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Cyprus: Status of U.N. Negotiations and Related Issues

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Summary

Cyprus has been divided since 1974. Greek Cypriots, 76% of the population, live in the southern two-thirds of the island. Turkish Cypriots, 19% of the populace, live in the "Turkish Republic of Northern Cyprus" (TRNC), recognized only by Turkey, with about 36,000 Turkish troops providing security. United Nations peacekeeping forces (UNFICYP) maintain a buffer zone between the two. Since the late 1970s, the U.N., with U.S. support, has promoted negotiations aimed at reuniting the island as a federal, bicommunal, bizonal republic.

In recent times, the U.N. Secretary General's April 5, 1992, "Set of Ideas" was a major, but unsuccessful, framework for negotiations for an overall settlement. Next, both sides accepted U.N. confidence-building measures only in principle and they were never recorded nor implemented.

The prospect of Cyprus's European Union (EU) accession and its eventual membership intensified and complicated settlement efforts. After five rounds of U.N.-mediated proximity (indirect) talks beginning in December 1999, Secretary General Kofi Annan presented his "observations" on substance and procedure on November 8, 2000, leading Turkish Cypriot leader Rauf Denktash to withdraw from the talks for a year. Denktash and (Greek) Cypriot President Glafcos Clerides finally met on December 4, 2001 and agreed to begin direct talks on January 16, 2002. On November 11, 2002, Annan submitted a comprehensive settlement Plan based on Swiss and Belgian government models; but the two sides did not agree on it. After still more negotiations, Annan announced on March 11, 2003 that his efforts had failed. Cyprus signed an accession treaty to join the EU on April 16.

The December 14, 2003, Turkish Cypriot parliamentary elections in northern Cyprus produced a new government determined to reach a settlement. The U.N. led new negotiations from February 19-March 22, 2004, and again they failed. Talks continued in Switzerland, with Greek and Turkish leaders present. Annan presented a final, revised Plan on March 31. In referenda on April 24, 76% of Greek Cypriot voters rejected the Plan, while 65% of Turkish Cypriot voters accepted it. Annan blamed (Greek) Cypriot President Tassos Papadopoulos for the result. Cyprus joined the EU on May 1, 2004. There have been no direct or indirect negotiations since 2004.

Some Members of Congress have urged the Administration to be more active, although they have not proposed an alternative to the U.N.-sponsored talks. Since the referenda, the Administration has been working to end the isolation of the Turkish Cypriots in order to diminish economic disparities between them and the Greek Cypriots and pave the way for reunification. Some Members have questioned this policy. This CRS report replaces CRS Issue Brief IB89140, *Cyprus: Status of U.N. Negotiations*, by Carol Migdalovitz, and will be updated as developments warrant.

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Most Recent Developments

In his May 23, 2006, Report to the Security Council, U.N. Secretary General Kofi Annan stated that there have been "no tangible indicators of an evolution in the respective positions" of the Greek Cypriots and Turkish Cypriots that had produced the current impasse, although they had signaled some willingness to begin to re-engage.[1] Undersecretary for Political Affairs Ibrahim Gambari is to arrive on Cyprus on July 6 to assess the situation and the prospects for a resumption of the Secretary General's good offices mission.

On June 12, Turkey provisionally completed the first and easiest of 35 negotiating chapters, on Science and Research, in the process of joining the European Union (EU). However, the EU conclusions that day referred implicitly to Turkey's refusal to open its ports to (Greek) Cyprus, an EU member, as required by Turkey's customs union with the EU. The EU asserted that Turkey's failure to "implement its obligations fully will have an impact on the negotiating process" and that, in view of this consideration, "the EU will, if necessary, return to this chapter."[2] It is anticipated that the unresolved Cyprus situation will be raised throughout Turkey's negotiating process. For its part, Turkey insists that it will not open its ports and airports to the Greek Cypriots before the EU fulfill promises to end the isolation of the Turkish Cypriot north. (For background, see "European Union," below.)

In an interview published on June 17, Greek Foreign Minister Dora Bakoyianni suggested that a new "Plan for a United European Cyprus" could result from a U.N. process based on preparations of the Secretary General, on the European (Union) "reality," and on the will of the two communities. She linked preparations for this plan to talks in technical committees expected to be formed shortly.[3]

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[1] See [http://www.un.org/Docs/sc/] for the Secretary General's May 23, 2006, Report on the United Nations Operation in Cyprus as well as all earlier reports and U.N. resolutions discussed below.

[2] Jamie Smyth, "Turkey Takes a Further Step to EU Membership," *Irish Times*, June 13, 2006. Statement not yet posted on the official EU website, [http://europa.eu/], where documents, reports, and statements regarding Turkey's EU progress and Cyprus may be found.

[3] Interview by Dhimitrios Tsiodhras in *Elevtherotipia*, Open Source Center Document EUP20060621143001.

Background

The island of Cyprus gained its independence from Great Britain in 1960. The 738,000 Cypriots are 76% of Greek ethnic origin, and 19% of Turkish ethnic origin. (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 950 Greek and 650 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*), and Turkish Cypriots preferred to partition the island (*taksim*) and unite a Turkish zone with Turkey.

Cyprus's success as a new republic lasted from 1960-1963. After President (and Greek Orthodox Archbishop) Makarios III proposed constitutional modifications in favor of the majority Greek Cypriot 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 Cypriots. On March 4, 1964, the U.N. 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 and still carries out its mission today. (See "U.N. Peacekeeping Forces" below for details.)

In 1974, the military junta in Athens supported a coup against President Makarios, replacing him with a more 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, took control of more than 36% of the island. This military intervention[4] had many ramifications. 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, each of which blamed its fate on Washington's lack of support, suffered.

After 1974, Turkish Cypriots emphasized a solution that would 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

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[4] 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."

"Turkish Republic of Northern Cyprus" (TRNC) — a move considered by some to be a unilateral declaration of independence. Only Turkey has recognized the TRNC, which has a constitution and a 50-seat parliament. Denktash argued that creation of an independent state is 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.

Settlement Efforts and Other Developments

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, 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 views could affect resolution of property, citizenship of Turkish settlers, and other legal issues. Since 1974, there have been many unsuccessful rounds of U.N.-sponsored direct and indirect negotiations to achieve a settlement:

1977 Makarios-Denktash Meeting. Agreed that (1) Cyprus will be an independent, nonaligned, bicommunal, 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 Communique. Cypriot President Spyros Kyprianou (Makarios's successor) and Rauf Denktash agreed to talk on the basis of the 1977 guidelines and address territorial and constitutional issues, giving priority to Varosha (Maras to Turks) and demilitarization, and to eschew union in whole or part with any other country. (Varosha is a formerly prosperous tourist area just north of the U.N. buffer zone. See map at end of report.)

