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Revisiting the Prospects for a Cyprus Settlement: Assessing the Outlook for 2022 and Beyond

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2021 was a year in which attempts to launch a new settlement process in Cyprus have proved ineffective and the impasse continued. The gap between the official positions of the two sides in Cyprus has grown even starker with the Turkish Cypriot side advocating a two-state solution and the Greek Cypriot side rhetorically sticking to the bi-zonal and bi-communal federal formula while having no actual desire for a settlement. The Greek Cypriot side's lack of interest in a solution had also been acknowledged by former Greek Cypriot Foreign Minister Nicos Rolandis, who in an op-ed dated 2 February 2008, pointed out that it was the Greek Cypriots who rejected all 15 peace proposals since 1948.¹ The collapse of the latest round of UN-sponsored settlement talks in Crans Montana in July 2017 dubbed as the last best chance for resolving the Cyprus issue, has led to a major paradigm change on part of the Turkish Cypriot side. Disillusioned with decades-long talks which have resulted in a stalemate due to the intransigence of the Greek Cypriot side, the Turkish Cypriot side has re-defined its vision for a settlement on the basis of the political realities on the island and the region. The Turkish Cypriot leadership's new vision is based on the recognition of the Turkish Cypriot side's sovereign equality and equal international status and foresees a settlement based on two states living side by side rather than reuniting under a federal roof. The Turkish Cypriot side presented its new vision to the Greek Cypriot side and the three guarantor powers under the 1960 Treaties namely, Turkey, Greece and the UK at the three-day informal meeting which convened under the auspices of UN Secretary-General António Guterres in Geneva from 27 to 29 April 2021. Although the informal Geneva meeting proved inconclusive with the two sides failing to find enough common ground for launching a fresh negotiation round, the meeting was nevertheless a turning point for the Turkish Cypriot side's sovereign equality vision to be put on record by the UN Secretary-General.

In Geneva, the Turkish Cypriot side presented a six-point roadmap elaborating its sovereign equality vision as the basis of future negotiation rounds. The roadmap foresees the UN Secretary-General to be tasked with taking an initiative for the Security Council to pass a resolution securing the equal international status and sovereign equality of the two sides which would form the basis for the establishment of a cooperative relationship between the two states. Once their equal international status and sovereign equality are ensured, under the roadmap the two states would begin negotiations on their future relationship as well as on certain aspects which had also been negotiated in the previous

¹ Yusuf Kanlı, "A difficult game", *Hürriyet Daily News*, 20 March 2017. Retrieved from <https://www.hurriyetdailynews.com/opinion/yusuf-kanli/a-difficult-game-111002> on 1 April 2022.



settlement rounds such as property, security, border adjustments and EU matters. It is stated that the negotiations would be supported by the guarantor states and when deemed appropriate by the EU, as an observer. Under the roadmap, the two states are to mutually recognise each other, and the guarantor states are to support that. As a last step, it is envisaged that any settlement reached during the negotiations would be submitted for approval in separate simultaneous referenda in the two states.²

The UN Secretary-General Guterres announced that the parties could not find enough common ground for launching a fresh negotiation round while pronouncing the possibility of reconvening another informal 5+UN meeting in two to three months.³ It is important to note that no such meeting has taken place.

TRNC's Maraş Initiative and International Response

In the second half of the year, the focus shifted to the re-opening of the fenced off Maraş/Varosha. The once popular holiday destination, frequented by Hollywood stars such as Sophia Lauren, Elizabeth Taylor and Richard Burton and accounting for half the island's tourism revenues in the past, has remained closed off for 46 years. Entry into the town was forbidden except for Turkish military personnel stationed in the TRNC. Known as a "ghost town", Maraş/Varosha has been treated as part of a comprehensive settlement package. The 2004 Annan Plan, which was overwhelmingly rejected by the Greek Cypriot side, envisaged the transfer of Maraş/Varosha to the Greek Cypriot constituent state.

