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## The situation in Cyprus

### Information report<sup>1</sup>

Committee on Political Affairs and Democracy

Rapporteur: Mr Joachim HÖRSTER, Germany, Group of the European People's Party

#### *Summary*

The report takes stock of developments with regard to the settlement of the Cyprus issue since the adoption of Assembly [Resolution 1628 \(2008\)](#) on the situation in Cyprus. Despite the positive expectations expressed therein, the situation has changed very little. Cyprus is one of the last countries in Europe, and the only one in the European Union, which remains divided.

The rapporteur believes that the Parliamentary Assembly, and the Council of Europe as a whole, have a role to play in facilitating a solution to the Cyprus problem. At the same time, he feels that the key messages and proposals contained in his previous report and in [Resolution 1628 \(2008\)](#) are still relevant today but are yet to be implemented.

Therefore, he sees no need for a new Assembly resolution at this point in time. All the actors involved should be encouraged to fully implement the aforementioned Assembly Resolution.

In order to provide the Assembly with the latest views of both the Greek and Turkish Cypriots, the rapporteur has included in his report written statements from both parties drafted under their responsibility.

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1. Reference to committee: Bureau decision, Reference 3842 of 9 March 2012. Information report approved by the committee on 10 December 2013.

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## 1. Introduction

1. In January 2014, I will leave the Assembly and my term in office as rapporteur on Cyprus will come to an end accordingly; I therefore feel obliged to update the committee on the state of things with regard to the Cypriot settlement.
2. On 1 October 2008, when I presented to the Assembly my previous report on the situation in Cyprus,<sup>2</sup> there was a general feeling that the political process between the two Cypriot communities was on the right track, and a hope that this long-lasting conflict would eventually be solved within a reasonably short time frame.
3. [Resolution 1628 \(2008\)](#) on the situation in Cyprus, adopted following that debate, stated in paragraph 10:  
*“The Assembly is hopeful that, despite deep-rooted differences between the parties on a number of key issues to be negotiated, and the need to find difficult compromises and to secure their public support, the current situation offers the best opportunity in many years to reach a settlement. President Christofias and Mr Talat are conscious that they cannot afford to fail. All the internal and external actors involved must do their utmost to maximise the chances of success for this process.”*
4. Unfortunately, these expectations turned out to have been over-optimistic. Five and a half years later, the situation has changed very little. Cyprus is one of the last countries in Europe, and the only one in the European Union, which remains divided. Even if there are some signs of change in recent months, they remain fragile and uncertain.
5. I still believe that the Parliamentary Assembly, and the Council of Europe as a whole, have a role to play in facilitating a solution to the Cyprus problem. At the same time, the principles for our contribution which I put forward in my 2008 report, namely the ownership of the process, the positive and forward-looking approach, and the coherence of international involvement,<sup>3</sup> should remain applicable.
6. Moreover, I believe that the key messages and proposals contained in my previous report and in [Resolution 1628 \(2008\)](#) are still relevant today but are yet to be implemented. Therefore, I do not see the need for a new Assembly resolution at this point in time, and I leave it to the committee to decide on the future follow-up of the situation in Cyprus. In order to provide the committee with the latest views of both the Greek and Turkish Cypriots, I have requested statements from both parties (see Appendices 1 and 2).

## 2. Background

7. The global financial and economic crisis which broke out in 2008 very seriously damaged Cyprus, whose economy had broadly relied on the flourishing and over-dimensioned banking sector. In March 2013, the country had to go under the umbrella of the European Stability Mechanism (ESM) and the International Monetary Fund (IMF) and accepted hard conditions. The once-prosperous Cypriot economy sustained painful losses and the living standards of the population fell sharply. Fighting with the consequences of the crisis has dominated the political agenda in the country, thus putting the issue of reunification of Cyprus in the shadow.

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2. See [Doc. 11699](#).