1984 Proximity Talks. After the 1983 declaration of the "TRNC," U.N. representatives conducted proximity or indirect talks on constitutional arrangements, withdrawal of foreign troops, and the status of international treaties and guarantees.

1988-89 Talks. After futile informal direct talks, Cypriot President George Vassiliou and Denktash submitted papers that hardened positions. In April 1989, U.N. Secretary General Javier Perez de Cuellar proposed separate meetings. Denktash balked, 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 and would accept only a document drafted by the parties.

March 1990-April 1992. U.N. Security Council Resolution 649, May 13, 1990, reaffirmed the Secretary General's right to make suggestions. It referred to the federal solution as bicommunal in its constitutional aspects and bizonal in its territorial aspects — the first U.N. reference to bizonality, a key concept for the Turkish Cypriots, who believe that it responds to their desire for separation.

In June 1991, Perez de Cuellar called for an international meeting. On August 2, President George H.W. Bush announced that Greece and Turkey had agreed to a U.N. conference on Cyprus. The Secretary General insisted, however, that the two sides be within range of agreement first. The Greek and Turkish Prime Ministers were unable to find common ground and, on October 8, de Cuellar reported that a conference was not possible. He blamed the failure on Denktash's assertion that each side possessed sovereignty, which U.N. resolutions attribute solely to the Republic.

Set of Ideas. Secretary General Boutros Boutros-Ghali's April 1992 Report to the Security Council presented a framework for a settlement, which he referred to as a "Set of Ideas." The Secretary General 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. A 7:3 ratio would prevail in the federal executive. Each community would be guaranteed to have a majority of the population and of land in its area. Non-Cypriot forces not foreseen in the 1960 Treaty of Alliance — that is, most Turkish troops — would withdraw. In June, Boutros-Ghali presented what diplomats referred to as a "non-map" of his territorial suggestions.

A revised 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 (CSCE) principles, an end of the Greek Cypriot trade embargo of Turkish Cypriots, 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), vice-presidential (Turkish Cypriot) veto power (no rotating presidency), an island-wide referendum on European Community membership, and the return of Varosha and about 30 villages to Greek Cypriots. Turkish Cypriots would receive aid and compensation. Greek Cypriots would get Morphou. Denktash claimed that the territorial proposal would displace 40,000 Turkish Cypriots 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 said that Denktash's territorial ideas were not close to his "non-map," but that Vassiliou was ready to negotiate an agreement based on it. The Secretary General concluded that an accord was possible if Turkish Cypriots foresaw territorial adjustment in line with his map. Denktash said that this was unacceptable. U.N. Security Council Resolution 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. On February 14, 1993, Glafcos Clerides, who accepted the set of ideas only "in principle," was elected president of Cyprus.

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 to 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 balked at that idea and claimed that CBMs would benefit Greek Cypriots more than Turkish Cypriots. However, U.N. experts later determined that both sides would benefit and the Turkish Cypriots relatively more.

On January 28, 1994, Denktash agreed to CBMs in principle. He later argued that a March 21, 1994, U.N. draft of the CBMs unbalanced their equities. 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 was not unbalanced. Boutros-Ghali blamed the Turkish Cypriots' lack of political will for the lack of agreement. On May 31, however, Denktash had said that he would accept the CBMs if improvements agreed to after March 21 were incorporated. Clerides would not negotiate beyond the March document. Boutros-Ghali determined that there was sufficient progress to implement CBMs based on the March paper and clarifications, and planned identical letters to each leader expressing his intentions and to request the Security Council to endorse the March 21 paper. Neither side accepted this procedure.

Missiles. On January 4, 1997, Cyprus contracted to purchase S-300 (SA-10) anti-aircraft missiles from Russia. The missiles have a 90-mile range able to reach southern Turkey and were to protect air and naval bases in southern Cyprus that would be used by Greece. On January 20, Turkish President Suleyman Demirel and Denktash reacted by signing a joint defense declaration, stating that any attack on the TRNC would be an attack on Turkey. In October, Turkey conducted exercises in northern Cyprus, including the mock destruction of missile launchers. The air base at Paphos, Cyprus became operational for use by Greek fighters on January 24, 1998, and Greece sent planes there in June. Turkey responded by sending its planes to northern Cyprus. Cypriot troops completed S-300 training in Russia in July with a test-firing.

On December 29, 1998, Clerides decided not to deploy the missiles after the EU, United States, Britain, and the U.N. provided an acceptable face-saving or political context for his decision. The key apparently was U.N. Security Council Resolution 1218, December 22, 1998, which requested the Secretary General to work with the two sides on limiting the threat or use of force, reducing tension, building trust, and on efforts to achieve progress toward a settlement.

Other Developments 1997-2001. In 1997, Secretary General Annan called for indirect talks followed by open-ended, direct talks between Clerides and Denktash. As goodwill gestures, Turkish Cypriots and Greek Cypriots exchanged visits to holy sites and held bicommunal events and meetings. During joint

Greek-Greek Cypriot military exercises, Greek planes did not overfly Cyprus for about six months. Turkish planes did not overfly Cyprus for the same time. (The parties have generally held annual military exercises or made hostile gestures when progress is not being made in the settlement process and exercises have been called off when prospects improve.) 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. He refused to sign a joint declaration at the end of the talks. (See "European Union," below.)

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. The TRNC suspended all bicommunal activities except religious pilgrimages. On April 23, 1998, Denktash and Demirel called for negotiations only between sovereign, equal states and said that the special relationship between Turkey and the TRNC would be enhanced.

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 negotiate without preconditions. On June 29, the Security Council called 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. Another resolution said that the goal is a Cyprus with a single sovereignty that comprises two politically equal communities in a bicommunal, bizonal federation.

Proximity Talks. Annan and his Special Advisor Alvaro de Soto began proximity talks with Clerides and Denktash in December 1999. Five rounds of talks would be held through November 2000. U.N. Security Council Resolution 1283, December 15, 1999, reaffirmed all relevant resolutions on Cyprus, without specifying a bizonal, bicommunal federation with a single sovereignty as 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 the UNFICYP (United Nations Peacekeeping Force in Cyprus) can operate on both sides of the island only on the basis of the consent of both parties ...." 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. The Cypriot and Greek governments prevented inclusion of a similar addendum to U.N. Security Council Resolution 1303, June 15, 2000.

Denktash then linked his attendance at talks to steps proving that UNFICYP needed 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. The Turkish checkpoint thus blocked UNFICYP access.

At the outset of talks in September, 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. Clerides boycotted talks until

reassured that they would take into account U.N. resolutions that call for a federal solution.

