

CRS Issue Brief for Congress

Received through the CRS Web

Cyprus: Status of U.N. Negotiations

Updated August 12, 2003

Carol Migdalovitz
Foreign Affairs, Defense, and Trade Division

CONTENTS

SUMMARY

MOST RECENT DEVELOPMENTS

BACKGROUND AND ANALYSIS

Past Settlement Efforts

- 1977 Makarios-Denktash Meeting
- 1979 Kyprianou-Denktash Communique
- 1984 Proximity Talks
- 1985-86 U.N. Draft Framework Exercise
- 1988-89 Talks
- March 1990 - April 1992
- “Set of Ideas
- Confidence-Building Measures

Developments, 1997-2001

- 1997 Talks
- 1999-2001 Proximity Talks

Developments, 2002-2003

- November 11, 2002 Settlement Plan

Established Positions of the Parties on Key Issues

Other Factors Affecting the Talks

- Domestic Politics in Cyprus
- Policies of Greece and Turkey
- European Union Membership

U.N. Peacekeeping Forces

U.S. Policy

LEGISLATION

Cyprus: Status of U.N. Negotiations

SUMMARY

Cyprus has been divided since 1974. Greek Cypriots, nearly 80% of the population, live in the southern two thirds of the island. Turkish Cypriots live in the “Turkish Republic of Northern Cyprus” (recognized only by Turkey), with about 30,000 Turkish troops providing security. U.N. peacekeeping forces maintain a buffer zone between the two. Since the late 1970s, the U.N., with U.S. support, has promoted negotiations aimed at creating a federal, bicommunal, bizonal republic on Cyprus. The two sides would pledge not to move toward union with any other country. This reflects concerns that Greek Cypriots would like to unite with Greece and that Turkish Cypriots seek to partition the island, linking the north to Turkey.

The Secretary General’s April 5, 1992 “Set of Ideas” was a framework for negotiations for an overall settlement. The Security Council implied that Turkish Cypriot leader Rauf Denktash was responsible. It then called for confidence-building measures (CBMs). Glafcos Clerides was elected president of the Republic of Cyprus in February 1993. Both sides eventually accepted CBMs in principle, but did not agree on Secretary General’s proposed method for recording clarifications.

A January 4, 1997 confirmation that Greek Cypriots would acquire Russian S-300 missiles prompted the United States to deplore the purchase and Turkey to threaten military action to prevent deployment and to bond closer to Turkish Cyprus. The missiles were the focus of intense crisis prevention efforts. On December 29, 1998, Clerides decided not to deploy the missiles on Cyprus.

The prospect of Cyprus’s European Union accession triggered heightened international attention to Cyprus and complicated settlement efforts. The U.N. hosted inconclusive talks in July and August 1997. Denktash demanded that the TRNC be recognized as a state equal to the Greek-Cypriot side in a confederation and concluded a declaration of partial integration with Turkey to parallel Cyprus’s integration with the EU.

Clerides and Denktash participated in five rounds of U.N.-mediated proximity (indirect) talks beginning in December 1999. On November 8, 2000, the Secretary General gave the two leaders his “observations” on substance and procedure. In reaction, Denktash withdrew from talks. He and Clerides met on Cyprus on December 4, 2001, and began holding direct talks on January 16, 2002. On November 11, the Secretary General submitted a comprehensive settlement plan based on Swiss and Belgian models. Greek Cypriots and Turkish Cypriots failed to agree on it at an EU summit in Copenhagen, December 12-13. Negotiations resumed on January 15, 2003. On March 12, Annan announced that his efforts to get the two sides to agree to simultaneous referenda on the plan had failed. Cyprus signed an accession treaty to join the EU on April 16. Denktash opened the border between the north and south on April 23.

Members of Congress have urged the Administration to be more active, although they have not proposed an alternative to the U.N.-sponsored talks. Some Members seek increased pressure on Turkey to withdraw its troops from Cyprus.

MOST RECENT DEVELOPMENTS

On July 11, Turkish Cypriot leader Rauf Denktash wrote to U.N. Secretary General Kofi Annan proposing the reopening the Nicosia international airport to serve both Turkish Cypriots and Greek Cypriots, and opening part of the closed sector of Varosha, both under U.N. auspices. Denktash's ideas had been among the confidence-building measures discussed, but not accepted, in 1992-1994. (See below.) Turkey said it would open its air space, ports, and airports to Greek Cypriot planes and ships if Denktash's proposals were accepted. Denktash sent a copy of his letter to (Greek) Cypriot President Tassos Papadopoulos and requested cooperation. On July 21, Papadopoulos rejected the proposals. His foreign minister explained that acceptance would lead to the postponement of settlement talks. At the end of July, both sides expressed readiness to discuss the demining of areas in and around Nicosia. The U.S. State Department welcomed the move but noted that confidence-building measures "are not a substitute for a comprehensive settlement." On August 8, Turkey and the "Turkish Republic of Northern Cyprus" signed a framework agreement for a customs union accord. The (Greek) Cypriot government said that it considered the accord illegal. On August 8, the U.N. Secretary General's spokesman announced that the Secretary General's Special Advisor on Cyprus Alvaro de Soto had been reassigned. No replacement was named.

BACKGROUND AND ANALYSIS

The island of Cyprus gained its independence from Great Britain in 1960 and has been divided since 1974. The 738,000 Cypriots are 76% of Greek ethnic origin, and 19% of Turkish ethnic origin. (Less than 5% of the population is Maronites, Armenians, Roman Catholic Latins, and others.) At independence, the republic's constitution defined elaborate power-sharing arrangements. It required a Greek Cypriot president and a Turkish Cypriot vice president; each elected by his own community. The Treaty of Alliance among the Republic, Greece, and Turkey provided for 950 Greek and 650 Turkish soldiers to help defend the island. The two sides aspired to different futures for Cyprus: most Greek Cypriots favored union (of the entire island) with Greece (*enosis*), and Turkish Cypriots preferred partition of the island (*taksim*) and uniting a Turkish zone with Turkey.

Cyprus' success as a new republic lasted from 1960-63. After President Makarios proposed constitutional modifications in favor of the majority community in 1963, relations between the two communities deteriorated, with Turkish Cypriots increasingly consolidating into enclaves in larger towns. In 1964, Turkish Cypriots withdrew from most national institutions and began to administer their own affairs. Intercommunal violence occurred in 1963-64, and again in 1967. On both occasions, outside mediation and pressure, including that by the United States, appeared to prevent Turkey from intervening militarily on behalf of the Turkish Cypriot community. Since the 1964 crisis, U.N. peacekeeping troops have been a buffer between the two communities.