3. For more details, see [Doc. 11699](#), Explanatory memorandum, paragraph 6.

8. Moreover, the leadership in the two parts of Cyprus has changed. In February 2013, Mr Nicos Anastasiades was elected as President of the Republic of Cyprus with over 57% of votes. In the northern part of Cyprus, Mr Derviş Eroğlu took over in April 2010 as the new leader of the Turkish Cypriot community. Unlike their predecessors, President Demetris Christofias and Mr Mehmet Ali Talat, the new leaders do not seem to enjoy the same degree of personal relationship, which may have an impact on the political process between the two communities. However, President Anastasiades has stated that the solution of the Cyprus problem is one of his top political priorities.

### **3. State of negotiations since 2008**

9. Even though the former leaders of the two Cypriot communities, President Christofias and Mr Talat, gave a strong political impetus to re-starting the negotiating process after the failure of the 2004 referendum on the Annan Plan, it stumbled over fundamentals, then suffered from the lack of sustained political will, and eventually came to a deadlock.

10. Without going into too much detail, which may be found in my 2008 report, I recall that the peace process was organised on parallel tracks: meetings between the two leaders aimed at maintaining political momentum; negotiations in seven working groups<sup>4</sup> in order to find mutually acceptable and workable solutions on substantial matters; and in seven technical committees<sup>5</sup> on issues that affected the daily lives of all Cypriots.

11. Both the Greek and the Turkish Cypriots agree that some progress was achieved in the negotiations between 2008 and 2010.

12. The Greek Cypriots consider that the talks in working groups and technical committees produced some positive results, including on governance and power sharing, economy, European Union matters, as well as on property and citizenship.

13. The Turkish Cypriots in particular refer to a 77-page convergence document prepared by the United Nations recording the positions of both sides on various issues.

14. With regard to practical measures aimed at easing the daily lives of Cypriots, a new crossing point was opened in October 2010 in Limnitis/Yeşilirmak.

15. At the same time, no progress was achieved on such important chapters as territory and security and guarantees. The Greek Cypriot side puts the blame for this on the Turkish Cypriot side.

16. Moreover, the Greek Cypriots claim that Mr Eroğlu, who replaced Mr Talat as the Leader of the Turkish Cypriot community in April 2010, does not have the same degree of political commitment to the settlement and even called into question the converging mutual understandings achieved earlier on such issues as the federal executive, the federal competences, and the exercise of basic freedoms of Cypriot citizens.

17. In turn, the Turkish Cypriots claim that Mr Eroğlu confirmed, in a letter to the United Nations Secretary General in April 2010, his commitment to talks; endorsed past agreements between the two sides, and expressed his readiness to resume talks immediately from where they left off and without any preconditions.

18. The efforts by the United Nations Secretary General to maintain the political momentum did not succeed, however, despite several meetings between the leaders under his auspices (in particular, in November 2010, in July and October 2011, and in January 2012).

19. In March 2012, Mr Eroğlu walked out of the negotiating process in protest against the Republic of Cyprus assuming the rotating presidency of the Council of the European Union (from July to December 2012).

### **4. Towards re-opening of talks**

20. The newly elected President Anastasiades declared the re-launching of negotiations to be one of the key goals of his mandate. The two leaders met for the first time in June 2013. At the same time, President Anastasiades stressed that the process must be thoroughly prepared and that the two sides have to commit

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4. The seven Working Groups were as follows: Governance and Power Sharing; Economy; European Union Matters; Property; Territory; Citizenship, Aliens, Immigration and Asylum; Security and Guarantees.

5. The seven Technical Committees were to focus on: Cultural Heritage; Crime and Criminal Matters; Health; Humanitarian Issues; Economic and Commercial Matters; Environment; Crisis Management.

themselves to abide by the relevant United Nations Security Council resolutions, which provide for a bizonal, bicomunal federation with political equality, single sovereignty, single citizenship and a single international personality.

21. In recent public statements, President Anastasiades underlined that an enhanced role of the European Union would bring added value to the process.