On November 8, Annan gave his "assessment" in a diplomatic "non-paper." Media sources reported 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.[5] Clerides welcomed these views. Denktash rejected them and, at a November 24 "summit" with Turkey's civilian and military leaders, announced his withdrawal from the talks because no progress could be made until two separate states were recognized. Turkey supported his decision.

On September 5, 2001, Annan's Special Advisor de Soto said that the Secretary General had invited the two leaders to meet with him separately on September 12. Clerides accepted. Denktash did not because, "The necessary foundation has not been established." (His decision not to attend was not related to the 9/11 terrorist attack on the United States.) Denktash proposed a face-to-face meeting with Clerides and, although de Soto did not think it was a good idea, Clerides and Denktash met on December 4 for the first time since August 1997. 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. On December 5, Clerides attended a dinner at Denktash's residence, thereby becoming the first Cypriot president to travel to the north since 1974. Denktash reciprocated by visiting Clerides's home for dinner on December 29.

Developments, 2002-2003. On January 16, 2002, Clerides and Denktash agreed to hold intensive peace talks beginning January 21 at Nicosia Airport, a U.N. base. On September 6, Annan's Report to the Security Council noted that "the elements of a comprehensive settlement ... exist," and "that the gaps dividing the parties can be bridged." Clerides observed, however, that there appeared to be no way of approaching sovereignty and whether there would be a new state or a continuation of the Republic of Cyprus. On September 16, Denktash proposed Belgium as a model for foreign affairs and Switzerland as a model for domestic affairs.

Annan Plan. The Secretary General presented a draft of The Basis for Agreement on a Comprehensive Settlement of the Cyprus Problem, commonly referred to as the Annan Plan, on November 11, 2002. 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

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[5] Maria Myles, "Cyprus Problem - UN Non-Paper," *Cyprus News Agency*, Foreign Broadcast Information Service (FBIS) Document GMP20001109000182, November 9, 2000.

foreign and EU 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 its members. 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. 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. Provisions would be made for return or compensation of property. Turkish Cypriot territory would be reduced to 28.5% of the island.

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 displace many Turkish Cypriots, and the return of Greek Cypriots to the north. Annan's December 10 revised Plan reduced the number of foreign troops and settlers and increased the number of returning Greek Cypriots, but reduced their numbers moving into Turkish Cypriot territory. He asked both sides to be in Copenhagen during an EU summit. Clerides and his National Council of all Greek Cypriot political party leaders were there, but Denktash went to Ankara for medical care and sent his "foreign minister" in his place. Annan had wanted a Founding Agreement signed by December 12, but this did not take place.

Turkish Cypriots demonstrated for EU membership for a reunified island, a settlement based on the U.N. Plan, and Denktash's resignation between November 2002 and February 2003. On January 2, 2003, Recep Tayyip Erdogan, Chairman of the Justice and Development Party that had won the November 2002 parliamentary elections in Turkey, called for heeding the wishes of the people and pointedly said that he did not favor the policy of "the past 30 to 40 years...."[6] Denktash and Clerides held talks from January 15 until mid-February 2003.

On February 21, Greece and Turkey began talks on security issues related to Cyprus. Annan presented his third revised plan on February 26. It included a British offer to transfer 45 square miles or almost half of its sovereign base areas on the island: 90% to the Greek Cypriots and 10% to the Turkish Cypriots, if the two sides agreed to the Annan Plan. 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 that region's population at the end of 15 years, and the number of Turkish settlers allowed to remain on the island would

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[6] "Turkey's Erdogan Faults Circles Seeking One-Sided Solutions in Cyprus," *CNN Turk*, January 3, 2003, FBIS Document GMP20030103000112.

increase. Annan requested that Denktash and the newly elected President of Cyprus Tassos Papadopoulos permit separate, simultaneous referenda on the Plan on March 30.

On March 10, 2003, Annan met Papadopoulos and Denktash in The Hague. The next day, Annan announced that he had been unsuccessful. Papadopoulos wished to be sure that gaps in federal legislation and constituent state constitutions would be filled, that Greece and Turkey would commit to security provisions, and that there was time for a campaign on the referendum. He was prepared not to reopen substantive provisions if Denktash did the same. (On November 20, 2003, Papadopoulos revealed that he would not have signed even if Denktash had done so.[7]) Denktash objected to basic points of the Plan, would not put it to a referendum, and argued that negotiations should begin anew. Annan suggested that negotiations continue until March 28 and that referenda be held on April 6. The parties did not agree. Annan announced that it was not possible to achieve a settlement before Cyprus signed the EU accession treaty on April 16. Annan's April 1 Report said that Denktash "bears prime responsibility" for the failure, a conclusion echoed by U.N. Security Council Resolution 1575, April 14, 2003. On April 18, Annan stated the Plan could be amended, but it "must be accepted as a basis for negotiating first."

On April 23, the Turkish Cypriot administration opened border checkpoints. The Cypriot government declared the decision illegal, but facilitated free movement. Residents have since made millions of border crossings with very few incidents. On April 30, the Cypriot government announced measures facilitating the movement of Turkish Cypriot goods, persons, and vehicles and employment in the south, but implementation was slow due to legal obstacles. Later Turkish Cypriot goodwill measures included scholarships, improved telephone communication, and trade.

Papadopoulos said that he was ready to negotiate based on the Annan Plan if it were improved 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." In his November 12 Report, Annan reiterated that "no purpose would be served" in renewing his mission of good offices unless both Cypriot parties, Greece, and Turkey were ready to finalize negotiations on the basis of his February 2003 Plan and to put the results to referenda shortly thereafter.

2004 Referenda and After. On January 12, 2004, after meeting with Turkish officials, Denktash admitted, "The Annan Plan is still on the table...." On January 23, the Turkish National Security Council — the country's highest ranking military and civilian leaders — reiterated its determination to reach a solution with the Plan as a reference.[8] On January 24, Prime Minister Erdogan told Annan that Turkey wanted talks to resume to reach an agreement and hold referenda before May 1 (when Cyprus was scheduled to join the EU). Erdogan declared that if the two

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[7] Statement made in November 20, 2003 interview published as "Cypriot President Interviewed on Cyprus Problem, EU Accession," *Politis*, November 23, 2003, FBIS Document GMP20031123000042.