The gradual re-opening of the "ghost town" under Turkish Cypriot control has been under consideration for some time. Initial steps to partially open Maraş/Varosha were taken in October 2020 a few days before the presidential election in the TRNC. On 8 October 2020, the Turkish Cypriot authorities announced the re-opening of the 2-kilometre-long public beachfront and the Democracy Street to the public.

Another important step in this direction was taken during the visit by Turkish President Recep Tayyip Erdoğan on 20 July 2021 on the occasion of Peace and Freedom Day marking the 47th anniversary of the Cyprus Peace Operation. TRNC President Ersin Tatar announced the lifting of the military status of an area corresponding to 3.5 per cent of Maraş/Varosha transferring it to civilian use. Regarded as the second phase in the re-opening of the ghost town, the change in the military status of Maraş/Varosha implies that the Greek Cypriot property owners could appeal to the Immovable Property Commission

² Republic of Türkiye Ministry of Foreign Affairs, "The Settlement Proposal Submitted by TRNC President Ersin Tatar During the Informal 5+UN Meeting Held on 27-29 April, 2021 in Geneva". Retrieved from <https://www.mfa.gov.tr/kktc-cbsk-ersin-tatar-in-cozum-onerisi-hk.en.mfa> on 10 March 2022.

³ United Nations, "Secretary-General's Press Conference following the informal 5+1 meeting on Cyprus", 29 April 2021. Retrieved from <https://www.un.org/sg/en/content/sg/press-encounter/2021-04-29/secretary-generals-press-conference-following-the-informal-51-meeting-cyprus> on 11 March 2022.



which was set up in 2005 to deal with the property claims of Greek Cypriot property owners in the TRNC as a legal pathway approved by the European Court of Human Rights.

The move sparked strong international reaction from the permanent members of the UN Security Council and the EU, with both the UNSC and the EU issuing statements⁴ condemning the move for running counter to the relevant UN Security Council resolutions and calling for an immediate reversal of the steps taken with regards to the re-opening of the fenced off Maraş/Varosha while underlining the bi-zonal and bi-communal federation based on political equality as the established framework for a Cyprus settlement.

Ankara has dismissed the statements on the grounds that they were based on misleading propaganda by Greece and the Greek Cypriot Administration.⁵ Moreover, Turkey indicated that under the decisions taken within the framework of TRNC's Maraş initiative, property rights were upheld and international law was respected while maintaining that the UN Security Council resolutions were not being violated. Referring to the fact that decades-long attempts for reaching a settlement based on a bi-zonal bi-communal federation have led nowhere due to Greek Cypriot intransigence, Ankara indicated that insistence on the federal model could weaken the position of the UN Security Council while underlining the equal sovereignty and international status of the Turkish Cypriots as a precondition for any future settlement round.⁶ Meanwhile, the Greek Cypriot side has sought to prevent its citizens from appealing to the Immoveable Property Commission in the TRNC.⁷

The Greek Cypriot Administration has been lobbying heavily in the European Council to keep Maraş/Varosha issue high on the EU's agenda. Under pressure from the Greek Cypriot Administration, the EU Foreign Affairs Council convening on 13 December 2021 signalled that the EU could draw up a specific sanctions regime targeting the individuals and entities with direct involvement in the re-opening of the ghost town.⁸ This could jeopardise the climate of rapprochement in Turkey-EU relations which has been underway since the beginning of last year after two years marked by increasing tension

⁴ Council of the European Union, "Varosha: Declaration by the High Representative on behalf of the European Union", 27 August 2021. Retrieved from <https://www.consilium.europa.eu/en/press/press-releases/2021/07/27/varosha-declaration-by-the-high-representative-on-behalf-of-the-european-union/> on 9 March 2022.

