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# Cyprus: Reunification Proving Elusive

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September 22, 2014

**Congressional Research Service**

7-5700

[www.crs.gov](http://www.crs.gov)

R41136

## Summary

Frequent and often intense reunification negotiations that had begun in 2008 between former Republic of Cyprus President Demetris Christofias and Turkish Cypriot leaders Ali Talat and then Dervis Eroglu had, by the beginning of 2012, reached a stalemate, and in May 2012, just prior to the beginning of the six-month Cypriot presidency of the Council of the European Union in July, the talks were suspended.

Through the first half of 2013, the negotiations remained suspended as the newly elected administration of Nicos Anastasiades (elected President of the Republic in February 2013) grappled with a serious domestic banking and fiscal crisis in the Republic and a tough economic and fiscal austerity program proposed by the EU and European Central Bank. In late May 2013, Anastasiades, who himself had supported the Annan Plan for reunification in 2004, met with Eroglu and stated that while he supported the resumption of the negotiations he did not think they could restart until at least October as he grappled with the economic crisis. In July 2013, the Greek Cypriot National Council appointed Andreas Mavroyiannis of the Foreign Ministry as the new negotiator for the Greek Cypriot side while the Turkish Cypriots reappointed Kudret Ozersay as their negotiator. This led to speculation that both sides were preparing to resume the negotiations.

The remainder of 2013 and early into 2014, however, saw both sides arguing over how to restart the talks with the disagreement centered on the need for and wording of a “joint statement” that would define the parameters of the negotiations. In early February 2014 the stalemate was broken when an agreement, apparently with the help of the United States, was reached on the language of the “joint declaration,” clearing the way for the formal settlement talks to resume.

Despite the fact that the talks have resumed and that Anastasiades and Eroglu have met several times, no apparent progress has been made. In fact, there have been reports that both sides have actually backtracked on several issues, prompting Greek Prime Minister Antonis Samaras to say in July that “no significant progress had been made” and the Turkish Cypriot official for foreign affairs, Ozdil Nami, to suggest “the peace talks were finished.” The last meeting between Anastasiades and Eroglu, held on July 26 before a break for the summer, reportedly had been a somewhat tense session. The talks resumed in September and although the atmosphere seemed to be less tense, it was unclear whether any new understandings regarding the conduct of the negotiations were made. Nevertheless, on September 21, Turkish Cypriot negotiator, Kudret Ozersay, stated that he felt “real negotiations are starting now.”

In late August, the United Nations named Norwegian diplomat, Espen Barth Eide as the Secretary General’s new Special Advisor on Cyprus. In early September, newly elected Turkish president Tayyip Erdogan visited northern Cyprus as Cyprus observers were looking for signs regarding what role Turkey may now play in the settlement talks. However, Erdogan created controversy when he suggested Turkey could not accept a solution that did not include two states and political equality. Most observers believed Erdogan’s comments would not result in any significant shift in the Turkish Cypriot position which has shifted more strongly to a “two-state” solution. Many observers believe the current stalemate could likely drag on until after the national elections in northern Cyprus, which are scheduled to be held in April 2015, and pending whether someone might replace Eroglu.

Given the long length of time it took for both sides to even agree to restart the negotiations, many observers seem skeptical that any significant breakthrough could be achieved during the remainder of 2014, which marked the 40<sup>th</sup> anniversary of the 1974 deployment of Turkish military forces to the island and the 10<sup>th</sup> anniversary of the Greek Cypriot vote against the Annan Plan, events which were observed in very different ways on each side of the island. However, some observers have been even more dismayed over what appears to be a retrenchment and hardening of each side's positions on all issues, raising serious doubts about a solution acceptable to both sides being reached at all. The stalemate prompted one well-respected Washington think tank to suggest that a permanent separation of the two sides was inevitable and ought to be given some consideration.

The 113<sup>th</sup> Congress has expressed its interest in the Cyprus issue. In 2013, legislation (H.Res. 187) was introduced supporting the Republic and letters regarding the unification talks were sent to the White House and others by Members of Congress sympathetic to both Greek and Turkish Cypriot views of the problem. This report provides a brief overview of the history of the negotiations, a review of the negotiations since 2008, a description of some of the issues involved in the talks, and where things stand today.

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## Background<sup>1</sup>

The island Republic of Cyprus gained its independence from Great Britain in 1960. Of the total population living on the island, approximately 77% are of Greek ethnic origin, and roughly 18% of Turkish ethnic origin. (This figure may have changed slightly as an influx of mainland Turkish settlers over the past 20 years has increased the Turkish population.) Maronite Christians, Armenians, and others constitute the remainder. At independence, the republic's constitution defined elaborate power-sharing arrangements between the two main groups. It required a Greek Cypriot president and a Turkish Cypriot vice president, each elected by his own community. Simultaneously, a Treaty of Guarantee signed by Britain, Greece, and Turkey ensured the new republic's territorial integrity, and a Treaty of Alliance among the republic, Greece, and Turkey provided for Greek and Turkish soldiers to help defend the island. However, at that time, the two major communities aspired to different futures for Cyprus: most Greek Cypriots favored union of the entire island with Greece (*enosis*), while Turkish Cypriots preferred to partition the island (*taksim*) and possibly unite the Turkish Cypriot zone with Turkey.

Cyprus's success as a stable, new republic lasted from 1960 to 1963. After President (and Greek Orthodox Archbishop) Makarios III proposed constitutional modifications that favored the majority Greek Cypriot community in 1963, relations between the two communities deteriorated, with Turkish Cypriots increasingly consolidating into enclaves in larger towns for safety. In 1964, Turkish Cypriots withdrew from most national institutions and began to administer their own affairs. Intercommunal violence occurred between 1963 and 1964, and again in 1967. On both occasions, outside mediation and pressure, including by the United States, appeared to prevent Turkey from intervening militarily on behalf of the Turkish Cypriots. On March 4, 1964, the United Nations authorized the establishment of the United Nations Peacekeeping Force in Cyprus (UNFICYP) to control the violence and act as a buffer between the two communities. It became operational on March 27, 1964, and still carries out its mission today.

In 1974, the military junta in Athens supported a coup against President Makarios, replacing him with a more hard-line supporter of *enosis*. In July 1974, Turkey, citing the 1960 Treaty of Guarantee as a legal basis for its move, deployed its military forces in two separate actions to the island, and by August 25, 1974, had taken control of more than one-third of the island. This military intervention<sup>2</sup> had many ramifications. Foremost was the widespread dislocation of both the Greek and Turkish Cypriot population and related governance, refugee, and property problems.

After the conflict subsided and a fragile peace took root, Turkish Cypriots pursued a solution to the conflict that would keep the two communities separate in two sovereign states or two states in a loose confederation. In February 1975, the Turkish Cypriots declared their government the "Turkish Federated State of Cyprus" (TFSC). In 1983, Turkish Cypriot leader Rauf Denktaş declared the "Turkish Republic of Northern Cyprus" (TRNC)—a move considered by some to be a unilateral declaration of independence. At the time, Denktaş argued that creation of an independent state was a necessary precondition for a federation with the Greek Cypriots.

<sup>1</sup> Parts of this report are drawn from a more comprehensive history of the Cyprus negotiations found in CRS Report RL33497, *Cyprus: Status of U.N. Negotiations and Related Issues*, by Carol Migdalovitz.

<sup>2</sup> Turkey officially refers to its action as a "peace operation." The Greek Cypriots and much of the international community refer to it as an "invasion." Unofficial estimates indicate that Turkish military forces currently deployed in northern Cyprus range from between 20,000 to 30,000.