[8] "Turkey: MGK Notes Need to Begin Initiatives to Revive Cyprus Negotiation Process," TRT 2 Television, FBIS Document GMP20040123000189.

sides could not fill in all the "blanks," then Turkey would allow Annan to do so if the Greek Cypriots accept that as well.[9]

Following talks with Annan in New York, February 10-13, Papadopoulos and Denktash agreed to resume negotiations on February 19 on Cyprus. They failed to agree on revising the Plan in talks held until March 22. On March 17, Denktash said that he would not attend follow-on talks in Switzerland beginning on March 24, and later declared that he would campaign against an accord. Prime Minister Mehmet Ali Talat represented northern Cyprus. The Greek and Turkish Prime Ministers arrived on March 28 and 29, respectively. On March 29, Annan presented a final revised Plan. Changes called for a Presidential Council with six voting members and additional non-voting members to be decided by Parliament to exercise executive power. The offices of President and Vice President would rotate every 20 months. Greek Cypriots displaced in 1974 who return north would be limited to 18% of the population there; Turkish military forces on the island would be reduced to 6,000 over 42 months and further in subsequent years; when Turkey joins the EU, the number falls to 650 Turkish troops and 950 Greek troops. Greek Cypriots would have more property returned. Annan announced on March 31 that the Plan would be put to referenda on April 24. [10]

In an emotional speech on April 7, Papadopoulos rejected the Plan for a number of reasons. Among them were doubt about whether the Turkish parliament would ratify the settlement plan; belief that Turkish Cypriots would gain immediate benefits (i.e., the end of the Republic of Cyprus and creation of a United Republic of Cyprus), while the Greek Cypriots would only see gains in the future; restrictions on Greek Cypriot acquisition of property in northern Cyprus and on return of refugees there, and the denial of political rights of (Greek Cypriot) returnees to the north; Greek Cypriot insecurity due to the authorization of even a small number of Turkish troops and increased Turkish guarantor rights; doubt about the economic viability of the Plan and concern about its harm to the Greek Cypriot standard of living; and belief that the island would not really reunify because there would be two states living separately and governmental decision-making procedures could create "paralyzing impasses."

Finally, Papadopoulos admitted his preference for a solution after Cyprus's accession to the EU when it would have more leverage over Turkey given Turkey's aspirations to become an EU member.[11] The U.N., EU, and United States criticized Papadopoulos's speech as part of a distortion of and a propaganda campaign against the Plan to feed the Greek Cypriots' sense of insecurity, and the three objected to government restrictions on broadcasting views favoring the Plan.[12] Greek Prime

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[9] Karl Vick, "Turkey Asks U.N.'s Annan to Restart Cyprus Talks," *Washington Post*, January 25, 2004.

[10] For the final Plan, see [http://www.annanplan.org/].

[11] "Cyprus President Calls for Rejection of UN Reunification," BBC Monitoring European, April 8, 2004.

[12] "U.S. Accuses Greek Cypriot Leaders of Derailing Unification Vote," *New York Times*, (continued...)

Minister Karamanlis half-heartedly endorsed the Plan, saying that positive elements outweighed "difficulties." As noted above, Denktash rejected the Plan, but Prime Minister Talat called for a "yes" vote. The Turkish government supported the Plan.

The United States and Britain tried to address the guarantee or insecurity issue with a U.N. Security Council resolution to replace UNFICYP with a U.N. Settlement Implementation Mission in Cyprus (UNSIMIC), and other measures. On April 21, Russia vetoed the draft, saying that, while it supported Annan's efforts, the Council should not act before the referenda and that the draft should have been discussed more. (Greek) Cypriot Foreign Minister George Iakovou had previously visited Russia to explain his government's opposition to the Annan Plan.

In referenda held on April 24, 76% of Greek Cypriot voters rejected the Plan, while 65% of Turkish Cypriot voters accepted it. Afterwards, Talat urged the international community to end northern Cyprus's isolation by lifting restrictions on trade, travel, sports, and flights in order for it to develop economically and attract foreign investment. He said that he would not seek international recognition of the TRNC because Turkish Cypriots voted for and want reunification of the island. (Greek) Cypriot officials argued that direct flights and exports from the north would not contribute to reunification and that it was the sovereign right of the Republic of Cyprus to determine legal ports of entry for persons, capital, and goods.

In his May 28, 2004 Report, Annan described developments leading to the referenda. He said that the Greek Cypriots' vote must be respected, but they need to demonstrate willingness to resolve the Cyprus problem through a bicommunal, bizonal federation and to articulate their concerns about security and implementation of the Plan with "clarity and finality." As a contribution to reunification, he called for the elimination of restrictions that have the effect of isolating the Turkish Cypriots. He concluded, "A solution ... also needs bold and determined political leadership on both sides of the island, as well as in Greece and Turkey, all in place at the same time, ready to negotiate with determination and to convince their people of the need to compromise." He criticized Papadopoulos in particular. On June 7, Papadopoulos wrote to Annan about "inaccuracies" in his Report.[13] Annan stood by his Report. The Security Council has not endorsed the Report due to Russian objections on behalf of the Greek Cypriots.

In his September 24 Report, Annan stated that he still saw no basis for resuming his good offices mission, and that Greek Cypriot and Turkish Cypriot leaders had ceased contacts and signs of mutual distrust had reappeared. Annan asserted that he did not intend to appoint a new Special Advisor on Cyprus (to replace de Soto, who was reassigned).[14] On February 10, 2005, Annan observed that the Turkish side,

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[12] (...continued)
April 27, 2004.

[13] The text of President Papadopoulos's letter to the Secretary General is available online at [http://www.antibaro.gr/national/papadopoulos_to_anan.php].)

[14] There is still a Special Representative, who is Chief of the U.N. mission and head of the U.N. Peacekeeping Force on Cyprus (UNFICYP).

particularly Erdogan, had indicated a possible readiness to resume talks. Annan urged Papadopoulos to put on paper the changes that he would want to have in the Plan. On March 21, 2005, Papadopoulos asserted,

> When the Greek Cypriot side gives in writing and in detail the changes it wants to a U.N. settlement plan, then the U.N. Secretary General will decide if ... 'we are proving our political will for a settlement.' This means that he will have the right alone ... to ... decide if what we are asking for is reasonable, if it provides the basis for the resumption of his initiative.... We will not accept another mediating role of the U.N. Secretary General. The national issues ... can(not) be ... solved through the mediation of a foreigner....[15]

He added that Cypriots must have a reasonable expectation of success in the next talks, which have to be well prepared.