22. Also, President Anastasiades put a strong emphasis on the issue related to the fenced city of Famagusta. In his view, a package proposal for the return of Famagusta to its lawful inhabitants and the opening of the port of Famagusta could be an important factor in contributing to the success of the process and restoring confidence.

23. For his part, the representative of the Turkish Cypriot community, Mr Ozdil Nami, stated in October 2013 that the Turkish Cypriot side was prepared to resume talks without preconditions and hoped to reach an agreement by March 2014.

24. The authorities of Greece and Turkey also seem to be willing to facilitate a fresh round of talks, and are optimistic about the chances of making quick progress towards a solution. The recent agreement of the Foreign Ministers of Greece and Turkey to invite the Special Representatives of the two leaders to visit Athens and Ankara is a positive development. However, it has not yet materialised.

25. Currently, the negotiators of the two sides are trying to reach an agreement on the terms of a joint communiqué which would re-launch formal negotiations.

26. The Greek Cypriot side stresses that such a communiqué must contain a clear and unequivocal confirmation of the basis of the talks in accordance with the relevant United Nations Security Council resolutions, as well as the will of the two communities for an agreed solution in line with the principle that nothing is agreed until everything is agreed. The agreement would then be put to the people of the two communities in separate simultaneous referenda.

27. At the same time, the Turkish Cypriot side insists that the talks should restart without preconditions and with a clearly defined time frame. With regard to the joint statement, they are in favour of a text which would endorse all previous agreements, which they claim that the Greek Cypriot side is not prepared to accept. Another option for the Turkish Cypriots would be a much simpler text expressing both sides' desire for a settlement.

## 5. Conclusions

28. In my 2008 report, I concluded that there was a new political situation in Cyprus, with the leaders of the two communities demonstrating a strong commitment towards reaching a settlement.

29. Unfortunately, this commitment did not suffice to bridge the divisions and to find compromises. This failure has left a deep trace and has further strengthened mutual mistrust between the communities. At times, one may wonder whether the Cypriots want to reunite their island at all.

30. Although there is some ground for moderate optimism that the process of political settlement of the Cyprus problem could eventually restart, the previous failures command extreme caution. In order to overcome the deadlock, the parties must show an even greater will to address difficult issues in the spirit of compromise.

31. The outside partners of Cyprus, including the guarantor States, as well as the key international actors, should multiply efforts in order to create appropriate conditions for this new attempt to reach a settlement to be a success. However, a genuine commitment on the part of the Cypriots themselves remains of utmost importance. I fully share the United Nations Secretary-General's firm belief that the responsibility for finding a solution lies first and foremost with the Cypriots themselves.

32. In the meantime, all the actors involved should be encouraged to fully implement Assembly [Resolution 1628 \(2008\)](#) and the proposals contained in my 2008 report which are still relevant today.

## **Appendix 1 – Position paper submitted by Ms Stella Kyriakides, Chairperson of the Cyprus Delegation to the Parliamentary Assembly**

### **Developments on the Cyprus problem**

In February 2013, Mr Nikos Anastasiades was elected President of the Republic of Cyprus. Among the primal goals of his government was the re-launching of negotiations for a solution to the Cyprus problem. For this prospect to be enhanced, President Anastasiades asked that the process be thoroughly prepared and that the two sides unequivocally commit themselves to the agreed basis foreseen in the United Nations Resolutions providing for a bi-zonal, bi-communal federation with political equality as defined in the said resolutions with a single sovereignty, single citizenship and single international personality.

An enhanced role of the European Union, of which Cyprus is a member, is also deemed to have an added value to the process and is therefore pursued. As per Protocol 10 of the Treaty of Accession, the *acquis* will be applied to the whole island following a solution to the Cyprus problem. Therefore the European Union's role is not only desirable but indispensable in securing proper implementation of the *acquis* and alignment of the Federal State with the principles and values upon which the Union is founded.