However, he ruled out a merger with Turkey and pledged cooperation with United Nations-brokered settlement efforts. Twenty-nine years later, only Turkey has recognized the TRNC.

Between 1974 and 2002, there were numerous, unsuccessful rounds of U.N.-sponsored direct and indirect negotiations to achieve a settlement. Negotiations focused on reconciling the two sides' interests and reestablishing a central government. They foundered on definitions of goals and ways to implement a federal solution. Turkish Cypriots emphasized bizonality and the political equality of the two communities, preferring two nearly autonomous societies with limited contact. Greek Cypriots emphasized the freedoms of movement, property, and settlement throughout the island. The two parties also differed on the means of achieving a federation: Greek Cypriots wanted their internationally recognized national government to devolve power to the Turkish Cypriots, who would then join a Cypriot republic. For the Turkish Cypriots, two entities would join, for the first time, in a new federation. These differences in views also affected the resolution of issues such as property claims, citizenship of Turkish settlers who had come to the island, and other legal issues. These differences in views continue to plague the negotiations even today.

**Figure 1. Map of Cyprus**



**Source:** Adapted by CRS.

## **Annan Plan**

Negotiations for a final solution to the Cyprus issue appeared to take a dramatic and positive step forward when on November 11, 2002, then-U.N. Secretary-General Kofi Annan presented a draft of “The Basis for Agreement on a Comprehensive Settlement of the Cyprus Problem,” commonly referred to as the Annan Plan. The plan called for, among many provisions, a “common state” government with a single international legal personality that would participate in foreign and EU relations. Two politically equal component states would address much of the daily responsibilities of government in their respective communities. The Annan Plan was a comprehensive approach, and of necessity addressed highly controversial issues for both sides.

Over the course of the next 16 months, difficult negotiations ensued. Turkish Cypriot leader Denktash was replaced as chief negotiator by a more pro-settlement figure, and newly elected “prime minister,” Mehmet Ali Talat. Republic of Cyprus President Glafkos Clerides was replaced through an election with, according to some observers, a more skeptical president, Tassos Papadopoulos. The Annan Plan itself was revised several times in an attempt to reach compromises demanded by both sides. Complicating the matter even more, on April 16, 2003, the Republic of Cyprus signed an accession treaty with the European Union to become a member of the EU on May 1, 2004, whether or not there was a settlement and a reunited Cyprus.

Finally, after numerous meetings and negotiations and despite a lack of a firm agreement but sensing that further negotiations would produce little else, on March 29, 2004, Secretary-General Annan released his “final revised plan” and announced that the Plan would be put to referenda simultaneously in both north and south Cyprus on April 24, 2004. The Turkish Cypriot leadership split, with Denktash urging rejection and Talat urging support. Greek Cypriot President Papadopoulos, to the dismay of the U.N., EU, and United States, but for reasons he argued were legitimate concerns of the Greek Cypriot community, urged the Greek Cypriots to reject the referenda. On April 24, what remaining hope existed for a solution to the crisis on Cyprus was dashed as 76% of Greek Cypriot voters rejected the Plan, while 65% of Turkish Cypriot voters accepted it. In his May 28, 2004, report following the vote, Annan said that “the Greek Cypriots’ vote must be respected, but they need to demonstrate willingness to resolve the Cyprus problem through a bicomunal, bizonal federation and to articulate their concerns about security and implementation of the Plan with ‘clarity and finality.’”

For roughly the next four years, to little avail, Cyprus muddled through a series of offers and counter-offers to restart serious negotiations even as the Greek Cypriots solidified their new status as a member of the EU, a status not extended to the Turkish Cypriots despite an EU pledge to try to help end the isolation of the north.

## **The Christofias-Talat Negotiations: 2008-2010**

On February 24, 2008, 61-year-old Demetris Christofias of the Progressive Party of Working People (AKEL) was elected to a five-year term as president of the Republic of Cyprus. Christofias was educated in the Soviet Union and is a fluent Russian-speaker. He joined the communist-rooted AKEL party at the age of 14 and rose through its ranks to become leader in 1988. Christofias was elected president of the Cypriot House of Representatives in 2001 and won reelection in 2006.



Christofias's election had the backing of the Democratic (DIKO) Party and the Socialist (EDEK) Party. Christofias, in part, tailored his campaign to opposing what he believed was an uncompromising approach toward the Turkish Cypriots by his opponent, President Papadopoulos, and the stagnation in the attempt to reach a just settlement of the Cyprus problem. Although serious differences existed between the Greek Cypriot and Turkish Cypriot sides over a final settlement, Christofias took the outcome of the vote as a sign that Greek Cypriots wanted to try once again for an end to the division of the island. In his inaugural address, President Christofias expressed the hope of achieving a "just, viable, and functional solution" to the Cyprus problem. He said that he sought to restore the unity of the island as a federal, bi-zonal, bi-communal republic; to exclude any rights of military intervention; and to provide for the withdrawal of Turkish troops and, ultimately, the demilitarization of the island. Christofias also reaffirmed that the 2004 Annan Plan, which he himself opposed at the time, was null and void and could not be the basis for a future settlement.

After Christofias's election, Turkish Cypriot leader Mehmet Ali Talat, a long-time acquaintance of Christofias, declared that "a solution in Cyprus is possible by the end of 2008."<sup>3</sup> He also declared that "the goal is to establish a new partnership state in Cyprus, based on the political equality of the two peoples and the equal status of two constituent states."<sup>4</sup> As early as 2004, Talat, as Turkish Cypriot "prime minister," was credited with helping convince the Turkish Cypriots to support the Annan Plan and had been seen as perhaps the one Turkish Cypriot leader who could move the Greek Cypriots toward a more acceptable solution for both sides. For his efforts at the time, Talat, on April 17, 2005, was elected "president" of the unrecognized TRNC over the UBP's Dervis Eroglu, receiving 55.6% of the vote in a field of nine.

On March 21, 2008, Christofias and Talat met and agreed to establish working groups to address issues related to a comprehensive settlement, including governance and power-sharing, EU matters, security and guarantees, territory, property, and economic matters. They also created seven technical committees to address day-to-day issues of crime, economic and commercial matters, cultural heritage, crisis management, humanitarian matters, health, and environment.

While the negotiations between Christofias and Talat appeared to get off to a fast start, the differences in positions quickly became apparent and the talks, although held on a regular basis, started to bog down. Talat wanted to pursue negotiations on the basis of the provisions of the old Annan Plan, while Christofias, mindful of the Greek Cypriot rejection of that plan, was keen to avoid references to it. Old differences quickly resurfaced. As the negotiations dragged on well into 2009, it appeared that impatience, frustration, and uncertainty were beginning to mount against both Christofias in the south and Talat in the north.

By the end of 2009 perspectives on both sides of the island began to change. Some suggested that the Greek Cypriots sensed that the talks would not produce a desired outcome before the April 2010 elections in the north, in which Talat was trailing in the polls to Eroglu, and thus the negotiations were likely to have to begin anew, possibly with an entirely different Turkish Cypriot leadership. Under that scenario, many Greek Cypriots, including members within the political parties of the governing coalition, seemed leery of weakening their hand by offering further concessions. Some Turkish Cypriots, on the other hand, appeared to have begun to think that the

<sup>3</sup> "I am Hopeful about a Solution, TRNC President Talat," *Anatolia*, February 25, 2008, BBC Monitoring European, February 26, 2008.

<sup>4</sup> Letter to the Editor, *Financial Times*, March 5, 2008.



