

Cyprus – ESA: PECS2 Mid Term Update

How are we doing and where are we going?

Purpose:

To give you an update on the progress made and key aspects still to be addressed to become Associate Member of ESA

Contents:

- Background – What are PECS and AM?
- Background – The History
- Evolution of the budget
- Evolution of commitment distribution
- Evolution of international cooperation
- Conclusions and way forward
- Recommendations

PECS

- National development fund
- Uses ESA rules and processes
- Open to ALL space related technologies
- Max 20% non-Cypriot participation
- Call for Proposals based (bottom up), funded if above a threshold
- No annual mandatory contribution to ESA
- No participation in ESA optional programmes

AM

- Focus is on ESA optional programmes
- Largely Top Down with open competition in ESA MS and 1 winner
- Can only bid on optional programmes subscribed to (i.e. money is spread thinner and restricted to certain topics)
- Money is 'locked in' to the subscribed programmes
- Participation in larger projects and supply chains
- Annual Mandatory contribution to ESA

Also and AM RPA scheme – very similar to PECS but with some limitations:

- Must be less than optional programme subscription
- Cannot cover topics covered by the optional programmes to which Cyprus subscribes

Background: Overview of the Cyprus-ESA relationship



ESA Council approves ECS Agreement with the Government of the Republic of Cyprus

2016

2018

2020

2nd PECS Charter signed for 5 years

2022

Mid-Term Review

2024

2026

2017

2019

2021

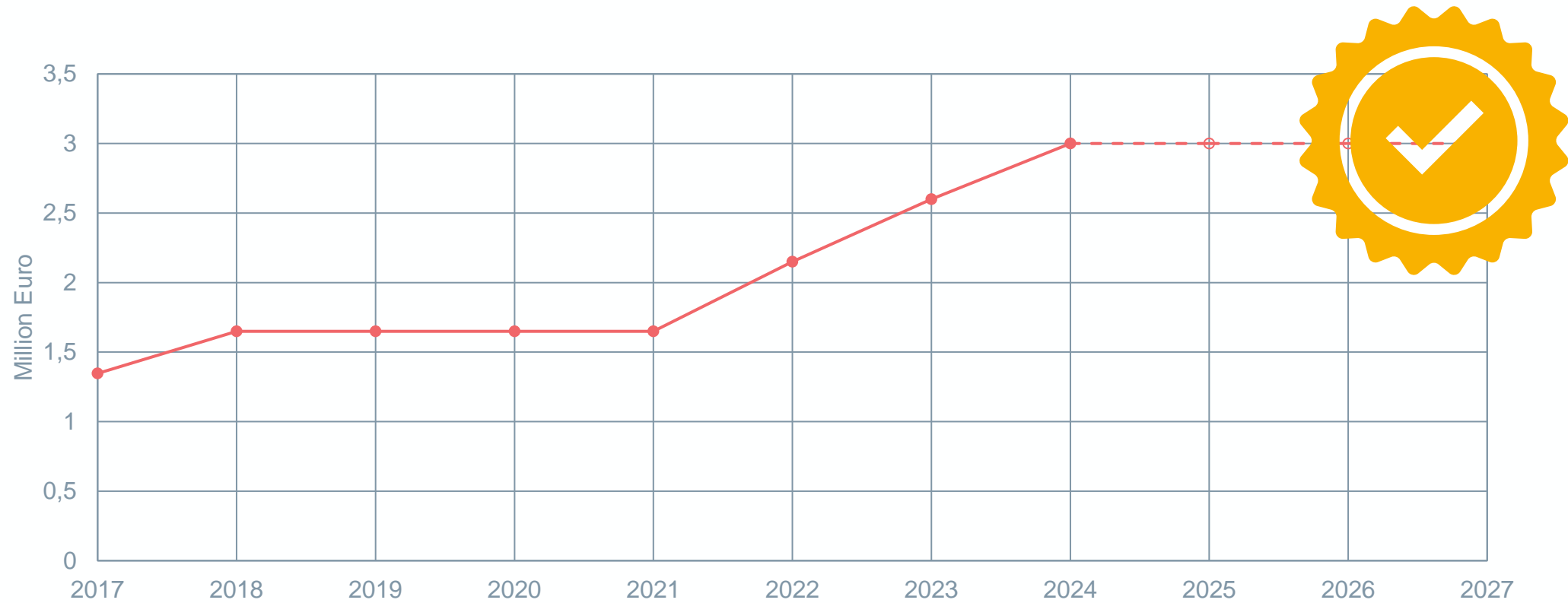
2023

2025

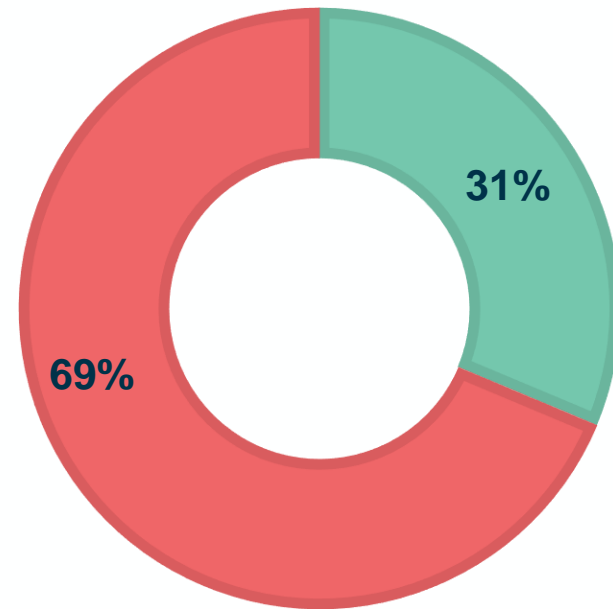
2027

1st PECS Charter signed for 5 years

Increase in PECS contribution since the start of cooperation with ESA



Commitment distribution per Entity Type (Industry vs Academia)

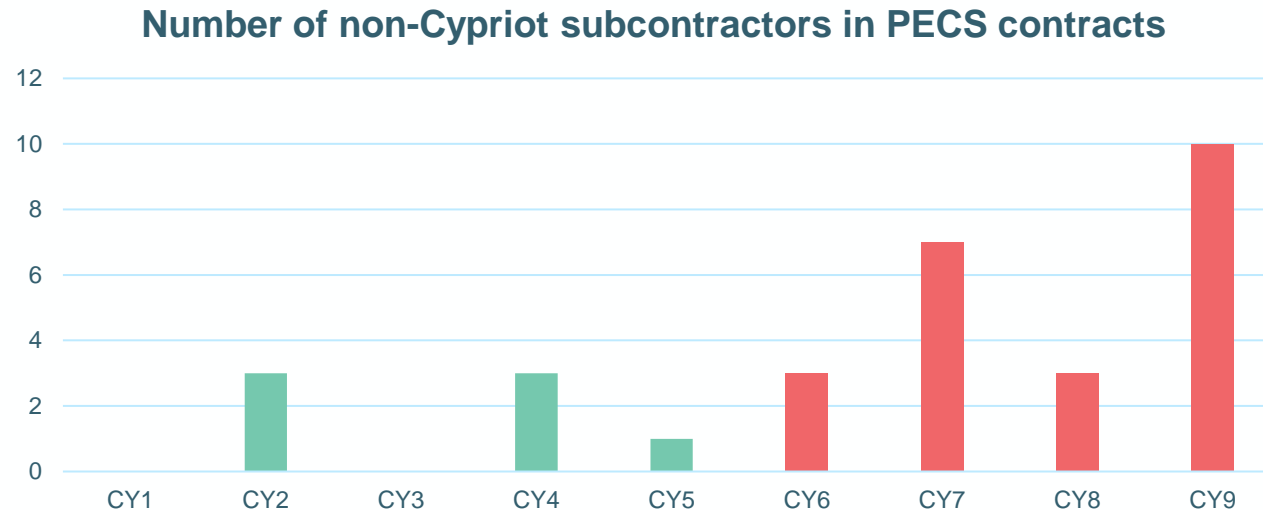


- Research organisation, secondary or higher education establishment
- Industry

Industrial commitments have increased by 15% in Period 2 to currently 69%, which is close to the 70% target.

Cypriot entities have evolved from a limited to a more robust international collaboration framework:

- Cypriot entities have actively participated in ESA-organized networking events and conferences.
- A four-fold increase in the number of international subcontractors and a significant expansion of activities involving international partners has been observed in Period 2 (*red*) compared to Period 1 (*green*):



- Large-system integrators (e.g. Airbus and Thales Alenia Space) have become key driving customers for Cypriot entities (AMDMD Ltd., Ecliptic Defense and Space Ltd.).
- Some downstream entities are now very active with multiple international partners

- Very good progress on:
 - Budget (GOV)
 - Delegation growth and readiness (GOV)
 - International cooperation (YOU)
 - Distribution of activities (YOU)
- Good progress w.r.t. ITAR has been made: since June 2024, Cyprus has been unambiguously part of the Country Group A:6
- Cyprus is on a very good track to achieve Associate Membership, but realising this will be down to:
 - Continued increase in international cooperation (up to YOU)
 - Demonstration of entry into supply chains and commercial (non-institutional) successes (up to YOU)
 - Continued adherence to contractual conditions –e.g. schedules (up to YOU)
 - ITAR/EAR final resolution (mainly up to GOV and US)
 - A long term action plan for supporting AM (up to GOV)

Key Recommendations from Mid-Term Country Report



Recommendation 1

Continue to develop the relationship with other ESA Member States, with focus on potential future participation in optional programmes. (i.e. include more international sub-contractors as potential customers)

YOU!

Recommendation 2

Broaden the mature industrial base by encouraging the move from R&D to business in space.

YOU!

Recommendation 3

Provide support to gain flight experience for the first high-TRL hardware developments suitable for ESA (and commercial) missions.

YOU!

Recommendation 4

Improve support to Start Ups
Creating a space Business Incubation and Advice Centre would also offer opportunities for Cypriot entities.

Gov & ESA



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