On May 27, 2005, Annan again reported little sign of improvement. He maintained that Greek Cypriot litigation against those buying Greek Cypriot property in the north in southern courts and in the European Court of Human Rights against Turkey "poses a serious threat to people-to-people relationships and to the reconciliation process." Implicitly challenging a Greek Cypriot view, Annan asserted that the rotation of Turkish troops and equipment did not imply a "reinforcement" because numbers and types remain unchanged. Under Secretary General for Political Affairs Kieran Prendergast visited Cyprus, Greece, and Turkey and reported on June 22 that there was neither a level of mutual confidence nor a disposition to compromise and that "launching an intensive new process prematurely would be inadvisable." Papadopoulos reportedly told Prendergast that he wanted to reopen most of the issues in the Annan Plan. On October 26, Papadopoulos said that he wants a U.N. initiative with more active EU involvement. On November 1, Talat responded that the EU cannot promote a solution because it is not an "unbiased organization" since only the Greek Cypriot side is in the EU.

Military exercises, which had not been held for three years in order to reduce tensions, were conducted by the (Greek) Cypriot National Guard from October 18-23 without the Greek army contingent on Cyprus. Greece did not hold a military exercise usually held in cooperation with the Cypriot one. In November, Turkish forces on Cyprus held exercises.

Turkish Cypriot leader Mehmet Ali Talat reported that, in a meeting on October 31, Kofi Annan had indicated that he is unwilling to launch new talks unless success is guaranteed and the parties display an assertive stance to resolve the Cyrus issue. In his November 29 Report, Annan concluded that time is not ripe to appoint a full-time person to carry out his good offices mission.

Developments in 2006. On January 24, 2006, Turkey presented a ten-point Action Plan to the Secretary General, proposing the opening of Turkish ports, airports, and airspace to Greek Cypriot ships and planes; opening of ports and airports in northern Cyprus; inclusion of Turkish Cypriot in international activities;

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[15] "Cyprus President Wants New UN Initiative for Cyprus Settlement," *Cyprus News Agency*, March 21, 2005, FBIS Document GMP200503222000135.

and special arrangements to include north Cyprus in the European Union's customs union. It also recommended quadripartite talks among Turkey, Greece, and Turkish and Greek Cypriots.[16] The (Greek) Cypriot government rejected the proposal, saying that it was an attempt by Turkey to evade its obligations to the EU and upgrade the status of the Turkish Cypriot community, and reiterated proposals concerning the opening of Famagusta. (See "European Union" below.) The U.S. State Department termed the plan "a welcome step."

On February 5, 2006, Papadopoulos said that he disagrees with the U.S. and British stance on the Cyprus issue, which he described as serving their own interests by satisfying Turkey's demands. He called for more active and equal involvement by the three other permanent members of the U.N. Security Council — France, Russia, and China — and reiterated three conditions for resuming talks: no mediation, no timetables, and a referendum on a solution. Meanwhile, on February 23, Talat said that the Cyprus question could not be resolved without setting a deadline and using arbitration.

On February 28, Annan and Papadopoulos met in Paris. Annan stated that the Greek Cypriot and Turkish Cypriot leaders had agreed to undertake bicommunal discussions at the technical level on a series of issues to benefit all Cypriots, with the aim of restoring trust between the two communities and preparing for the earliest full resumption of the negotiating process. Annan and Papadopoulos also agreed it would be beneficial if progress could be made on disengagement of forces, demilitarization of the island, and the complete demining of Cyprus, and on Famagusta. Annan reported in May that he had told Papadopoulos that "the situation was not yet ripe for the resumption of full-fledged political talks and ... that the gap between words and deeds was still too wide."

The February 28 meeting prompted a new round of disagreements between the parties. The Greek Cypriots refer to the results of the meeting as an "agreement" and Greek and Greek Cypriot officials called for substantive issues to be discussed along with technical issues. Turkish Cypriots did not agree to conduct technical and substantive talks at the same time, but offered technical meetings that could lead to substantive talks and proposed the formation of committees on issues such as health, environment, crime prevention, and illegal immigration. The Secretary General's Special Representative on Cyprus Michael Moller has conveyed a written proposal for committees to begin with ten issues, and the Turkish Cypriots have agreed.

On April 26, Talat said that he is ready to start settlement talks from scratch, but that it would be more rational to begin with the Annan Plan. On May 10, during his reelection campaign, Papadopoulos declared that he would never accept the reintroduction of the Annan Plan even with marginal changes and asserted "The objective is a new solution that will effectively deal with the concerns of Cypriot Hellenism."[17]

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[16] For text, see [http://www.mfa.gov.tr/].

[17] Nicosia US Embassy Public Affairs Office, Greek Cypriot Media Reaction Report May 11, 2006, Open Source Center Document EUP20060511430001.

Other Factors Affecting the Talks

Domestic Politics in Cyprus

On February 16, 2003, Tassos Papadopoulos was elected president of Cyprus as the candidate of several parties: his right-wing Democratic Party (DIKO), the Reformist Party of Working People (AKEL/Eurocommunist party), the Social Democratic Movement (EDEK), 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.) AKEL leader Dimitris Christofias is speaker of parliament and acts for the president when he is absent or incapacitated. The 1960 Constitution reserves the vice presidency for a Turkish Cypriot.

The results of a Cyprus Broadcasting Corporation (Greek Cypriot state television) public opinion survey published in early April 2006 indicated that 48% of Greek Cypriots do not want to live with Turkish Cypriots, compared to 45% who seek coexistence. In the 18 to 25 age group, 63% favor living separately from Turkish Cypriots, while 31% favor living with them. In 2003, 67% had supported coexistence and 28% opposed it. The pollster interpreted this as a trend in favor of partition of the island and opined that young Greek Cypriots had not been prepared to live alongside Turkish Cypriots.

In the May 21, 2006, elections for the 56-seat unicameral (Greek) Cypriot House of Representatives, AKEL placed first with 31.16% of the vote and 18 seats (down two from 2001), and the opposition Democratic Rally (DISI) led by Nikos Anastasiadis was second with 30.33% and 18 seats (down one). Papadopoulos's DIKO was third, making notable gains with 17.91% of the vote and 11 seats (up 2). EDEK took 8.91% and 5 seats (up 1); the European Party (EVROKO), 5.73% and 3 seats (up 1); and the Greens, 1.95% and 1 seat. DIKO's gains as well as those of EDEK, EVROKO, and the Greens, which share Papadopoulos's views on a settlement, are seen as an endorsement of his hardline policies. Christofias was reelected Speaker.