An important “game changer”, as a confidence-building measure (to proceed in parallel with efforts to resume the talks for a comprehensive solution), is also envisaged through President Anastasiades' package proposal for the return of the fenced city of Famagusta to its lawful inhabitants as per Security Council Resolution 550 (1984), in return for the opening of the port of Famagusta under Protocol 10 and the opening of a number of Turkey's accession negotiation chapters, provided that Turkey implements fully and on a non-discriminatory basis the Additional Protocol to the Association Agreement with the European Union.

The appointment of the respective negotiators upon initiative of the Greek Cypriot side has also opened the way for direct communication with Turkey and Greece respectively and contacts in this regard are ensued. At this time efforts are ongoing between the two negotiators for a joint communiqué that will kick-start the process. Our position is that such a communiqué would serve its purpose only if it testifies clear and unequivocal confirmation of the basis of the talks as per the relevant United Nations resolutions as well as the will of the two communities for an agreed solution in line with the principle that nothing is agreed until everything is agreed, which will eventually be put to the people's verdict in separate simultaneous referenda.

As stated in the memorandum sent by the Head of the Cyprus Delegation to the Parliamentary Assembly, steady progress was achieved on some negotiating chapters (Governance and Power Sharing, Economy, EU Matters), and minor steps were recorded on the chapters of Property and Citizenship, prior to the interruption of negotiations by the Turkish Cypriot side. It would be important that such a distinction be made because, as also recorded by the United Nations, no real progress had been made on the chapters of Property and Citizenship. The Information report is referring to the talks conducted during the period of 2010-2012. However, the reason for the deadlock recorded in March 2012 must be clearly stated, being none other than Mr Eroğlu's unilateral decision to abandon the negotiating table, after his unwillingness at the outset to reaffirm and respect the agreed basis of the talks and later to adhere to the *acquis* (convergences) of the negotiations conducted between the Greek Cypriot leader and Mr Eroğlu's predecessor, Mr Talat, on the pretext of the upcoming Cyprus Presidency of the Council of the Union. This was actually the peak of a series of threatening statements by Mr Eroğlu against the sovereign rights of the Republic of Cyprus in its Exclusive Economic Zone and against the Cyprus Presidency.

It is also important that, whenever a reference is made to the basis of the talks in accordance with the relevant United Nations Security Council resolutions, the basis be explicitly recorded as agreed between the two communities, namely a bi-zonal, bi-communal federation, with political equality as defined in pertinent United Nations resolutions, with a single sovereignty, single citizenship and single international personality.

Furthermore and in relation to a reference made in the report, according to Turkish Cypriot allegations, to the effect that the Turkish Cypriot side is prepared to start talks without preconditions thus giving the impression of eagerness and willingness on behalf of Mr Eroğlu to immediately begin negotiations, it must be underlined that this is quite misleading, as in effect Mr Eroğlu is, on the one hand, hindering the agreement to a joint declaration which will form the agreed basis of the talks and eventually of the solution and, on the other hand, propagating the start of the talks without an agreed basis in order to be able to promote separatist positions that fall outside the agreed framework as this was endorsed by the United Nations.

The reference in the report that “At times, one may wonder whether the Cypriots want to reunite their island at all”, creates a negative climate at a time when efforts are being exerted for resumption of the talks. Although efforts, for decades now, have not produced tangible results, this was mainly due to Turkey's intransigent attitude or because proposed solutions did not address crucial matters of concern to the Cyprus people, for a settlement to be just and viable.

Last but not least and although there is a clear reference in the present information report to the previous [Resolution 1628 \(2008\)](#) on the situation in Cyprus, it would be important if a specific mention of the continuing Turkish occupation of the northern part of Cyprus and the intransigent attitude of Turkey towards finding a solution to the ongoing Cyprus problem were made; especially since some specific references in the report might be perceived as acquitting the occupying power, Turkey, of its primary responsibility for a solution and for withdrawing its troops and settlers from Cyprus.

## **Appendix 2 – Position paper submitted by Mr Mehmet Çağlar and Mr Tahsin Ertuğruloğlu, Representatives of the Turkish Cypriot Community**

The United Nations prepared a 77-page convergence paper which incorporates all convergences and near-convergences achieved so far between the two sides.