⁵ Republic of Türkiye Ministry of Foreign Affairs, "Press Release Regarding the Second Phase of Maraş Initiative by the TRNC Government", 23 July 2021, No: 260. Retrieved from <https://www.mfa.gov.tr/no-260-kktc-hukümetinin-maras-aciliminin-ikinci-asamasina-yonelik-karari-hk.en.mfa> on 9 March 2022.

⁶ *ibid.*

⁷ Sarantis Michalopoulos, "Cyprus warns citizens to reject Turkey's calls for property claims", *Euractiv*, 22 July 2021. Retrieved from https://www.euractiv.com/section/politics/short_news/cyprus-warns-citizens-to-reject-turkeys-calls-for-property-claims/ on 11 March 2022.

⁸ "EU to prepare sanctions regime for actions in Varosha", *Agence Europe*, Europe Daily Bulletin No. 12852, 14 December 2021.



due to disagreements over hydrocarbon exploration rights and delineation of maritime zones in the Eastern Mediterranean.

Under the motto of being “one step ahead on the Cyprus question” Ankara has long been supportive of the reunification efforts on the basis of a bi-zonal bi-communal federation based on political equality within the framework of the UN. This was evident in Turkey’s active engagement in the process leading up to the Annan Plan and more recently in its policy in the Conference on Cyprus in Crans Montana. The leaked documents from the five-party Cyprus Conference in Crans Montana also confirm that Ankara displayed a constructive approach and a great deal of flexibility regarding the key parameters of a solution at the negotiation table. However, the failure of the latest round of talks again due to the Greek Cypriot side’s intransigence and maximalist demands particularly regarding the 1960 system of security and guarantees and their reluctance to share power with Turkish Cypriots on an equal footing, led Ankara to reconsider its policy regarding the Cyprus issue. In a major paradigm shift, Ankara has started to voice increasing support for a two-state solution since 2019. Analysts question whether the shift in Turkey’s stance marks a radical departure from its earlier stance or it should be perceived as a strategic move for upping the ante on the Greek Cypriot side. In this sense, the Maraş/Varosha move is seen as a move intended to launch future negotiation rounds with a stronger hand.⁹

The Hydrocarbon Factor

Another factor decisive in the paradigm shift in Turkey’s stance regarding Cyprus has to do with the changing regional context in the Eastern Mediterranean and the subsequent deterioration of Ankara’s relations with the EU. The Greek Cypriot side’s unilateral steps concerning the exploitation of the hydrocarbon deposits around the island have further complicated the matter. Initially viewed as a blessing, the associated economic benefits of which drive the two sides closer, the discovery of hydrocarbon deposits around the island has further complicated the matter. Acting as if it were the sole legitimate owner of the natural resources in and around the island, in total disregard of the rights of the Turkish Cypriots, the Greek Cypriot side wasted no time in signing licensing agreements with international energy companies.

Ankara viewed the establishment of the East Mediterranean Gas Forum by Egypt, Italy, Israel, Jordan, Greece, the Greek Cypriot Administration in 2019 as a hostile axis trying to exclude Turkey from the energy equation by cornering into a small portion of the Mediterranean. Thus, the subsequent signature of the intergovernmental agreement on

⁹ Menekşe Tokyay and Arnab Neil Sengupta, “What Turkey and EU’s conflicting visions mean for Cyprus’ future”, *Arab News*, 1 August 2021. Retrieved from <https://www.arabnews.com/node/1899621/world> on 7 March 2022.



the EastMed Pipeline Project aiming to transfer 10 billion cubic meters of gas to Europe has angered Ankara. Turkey viewed the project as stillborn for it excluded Turkey which has the longest coastline in the Eastern Mediterranean and the Turkish Cypriots who have as much say as the Greek Cypriots over the natural resources of the island as its co-owners. Moreover, there were serious question marks concerning the commercial feasibility of the project due to the high costs foreseen. In this respect, the US' decision to withdraw its support from the EastMed Pipeline Project citing environmental and economic concerns earlier this year¹⁰ has been a welcome development that could contribute to the easing of tension in the Eastern Mediterranean. Moreover, in parallel to the recent normalisation steps between Ankara and Tel-Aviv, the idea of building a pipeline between Israel and Turkey has also been voiced as an alternative. Coupled with Ankara's recent attempts to mend its strained relations with other regional states such as Egypt, Saudi Arabia, and the UAE, these dynamics could result in an improved climate in the Eastern Mediterranean conducive for cooperation in the energy domain.

