source: the Cyprus Mines Service

For onshore activities, the permitting success rates (2013-2015) were 95% for exploration and 85% for exploitation applications. No applications were received for offshore activities (*).

(*) Methodological Note: The statistics of the period may include some applications granted in one of the years in the period but which were submitted before 2013. Likewise, they may contain a high number of applications awaiting approval, i.e. have not been rejected

1.8. legislation impacting permits and licenses for exploration and extraction

The following are answers from relevant authorities based on a list of questions presented by the central authorities of the project and answered by the Mines Service. The aid of the Mines Service in completing the report was invaluable. Impact relates more with Natura 2000 areas rather than other sections of the European law and regulations.

1. Does your country have any restrictive regulation on the private or legal entities performing the duties of an exploration or extraction concessioner, operator and/or holder of mineral rights as compared to the Services Directive (2006/123/EC)?

No restrictions.

2. Does any of your permitting documentation require the involvement/signature of a geologist or mining engineer? If yes, which are these permits? Does it require a BSc or MSc or PhD or chartered (certified) professional?

The geologist involvement/signature is needed for the submission of the exploration program, the supervision of the exploration activities and the relevant reports. The mining engineer involvement/signature is needed for the submission of the exploitation program, the supervision of the exploitation activities and the relevant reports. The geologist and the mining engineer have to be a member of the Technical Chamber of Cyprus.

3. Do you have legislation on financial guarantees (with regard to the Extractive Waste Directive, Art. 14)? Is the cost calculation of this guarantee done by an independent third party?

Yes, for both. The Management of Wastes from Extractive Industries Law of 2009 which transposes the Directive 2006/21/EC and also the Mines and Quarries (Regulation) Law.

4. Is there a list of inert mine waste published in your country in accordance with Art. 1(3) of Comm. Dec. 2009/359/EC?

No there is not. (Notice that this is responsibility of the Department of Environment)

5. Do you use the risk assessment of 2009/337/EC Commission Decision of 20 April 2009 on the definition of the criteria for the classification of waste facilities in accordance with Annex III of Directive 2006/21/EC of the European Parliament and of the Council concerning the management of waste from extractive industries for abandoned sites as well?

Yes. (Notice that this is responsibility of the Department of Environment)

6. Has your country applied the waiver of the Landfill Directive paragraph 3 of Art. 3: MS may declare at their own option, that the deposit of non-hazardous non-inert mine waste, to be defined by the committee established under Art. 17 of this Directive can be exempted from the provisions in Annex I, points 2, 3.1, 3.2 and 3.3 (location screening, multiple barriers, leach ate collection)?

Yes, as soon as the Directive 2006/21/EC has been transposed. (Notice that this is responsibility of the Department of Environment)

7. Does a mine operator have to prepare and submit both a general waste management plan and a mine waste management plan as well? To the same or separate authorities?

Yes, to the same authority which is the Department of Environment.

8. Has your national legislation transposed the Accounting Directive (2013/34/EC), with special regards its Art. 41-48 on the extractive industry?

Yes (ο περί Ομμορύθμων και Ετερορρύθμων Συνεταιρισμών και Εμπορικών Επωνυμιών (Τροποποιητικός) Νόμος του 2016, ο περί Ελεγκτών και Υποχρεωτικών Ελέγχων των Ετήσιων και των Ενοποιημένων Λογαριασμών (Τροποποιητικός) Νόμος του 2016 και ο περί Εταιρειών (Τροποποιητικός) (Αρ. 3) Νόμος του 2016).

Do these rules on financial reporting appear in the concession law or mining act either?

No.

9. Has your national legislation transposed the Transparency Directive (2004/109/EC, 2013/50/EU), especially Article on the extractive industry?

Yes (ο περί Δημόσιας Προσφοράς και Ενημερωτικού Δελτίου Νόμος, ο περί των Προϋποθέσεων Διαφάνειας (Κινητές Αξίες προς Διαπραγμάτευση σε Ρυθμιζόμενη Αγορά) Νόμος και η οδηγία Επιτροπής με τίτλο: ΟΔΗΓΙΑ ΟΔ190-2007-05(A) ΤΟΥ 2016 ΠΕΡΙ ΤΩΝ ΤΡΙΤΩΝ ΧΩΡΩΝ (ΙΣΟΔΥΝΑΜΕΣ ΑΠΑΙΤΗΣΕΙΣ).

Do these rules appear in the concession law or mining act either?

No

10. Does your competent authority ask for or check the CE marks of the exploration or extraction equipment when permitting or when having on-site inspections?

On site inspection by the Department of Labour Inspection.

Does the mining authority have a regulatory/supervision right in product safety/market surveillance in accordance with Regulation (EC) No 765/2008 of the European Parliament and of the Council of 9 July 2008 setting out the requirements for accreditation and market surveillance?

Only for the explosive substances.