In addition to the United Nations document, there are also several agreements reached by the two leaders, which should also be endorsed and respected.

The Turkish Cypriot side has expressed its endorsement of the United Nations document, as well as the past agreements and its readiness to build on them with a view to resolving the remaining outstanding issues. Most notable in this context is the agreement between the two sides dated 23 May 2008 – as elaborated below – which has been approved by the United Nations Security Council as providing the basis of the talks.

The Greek Cypriot side should also be expected to endorse the UN document and the past agreements so that talks can be resumed immediately and from where they were left off.

The talks have been going on for decades and this anomaly cannot be allowed to continue forever. That is why talks should be conducted with a clear time frame. Such an approach will not only encourage parties to engage the process constructively but also send a strong signal to Turkish Cypriots and Greek Cypriots that this is not yet another endless process.

The UN Secretary General Ban Ki-moon underlined in September 2013 that the United Nations will make “a one final push” for the settlement of the Cyprus question. It is a clear signal that the time, energy and resources of the international community are desperately needed in many other conflict zones and the Cyprus issue may not be able to find the assistance and support of the international community in the near future.

Contrary to the justified expectation of the Turkish Cypriot side for the negotiations to resume in the shortest possible time, Mr Anastasiades instead opted not to make a statement regarding the date of resumption of talks and started to set preconditions. These preconditions included the issuing of a Joint Statement by the two sides which would establish the basis of the negotiation process and also the issue of Maraş (Varosha).

Following more than four decades of negotiations, the main parameters of a settlement are well-established and known to all concerned. There shall be a new partnership based on political equality and bi-zonality, with a federal government and two Constituent States of equal status as agreed in the 23 May 2008 joint statement. The Treaties of Guarantee and Alliance shall remain in force and the settlement shall become European Union primary law for legal certainty and sustained stability.

The Greek Cypriot leadership has been demanding a Joint Statement to be agreed on before negotiations could resume. The Joint Statement had been turned into a precondition for the resumption of talks. The Greek Cypriot side demanded that this text should define concepts of sovereignty, international personality and citizenship with the word “single”. They argue that unless and until this demand is met, they cannot come to the negotiation table. As a complementary proposal, the Turkish Cypriot side demanded that concepts of residual power, constituent states and internal citizenship be also included in the Joint Statement.

To avoid further delaying the resumption of negotiations and to overcome the impasse, in December 2013, the Turkish Cypriot side worked on a United Nations draft proposal and used that to table a bridging draft text incorporating all these elements. Unfortunately and to the astonishment of United Nations and other foreign observers, the draft text was rejected by the Greek Cypriot side. The rejection by the Greek Cypriots revealed that the problem was not the content of the statement but the absence of political will to resume negotiations.

What is now required is not extensive further work on the joint statement. A draft joint statement which addresses all the elements asked for by both parties does exist. The remaining differences are minor, agreement is very close and within reach. Political will, leadership and commitment to the process are the keys to unlocking the current deadlock.

We expect all members of the international community to encourage the Greek Cypriot side to overcome its hesitations, focus on the process and grasp the potential political and economic returns of the solution of the Cyprus problem.

No preconditions should be put forward. There is no need for any preconditions as the UN parameters and in particular the 77-page UN document is not only a strong basis but it also provides the framework and defines the basic tenets of the solution. Thus preconditions will only hamper the process.

The United Nations, the European Union and the entire international community agree that a serious process can deliver a solution to the Cyprus problem within months. This opportunity should not be wasted.

Turkish Cypriots cannot be left at the mercy of an endless process where every single issue has been negotiated to the point of tautology for decades. That is to say, everyone should realise that this is indeed the final chance to solve the Cyprus problem as there is nothing new to negotiate.

As for Maraş, it must be borne in mind that the issue of Maraş is part of a comprehensive settlement. Maraş means territory and the issue of Maraş can be discussed under territorial adjustments which is one of the six headings at the negotiating table.