In 1974, the military junta in Athens supported a coup against President Makarios, replacing him with a hardline supporter of *enosis*. Turkey, citing the 1960 Treaty of Guarantee as a legal basis for its move, sent troops in two separate actions and, by August

25, was in control of more than 36% of the island. The military intervention (often called an invasion) had many byproducts. Foremost was the widespread dislocation of the Cypriot population and related refugee and property problems. The Athens junta fell, civilian government was restored in Athens and in Nicosia, Greece withdrew from NATO's military command to protest NATO's failure to prevent Turkey's action, and Turkey's civilian government entered an extended period of instability. U.S. relations with all parties suffered.

After 1974, Turkish Cypriots emphasized a solution to keep the two communities separate in two sovereign states or two states in a loose confederation. In February 1975, they declared their government the "Turkish Federated State of Cyprus" (TFSC). In 1983, Turkish Cypriot leader Rauf Denktash declared the "Turkish Republic of Northern Cyprus" (TRNC) — a move considered by some a unilateral declaration of independence. Turkish Cypriots have a constitution and a 50-seat parliament. Denktash argued that creation of an independent state was a necessary precondition for a federation with the Greek Cypriots. He ruled out a merger with Turkey, and pledged cooperation with U.N. settlement efforts.

Past Settlement Efforts

After 1974, U.N. 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. They prefer two nearly autonomous societies with limited contact. Greek Cypriots emphasized the three freedoms — movement, property, and settlement — envisioning a society with free movement of people. The two parties also differed on the means of achieving a federation: Greek Cypriots want 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 views could affect resolution of property, citizenship of Turkish settlers, and other legal issues. Since 1974, there have been many rounds of U.N.-sponsored direct and indirect negotiations:

1977 Makarios-Denktash Meeting. Agreed that 1) Cyprus will be an independent, nonaligned, bicomunal, federal republic; 2) each administration's control over territory will be determined in light of economic viability, productivity, and property rights; 3) freedom of movement, settlement, and property will be discussed; and 4) powers and functions of the central federal government would safeguard the unity of the country.

1979 Kyprianou-Denktash Communiqué. Agreed to talk on the basis of the 1977 guidelines and address territorial and constitutional issues, giving priority to Varosha, demilitarization, and to eschew union in whole or part with any other country.

1984 Proximity Talks. After the 1983 declaration of the "TRNC," both sides proposed confidence-building measures and resolution through a comprehensive framework. U.N. representatives conducted proximity or indirect talks on constitutional arrangements, withdrawal of foreign troops, and the status of international treaties and guarantees.

1985-86 U.N. Draft Framework Exercise. In January 1985, the Turkish Cypriots accepted a draft U.N. document; Greek Cypriots considered it only a basis for negotiations.

The U.N. modified the document. Greek Cypriots accepted an April 1985 version; Turkish Cypriots did not. Greek Cypriots opposed a March 1986 revision and called for an international conference or a new summit to revitalize the process.

1988-89 Talks. After futile informal direct talks, Cypriot President Vassiliou and Denktash submitted papers that hardened positions. In April 1989, Secretary General Perez de Cuellar discouraged written positions and proposed separate meetings. Denktash criticized the substitution of proximity for direct talks, but the U.N. believed the parties had agreed to “separate and periodic joint meetings.” In June, Perez de Cuellar circulated draft ideas for an agreement. Turkish Cypriots argued that the U.N. had exceeded its good offices role; only a document drafted by the parties would be acceptable.

March 1990 - April 1992. Security Council Res. 649, May 13, 1990, reaffirmed the Secretary General’s right to make suggestions. It referred to the federal solution as bicommunal as regards constitutional aspects and bizonal as regards territorial aspects — the first U.N. reference to bizonality, a key concept for the Turkish Cypriots. In June 1991, Perez de Cuellar called for an international meeting. On August 2, President Bush announced that Greece and Turkey had agreed to a U.N. conference on Cyprus. The Secretary General insisted that the sides be within range of agreement first, but the Greek and Turkish Prime Ministers were unable to find common ground. On October 8, the Secretary General reported that a conference was not possible and blamed Denktash’s assertion that each side possessed sovereignty, differing from U.N. resolutions attributing that characteristic solely to the Republic.

“Set of Ideas.” Secretary General Boutros-Ghali’s April 1992 report suggested a bizonal federation of two politically equal communities, possessing one international personality and sovereignty. A bicameral legislature would have a 70:30 ratio of Greek Cypriots to Turkish Cypriots in the lower house and a 50:50 ratio in the upper house. 7:3 ratio would prevail in the federal executive. Each state would be guaranteed a majority of the population and of land in its area. Non-Cypriot forces not foreseen in the 1960 Treaty of Alliance would withdraw. In June, Boutros-Ghali presented a “non-map.” A new U.N. draft provided for separate referenda in each community within 30 days of an agreement, an 18-month transitional period, withdrawal of Turkish troops, guarantees consistent with Conference on Security and Cooperation in Europe principles, an end of the Greek Cypriot embargo, free movement, a time-table for the return of Greek Cypriot refugees and their property, three constitutions (one for each community and one for the central government), a 7:3 ratio in the executive, vice-presidential veto power (no rotating presidency), an island-wide referendum on EC membership, and the return of Varosha and about 30 villages to Greek Cypriots. Turkish Cypriots would receive assistance and compensation. Greek Cypriots would get Morphou. Denktash said that Turkish Cypriots to be displaced would total 40,000 or about one-quarter of the north’s population. Vassiliou estimated that 82,000 Greek Cypriots would be able to return home and that Denktash’s 40,000 figure was inflated.

On August 21, Boutros-Ghali reported that his map provided for two federated states, the return of many Greek Cypriots, and Turkish Cypriot retention of the coastline and traditional villages. He said that Denktash’s territorial proposals were not close to the “non-map” and that arrangements would be made for displaced Turkish Cypriots. Vassiliou was depicted as ready to negotiate an agreement based on the map. Denktash accepted the right of return and right to property, provided practical difficulties were taken into account.