Greek Cypriot side would not offer Talat a negotiated settlement, betting from the opinion polls in the north that Eroglu would win the April elections and would pull back from serious negotiations, at least for a while as he consolidated his new government and reordered Turkish Cypriot strategy. The Greek Cypriots could then blame the anticipated hard-liners in the north and their presumed patrons in Ankara if the talks collapsed.

As the negotiations entered 2010, it appeared that the window of opportunity to reach a final settlement, at least between Christofias and Talat, was closing fast. Despite the fact that the two sides had been in negotiations for almost 18 months and in close to 60 meetings, they appeared to have very little to show for their efforts. In his New Year message to the Greek Cypriots, Christofias suggested that while some progress had been made in a few areas, the two sides were not close to a settlement. The intensive dialogue between Christofias and Talat resumed on January 11, 2010, but after three sessions the talks seemed to have reached a standstill with the gap between the respective positions of President Christofias and Talat on many of the tougher issues seeming to be insurmountable.

The last formal negotiating session between Christofias and Talat concluded on March 30, 2010, with no new developments. In the run-up to the final session there was some speculation that both sides would issue a joint statement assessing the negotiations up to that point and perhaps even announcing some of the areas in which “convergences” between Christofias and Talat had been achieved. Speculation was that Talat had wanted something positive to take into the final days of the election campaign and had presented Christofias a report summarizing what the Turkish Cypriots understood to have been achieved. Christofias, however, was already under pressure from his coalition partner, DIKO, and former coalition partner, EDEK, not to issue such a statement, which could have been interpreted as an interim agreement.

On March 30, 2010, Christofias and Talat issued a short statement suggesting that they had indeed made some progress in governance and power sharing, EU matters, and the economy, but they did not go beyond that. On April 1, Talat, feeling he needed to say more to his Turkish Cypriot constituents about the negotiations, held a press conference at which he outlined his understandings of what he and Christofias had achieved to that point. Christofias would neither confirm nor deny what Talat had presented but did indicate that the issues would be considered by the National Council, the Greek Cypriot political body that advises the president on Cyprus settlement issues.

## **A New Era: Christofias and Eroglu**

On April 18, 2010, Turkish Cypriot leader Talat lost his reelection bid to his rival Dervis Eroglu of the National Unity Party (UBP). Observers believe Talat’s defeat was due to a combination of his failure to secure a settlement of the Cyprus problem after almost two years and his inability to convince the EU and others to help end what the Turkish Cypriots believed was the economic isolation of the north. Some observers also noted that an overwhelming number of mainland Turks who had settled in the north and who continued to identify more with mainland Turkey and had little interest in unification with Greek Cyprus voted for Eroglu because they believed his views were consistent with theirs.

Eroglu, then a 72-year-old physician and long-time politician, won the election with just over 50% of the vote. Eroglu was seen as having a style and harder-line views similar to former Turkish Cypriot leader Rauf Denktash, particularly in seeking more autonomy for each community. Eroglu also headed a party in which some in the party had advocated a permanently

divided island and international recognition for the Turkish Republic of Northern Cyprus (TRNC). It was reported that during the campaign he may have suggested that perhaps Cyprus should consider a kind of “soft divorce” similar to what the Slovaks and Czechs did when they separated. During the campaign, Eroglu also criticized Talat for what he thought were too many concessions to the Greek Cypriot side, including the agreement that a reunited Cyprus would hold a single sovereignty through which both sides would reunite. Nevertheless, even while criticizing Talat’s positions, Eroglu insisted that negotiations would continue under his presidency. Upon assuming his new office, Eroglu wrote a letter to U.N. Secretary-General Ban Ki-moon expressing his willingness to resume the negotiations under the good offices of the U.N. and at the point where the negotiations had left off. Despite Eroglu’s position regarding the resumption of talks, most political elements on the Greek Cypriot side saw Eroglu’s election as a negative development and expressed their skepticism as to what the future would hold.

On May 26, 2010, President Christofias and Turkish Cypriot leader Eroglu held their first formal negotiating session. The meeting was held under the auspices of the U.N. Secretary-General’s Special Advisor on Cyprus, Alexander Downer. Property rights became the first issue to be addressed; up to this point property rights had not been seen as an issue that Christofias and Talat had focused on at all.

Almost immediately, a controversy arose when it was reported that Downer apparently read a statement from U.N. Secretary-General Ban congratulating the parties for starting the talks again from where they left off including the confirmation of existing “convergences” agreed to by Christofias and Talat, for agreeing to abide by U.N. Security Council resolutions on Cyprus, and suggesting that a final agreement could be reached in the coming months.

Downer’s statement immediately drew criticism from several of the Greek Cypriot political parties that were concerned that the references to the “convergences” arrived at by Christofias and Talat were being considered as agreements by the U.N., a position not shared by the Greek Cypriots. On the other hand, apparently after the May 26 meeting, Eroglu made a statement that the Turkish Cypriots would not be bound by the statement of the U.N. Secretary-General, especially with regard to previous U.N. Security Council resolutions, some of which did include calls for Turkey to withdraw its troops from Cyprus. While Eroglu was trying to clarify that he accepted U.N. resolutions on the parameters of the negotiations, some in the Greek Cypriot leadership seem to question whether Eroglu was trying to redefine the basis under which he would proceed with the negotiations.

When the talks resumed in May 2010, Christofias and Eroglu, along with several technical committees and working groups with representatives from both sides, met regularly but made no apparent progress. In September, in an interview with Greek Cypriot press, Eroglu expressed his frustration with the process and accused the Greek Cypriots of treating Turkish Cypriot positions with contempt. He apparently suggested that Christofias needed to inform the Greek Cypriot people that any final solution would involve pain on both sides but also had to minimize social upheaval, especially among the Turkish Cypriot community. When asked what pain Eroglu was prepared to accept, however, he stated that it would not include giving up the Turkish Republic of Northern Cyprus or its flag, or sending mainland Turks who settled in the north back to Turkey.<sup>5</sup> In October 2010, Turkish press reported that Eroglu appeared so frustrated with the negotiations that he suggested that Turkish Cypriots had become fed up and no longer believed in the

<sup>5</sup> Eroglu: “treated with contempt,” *Cyprus Mail*, September 19, 2010.

possibility of a mutually agreeable settlement. “As time passes,” he said, “the willingness of the two communities to live together is diminishing.”<sup>6</sup> For his part, Christofias told the United Nations Secretary-General in September 2010 that both sides were not coming closer to a settlement and that Turkey, given its own domestic and regional problems, “was not ready to solve the Cyprus problem.”<sup>7</sup>

Although assessments of the negotiations appeared to be growing more pessimistic, additional sessions were held through the end of December. Talks were then suspended while Eroglu tended to medical problems. While both sides continued to talk and continued to pledge to work to seek a solution, the discussions did not move beyond the property issue and neither side had indicated whether progress was being made or any compromises were possible. On January 1, 2011, Cypriot President Christofias declared his disappointment over the passing of another year without a settlement and accused Turkey of not making any effort to promote a solution to the Cyprus issue.

In mid-April 2011 the Republic of Cyprus entered into a parliamentary election period that concluded on May 22. The outcome of the elections did not seem to suggest that the negotiating position of Christofias would require changes. Although opposition to what was perceived to be Christofias’s concessions to the north was voiced during the campaign, none of the three parties with the most hardline views—EDEK, EVROKO, and DIKO—increased its vote share. The impact of the elections would later prove problematic for the negotiations. Similarly, in national elections held in Turkey in June, Cyprus was barely an issue among the competing parties. After the election there was some speculation that Turkish Prime Minister Erdogan, having won another five-year term, might have been prepared to inject some positive new energy into the Cyprus negotiations. Later this seemed to have been a misreading of the prime minister’s intentions.