The East Med hydrocarbons are expected to become more important in the wake of the Russia-Ukraine war with the EU looking for alternative suppliers to reduce its dependency on Russian natural gas. Despite the window of opportunity increasing prospects for cooperation in the energy domain between regional states, it is too early to predict whether this would translate into improved dynamics for the launch of a new settlement process in Cyprus.

Intervening Electoral Calendars

Even though no five-party meeting was convened last year, the two Cypriot leaders came together with UN Secretary-General Guterres on the margins of the 76th Session of the UN General Assembly held in New York. However, no statement was issued by the UN as the two sides did not go beyond stating their publicly known positions. On 4 November 2021, Guterres appointed former Canadian diplomat Colin Stewart to succeed Elizabeth Spehar as his new Special Representative, Head of the UN Peacekeeping Force in Cyprus (UNFICYP) and Deputy-Special Adviser on Cyprus. Following the resignation of UN Special Adviser Jane Holl Lute, the discussions focused on whether her successor should be appointed as UN Secretary-General's "personal" envoy or as a "special" envoy. The Turkish Cypriot side has expressed support for the former as it would allow the envoy to act upon the initiative of the UN Secretary-General allowing for more flexibility, while in the latter case as the envoy would be accountable before the UN Security Council, he/she would have to stick to the bi-zonal and bi-communal federal formula. With the talks at an impasse and both sides maintaining their established positions and early parliamentary

¹⁰ "U.S. voices misgivings on EastMed gas pipeline -Greek officials", *Reuters*, 11 January 2022. Retrieved from <https://www.reuters.com/business/energy/us-voices-misgivings-eastmed-gas-pipeline-greek-officials-2022-01-11/> on 7 March 2022.



elections in the TRNC in January 2022 followed by presidential elections on the southern part of the island scheduled for February 2023, the UN Secretary-General has seen no urgency to finalise the appointment.

The Turkish Cypriots headed to the polls for snap parliamentary elections on 23 January 2022 following the collapse of the right-wing coalition government composed of the National Unity Party (UBP), Democrat Party (DP) and the Rebirth Party (YDP). President Ersin Tatar's UBP won 39.4 per cent of the vote and cemented its position in the 50 seat TRNC House of Representatives by securing 24 seats. The coalition government formed by the same three parties on 21 February received a vote of confidence in the parliament. It is important to note that views of the three parties taking part in the ruling coalition are closely aligned with those of President Tatar as regards the solution of the Cyprus issue. The coalition government is a proponent of the two-state model and favours closer relations with Turkey. Therefore, one can expect that the TRNC's stance puts increasing emphasis on sovereign equality to continue in the coming period.

Meanwhile, the Greek Cypriot leadership has been reportedly floating the idea of greenlighting opening the Ercan Airport to direct international flights under the auspices of the UN and the Gazimağusa/Famagusta port under EU supervision in return for the Turkish Cypriots simultaneously handing over Maraş/Varosha to the UN as a confidence building measure (CBM). It is important to note that similar measures had been proposed in the past and were rejected by the Greek Cypriot side which feared that such moves could raise the international profile of the Turkish Cypriot side amounting to the recognition of the TRNC. Given this track record, recent CBM proposals have been met with scepticism by the Turkish Cypriot side.