Boutros-Ghali concluded that an agreement was possible if Turkish Cypriots foresaw territorial adjustment in line with his map. Denktash said the report was unacceptable. S/Res/774, August 26, 1992, endorsed the set of ideas and non-map. The Secretary General's November 19 report implied Denktash's responsibility for the lack of progress. A February 14, 1993, election in Cyprus produced a new president, Glafcos Clerides, who accepted the set of ideas only "in principle."

Confidence-Building Measures. On November 19, 1992, the Secretary General called for confidence-building measures (CBMs) including a reduction of Turkish troops in exchange for a reduction in defense spending by the Republic of Cyprus; U.N. control of Varosha; contacts between Greek Cypriots and Turkish Cypriots; reduced restrictions on foreign visitors crossing the buffer zone; bicommunal projects; a U.N.-supervised island-wide census; cooperation in U.N. feasibility studies on resettlement and rehabilitation of people who would be affected by territorial adjustments.

From May 24 to June 1, 1993, Clerides and Denktash discussed opening Varosha and reopening Nicosia Airport, which has been under U.N. control but unused since 1974. Clerides insisted that all of Varosha be handed over, while Denktash wanted to retain about 20% and/or have a U.N. security circle around it and an end to the Greek Cypriot embargo of northern Cyprus. He claimed that CBMs would benefit Greek Cypriots more than Turkish Cypriots. However, U.N. experts determined that both sides would benefit, with relatively greater benefits for Turkish Cypriots because of their smaller economy and lifting of obstacles facing them. Greek Cypriots sought to avoid recognizing the TRNC.

On January 28, 1994, Denktash agreed to CBMs in principle. He later contended that a March 21 U.N. draft unbalanced equities in the CBMs. Clerides said that he would accept the March 21 text if Denktash would. The Secretary General's May 30 report, made known on June 1, insisted that the March draft had not destroyed balance. Boutros-Ghali blamed the Turkish Cypriots' lack of political will for the lack of agreement. On May 31, Denktash had said that he would accept the CBMs if improvements agreed to were incorporated. Clerides would not negotiate beyond the March document. Boutros-Ghali's June 28 letter to the Security Council President concluded that there was sufficient progress to implement CBMs based on the March paper and clarifications, and said that he intended to address an identical letter to each leader expressing his intention to proceed and request the Security Council to endorse the March 21 paper. Neither side accepted this procedure.

Developments, 1997-2001

On January 4, 1997, Cyprus contracted to purchase Russian S-300 (SA-10) anti-aircraft missiles with a 90-mile range able to reach southern Turkey, at a cost of about \$400 million, to protect air and naval bases in southern Cyprus to be used by Greece. The U.S. State Department criticized the decision. Turkish officials said that they would not allow the weapons to be deployed. The State Department declared that a threat to use force was unacceptable. On January 20, Turkish President Demirel and Denktash signed a joint defense declaration, stating that any attack on the TRNC would be an attack on Turkey.

1997 Talks. In 1997, U.N. Secretary General Kofi Annan called for indirect talks followed by open-ended, face-to-face talks between Clerides and Denktash. His Special

Representative on Cyprus began indirect talks. As goodwill gestures, Turkish Cypriots and Greek Cypriots exchanged visits to holy sites and held bicommunal events and meetings. Greek planes did not overfly Cyprus during joint Greek-Greek Cypriot military exercises in May and for the next five months. Turkish planes did not overfly Cyprus for as long as Greek aircraft did not do so.

Clerides and Denktash met under U.N. auspices at Troutbeck, New York, July 9-12, and in Switzerland, August 11-15. Beforehand, Denktash said that he would not sign documents until the European Union (EU) suspended its accession negotiations with the (Greek) Cypriot government as the sole representative of Cyprus. (See **European Union Membership**, below.) He refused to sign a joint declaration at the end of the talks. The U.N. Security Council President said that the Turkish Cypriots' preconditions had impeded progress.

Greece terminated its moratorium on military flights over Cyprus on October 10, 1997. Turkey ended its parallel moratorium on October 14. During military exercises, Greek and Turkish warplanes confronted each other over Cyprus, but neither side fired. Greece charged that Turkish planes had harassed its defense minister's plane. In October, Turkey conducted exercises in northern Cyprus, including the mock destruction of missile launchers.

After the December 12, 1997, EU formal decision to begin accession talks with Cyprus, Denktash informed the U.N. that "intercommunal talks have ended," and that he would only participate in talks between states having equal status. On December 27, the TRNC suspended all bicommunal activities except religious pilgrimages.

The military air base at Paphos became operational for use by Greek fighter planes on January 24, 1998. The S-300 missiles were intended to protect the base. The Cypriot government said that if there were either a demilitarization agreement or substantial progress toward a settlement, then it would not deploy the S-300s.

On April 23, Denktash and Turkish President Suleyman Demirel issued a communique calling for negotiations only between sovereign, equal states. They said that the special relationship between Turkey and the TRNC would be enhanced in every field.

On June 16, Greece sent six planes to Paphos air base. Turkey responded on June 18 by sending six planes to northern Cyprus. Cypriot troops completed S-300 training in Russia in July with a test-firing. Secretary of State Albright reportedly asked Clerides to reconsider the S-300 purchase, to store the missiles outside of Cyprus, or to replace the order with one for shorter range SA-15s. On December 29, Clerides decided not to deploy the missiles on Cyprus. The EU, United States, Britain, and the U.N. had provided an acceptable context for his decision. A December 14 letter from the Secretary General to the President of the Security Council reported that his Special Representative was continuing shuttle talks and perceived a "flexible approach by both sides." On December 22, the Security Council approved S/Res/1217, to renew the UNFICYP mandate, and S/Res/1218, requesting the Secretary General to work on measures to build trust and cooperation.

On June 20, 1999, the G-8 summit of leaders of major industrialized countries and Russia urged the Secretary General to invite the Cypriot leaders to negotiations, without preconditions. The Secretary General declared his readiness to do so. On June 29, the Security Council passed S/Res/1250, calling upon the two leaders to support a

comprehensive negotiation with no preconditions, all issues on the table, and to negotiate in good faith until a settlement is reached, with full consideration of all U.N. resolutions and treaties. S/Res/1251 said that the goal is a Cyprus with a single sovereignty that comprises two politically equal communities in a bicomunal, bizonal federation.

During Greek-Greek Cypriot annual military exercise in October, no Greek planes landed at the Paphos air base; there were no incidents involving Greek and Turkish planes; and Turkey's objections to the exercise were milder than in prior years.