## New Settlement Deadlines, New Concerns

On July 7, 2011, Christofias and Eroglu traveled to Geneva to meet for a third time with U.N. Secretary-General Ban in another attempt by the U.N. to boost momentum for the talks. Ban insisted that the negotiations be stepped up so that they could conclude by mid-October and the three would meet on October 30 to assess what progress had been achieved. The U.N. would then be prepared to organize an international conference to discuss security-related issues as suggested by Turkey. This would be followed by plans to hold referenda on a final solution in both the north and south by the spring of 2012. The hope among some was that by intensifying the negotiations and reaching a solution by the end of 2011, a potentially reunified Cyprus would be prepared to assume the rotating presidency of the EU on July 1, 2012. Just prior to the talks with Ban, U.N. Special Envoy for Cyprus Alexander Downer called the previous three months disappointing and the worst three months in the history of the negotiations.<sup>8</sup>

Almost immediately after the two leaders returned to Cyprus from their meeting with the Secretary-General, hopes for speedy and productive negotiations to reach a final solution began to unravel. Although Christofias and Eroglu continued the negotiation process throughout 2011, the talks produced little progress and increasingly exposed differences between the two leaders. By

<sup>6</sup> “Turkish Cypriot leader ready for tripartite New York meeting,” *Hurriyet Daily News*, October 22, 2010.

<sup>7</sup> “Christofias: two sides not getting closer,” *Cyprus-Mail*, September 12, 2010.

<sup>8</sup> “Downer: worst three months of talks since process began,” *Cyprus-Mail*, July 7, 2011.

the fall of 2011, both sides seemed to have lost a clear urgency to achieve a final solution. Trying to reach a negotiated settlement by the end of October, when Christofias and Eroglu met for the fourth time with U.N. Secretary-General Ban, became impractical. During those meetings with Ban little new progress seemed evident, and after two days Ban asked the two Cypriot leaders to continue the negotiations and return to New York in January, hopefully with non-security-related issues resolved. Even if Christofias and Eroglu could have reached an acceptable solution by January 2012, it appeared that Christofias would have had a difficult time gaining its approval from the legislature.

As 2011 ended, pessimism abounded with many feeling that what had not been accomplished in the previous two years could become very difficult to achieve in 2012 as the Republic of Cyprus entered into full preparation for its EU presidency. Many felt that unless there was a major breakthrough in the negotiations by early 2012, the talks would become even more stalemated and could culminate in a potential dramatic turn of events by the summer.

Doubts about the prospects of a solution acceptable to both sides were also raised with the release of a public opinion poll conducted by Interpeace as part of its “Cyprus 2015” initiative. The poll, released on July 5, 2011, interviewed 1,000 Greek and 1,000 Turkish Cypriots. The results of the polling apparently found a growing negative climate and public discontent on the island, an increased ambivalence on the part of Turkish Cypriots, and a possible shift towards a no vote for reunification among Greek Cypriots. The poll also found that society on both sides needed to begin a very public discussion of the parameters of the negotiations and that confidence building measures were needed to be implemented to increase the levels of trust in the peace process.<sup>9</sup>

## **New Year, Continued Stalemate, End of the Talks**

As 2012 began, both sides were again preparing to travel to New York for a fifth meeting with U.N. Secretary-General Ban Ki-moon to assess the progress of the negotiations. Ban had asked both Christofias and Eroglu to come to New York on January 22-24 with significant offers in the areas of governance, economy, and EU affairs so that the “Greentree 2” meeting could attempt to facilitate a final deal on these and other internal issues that would allow the U.N. to convene an international conference in the spring to resolve security-related issues and allow referenda on a final agreement in both the north and south by early summer of 2012. The hope again was to reach an agreement so that a reunified Cyprus could assume the rotating presidency of the EU on July 1, 2012.

It appeared, however, that even before arriving in New York neither Christofias nor Eroglu were willing or able to make necessary concessions on the difficult issues of property rights, security, territory, mainland Turks who had “settled” in the north, or citizenship, areas where both sides had long-held and very different positions. The uncertainty of what could have been achieved prompted Christofias to question whether the meeting should take place at all. The lack of any progress to that point led some in the Greek Cypriot opposition to suggest the meeting be cancelled and warned Christofias not to accept any deadlines or U.N. arbitration, or to agree to an international conference without explicit agreements on internal issues. Nevertheless, Greentree 2

<sup>9</sup> “Latest Cyprus poll findings: Greek and Turkish leadership must take bold action now,” Interpeace initiative, “Cyprus 2015,” July 5, 2011.

took place and it was reported that both sides had submitted to Ban extensive proposals that each felt could provide the basis for a solution. The Greentree meetings concluded without any new agreement to end the stalemate and led an apparently frustrated Secretary-General Ban to say that he would wait until he received a progress report from his Special Advisor at the end of March 2012 before deciding whether to convene an international conference, despite Christofias's opposition to any such decision.

Christofias and Eroglu resumed their direct negotiations in mid-February focusing on the property issue, but it appeared unlikely that the stalemate could have been broken at that point. Even though negotiations would continue, the potential for any agreement looked to be delayed not only until after the EU presidency but also until after the February 2013 national elections in the republic. In early April it was reported that the Turkish Cypriot side had suggested that the U.N.-sponsored talks be terminated once the republic assumed the EU presidency on July 1, 2012. This prompted President Christofias to respond that Turkish Cypriots were no longer interested in a solution even though, as Christofias suggested, the talks could continue during the EU presidency as the two issues were not related.<sup>10</sup>

By May 2012, and with the EU presidency fast approaching, Christofias understood the talks could not have achieved anything positive and although he insisted that the negotiations could have continued during the EU presidency, the U.N. did not. U.N. Special Envoy Alexander Downer then announced that U.N. Secretary-General Ban had decided not to call for an international conference on Cyprus due to the lack of agreement on core domestic issues and further stated that the U.N. would no longer host the "unproductive" leaders' talks. Downer said that the U.N. would reconvene the meetings "when there was a clear indication that both sides had something substantial to conclude."<sup>11</sup>

On May 14, 2012, recognizing his own internal political realities and reverting back to an earlier statement that he would not seek reelection if he was not able to resolve the Cyprus problem, President Christofias, stating that "there are no reasonable hopes for a solution to the Cyprus problem or for substantial further progress in the remaining months of our presidency," announced that he would not seek reelection in 2013.<sup>12</sup>

By the end of May 2012, and with no reasonable hope of a breakthrough, the U.N.-sponsored talks having essentially reached a stalemate were suspended. Neither Christofias nor Eroglu strongly objected to the U.N. decision. While both sides blamed the other for a lack of progress on an agreement, the reaction to the downgrading of the talks appeared to be muted among both the political leaders and the general publics in both communities.

In early June, Kudret Ozersy, the chief advisor to Eroglu for the negotiations at the time, resigned, further signaling that the talks, even at the technical level, would not continue.

<sup>10</sup> "Eroglu seeks termination of U.N. talks on Cyprus, President says," *Famagusta Gazette*, April 12, 2012.

<sup>11</sup> "U.N. decides to take a back seat," *Cyprus-Mail*, April 28, 2012.

<sup>12</sup> "Christofias bows out," *Cyprus-Mail*, May 15, 2012.