Rauf Denktash led northern Cyprus from 1975 to 2005. The December 14, 2003, parliamentary elections had produced a tie between supporters and opponents of the Annan Plan in the 50-seat legislature. A coalition of the Republican Turkish Party (CTP) and the Peace and Democracy Movement (BDH) had hoped to oust Denktash as negotiator and achieve a solution based on the Annan Plan by May 2004, when Cyprus was to enter the EU. Instead, a close race produced a coalition government with Mehmet Ali Talat as Prime Minister and Serdar Denktash, Rauf's son, head of the Democrat Party (DP), as Deputy Prime Minister and Foreign Minister. After several members resigned, however, the government was rapidly reduced to a minority and could not legislate. Early parliamentary elections were held on February 20, 2005. With an 80% voter turnout, the CTP took 44.45% of the vote and 24 seats, while the opposition National Unity Party (UBP) won 31.71% and 19 seats, DP won 13.49% and 6 seats, and BDH 5.81% and 1 seat. Talat and Denktash formed

a new coalition. On June 25, 2006, mid-term elections for vacant seats changed the distribution of seats in parliament to CTP 25, UBP 17, DP 7, and BDH still 1.

On April 17, 2005, Talat had been was elected "President" of the TRNC with 55.6% of the vote to 22.7% for UBP'S Dervis Eroglu, in a field of nine. Ferdi Sabit Soyer of the CTP became Prime Minister. On February 11, 2006, Huseyin Ozgurgun succeeded Eroglu as leader of the UBP.

Policies of Greece and Turkey

The "motherlands," Greece and Turkey, defend and protect their ethnic kin, and their bilateral relations, strained over Aegean Sea issues, have been further harmed because of Cyprus. On November 16, 1993, Greek Prime Minister Andreas Papandreou and (Greek) Cypriot President Clerides agreed to a still-effective 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 refuel Greek Air Force planes, a naval base would be set up, and elite Greek troops would bolster land forces.

Meanwhile, Turkish governments had argued for many years that the Cyprus problem was not acute because Turkish Cypriot security had been ensured since 1974, and that dialogue was the appropriate channel for resolution. Turks agree that their armed forces should not withdraw from Cyprus until Turkish Cypriots' rights are guaranteed effectively. In a policy shift, the current Turkish government maintains that no solution is not a solution and has repeatedly sought U.N. action. Turkey is extending $550 million in aid to the TRNC from 2003 to 2006.

In July 1999, Greece and Turkey began a dialogue, excluding Cyprus and the Aegean, that has led to many bilateral accords and a rapprochement. In 2004, new Greek Prime Minister Costas Karamanlis said that a resolution of the Cyprus issue should not be a precondition for Turkey joining the EU or for improving Greek-Turkish relations. Some analysts have suggested that Athens has advised Nicosia that its actions must not harm Greece's national interest, defined as diminishing the Turkish threat to Greece by keeping Turkey on the path to EU membership. Therefore, in this view, Athens will tolerate any action by Nicosia in the EU short of the exercise of its veto power against Turkey's EU progress.

European Union[18]

A customs agreement between Cyprus and the European Community (EC) came into force in 1988. On July 4, 1990, Cyprus applied for EC membership. Turkish Cypriots objected because, by accepting the application, the EC recognized the Republic's government and not their own. Greece's EC membership and Turkey's

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[18] European Union statements, official reports, and news releases may be found at [http://europa.eu/].

lack thereof led Turks and Turkish Cypriots to view increased EC/EU involvement with Cyprus as favoring Greek Cypriots to their detriment.

The EU was to set a date for Cyprus's accession negotiations in January 1995. The EU preferred a prior settlement of the Cyprus issue, but was willing to begin talks without one. In December 1994, Greece had vetoed an EU-Turkey customs union and some Europeans demanded that the veto be lifted before addressing Cyprus's application for membership in the EU. On March 6, 1995, the EU separately ratified the customs union accord and scheduled accession talks with Cyprus. At Greece's insistence, the (Greek Cypriot government of the) Republic was the EU's interlocutor. Turkish Cypriots were excluded from accession talks. Denktash asserted that if Cyprus became an EU member while Turkey was not a member, then it would weaken Turkey's security 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, 1997, then Turkish Deputy Prime Minister Bulent 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.

On several occasions, then Greek Deputy Foreign Minister George Papandreou said that Greece would block the EU's eastward expansion (to Poland and the Baltic countries) if Cyprus were not accepted because it is divided. On November 10, 1998, the EU began accession negotiations with Cyprus. On July 10, 1999, Greek Alternate Foreign Minister Yiannos Kranidiotis said that Greece would not object to Turkey's EU membership candidacy if assured that Cyprus's accession would go ahead even without a solution. The EU Helsinki summit's conclusions on December 10, 1999, said, "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 December 2002, the EU concluded accession talks with Cyprus. At the same time, the EU and NATO agreed on EU use of NATO assets, stipulating 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. Since Cyprus became an EU member in 2004, however, the EU has said that it could not restrict Cyprus's participation in cooperation with NATO. Turkey has vetoed Cyprus's participation in the EU's strategic discussions with NATO on issues such as terrorism, referencing the 2002 accord, which detrimentally affected efforts to advance EU-NATO cooperation. On June 19, 2006, however, Under Secretary of Defense Eric Edelman said that, due to "flexibility" shown by the Turks in recent months, the Cyprus issue was not holding up any crucial EU-NATO cooperation.

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 July

14, 2003, the (Greek) Cypriot parliament ratified the Treaty on behalf of the entire island.

On June 3, the European Commission had proposed measures to bring northern Cyprus closer to the EU, including €12 million (US$14 million) in aid. It suggested that the Turkish Cypriot Chamber of Commerce certify 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 certificates issued by Turkish Cypriot authorities were not valid). The (Greek) Cypriot government authorized the Chamber only to issue certificates of origin, but said that exports required further certification to ensure that EU specifications were met and that this further certification had to be done at legal (southern) ports. Denktash accepted the aid, but rejected the trade measures.

On November 5, 2003, the Commission's annual report on Turkey's progress toward accession warned that "absence of a settlement on Cyprus could become a serious obstacle to Turkey's EU aspirations," while the December 12 European Council (summit) declaration said that "a settlement would greatly facilitate Turkey's membership aspirations."

The EU regretted the Greek Cypriots' rejection of the Annan Plan and congratulated the Turkish Cypriots for their "yes" vote in the April 24, 2004, referenda. EU foreign ministers said that they were "determined to put an end to the isolation of the Turkish Cypriot community and facilitate the reunification of Cyprus by encouraging the economic development of the Turkish Cypriot community." They called on the Commission to submit proposals. "Green Line Regulations," adopted on April 29 and effective on August 23, require Greek Cypriot authorities to end restrictions on EU citizens' travel between the two parts of the island and allow Turkish Cypriots to export more products through the south. On May 1, Cyprus officially joined the EU. EU laws and regulations are suspended in the north.