Little Ground for Optimism Regarding the Launch of the Talks

As things currently stand, the prospects for a breakthrough either in the form of resumption of the settlement talks or the launch of a new process in the foreseeable future appear to be rather slim. The Greek Cypriot presidential election scheduled for February 2023 stands as another major complicating factor. As the elections draw closer, political rhetoric in the South is likely to toughen, drastically reducing the chances of reaching a compromise essential for the launch of a new settlement process. The danger is that the two sides might arrive at a point where there is no appetite left for a settlement on either side.

In the last bi-annual report addressed to the UN Security Council on his Good Offices Mission, UN Secretary General warned that without decisive actions, continuing dynamics on and around the island coupled with electoral timelines "could render future efforts to



reach a mutually acceptable settlement to the Cyprus issue unattainable.”¹¹ As the prospects for reaching a mutually agreeable solution continue to diminish, it is inevitable for the current realities on the island to become permanent. The Turkish Cypriots, an overwhelming majority of who have voted “yes” to the Annan Plan continue to be subject to the unfair embargoes while the Greek Cypriots who following the advice of their then leader Tassos Papadopoulos had said a “resounding no” to the reunification plan benefit from the perks of being a “full-fledged EU member”. As the prospects for reaching a negotiated settlement continue to fade, the EU should step up its engagement with the Turkish Cypriot community and work on creative ways to overcome the deadlock concerning the Direct Trade Regulation.

Meanwhile, there are speculations that Ankara could pursue a policy of encouraging some friendly countries to recognise the TRNC. It is important to note that Turkey has not pursued a very active policy encouraging the recognition of the TRNC in order to give a chance to the UN-sponsored settlement efforts. However, President Erdoğan’s remarks during his visit to the TRNC last July suggest that this might soon change.¹² Pakistan and Bangladesh had briefly recognised the TRNC shortly after its proclamation in 1983, only to withdraw their recognition due to heavy international pressure leaving Turkey as the only country recognising the TRNC. The presence of UN Security Council resolutions urging the non-recognition of the TRNC has discouraged countries from doing so. A tweet by the Pakistani embassy in Ankara last July referring to the TRNC by its official name has sparked rumours that Islamabad was considering recognising the TRNC.¹³ Moreover, a visit by an Azerbaijani parliamentary delegation to the TRNC in the same month has raised hopes about Azerbaijan’s potential recognition. Although these steps were not followed up by concrete moves to suggest official recognition, hopes have been building up for recognition in the northern part of the island.¹⁴ Most recently, Russian Foreign Minister Sergey Lavrov referred to the TRNC by its official name.¹⁵ His reference to the Turkish Republic of Northern Cyprus raised concern on the Greek Cypriot side about a possible policy change on part of Moscow which is one of the five permanent members of

¹¹ UN Security Council, “Mission of good offices in Cyprus Report of the Secretary-General”, S/2021/1109. Retrieved from https://www.securitycouncilreport.org/atf/cf/%7B65BFCF9B-6D27-4E9C-8CD3-CF6E4FF96FF9%7D/s_2021_1109.pdf on 8 March 2022.

¹² “Turkey to continue efforts for int’l recognition of Turkish Cyprus: Erdoğan”, *Hürriyet Daily News*, 21 July 2021. Retrieved from <https://www.hurriyetdailynews.com/turkey-to-continue-efforts-for-intl-recognition-of-turkish-cyprus-erdogan-166479> on 11 March 2022.

¹³ Vafa Ismayilova, “Turkey-based Pakistani diplomatic team visit seen as sign to recognize TRNC”, *Azernews*, 15 July 2021. Retrieved from <https://www.azernews.az/region/181204.html> on 10 March 2022.

¹⁴ “Azerbaijan’s recognition of Turkish Cyprus would be important step”, *Daily Sabah with AA*, 13 January 2022. Retrieved from <https://www.dailysabah.com/politics/diplomacy/azerbaijans-recognition-of-turkish-cyprus-would-be-important-step> on 10 March 2022.