## Elections 2013—The Anastasiades Government and New Talks

In January 2013, the Republic of Cyprus entered a period of national elections. With Christofias out of the picture, the political stars began to quickly align. Leading early public opinion polls, Nicos Anastasiades of the DISY Party received the backing of the conservative DIKO and EVROKO parties. DIKO had been part of the previous Christofias-led government but withdrew from the coalition in disagreement over some of the positions taken by Christofias in the negotiations with the Turkish Cypriots. Anastasiades's closest challenge came from the AKEL party itself, led by Stavros Malas. Although Anastasiades took the largest number of first round votes, he was forced into a run-off with Malas but eventually emerged victorious. During the campaign very few concrete proposals regarding the negotiations with the Turkish Cypriots were offered by either candidate as a fiscal and budget crisis took center-stage.

Anastasiades, who had backed the 2004 Annan Plan for a Cyprus settlement, appeared cautious about his intentions other than calling for a settlement, perhaps not wanting to cause a public rift with his DIKO and EVROKO allies, who had opposed the Annan plan, until after the elections. While foreclosing new discussions based on the old Annan Plan, Anastasiades had suggested that the basis of the talks might have to be 1977 and 1979 high-level agreements reached between the Greek and Turkish Cypriot leadership at the time as well as a 2006 set of principles agreed to by former Cypriot leaders. He also suggested that as president he would not be directly involved in the day-to-day negotiations but would, in time, appoint someone as his representative and principal negotiator.

Upon being sworn-in as president, Anastasiades did reach out to the Turkish Cypriots, referring to them as citizens of Cyprus but not giving any clear signal as to his timetable for restarting the negotiations. On the other hand, Yiannakis Omirou, leader of the Parliament, stated that a new national policy was necessary. "We need to denounce the Turkish stance to the international and European community and redefine the Cyprus problem as a problem of invasion, occupation and violation of international law." The new policy, Omirou went on, "must set out the framework for a Cyprus solution and use Cyprus's EU membership and Turkey's EU prospects to exert pressure on Ankara to terminate the island's occupation and accept a solution, in accordance with international and European law."<sup>13</sup>

Initially, the Turkish Cypriots appeared cautious about which negotiating partner they expected to see across the table if and when the talks resumed. Would it be the Anastasiades who was earlier sympathetic to many of the provisions of the Annan Plan, or a different negotiator who was critical of the previous government's negotiating positions and who had teamed with what the Turkish Cypriots believed to be hardline partners that either withdrew from the previous government coalition in part because of the reported "concessions" being offered by Christofias, or who were consistently critical of the previous government's approach? The Turkish Cypriots had also seemed to set a new standard regarding their own status as a prelude for resuming the talks. Turkish Cypriot leader Eroglu had stated that the talks could not resume automatically from where they left off, and had begun referring to the two "states," a "new dynamic," a "new negotiating table," and a timetable for concluding whatever talks do resume.

Even as Anastasiades was being inaugurated, he had to turn his attention to the serious domestic banking and fiscal crises facing the Republic. At the same time, Turkish Cypriot and Turkish

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<sup>13</sup> "House President: A New Policy on the Cyprus Problem Needed," *Famagusta Gazette*, March 2, 2013.

leadership began to publically pressure the Anastasiades government to restart the unification talks as soon as possible, although it appeared that the Turkish Cypriot side was not proposing any significant compromises or new ideas that would move the talks forward. This prompted Anastasiades to respond that he would not be forced to the bargaining table during this period of economic turmoil and was committed to first addressing the government's fiscal crisis.

In mid-May, Foreign Minister Ioannis Kasoulides traveled to New York and Washington to assure everyone that the leadership of the Republic was indeed interested in resuming the negotiations but that they needed time to get a handle on the economic crisis on the island. He also made it clear that the Anastasiades Administration would not be bound by any previous "convergences" discussed between his predecessor Christofias and Eroglu and he would not agree to any definitive timetable to conclude the talks. Kasoulides also floated the old idea, previously rejected by the Turkish Cypriots (and opposed by some Greek Cypriots who wanted a comprehensive agreement), that as a confidence-building measure on the part of Turkey, the abandoned town of Verosha should be returned to "its rightful owners." In exchange, the Turkish Cypriots could be permitted to use the port of Famagusta for direct trade with Europe under the supervision of the EU.

The Turkish Cypriots, however, began speaking more publically and more often of "the realities on the island," referring to two separate co-equal states as well as timetables for concluding the talks. Eroglu had stated that "while there is a Greek Cypriot administration in the South, there is the TRNC state in the North." Ankara, for its part, had already suggested that while it was ready to say yes to a negotiated solution, a two-state option was viable if talks could not restart and produce a solution in a timely fashion.

In statements made in December 2012, Eroglu said "the Cyprus problem cannot be solved under existing conditions" and that "a possible settlement of the Cyprus issue could be viable only if it is based on the existing realities on the island," which acknowledges that "there were two different people having two separate languages, religions, nationality and origin and two different states" and that "certainly it was possible to find a solution to make these two people live together, however people should bear in mind, it is [not] realistic to establish one state from two separate states."<sup>14</sup>

In late May, Anastasiades and Eroglu met over a social dinner hosted by the U.N. Anastasiades restated his support for the resumption of the talks but again indicated that the talks could not restart until perhaps October 2013. In July, the Greek Cypriot National Council took the day-to-day responsibility for the negotiations out of the hands of the President, as had been the practice since 2008, and appointed Ambassador Andreas Mavroyiannis of the Foreign Ministry as the Greek Cypriot negotiator. This action increased speculation that the Greek Cypriots were close to proposing that preliminary discussions begin with the goal of resuming the formal negotiations.

The remainder of 2013 and the beginning of 2014 saw both sides repeatedly arguing over how to restart the talks despite repeated assurances from both sides that they remained committed to restarting the negotiations. Through that period, neither side had been willing to reach agreement on what the Greek Cypriots insisted should be a "joint statement" defining a set of negotiating goals or outcomes that both sides would strive to achieve. The Turkish Cypriots initially rejected

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<sup>14</sup> Statements made by Turkish Cypriot leader Eroglu on various occasions in December 2012 as provided to CRS by the Turkish Cypriots.



the idea that such an opening statement was necessary but then decided to negotiate language they could be comfortable with. In the interim, the Turkish Cypriots reappointed former negotiator Kudret Ozersay, one seen as more willing to seek accommodation, as their representative to the talks.

On February 8, 2014, after what appeared to be a significant intervention by the United States, the Cyprus press reported that an agreement on the language of a “joint declaration” had been reached and that Anastasiades and Eroglu would meet right away to relaunch the negotiations. This was further confirmed when the “joint statement” was released to the public a few days later.<sup>15</sup>

The agreement on the language of the “joint statement,” however, did not come without a political price for Anastasiades. On February 27, the leader of the government’s coalition partner, DIKO, Nicolas Papadopoulos, announced that it was leaving the government over disagreements over the way President Anastasiades was handling the negotiations, much as they did when they quit the Christofias government.<sup>16</sup> It appeared that Papadopoulos, whose father, former President Tassos Papadopoulos, opposed the Annan Plan, was concerned that Anastasiades had tacitly accepted some of the past “convergences” that DIKO had opposed. The fact that the “joint statement” referred only to a “united” Cyprus and not the Republic of Cyprus again may have suggested to DIKO that Anastasiades had come too close to accepting an autonomous Turkish Cypriot state over which the Greek Cypriots would have little or no authority or jurisdiction.

Nevertheless, negotiations resumed between Mavroyiannis and Ozersay, with Anastasiades and Eroglu meeting periodically. It remained unclear exactly where the starting point for each of the “chapters” of issues to be negotiated had been set. Both sides had earlier insisted that they would not be bound by past “convergences” thought to have been achieved in previous negotiations. However, the February “joint statement” referred to the fact that only “unresolved” issues would be on the table, suggesting that perhaps some previous agreements had, in fact, been accepted.