1999-2001 Proximity Talks. Annan and his Special Advisor on Cyprus, Peruvian diplomat Alvaro de Soto, began proximity talks with Clerides and Denktash in December. In S/Res/1283, December 15, 1999, the Security Council reaffirmed "all its relevant resolutions on Cyprus," without specifying that a bizonal, bicomunal federation with a single sovereignty on the island is its goal. Annan's addendum noted "The Government of Turkey has indicated that it concurs with ... the position of the Turkish Cypriot party, namely that UNFICYP can operate on both sides of the island only on the basis of the consent of both parties and that the Turkish Cypriot authorities will accordingly request UNFICYP to work with them to develop modalities of UNFICYP's operation in northern Cyprus." The Turkish Cypriots interpreted the wording as a move toward recognition of their state, and the Greek Cypriots were upset with the Turkish Cypriot view. A second round of proximity talks was held January 31-February 8, 2000. Bicomunal contacts resumed.

The Cypriot and Greek governments prevented an addendum similar to that of December 1999 in S/Res/ 1303, June 15, 2000. Denktash then linked his attendance at talks to measures that would prove that UNFICYP needs Turkish Cypriot cooperation. Turkish forces set up a three-man checkpoint outside Strovilia, a small Greek Cypriot village in the no-man's land separating the Turkish Cypriot-administered area and a British base, where UNFICYP forces cross between north and south, blocking UNFICYP access.

A third round of talks was held from July 24 to August 4. At the outset of a fourth round, September 12 to 26, Annan said that he had concluded that the equal status of the parties "must and should be recognized" explicitly in a comprehensive settlement. Denktash was pleased with Annan's remarks. Clerides boycotted the talks in protest until assured that they would take into account U.N. resolutions that call for a federal solution.

During Greek-Greek Cypriot military exercises from October 19 to 23, Greek and Turkish planes engaged in mock dogfights. Greek planes landed at Paphos air base, and (Greek) Cypriot National Guard anti-aircraft missiles deployed at Paphos locked onto Turkish fighter planes. Turkish planes landed on the island during Turkish-Turkish Cypriot exercises in November.

A fifth round of talks was held from November 1 to 10. On November 8, Annan gave his "assessment." Media leaks and statements by the parties suggest that he called for one sovereign, indissoluble, common state with a single international legal personality; common state law would overrule regional law; political equality would be defined as effective "participation" in government, not numerically; component states would be to a great extent self-governed; the return of an "appreciable amount of territory" to Greek Cypriots, with as little dislocation of Turkish Cypriots as possible and return of as many Greek Cypriots as possible; and a security regime including an international military force, police, and a

political mechanism. Clerides welcomed these views. Denktash rejected them and, at a November 24 “summit” with Turkey’s President, Prime Minister, Chief of the Armed Forces General Staff, and other high officials, announced his withdrawal from the talks because no progress could be made until two separate states are recognized. Turkey supported his decision. Denktash refused to participate in a sixth round of talks in January 2001, labeling the Secretary General’s November 2000 assessment an unacceptable precondition.

On September 5, 2001, de Soto said that Annan had invited the two leaders to meet with him separately on September 12 in New York. De Soto hoped that the meetings would be followed by separate working meetings with him. Clerides accepted. Denktash did not because, “The necessary foundation has not been established.” Denktash proposed a secret face-to-face meeting with Clerides, but de Soto did not think it was a good idea.

On December 4, Clerides and Denktash met for the first time since August 1997. De Soto also was present. The two leaders agreed to begin direct talks with no preconditions, all issues on the table, and to continue until a comprehensive settlement is achieved. Clerides became the first Cypriot president to travel to the north since 1974 on December 5, when he attended a dinner at Denktash’s residence. Denktash reciprocated by visiting Clerides’ private home for dinner on December 29.

Developments, 2002-2003

On January 16, 2002, Clerides and Denktash met in de Soto’s presence and agreed to hold intensive peace talks beginning January 21 at the Nicosia airport, a U.N. base. Ground rules provided that there would be no final agreement until all issues were agreed upon.

On April 29, Denktash proposed a Partnership State to be founded by the two now-existing states on Cyprus. Each partner would retain authority over its domestic affairs. Together, they would set up a 12-member Council consisting of two presidents and five representatives from each side. Each president would chair the Council for 2 years. Council members would hold portfolios for foreign affairs, economy, and EU relations. A joint parliament would have an equal number of members from each side. Denktash insisted that the Turkish security guarantee continue. The situation would be reviewed in 5 years, when new authorities could be given to the partnership. Clerides’ spokesman charged that these views contravened U.N. resolutions.

On September 6, Annan met the two leaders in Paris. He noted that “though serious differences remain, the elements of a comprehensive settlement that would meet the basic needs of both sides do, in fact, exist,” and “that the gaps dividing the parties can be bridged.” Clerides observed, however, “there appears to be no way of approach” on the issue of sovereignty and whether there will be a new state or a continuation of the Republic of Cyprus. On September 16, Denktash revised his April 29 ideas, strengthening central government authority to address Clerides’ objections but retaining the concept of a new partnership state. He proposed Belgium as a model for foreign affairs and Switzerland as a model for domestic affairs.

Annan met Clerides and Denktash in New York on October 3-4. The two agreed to establish technical committees to deal with international treaties and legislation for the

common state. Clerides said that “huge differences” about sovereignty prevented discussion of other issues. Denktash underwent open-heart surgery on October 7.

November 11, 2002 Settlement Plan. Secretary General Annan presented a plan: Basis for Agreement on a Comprehensive Settlement of the Cyprus Problem, presented by the Secretary General. It called for a “new state of affairs,” in which the “common state” government’s relations with its two politically equal component states would be modeled on the Swiss federal example. It would have a single international legal personality. Component states would participate in formulating and implementing policy on foreign and European Union relations as in Belgium. Parliament would have two 48-seat houses. Each state would have equal representation in the Senate. Seats in the Chamber of Deputies would be allocated in proportion to population, provided that no state would have less than 25% of the seats. A Presidential Council would have 6 members. The offices of President and Vice President would rotate every 10 months among members of the Council. No more than two consecutive presidents could come from the same state. Greek and Turkish troops could not exceed a four-digit figure (9,999). U.N. peacekeepers would remain as long as the common state, with the concurrence of the component states, decides. Cyprus would be demilitarized. A Supreme Court would have three Greek Cypriot, three Turkish Cypriot, and three non-Cypriot judges. During a three-year transition, the leaders of the two sides would be co-presidents. The 1960 Treaties of Establishment, Guarantee, and Alliance would remain in force. There would be a single Cypriot citizenship and citizenship of a component state; residence in a component state could be limited by citizenship, but such limits would have restrictions. There would be provisions for return or compensation of property. Two maps of territorial adjustments reduced Turkish Cypriot territory to 28.5% of the island.