On July 7, 2004, the Commission proposed additional measures to end the Turkish Cypriots' isolation and to help eliminate the economic disparities between the two communities on the island, including €259 million (US$307 million) in aid for 2004-2006 and preferences to allow direct trade between northern Cyprus and EU countries. Neither step has been implemented. The (Greek) Cypriot government agrees to the aid but rejects the trade measure as illegally based on an EU provision providing preferential treatment for third parties which, thereby, it argues, would allow the TRNC to acquire characteristics of state short of international recognition. The Greek Cypriots also insist that all trade between the north and Europe be conducted via the south. The Turkish Cypriots view the EU aid and trade proposals as indivisible, arguing that aid without trade would not grow their economy and that required use of southern ports would force the north's economy southward and make it smaller over time.

In June 2005, the EU held unsuccessful talks to break the stalemate. The Greek Cypriots proposed that Varosha be returned to them with joint operation of the port at Famagusta and a moratorium on the sale of or construction on Greek Cypriot property in the north. They argued that opening northern ports and airports would lead to the development of separate economies and the permanent division of Cyprus.

The Turkish Cypriots offered Varosha in return for open ports and airports in the north. In December, a draft European Commission declaration echoed the Greek Cypriot proposal and was opposed by the Turkish side.

On December 17, 2004, the EU had decided to begin accession talks with Turkey on October 3, 2005, welcoming its "decision to sign the Protocol regarding the adaptation of the Ankara Agreement (customs union), taking into account the accession of ten new Member States" (including Cyprus) "prior to the actual start of accession negotiations." On July 30, 2005, Turkey signed the Protocol but simultaneously issued a unilateral declaration, noting that its signature did not amount to recognition of the Republic of Cyprus or prejudice Turkey's rights and obligations emanating from the treaties of 1960.

On September 21, the EU declared that Turkey's unilateral declaration has no legal effect on its obligations under the Protocol; called for its full, non-discriminatory implementation, and the removal of all obstacles to the free movement of goods (meaning that Turkey must open its ports and airports to Greek Cypriot ships and planes); stated that the EU will evaluate implementation in 2006 and that failure to implement in full will affect progress of Turkey's accession negotiations with the EU; and noted that recognition of all member states is a component of the accession process and underlined the importance of normalization of relations between Turkey and all EU member states. Cypriot President Papadopoulos expressed satisfaction with the EU declaration and with its non-linkage of Turkey's recognition of Cyprus and a solution to the Cyprus problem.

Turkish Cypriot "President" Talat was disappointed that the declaration did not call on the Republic to lift restrictions on the north. The Turkish Foreign Ministry expressed sadness over the one-sidedness of the declaration and reaffirmed that recognition of Cyprus is "out of the question before a comprehensive settlement." Turkish officials insist that their ports and airports will not open to Cyprus before the isolation of northern Cyprus ends. The EU's Negotiating Framework for Turkey's accession requires Turkey to work toward normalizing relations with Cyprus and to align its position within international organizations (such as NATO) toward membership of EU member states (Cyprus) of those organizations with the policies of the EU and its member states. (Cyprus has not applied to join NATO.)

On February 21, 2006, Turkey refused to allow a ship flying the Cypriot flag to enter the port of Mersin. On February 24, the EU Committee of Permanent Representatives (COREPER) approved a financial aid package for northern Cyprus of €139 million (U.S.$165 million) for 2006, decoupled from trade measures. (€120 million scheduled for allocation in 2005 is no longer available.) The European Council adopted the regulation on February 27. The (Greek) Cypriot government welcomed it, but the Turkish Cypriot administration reiterated that it will not accept financial aid given under Greek Cypriot supervision. Turkish officials said that the separation of trade and aid is unacceptable.

U.N. Peacekeeping Forces

The United Nations has had forces on Cyprus since 1964. As of May 23, 2006, UNFICYP consisted of 859 military personnel and 69 civilian police from 19 countries. It emphasizes liaison, observation, and mediation rather than the interposition of forces. The Secretary General proposed a budget of $45 million for UNFICYP for the period from July 1, 2006 to June 30, 2007. The government of Cyprus contributes one-third of the cost and the government of Greece contributes $6.5 million annually. UNFICYP costs not covered by contributions are treated as assessed U.N. expenses. The Bush Administration requested $4.739 million for UNFICYP for FY2006, and Congress allocated an estimated $6.57 million.[19] Secretary General Annan appointed Danish diplomat Michael Moller as his Special Representative for Cyprus and Head of UNFICYP beginning in December 2005.

U.S. Policy

Settlement

Since 1974, the United States has supported U.N. efforts to achieve a settlement on Cyprus. There were sharp divisions between the Ford and Carter Administrations and Congress over Turkey's role on Cyprus from 1974-1978. A congressionally mandated arms embargo against Turkey was in place 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, some sought a more 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 current Bush Administration did not name a Presidential Envoy and, since June 2004, the Assistant Secretary of State for European and Eurasian Affairs has been performing the duties of Special Cyprus Coordinator without the title.

On February 14, 2001, Secretary of State Colin Powell affirmed that the Administration "fully supports the ongoing U.N. efforts." The Administration championed the Annan settlement Plan. Special Cyprus Coordinator Thomas Weston openly aided the Turkish Cypriot political opposition before the December 2003 elections to increase the chances of a settlement. At a donors' conference on April 15, 2004, the United States pledged $400 million over four years if the Annan Plan were approved in the April 24, 2004, referenda. Secretary Powell urged all parties to vote "yes" in the referenda.

After the referenda, the State Department accused Greek Cypriot leaders of manipulating public opinion by restricting news media and taking other steps to

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[19] See also CRS Issue Brief IB90103, *United Nations Peacekeeping: Issues for Congress*, by Marjorie Browne.

ensure a "no" vote.[20] Weston said that the Department would seek ways to end the isolation of northern Cyprus and to improve its economy. He said that if the Turkish Cypriots were able to move toward economic equality with the Greek Cypriots, then some Greek Cypriot concerns about the cost of a settlement might be removed. Officials gestures also were made. For example, Powell referred to Prime Minister Talat by his title when they met in New York on May 4, 2004, and U.S. Ambassador to Cyprus Michael Klosson visited Talat in the Prime Minister's Office on May 21. The State Department considers Talat "leader of the Turkish Cypriot community." On May 28, the U.S. Embassy on Cyprus said that a TRNC passport holder seeking to travel to the United States would be eligible for a visa for up to two years.

In June, the Administration authorized U.S. government and military personnel to travel directly to northern Cyprus, and Weston visited the TRNC's representatives in New York and Washington. In October, U.S. Transport Security Service agents examined Ercan Airport in northern Cyprus. On February 17, 2005, representatives from 12 U.S. companies and the commercial attache from the U.S. Embassy in Ankara landed at Ercan. The Republic of Cyprus has not designated ports or airports in the north as legal ports of entry and charged that the delegation's, especially the U.S. diplomat's, use of the airport was illegal. On May 31, three members of the U.S. House of Representatives Turkish Study Group landed at Ercan. A State Department spokesman said that the congressional trip did not violate international or U.S. law which the Department maintains applies to U.S. carriers not citizens. There have been no reports of U.S. carriers applying to fly to northern Cyprus.