Such a long disagreement first over the need for, and then the language of, the joint statement, intended to identify the goals both sides hoped to achieve through the negotiation process, indicated to many observers that it would continue to be difficult to reach a final solution, particularly in 2014, which marked the 40<sup>th</sup> anniversary of the 1974 deployment of Turkish military forces to the island and the 10<sup>th</sup> anniversary of the Greek Cypriot vote against the Annan Plan, events which would be observed in very different ways on each side of the island. The pessimism surrounding the potential continuation of the stalemate prompted one well-respected Washington think tank to suggest that a permanent separation of the two sides might become inevitable and that serious consideration should be given to such a possible outcome.<sup>17</sup>

Despite the fact that the talks did resume with Anastasiades and Eroglu meeting several times, no apparent progress has been made. In early July Eroglu was said to have submitted a “roadmap” toward a settlement, which included a national referendum to be held by at least the end of 2014. This was apparently rejected by Anastasiades. Later in July it was reported that the Greek

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<sup>15</sup> For text of the statement see, “Joint declaration final version as agreed between the two leaders,” *Cyprus Mail*, February 11, 2014.

<sup>16</sup> “DIKO decides to leave Cyprus government coalition,” *Famagusta Gazette*, February 27, 2014.

<sup>17</sup> “Divided Cyprus: Coming to Terms on an Imperfect Reality,” Europe Report 229, International Crisis Group, March 2014.

Cypriots had tabled a 17-point plan addressing their positions on issues for a future agreement while the Turkish Cypriots submitted a 15-point counter-proposal. Both proposals were rejected.

Not only was there disagreement on how to go forward, there have been reports that both sides have actually backtracked on several issues (see below). For instance, both sides seem to blame the other for refusing to recognize previous “convergences” arrived at by Christofias and Talat.<sup>18</sup> It was reported that Anastasiades had changed his views on a rotating presidency and that Eroglu suggested that the number of mainland Turks who had settled in the north that would be allowed to remain on the island would have to be higher than previously discussed.<sup>19</sup> Finally, having been rebuffed on the idea of Turkey returning the town of Verosha to the Greek Cypriots, President Anastasiades apparently suggested that the town of Morphou would also have to be returned.<sup>20</sup>

These and other reported roadblocks to the negotiations prompted Greek Prime Minister Antonis Samaras to say in July that no “significant progress” had been made,<sup>21</sup> and the Turkish Cypriot official for foreign affairs, Ozdil Nami, to suggest “the peace talks were finished.”<sup>22</sup>

The last meeting between Anastasiades and Eroglu, before a break for the summer was held on July 26 and was reportedly a somewhat tense session with Anastasiades expressing his frustration with the Turkish Cypriot side. The talks resumed in September. After Anastasiades and Eroglu renewed their meetings on September 21, Turkish Cypriot negotiator, Kudret Ozersay, stated that he felt “real negotiations are starting now.”<sup>23</sup>

Interestingly, with presidential elections completed in Turkey, some were watching newly elected President Erdogan for signs regarding what role Turkey may now play in the settlement talks. Erdogan visited northern Cyprus in September and Anastasiades stated that he would be listening to Erdogan’s speeches in Cyprus and perhaps at the U.N. General Assembly for any change in Turkey’s views on Cyprus. However, Erdogan created controversy when he suggested Turkey could not accept a solution that did not include two states and political equality.<sup>24</sup> While what Erdogan says or does not say in New York or elsewhere could be a key to the immediate status of the negotiations, few would anticipate that Erdogan’s views will result in any significant shift in the Turkish Cypriot position. Others believe the stalemate could likely drag on until after the national elections in northern Cyprus, which are scheduled to be held in April 2015, and pending whether someone might replace Eroglu.

In late August, the United Nations named Norwegian diplomat, Espen Barth Eide as the Secretary General’s new Special Advisor on Cyprus. Eide has jumped right into the new role and is hosting the current round of negotiations.

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<sup>18</sup> “Talks in a deep freeze for summer,” *Cyprus Mail*, July 25, 2014.

<sup>19</sup> “The most blatant mockery of negotiations,” *Cyprus Mail*, July 27, 2014.

<sup>20</sup> “No solution to the Cyprus problem without the return of Morphou, President says,” *Famagusta Gazette*, August 14, 2014.

<sup>21</sup> “No “significant progress” in Cyprus talks – Greek PM,” *Famagusta Gazette*, July 28, 2014.

<sup>22</sup> “Cyprus peace talks are finished, claims Ozdil Nami,” Turkish Cypriot TV as reported in the *Famagusta Gazette*, July 18, 2014.

<sup>23</sup> Interview with Kudret Ozersay on Ada TV.

<sup>24</sup> “Erdogan’s demands ‘against UN resolutions’, *Cyprus Mail*, September 1, 2014.

## Issues

As intensely as the Cyprus negotiations had been followed in the press and by outside political observers, it had always been difficult to determine with any specificity exactly what either side meant by the term “convergences” when referring to the issues under negotiation. And although both Anastasiades and Eroglu had indicated that neither would be bound by any of the past “convergences,” some of the language in their February 2014 “joint statement” seemed to have suggested that some past agreements had been adopted. However, during the course of the negotiations over the summer, the status of these past “convergences” seemed to have become more uncertain, with both sides sending mixed signals over whether they have agreed to anything.

In his April 1, 2010, press conference, former Turkish Cypriot leader Talat stated that 31 “joint documents” had been prepared addressing a range of issues. Talat suggested that the new federal government would have powers over external relations, EU relations, citizenship, budget, and economic coordination, which now appear to have been included in the language of the “joint statement.” Another understanding suggested that one side would hold the portfolio of the foreign minister and the other the EU portfolio. Still another had the equal constituent states covering most of the remainder of the governance issues, which again seems to have been written into the “joint statement.” Talat also suggested that the two sides had agreed on a Senate, equally represented, and a House proportionally based on population. There was also reportedly a “convergence” on a new judicial court that would have equal Turkish and Greek Cypriot representation and that Cyprus would be represented in the European Parliament by four Greek and two Turkish Cypriot MPs. A Federal Supreme Court is identified in the “joint statement.”

When former President Christofias and Eroglu began their negotiations neither side acknowledged the Christofias/Talat “convergences” as anything more than unofficial understandings, as both sides adhered to the idea that “nothing is agreed until everything is agreed,” a position again stated in the “joint statement.”

What did appear clear, however, were the issues on which little agreement had been reached or in fact had been the subject of some backtracking by both sides. For instance, both sides continued to differ over how a new united Cyprus would be created. The Greek Cypriots assumed the new unified state would evolve from the existing Republic of Cyprus. The Turkish Cypriots wanted the new state to be based on two equal “founding states,” as Eroglu had stated he was not prepared to give up the Turkish Republic of Northern Cyprus. The Turkish Cypriots also wanted the new entity referred to as something other than the “Republic of Cyprus.” The “joint statement” agreed to by Anastasiades and Eroglu simply refers to a “united” Cyprus and seems to suggest two relatively separate “constituent states” united under a federal government that would have limited authority relative to the power of the two states.

Christofias reportedly proposed the direct election of a president and vice president for a six-year term on the same ticket with weighted cross-community voting. The president would be a Greek Cypriot for four years and the vice president would be a Turkish Cypriot; they would then rotate offices, with the Turkish Cypriot becoming president for two years. Turkish Cypriots initially proposed that the executive have two alternating presidents elected by the Senate. Turkish Cypriots were opposed to a single list of Greek Cypriot and Turkish Cypriot candidates to be elected by all of the people of Cyprus principally because Greek Cypriots, by virtue of their majority, would in effect elect the Turkish Cypriot candidate. At some point Talat seemed to have made a significant concession in agreeing to accept the Greek position for the election of a president and vice president even though he continued to have doubts about direct popular voting.