On December 5, Clerides and Denktash submitted comments. Greek Cypriot concerns included power-sharing, the length of the transition period, insufficient Greek Cypriot repatriation, and the large Turkish settler population. Turkish Cypriots criticized sovereignty provisions, the loss of water resources and territory, which would make many Turkish Cypriots refugees, and the return of Greek Cypriot refugees. On December 10, Annan presented a revised plan. Changes reduced the number of foreign troops and settlers allowed to remain, increased the number of Greek Cypriot refugees allowed to return, but reduced the numbers moving into Turkish Cypriot territory. He asked both sides to be in Copenhagen during an EU summit. Clerides and his National Council were there, but Denktash went to Ankara for medical care and sent his “foreign minister.” Annan had wanted a Founding Agreement signed by December 12, but it was not. He then hoped for a conclusion by February 28, 2003, with simultaneous referenda to be held by both sides on March 30.

Large Turkish Cypriot demonstrations in favor of EU membership for a reunified island, a settlement based on the U.N. plan, and Denktash’s resignation occurred between November 2002 and February 2003. On January 2, 2003, Recep Tayyip Erdogan, Chairman of the ruling party in Turkey, stressed the need to heed the wishes of the people, and declared, “I’m not in favor of the continuation of the policy that has been maintained on Cyprus over the past 30 to 40 years.... This is not Mr. Denktash’s private matter.” On January 8, the Turkish Armed Forces Deputy Chief of Staff charged, “Injustices are being committed against Mr. Denktash, both in Turkey and on Cyprus,” and criticized elements of the U.N. plan, including its maps. Denktash and Clerides resumed talks on January 15. During a visit to Cyprus on January 27, the Turkish Land Forces Commander expressed concern that a solution based on the U.N. plan would lead to clashes similar to those after 1963 and pledged to protect

Turkish Cypriots and Turkey's rights on the island. The next day, the Turkish Foreign Minister said that Turkey would not accept anything that the TRNC would not accept.

Clerides and Denktash held talks until mid-February. On February 21, Greece and Turkey began talks on how many troops would remain on the island, where they would be deployed, and how they would be armed. Annan traveled to Turkey, Greece, and Cyprus, and presented his third revision on February 26. (For text, see the Republic of Cyprus site at [http://www.pio.gov.cy/other/final_un_plan.htm].) It included a British offer to transfer 45 square miles or almost half of its sovereign base areas to Cyprus, 90% to the Greek Cypriots and 10% to the Turkish Cypriots, if the two sides agree to the plan. The revisions allowed Turkish Cypriots to retain the Karpass Peninsula, with Greek Cypriots settling there as well. Turkish Cypriot territory would decrease to 28.2%, and the number of Greek Cypriots returning north would increase to 92,000, but be capped at 21% of the population of the region at the end of 15 years, and the number of Turkish settlers allowed to remain on the island would increase. Annan requested that Denktash and newly elected President of Cyprus Tassos Papadopoulos permit separate, simultaneous referenda on the plan on March 30.

On March 10, Annan met Papadopoulos and Denktash in The Hague for their responses to his request for referenda. On March 11, Annan announced that his efforts had been unsuccessful. Papadopoulos wished to be sure that gaps in federal legislation and constituent state constitutions would be filled, and that Greece and Turkey would commit to security provisions. He also felt that more time was needed for a campaign on the referendum. He was prepared not to reopen substantive provisions of the plan if Denktash did the same. Denktash was not prepared to put the plan to a referendum. He objected to its basic points and believed that negotiations should begin anew. Annan suggested that negotiations continue until March 28 and that referenda be held on April 6. This did not sway the parties. Annan announced, "we have reached the end of the road" and that it was not possible to achieve a comprehensive settlement before Cyprus signed the accession treaty to become a member of the EU on April 16. Afterward, Papadopoulos said that he had said yes to a referendum as long as the documents required for the whole package were ready in time, especially legislation related to the functioning of the government of the common state. Denktash said the "plan is not acceptable." Annan's April 1 report to the Security Council, released on April 5, said that Denktash "bears prime responsibility" for the failure of the U.N. effort. S/Res/1575, April 14, 2003 stated that an agreement had not been possible "due to the negative approach of the Turkish Cypriot leader" and referred to the Annan plan "as a unique basis for further negotiations."

On April 2, Denktash wrote to Papadopoulos offering six confidence-building measures: 1) the transfer of a part of Varosha to Greek Cypriot control for settlement, 2) the lifting of all restrictions on overseas trade, transport, travel, cultural, and ports activities in both parts of Cyprus, 3) facilitation of freedom of movement between the two sides, 4) steps to normalize the flow of goods between the two sides, and cooperation between institutions, 5) lifting of Turkish Cypriot restrictions on UNFICYP, and 6) a bilateral reconciliation committee. Denktash said that he was willing to discuss how the U.N. and EU could assist in implementation, and how a settlement and other matters related to EU membership. On April 18, the Secretary General stated that amendments could be made to his plan, "but the plan itself must be accepted as a basis for negotiating first."

On April 23, the Turkish Cypriot administration opened border checkpoints with the south. The Cypriot government declared the decision illegal, but has facilitated free movement. Residents of both sides of the island have since made thousands of crossings. On April 30, the Cypriot government announced a set of measures to enable Turkish Cypriots to enjoy benefits enjoyed by other Cypriot citizens, including the facilitation of the movement of goods, persons, and vehicles and employment of Turkish Cypriots in southern Cyprus, among other steps. As of the end of July, none of the measures have been implemented due to legal obstacles. Turkish Cypriot measures announced on May 9 include scholarships, improved telephone communication, and trade.

Papadopoulos said that he is ready to negotiate based on the U.N. plan, which should be improved and amended to take into account the Treaty of Accession to the EU and to create a more viable and workable solution. Denktash stated “there is nothing to discuss” about the U.N. plan and added that de Soto had lost his credibility and reliability.