On October 28, Secretary of State Condoleezza Rice met Talat in Washington as part of U.S. efforts to find a solution to the Cyprus issue and to ease the isolation of the Turkish Cypriots in a way that supports reunification. The State Department maintained that there was no change in U.S. policy of non-recognition of the Turkish-Cypriot state and the United States still wants both parties to re-engage with Secretary General Annan to find a solution. Talat said that he had asked Rice to continue steps to end the isolation of northern Cyprus, with direct flights to Ercan Airport, and to encourage international organizations to do the same. Cypriot President Papadopoulos charged that the meeting promotes "secessionist tensions." On February 15, 2006, U.S. Deputy Assistant Secretary of State for European Affairs Matthew Bryza told a Greek newspaper that President "Papadopoulos must, clearly, finally and in writing, say what changes he wants in the Annan Plan" and that "the ball" is in the President's court.[21]

In a subsequent interview in Greece on April 2, Bryza said, "we must respect the democratic and clear decision of the Greek Cypriots not to approve the Annan Plan." He also voiced support for the agenda for technical talks agreed to by Annan and Papadopoulos on February 28. He added that Turkey must honor its commitment to

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[20] "U.S. Accuses Greek Cypriot Leaders of Derailing Unification Vote," *New York Times*, April 27, 2004.

[21] Interview conducted by Dhimitris Apokis on February 15, 2006, "The Whole Bush Administration Likes Dora," *O Kosmos tou Ependhiti*, February 25, 2006, Open Source Center Document, EUP20060227141001.

implement the additional protocol for the expansion of its customs union with the EU.[22]

In June, Assistant Secretary of State for European and Eurasian Affairs Daniel Fried said, "Turkey should open its ports to Cypriot ships and airplanes an fulfill its responsibility for expanding the Customs Union agreement (with the European Union) in a way to include the Republic of Cyprus." He assured (Greek) Cypriot Americans that no U.S. policies are aimed at recognizing any government other than the Republic of Cyprus on the island.[23]

Aid

On July 9, 2004, the State Department announced that $30.5 million (in reprogrammed funds) would be provided for economic development of northern Cyprus to lessen the cost of reunification. The Administration requested $20 million for FY2006. P.L. 109-102, November 14, 2005, appropriated the funds, saying they should be made available only for scholarships and their administration, bicommunal projects, and measures aimed at reunification and designed to reduce tensions. The Administration has requested $15 million in Economic Support Funds for FY2007.

109th Congress Legislation

H.R. 857 (Pallone), the American-Owned Property in Occupied Cyprus Claims Act. To amend the International Claims Settlement Act of 1949 to allow for claims against Turkey by U.S. nationals excluded from property they own in Turkish-occupied Cyprus. Introduced and referred to the International Relations and Judiciary Committees, February 16, 2005.

H.Res. 322 (Maloney), expressing support for European Court of Human Rights decisions in two Greek Cypriot property cases against Turkey. Introduced and referred to the Committee on International Relations, June 15, 2005.

H.Res. 603 (Andrews), supporting the removal of Turkish occupation troops from Cyprus. Introduced and referred to the Committee on International Relations, December 14, 2005.

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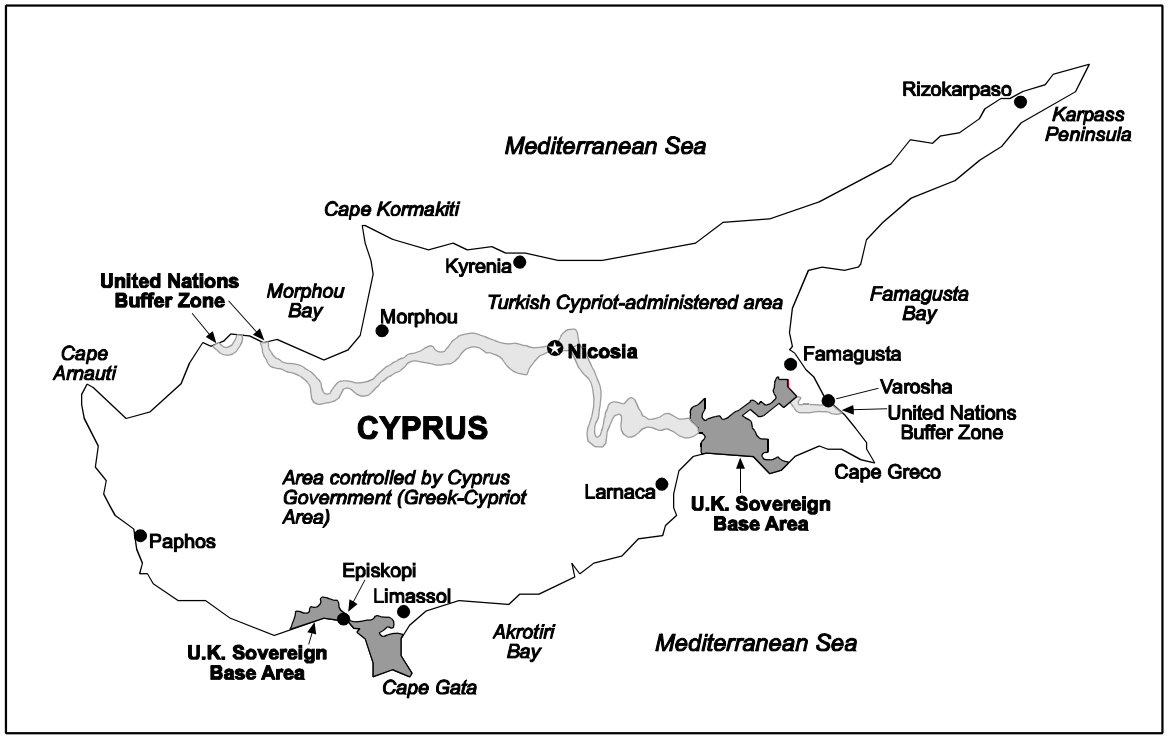
[22] Interview conducted by Anni Podhimata, *To Vima tis Kiriakis*, April 2, 2006, Open Source Center Document, EUP20060403431002.

[23] Speech to the 17th annual Cyprus Conference of the International Coordinating Committee - Justice for Cyprus (PSEKA) and the World Council of Hellenes (SAE),



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