¹⁵ John Psaropoulos, “Russia-Ukraine war stirs Greek concerns in the Mediterranean”, *Al Jazeera*, 8 March 2022. Retrieved from <https://www.aljazeera.com/news/2022/3/8/ukraine-war-stirs-greek-concerns-in-the-mediterranean> on 10 March 2022.



the UN Security Council and has traditionally enjoyed close ties to the Greek Cypriot side. It is too early to tell whether this is really the case however, the tectonic shifts taking place both in the regional and international context might suggest that unexpected changes in established positions and long-standing policies might be on the cards.

Probable Effects of the Current Geopolitical Context in Europe on the Cyprus Question

Currently, the probability of a breakthrough in Cyprus seems quite dim. However, the new geopolitical reality caused by the Russian military campaign against Ukraine has created new dynamics and resulted in major shifts in the European security architecture. Among these changes and shifts, one could list the following particularly important developments:

- Far-reaching sanctions against Russia leading to an international isolation of the country,
- Change in Germany's policy regarding a surge in military expenditure,
- EU's historic decision to send military aid to Ukraine,
- Ukraine's application for EU membership followed by Moldova and Georgia.

Such changes have altered the geopolitical reality in which the EU operates. The past month has seen the EU break one taboo after another. For the first time in the history of European integration, the EU authorised sending lethal military aid to a third country. The EU's display of unprecedented unity in the wake of the developments in Ukraine, followed by revolutionary decisions by certain EU capitals notably Berlin, which has not only put the landmark Nord Stream 2 project on hold but also authorised sending weapons to Ukraine in a major departure from its traditional foreign policy line, have all marked a geopolitical awakening on part of the EU. Moreover, the recent developments have left no question marks regarding the need to boost the ailing defence budgets of the EU Member States. The recent decisions by the governments of Germany, Poland and Denmark to increase their defence spending substantially has confirmed this trend which is also a prominent theme featured in the Strategic Compass endorsed by EU leaders on 25 March 2022 as an action guide for EU's security and defence policies.

In addition, the EU membership applications submitted by Ukraine and later by Georgia and Moldova accompanied by a call for EU accession under a new expedited procedure suggest that changes to the EU's enlargement policy might be on the cards. Although there is no appetite for further enlargement on part of some Member States such as France and the Netherlands, others such as Bulgaria, Czechia, Estonia, Latvia, Lithuania, Poland,



Slovakia and Slovenia have issued an open letter¹⁶ calling for Ukraine to be granted immediate EU candidate status. It is important to note that EU enlargement has suffered from a considerable loss of momentum due to divergences of opinion over the level of preparedness concerning the countries covered by the EU's current enlargement agenda and the timing of EU accession. Despite the rather unfavourable climate regarding the future of EU enlargement, the notion of sending the right message at an extraordinary juncture could prevail in the EU's handling of the membership applications by the three Eastern Partnership countries. This may lead to the EU rethinking the *modus operandi* of European integration which could in turn create a stronger momentum for differentiated integration to accommodate the membership applications submitted by Ukraine, Georgia and Moldova.

As the deteriorating geostrategic environment and the return of war in the European continent is compelling the EU to reinforce its capacity to think and act strategically as indicated in the Strategic Compass, the EU could step up its engagement in frozen conflicts in its vicinity. In this respect, the Eastern Mediterranean and particularly Cyprus could come under the spotlight. Finally, the Eastern Mediterranean could see increased focus both in terms of the emerging security architecture and energy security, which could re-ignite the EU's interest in a Cyprus settlement paving the way for the EU to come up with creative proposals to unite the stakeholders of the Cyprus issue around common projects.

¹⁶ "Open letter by Presidents in support of Ukraine's swift candidacy to the European Union", *The Official Website of the President of the Republic of Poland*, 28 February 2022. Retrieved from <https://www.president.pl/news/open-letter-by-presidents-in-support-of-ukraines-swift-candidacy-to-the-european-union.49584> on 30 March 2022.