On June 3, Annan said, “Our position on Cyprus is that we will be prepared to work with the parties the moment both parties show genuine political will to make progress and to solve the conflict.” He argued that the opening of the border between the north and south was not “a substitute for a comprehensive settlement.” U.S. State Department Special Coordinator for Cyprus Thomas Weston visited the island in mid-June and said “We do not see any other realistic path to a settlement other than on the basis of the so-called Annan plan.” He noted that Denktash “has publicly become much more critical of the Annan plan than he has been in the past.” Weston considered this a change “for the worse.”

Established Positions of the Parties on Key Issues

(Greek Cypriot positions are on the left; Turkish Cypriot positions are on the right.)

Sovereignty and Powers

Greek Cypriots say that bicomunal, bizonal federation of two states with one sovereignty should be established. A new federal constitution should come first, specifying the powers of the central government and those of the self administered states.

The Turkish Cypriots say that each community should form a sovereign state as equals and join in a “partnership state,” which would have a single international legal personality.

Presidency

The President will be elected by a common vote from Greek Cypriots and Turkish Cypriots, but must have votes from the other community.

A rotating presidency will prevent one community retaining control of the office. Each community separately must elect its own representative to fill the office of president or vice president.

Territory

The Greek Cypriots accepted the map in the U.N. set of ideas, subject to marginal changes. Turkish Cypriot territory on the island must fall under 29+% (optimally to 24%) to allow the maximum number of Greek Cypriot refugees to remain under Greek Cypriot administration.

The Turkish Cypriots rejected the map included in the U.N. set of ideas. Denktash would not discuss territory before Turkish Cypriot sovereignty is accepted, adding that Turkish Cypriots have a “right” to more than 33% of the island.

Security/Turkish Troops/Guarantees

The island should be demilitarized. A permanent U.N. force should oversee implementation of a settlement accord. No Turkish guarantee.

The 1960 Treaty of Guarantee, whereby Turkey rightfully protects the Turkish Cypriot community, must not be diluted. Turkish troop presence may be reduced if Turkey retains its Treaty rights. Agrees that island should be demilitarized. A U.N. force may stay after a settlement, but without permanent status which would contradict sovereignty.

Displaced Persons and Property Rights

A majority of the Greek Cypriot refugees must return to their homes under local Greek Cypriot administration; remaining refugees must have the right to return. Turkish Cypriots cannot be compensated for property they did not own in 1974. Turkish Cypriots may opt to return to properties they owned in the south in 1974 or to be compensated for them at 1974 values plus inflation. All Turkish Cypriots to be resettled will be compensated. Turkish Cypriot misappropriation of Greek Cypriot properties is null and void. More recently, the European Union requires free movement of people and purchase of property; therefore, exchange of property and compensation will be on a voluntary basis.

The population exchange cannot be reversed. Turkish Cypriots to be resettled should be compensated at the current value for the property they occupy at the time of resettlement. Greek Cypriots unable to return to property they owned in 1974 will be compensated from the sale of Turkish Cypriot property in the south. The Turkish Cypriot property in the south roughly equals the Greek Cypriot property in the north. Deeds to Greek Cypriot properties in the north allocated to Turkish Cypriots in the north since 1974 are legally valid. A Joint Property Claims Commission should be formed to inventory property on both sides of the island, determine value, and seek resources to pay compensation.

Other Factors Affecting the Talks

The Cyprus talks have been vulnerable to changes in the atmosphere between the two communities and within each community and to factors not part of the talks.

Domestic Politics in Cyprus

In the south, Democratic Rally (DISY) leader Clerides was elected President of the Republic of Cyprus in February 1993 and reelected in February 1997. The February 16,

2003, Tassos Papadopoulos was elected president as the candidate of his right-wing Democratic Party (DIKO), the Reformist Party of Working People (AKEL/communist party that supports accession to the EU and has engaged leftist parties of the north), the Social Democratic Movement (KISOS), and the Greens. (Papadopoulos is a controversial nationalist whose law firm represented Serbian enterprises and allegedly helped them establish front companies on Cyprus to violate U.N. sanctions on the former Yugoslavia. He was on the U.S. Office of Foreign Assets Control list of “blocked persons” until 1995, when sanctions were lifted.) May 28, 2001 parliamentary elections had produced a narrow victory for AKEL, which received 34.71% of the vote and 20 seats in the 50-seat parliament. DISY dropped to second place with 34% of the vote and 19 seats. DIKO won 14.84% of the vote and 9 seats; KISOS, with 6.51% of the vote, holds 4 seats. Four other parties also won seats. Dimitris Christofias, AKEL’s leader, is speaker of parliament, the second highest government official and acts for the president when he is absent or incapacitated. There is no vice president because the 1960 Constitution reserves the post for a Turkish Cypriot.

Denktash has led northern Cyprus since 1975, was elected “President” of the TRNC in 1983, and reelected subsequently. On April 15, 2000, Denktash won 43% of the vote to 30% for Dervis Eroglu in the first round of the election for “President.” Eroglu withdrew before a second round, and Denktash was declared “President” again. In December 6, 1998, elections for the 50-seat parliament, the National Unity Party (UBP) had won 24 seats; the Democratic Party (DP) 13; Communal Liberation Party (TKP) 7; and Republican Turkish Party (CTP) 6. Eroglu became Prime Minister and formed a coalition with the TKP. Eroglu increasingly disagreed with his TKP Deputy Prime Minister, Mustafa Akinci, who criticized Denktash’s withdrawal from the U.N. talks and non-participation in EU membership negotiations, and Turkey’s influence over TRNC affairs. On May 19, 2001, the National Popular Movement (UHH) announced its formation, vowing to strengthen ties with Turkey and to struggle against “foreign forces and local collaborators.” A Denktash adviser is a UHH founder, and Denktash supports it. On May 24, the UBP withdrew from the coalition with the TKP. On June 5, Eroglu formed a new government with the DP. In June 30, 2002 local elections, UBP won 16 out of 28 mayoral posts, but the pro-settlement, pro-EU CTP, led by Mehmet Ali Talat, won Nicosia, Kyrenia, and Famagusta and polled second overall. In anticipation of the December 2003 parliamentary election, political parties (not including CTP) and non-governmental organizations have formed the Peace and Democracy Movement under the leadership of Mustafa Akinci to win the election, oust Denktash as negotiator, and achieve a settlement by May 2004.