Although the idea of a rotating presidency was not new, opposition to the proposal was, and continues to be, vocal on the Greek Cypriot side as many Greek Cypriots apparently could not accept the idea of being governed by a representative of the Turkish Cypriot minority.<sup>25</sup> It has been reported that in July, Anastasiades retreated on the notion of a rotating presidency, proposing the old idea that future presidents be Greek Cypriots and future vice presidents be Turkish Cypriots elected directly by all voters. The Turkish Cypriots rejected the proposal.

The thorny issue of property had been the focus of a significant debate between Christofias and Eroglu. As a result of the ethnic strife of the 1960s and the deployment of Turkish military forces on the island in 1974, it was estimated that over 150,000 Greek Cypriots living in the north were forced south and close to 50,000 Turkish Cypriots living in the south fled to the north, with both communities leaving behind massive amounts of vacated property, including buildings and land. Greek Cypriots have long insisted that the original and legal owners who lost properties in the north must have the right to decide how to deal with their property, whether through recovery, exchange, or compensation. Turkish Cypriots believe that the current inhabitant of a property must have priority and that the issue should be resolved through compensation, exchange of alternate property, or restitution. To try to help resolve some of the property issues, the Turkish Cypriots established the Immovable Property Commission (IPC) to hear cases related to Greek Cypriot property claims in the north. The Greek Cypriots initially rejected the IPC. And although initially only a few private Greek property owners had filed claims for compensation with the IPC, it now appears that the number of claims being filed is increasing. As in past negotiations, the gap in the respective Cypriot positions has been great and appears to remain so.

The question of overall territory that would come under the jurisdiction of the two equal states is also in dispute. The Turkish Cypriot side of the “green line” includes approximately 37% of the island and includes several areas, such as Varosha, Morphou, and Karpas, that had been almost 100% Greek Cypriot inhabited before the 1974 division. Greek Cypriots want that territory returned, which would leave the Turkish Cypriot side controlling about 29% of the territory. At the time, Christofias resurrected an older proposal that would have the Turkish side return the uninhabited city of Varosha to Greek Cyprus in exchange for opening the seaport of Famagusta for use by the Turkish Cypriots to conduct international trade. The port would be operated by the EU and a joint Greek/Turkish Cypriot administration, thus allowing direct trade between northern Cyprus and the EU. Eroglu, perhaps banking on a proposal at the time submitted by the EU Commission to the EU Parliament to open direct trade with the north, rejected the Varosha/Famagusta proposal, although some speculated that Ankara was opposed to such a deal because it then would have placed pressure on Turkey to comply with its obligations under the Ankara Protocol to open its ports to Cypriot commerce. The European Parliament declined to consider the Commission’s initiative on technical grounds but in its 2011 report on Turkey’s EU accession progress (introduced in Parliament in 2012) called for that very trade-off Christofias offered. After the 2013 Greek Cypriot elections, President Anastasiades resurrected the proposal in the form of a “confidence-building” measure to test the sincerity of the Turkish Cypriots and Turkey to move forward in the negotiations. Eroglu stated that territory was a key bargaining chip for the Turkish Cypriots, suggesting he would not accept any Greek Cypriot proposal on Varosha or other areas. In early August 2014, it was reported that Anastasiades had upped the ante by suggesting that no agreement could be reached unless the town of Morphou was also returned to

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<sup>25</sup> According to a poll conducted by the EDEK party in the spring of 2010, over 70% of Greek Cypriots polled expressed opposition to a rotating presidency.

the Republic. The Turkish Cypriots quickly rejected the idea, saying the town would not be returned.<sup>26</sup>

On another issue, in July 2010, President Christofias, seeking to unlock the stalemate, tabled a proposal that would have linked the property and territory issues into one agreement, which also included Christofias's earlier offer to Talat to include allowing 50,000 mainland Turks who had settled in the north to remain in the north. Eroglu had indicated that any final solution could not result in significant social upheaval in north Cyprus, meaning that significant numbers of citizens of the north, whether from the mainland or not, could not be forced to leave and only a small number of Greek Cypriots would be permitted to return to property in the north. Eroglu rejected the offer from Christofias, and since then has stated that "no one on Cyprus is any longer a refugee" and that sending mainland Turkish settlers back to Turkey was not something he could agree to. Greek Cypriot political parties, other than Christofias's AKEL, were opposed to any agreement that would allow a large number of "settlers" to remain on the island.

After the "joint statement" was agreed to in February 2014, Turkish Cypriot representatives were reported to have stated that no citizens of the north would be required to leave the country.<sup>27</sup> In a talk given at the Woodrow Wilson Center in Washington, DC, on February 28, the Cyprus Ambassador speculated that a resolution of the Cyprus problem could conceivably allow for mainland Turks, who came to the island as long ago as 40 years and had established clear roots in the north, to remain on the island.

Next to the property issue, the issue of security guarantees continues to be one of the most difficult bridges to cross. The Greek Cypriots had long argued that all Turkish military forces would have to leave the island. They argued that the EU could offer guarantees to all of its member states. Therefore, once the entire island became part of the EU, they saw no reason for guarantees from third countries, such as Turkey, Greece, or the United Kingdom.<sup>28</sup> Turkish Cypriots and Turkey maintain that the 1960 Treaties of Guarantee and Alliance must be reaffirmed in any settlement, and Turkish security guarantees should not be lifted until Turkey joins the EU, because, without guarantees, the Turkish Cypriots would feel insecure based on their history with ethnic violence on the island in the 1960s.

During an earlier period in 2010 when the talks were faltering, Turkish Prime Minister Erdogan suggested that, as a way to move the negotiations forward, a five-party international conference be held to try to help settle several major differences between the two Cypriot sides, including the security guarantee issue. In a March 18, 2010, speech Christofias did seem to suggest that an international conference that included the permanent members of the U.N. Security Council, the EU, Greece, Turkey, and the two Cypriot sides might be useful if it focused on what he termed the international aspects of the problem, namely troop withdrawals, mainland Turkish settlers, and future security guarantees. Christofias maintained his support for such an option as long as all of the "domestic" issues between the Greek and Turkish communities were resolved first. However, Eroglu had stated on several past occasions that "the security guarantees with

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<sup>26</sup> "No Solution to the Cyprus Problem without Return of Morphou, President says," *Famagusta Gazette*, August 14, 2014.

<sup>27</sup> "Jittery Turkish settlers seek clarifications as Cyprus talks resume," *Famagusta Gazette*, February 19, 2014.

<sup>28</sup> "Cypriot FM: No Derogations from Acquis During a Solution," *Cyprus News Agency*, November 14, 2008, BBC Monitoring European, November 17, 2008.



Motherland Turkey could not be changed.”<sup>29</sup> After the February 2014 “joint statement” was agreed to, it was reported that Eroglu had again stated that Turkish troops would not leave the island.<sup>30</sup> It remains unclear exactly what Anastasiades’s position is on such a conference, and it is not referenced in the “joint statement.”

## Assessment

The elections of Christofias and Talat in 2008 ushered in a period of higher expectations for a settlement than at any time since 2004, when the Annan Plan was considered by both Cypriot communities. The personal relationship between Christofias and Talat and their public commitments to finding a solution to the Cyprus problem suggested that if these two leaders could not achieve a negotiated settlement, not perfect for either side but acceptable to both, then it might take a long time before two like-minded leaders would again find themselves in a position to find a way to unify the people of Cyprus.