Policies of Greece and Turkey

The “motherlands,” Greece and Turkey, have widely different approaches to the Cyprus problem. They defend and protect their ethnic kin, and their bilateral relations, strained over Aegean Sea issues, have been harmed because of Cyprus.

On November 16, 1993, Greek Prime Minister Andreas Papandreou and Clerides agreed to a joint defense doctrine whereby their governments would decide on the Cyprus issue jointly, Greece would include Cyprus in its defense plan, and any Turkish advance would lead to war between Greece and Turkey. Clerides announced in April 1994 that Greece would provide air cover for Cyprus, while Cypriot bases would prepare to refuel Greek Air Force planes, a naval base would be set up, and elite troops would bolster land forces. In January 1996, Costas Simitis succeeded Papandreou and retained the doctrine.

Turkish governments have argued that the Cyprus problem is not acute because Turkish Cypriot security has been ensured since 1974, and that dialogue is the appropriate channel for resolution. Turks support their armed forces on the island and agree that they should not withdraw until Turkish Cypriots' rights are guaranteed effectively. The current Justice and Development Party (AKP) government in Ankara maintains that no solution is not a solution. Turkey provides about \$250 million in annual aid plus loans to the TRNC.

In July 1999, Greece and Turkey began a dialogue on "lesser" issues, excluding Cyprus and the Aegean, that eventually led to bilateral accords. The rapprochement accelerated after earthquakes in both countries produced mutual sympathy and good will. Greece's decision to allow the EU to affirm Turkey's membership candidacy that December confirmed a change in relations. Greece still champions Turkey's cause in the EU. On November 2, 2000, Papandreou asserted that the most basic precondition for a full rapprochement is the solution of the Cyprus problem based on U.N. resolutions. Since March 12, 2002, Athens and Ankara have held exploratory talks on the Aegean Sea issues.

European Union Membership

A customs agreement between Cyprus and the European Community (EC) came into force in 1988. On July 4, 1990, Cyprus applied for EC membership, stating that it would welcome Turkish Cypriot participation in technical negotiations. Turkish Cypriots objected because EC acceptance of the application recognized the Republic's government and not their own. Greece's EC membership and Turkey's lack thereof led Turks and Turkish Cypriots to view increased EC involvement in Cyprus as favoring Greek Cypriots.

The EU was to fix a date for Cyprus membership accession negotiations in January 1995. The EU preferred a prior intercommunal solution, but was willing to begin negotiations without one. In December 1994, Greece had vetoed an EU-Turkey customs union and some Europeans demanded that the veto be lifted before Cyprus's application was addressed. On March 6, 1995, the EU separately ratified the customs union accord and scheduled accession talks with Cyprus. At Greece's insistence, the Republic was the EU's interlocutor. Turkey said that if Greek Cypriots were admitted into the EU as the Cyprus government, then Turkey would integrate with the "TRNC" to the same degree. Denktash asserted that if Cyprus became an EU member while Turkey was not a member, then it would weaken Turkey's guarantees and create a surrogate union between Greece and Cyprus.

On July 10, 1997, the European Commission reconfirmed that membership talks with Cyprus would open in 1998. On July 20, then Turkish Deputy Prime Minister Ecevit and Denktash issued a joint declaration, noting the July 10 statement and calling for a process of partial integration between Turkey and TRNC to parallel that of Cyprus and the EU. Denktash ended contacts with the EU because they "legitimize" an accession process initiated "illegally" by the Greek Cypriots.

Clerides said that Turkish Cypriots could participate as full members of the negotiating team for accession if they accept the idea of EU membership and if their participation did not suggest recognition of the TRNC. Greek Deputy Foreign Minister Papandreou said that Greece would block the EU's expansion eastward if Cyprus were not accepted because it is divided. France withdrew its objection to accession talks with a divided Cyprus when Greece withdrew its objection to talks with East European candidates. On June 12, 1998,

France reiterated its opposition. On November 9, the French, German, Dutch, and Italian foreign ministers warned of difficulties linked to accession talks with a divided island. Greece again warned that it would block EU expansion if Cyprus were excluded. On November 10, the EU began substantive accession negotiations with Cyprus.

On May 14, 1999, then Greek Alternate Foreign Minister Kranidiotis declared, "It is clear that Cyprus can become a member of the EU even if the Cyprus problem is not solved...." On July 10, he said that Greece would not object to Turkey's EU membership candidacy if assured that Cyprus's accession would go ahead even without a resolution. Turkey rejects linkage between the Cyprus issue and its candidacy.

The EU Helsinki summit's conclusions on December 10, 1999, "underline(d) that a political settlement will facilitate the accession of Cyprus to the (EU). If no settlement has been achieved by the completion of accession negotiations, the ... decision on accession will be made without the above (i.e., a settlement) being a precondition. In this the Council will take account of all relevant factors." The summit also affirmed Turkey's EU candidacy.

In November 2001, the European Commission said that it would support any constitutional arrangements the two sides reached in a settlement, provided that Cyprus was "able to speak with one voice in the EU decision-making process." On June 22, the EU Presidency called upon both Cypriot leaders to reach a settlement before the conclusion of accession talks to allow the EU to accommodate the settlement in the Treaty of Accession.

In December 2002, the EU concluded accession talks with Cyprus. At the same time, the EU and NATO reached agreement on EU use of NATO assets, part of which stipulates that Cyprus will not take part in EU military operations conducted using NATO assets once it becomes an EU member because it is not a member of NATO nor of NATO's Partnership for Peace. The European Commission said that it would organize an international donors' meeting for northern Cyprus when a settlement is reached.

On March 12, 2003, the EU's Commissioner for Enlargement said, "the breakdown of the U.N. talks is an obstacle for Turkey on the path to the EU." Cypriot Foreign Minister Iakovou said that he believed that Turkey's application will be judged not only by the Copenhagen criteria (applicable to all candidates) but also other criteria, including a solution of the Cyprus problem.

Cyprus signed the Treaty of Accession to the EU on April 16, 2003, to become an EU member on May 1, 2004. An attached Protocol suspends the application of the *acquis communautaire* (EU rules and legislation) to those areas "in which the government of the Republic of Cyprus does not exercise effective control."

On June 3, the European Commission proposed a package of goodwill measures to bring northern Cyprus closer to the EU, including 12 million euros (US\$14 million). The Commission proposed that the Turkish Cypriot Chamber of Commerce be given authority to issue certificates for the movement of goods between Cyprus and the EU (to circumvent the de facto EU embargo on Turkish Cypriot goods that began with a 1994 ruling that movement certificates issued by Turkish Cypriot authorities were not valid). The (Greek) Cypriot government authorized the Turkish Cypriot Chamber to issue certificates of origin, and said that exports would be made only with further certification by the government to

ensure that EU specifications are met and only through legal ports of the Republic. Denktash accepted the financial aid, but rejected the trade measures, which he said would require the north to accept the Greek Cypriot government as the government of the whole of Cyprus. The EU said that it would put the measures in place, and the parties could decide whether to use them.

On July 14, the (Greek) Cypriot parliament ratified the Treaty of Accession with the EU on behalf of the entire island.

U.N. Peacekeeping Forces

The United Nations has had forces on Cyprus since 1964. The size of UNFICYP (U.N. Forces in Cyprus) is 1,228 troops and 35 civilian police, from 15 countries. On April 2, 1993, the Secretary General urged a change in financing from having costs borne by UNFICYP participating countries, contributions, and assessments to assessments. On May 27, the Council agreed that costs not covered by contributions would be treated as U.N. expenses. UNFICYP will cost about \$44.4 million for the period from July 2003 through June 2004, pending revision for 34 additional civilian police officers who will cope with increased travelers. The government of Cyprus contributes one-third of the cost and the government of Greece contributes \$6.5 million annually; the rest comes out of assessments.

U.S. Policy

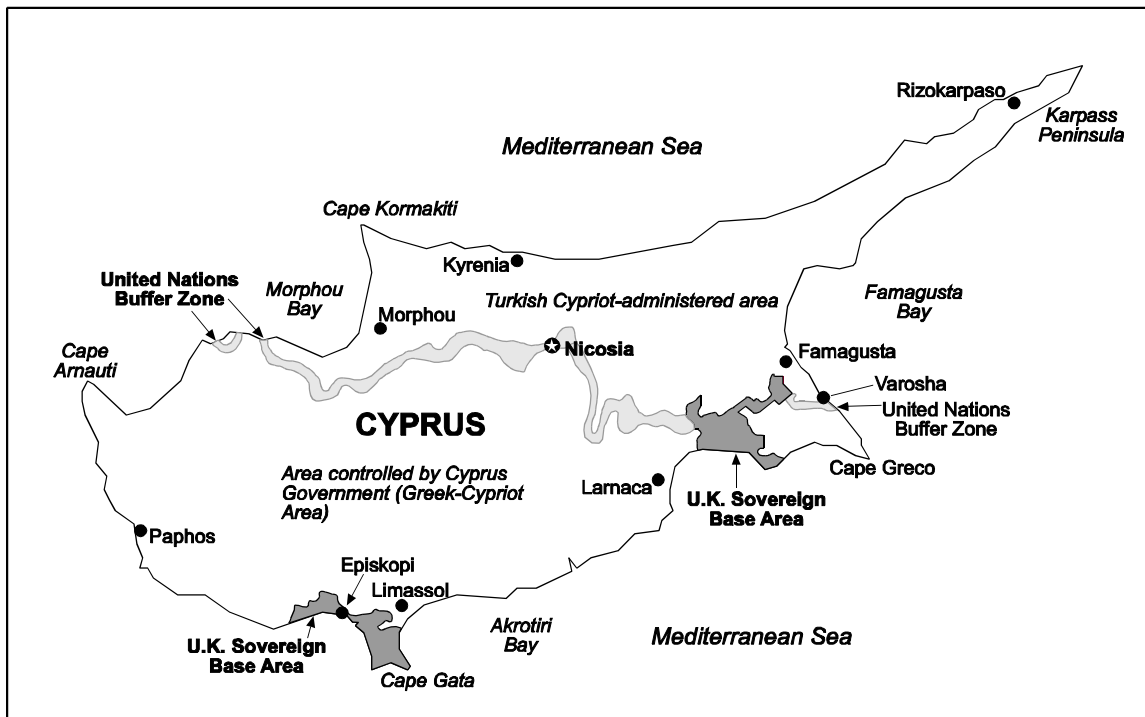
Since 1974, the United States has supported U.N. negotiations to achieve a settlement. The 1974-1978 period was marked by sharp divisions between the Ford and Carter Administrations and Congress over Turkey's role on Cyprus. A congressionally mandated arms embargo was in place against Turkey until September 1978. In general, Congress favored measures to pressure Turkey to withdraw its troops and encourage concessions by Denktash, while successive administrations argued that pressures were counterproductive and preferred diplomacy. Although Members did not propose an alternative to the U.N. talks, they sought an active U.S. role. In response, President Reagan created the State Department post of Special Cyprus Coordinator, and President Clinton named a Presidential Envoy for Cyprus. The Bush Administration did not fill the position of Presidential Envoy. On February 14, 2001, Secretary of State Powell affirmed that the Administration "fully supports the ongoing U.N. efforts to achieve a comprehensive settlement" and declared "the U.S. will also remain engaged in efforts to facilitate a just and lasting settlement of the Cyprus issue." The United States supports the accession of Cyprus to the EU. S.Con.Res. 122, November 18, 2002, supported Cyprus' EU membership. The Administration strongly supported the U.N.'s 2002 settlement plan and its revised versions.

Since 1978, Congress has appropriated \$14 million or \$15 million for scholarships, bicomunal projects and measures aimed at reunifying the island, reducing tensions, and promoting peace and cooperation between the two communities. The United States has been the principal donor for bicomunal projects. The Administration has requested \$7.5 million for FY2004. In January 2003, the U.S. State Department's Special Cyprus Coordinator said that the United States would do whatever is necessary to ensure that funds are ready for the

implementation of an agreement. On January 20, Denktash claimed that he had received an offer of U.S. financial aid to help Turkish Cypriots who might be displaced under the U.N. settlement plan. He suggested that Washington offer the money instead as compensation to Greek Cypriots if they agreed to stay in the south and questioned whether Congress would approve the funds. The State Department said, on January 24, that it was prepared to participate in an international donors' conference and to contribute financially in the context of a comprehensive settlement.

LEGISLATION

H.Res. 165 (Bereuter) Expresses support for a renewed effort to find a peaceful, just, and lasting settlement for the Cyprus problem. Introduced on March 27, 2003. Passed by a vote of 422-0 on April 10, 2003.



Source: Map Resources. Adapted by CRS. (M.Chin 02/03)