Yet, after two years and close to 80 meetings and despite the strong commitment, good intentions, and warm relations between the two leaders, progress in the talks fell victim to the harsh realities of four decades of separation, mistrust, misunderstanding, and in some cases, indifference to the need for a final settlement and unification of the island. Similarly, Christofias and Eroglu were unable to find common ground or make enough necessary concessions to craft an acceptable accommodation, despite regular leadership meetings, technical level discussions, and five meetings with U.N. Secretary-General Ban Ki-moon.

By mid-2012, the negotiations had fallen victim to the convergence of several factors that led to the suspension of the talks. One factor that contributed to the demise of the negotiations was Christofias’s intent to make the Republic’s presidency of the EU a success. Christofias clearly did not want a divisive debate over what probably would have been an unpopular agreement even if he and Eroglu could have negotiated a settlement to preoccupy or to ultimately overshadow the Cyprus EU presidency. Eroglu’s decision not to meet directly with President Christofias during the six-month EU presidency despite the fact that the settlement negotiations were not part of the presidency’s mandate was also a factor.

The emergence of the fiscal and budget crisis in Cyprus brought on in the aftermath of the larger Eurozone crisis was also a contributing factor. Christofias realized that managing a serious fiscal crisis and the presidency of the EU simultaneously would leave, in reality, little time for him to continue any regular negotiations with Eroglu. As noted, the impact of the economic crisis spilled over into the first year of the Anastasiades presidency, further stalling the resumption of the talks.

Another factor contributing to the stalemate in the talks was the discovery of natural gas deposits off the southern coast of Cyprus in late 2011, which led to accusations, threats, and distrust between the Republic, the Turkish Cypriots, and Ankara over whether and how these resources would be exploited and shared between the two communities. The Turkish Cypriots wanted the Republic to stop further exploration and potential exploitation of any new energy resources until an overall solution to the Cyprus problem was reached. The Greek Cypriots indicated that they

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<sup>29</sup> Comments from the speech of Turkish Cypriot leader Dervis Eroglu commemorating the Turkish intervention in Cyprus, July 20, 2011.

<sup>30</sup> “AKEL: Pay no heed to Eroglu’s rhetoric,” *Cyprus Mail*, February 22, 2014.

would continue to explore and develop their resources but were willing to make the benefits of the newly found reserves available to all on the island but only after a unification agreement was reached. In June 2013, when the Republic announced that a new round of drilling and extraction would commence, the rhetoric escalated as the Turkish Cypriots complained that this represented a provocative step and Ankara, according to press reports, declared that the decision “disregards the rights of Turkish Cypriots who have their own state in the north of the island.”<sup>31</sup>

While some observers felt at the time (and continue to believe) that the energy issue could have become a rallying point for stepped up and hopefully successful negotiations in which both sides would enjoy the economic benefits of the newfound resources, the atmosphere was quickly poisoned and has remained so, thus calling into question using the energy card to spur more serious negotiations. In fact, because the earliest any gas from the Aphrodite field or any other exploration block can begin flowing to Cyprus would be in the 2018-2019 timeframe, tying a potential solution to the Cyprus problem to the potential economic benefits of its natural resources could condemn the talks to another four or five years of negotiations as both sides would wait to see how the energy issue played out.

The May 2012 suspension of formal negotiations had been seen by many as a significant blow to the future of a united Cyprus as a whole and raised questions regarding the future of the negotiations. However, the pending 2013 presidential elections in the Republic did offer the possibility that with at least one new negotiator, some level of new energy might be injected into the negotiations once the newly elected government settled into office.

After the presidential elections were concluded, however, many observers became concerned when Anastasiades responded that he would not be forced to the bargaining table during the period of economic turmoil and wondered when he would be prepared to meet with the Turkish Cypriots to resume the negotiation. Some became disappointed that the resumption of the negotiations appeared to be a much lesser priority than expected even though they understood the need to address the economic crisis.

As noted earlier in this report, in October 2010, Turkish press reported that Eroglu appeared so frustrated with the negotiations that he suggested that Turkish Cypriots had become fed up and no longer believed in the possibility of a mutually agreeable settlement. “As time passes” he said, “the willingness of the two communities to live together is diminishing.” In early June 2013, with no movement toward the resumption of the talks in sight, Eroglu, addressing several Turkish Cypriot political parties, restated his concerns. In his remarks he stated, “generations in Cyprus are changing” and said “this might be the last chance. Rising generations will not be patient like us. There might not be a community to continue the negotiations for another 45 years.”<sup>32</sup>

For many Cyprus observers, the February 2014 report that both sides, with the prodding of the United States, had agreed to the language of a “joint statement” setting the stage for the resumption of the talks was welcome news but did raise the question of what had changed. The injection of an energized United States, long a missing person in the settlement talks, has been attributed by some as the catalyst that provided the extra push needed to end the stalemate over the “joint statement” and to get the negotiations back on track. Since then, however, there appears

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<sup>31</sup> “Gas spat worsens as Turkey says ‘We can no longer let the 50-year-old Cyprus problem continue’, *Famagusta Gazette*, June 17, 2013.

<sup>32</sup> Remarks of Turkish Cypriot leader Dervis Eroglu provided by the Turkish Cypriot representation in Washington.



to have been almost no follow-on pressure from the United States, the EU, or even Turkey to promote serious negotiations to find a solution.

Some have held that the Turkish Cypriots' initial attempt to try to take advantage of Anastasiades's perceived weakened state due to the economic crisis had worked and that Anastasiades actually made significant concessions in the language of the "joint statement" (see above) that Eroglu could not pass up. Others suggest that time was running out on Eroglu's desire to reach an agreement in 2014, which marked the 40<sup>th</sup> anniversary of the 1974 deployment of Turkish military forces to the island and the 10<sup>th</sup> anniversary of the demise of the Annan Plan. For the Turkish Cypriots, and for Eroglu in particular, a solution to the Cyprus problem in 2014, the same year as these anniversaries, could have been highly symbolic and possibly seen as a vindication for the 1974 and 2004 actions.

The political symbolism of the anniversaries represented by 2014, as mentioned above, may have also played into Anastasiades's calculation. The 2014 anniversaries would likely have made it politically difficult, if not impossible, for the Greek Cypriots to accept a political settlement this year even if compromises were found for each issue under discussion. Many Greek Cypriots who believed all along that Eroglu's goal (and idea of a solution) was a separate state in the north may have felt that it was better to restart the negotiations and have them taking place right through the anniversaries in order to downplay their symbolism and to foreclose on any opportunity for Eroglu to pursue a course of action designed to strengthen the idea that the island had evolved into two equal and separate states and that for the Turkish Cypriots a "two-state" option was not only viable but desirable.

With the agreement on the "joint statement" there appeared a glimmer of hope that the window of opportunity to reach an agreed solution had reopened. The subsequent negotiations have thus far proven otherwise. Turkish Cypriot negotiator Ozersay's comments after the September 21 meeting between Anastasiades and Eroglu that "real negotiations are starting now" left many wondering what had taken place over the previous 8 years. The issues that have separated the two communities and prevented a solution for 40 years have long been clearly defined (they had not changed since the Annan Plan in 2004) and the positions and proposed solutions each side has taken on them have been thoroughly debated and rejected by each side over and over.

So while the talks have begun anew, a new U.N. Special Advisor has been appointed, and the U.S. Secretary of State has expressed his strong support for the negotiations, the compromises each side will have to make in order to reach a final solution do not appear any closer to being achieved and thus reaching that final elusive settlement will still not prove to be any easier.

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