

Cyprus negotiations (part I) – Heading into the end game?

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UN-backed negotiations aimed at reunifying Cyprus after more than four decades are entering their most critical phase. The leaders of the Greek and Turkish Cypriot communities, Nicos Anastasiades and Mustafa Akinci will meet in Geneva from 9 to 11 January for negotiations aimed at bridging gaps and reaching a compromise on territory. A multilateral conference on the security and guarantee issues, with the participation of the three guarantor powers (Greece, Turkey and the UK) will follow on 12 January. If an agreement is reached, it will go to public referendum in late spring or early summer of 2017.

A solution would bring about a new climate of stability and security on the island and in the Eastern Mediterranean region, which is also expected to significantly enhance the Cypriot economy. It would positively affect the relationship between Turkey and Greece, as well as EU-Turkey relations, and improve the conditions for much needed regional cooperation. This could lead to the exploitation and exporting of hydrocarbons from the Eastern Mediterranean to Europe via Turkey. While Akinci and Anastasiades have been consistent advocates of reunification on the basis of a bi-zonal, bi-communal federation throughout their political lives, significant challenges remain, not least reaching an agreement on territorial adjustment and security guarantees. It will require both leaders to make courageous and bold decisions and abandon maximalist goals and red lines.

Next steps

During the last quarter of 2016, negotiations were intensified with the two leaders reaching agreements and closing the gaps on many issues. Some of which, however, such as the rotating presidency, were left to a final 'give-and-take' session which is expected at the end of the process. A first attempt to reach an agreement on territorial adjustment took place in Switzerland in November 2016, but no compromise was reached. Differences over the amount of territory both sides would eventually claim and the number of displaced persons (mostly Greek Cypriots) who would be allowed to return to the new territories brought the talks to a standstill, representing the most serious setback in 19 months of negotiations. Still, the fact that the two leaders committed to a new effort to reach an agreement on territory and a five-party conference demonstrates their level of commitment and reinforces the belief that an agreement looks achievable. The international community, including the US and the EU, along with Turkey and Greece responded by intensifying diplomatic efforts, including Athens and Ankara engaging in frequent communication with each other along with the Greek and Turkish Cypriots. The fact that neither Greece nor Turkey has placed preconditions on their participation in the multilateral conference is also positive and indicative of the talks having reached a crucial juncture.

In Geneva, Anastasiades and Akinci will seek to agree on a boundary between the two future constituent states and the return of at least one key area of northern Cyprus to the Greek Cypriots, in addition to the ghost town of Varosha. There is a need for a detailed plan for resettlement of the displaced population complete with details, timetable and funding. Maps will be exchanged, which was not the case in December. A readjustment of coastal control to reflect population percentage is also being discussed.

The Greek Cypriot position is that territorial adjustment should result in at least 50% of Greek Cypriot displaced persons being able to return home under Greek Cypriot administration. This would allow for some 90,000 displaced persons to return and resolve the property problem for that number. The Turkish Cypriot side wishes to minimise the effect of the territorial adjustment on the community so that the changes faced by Turkish Cypriots are manageable. Key in the territory discussions will be the fate of Morphou/Güzelyurt. While the Greek Cypriots insist that Morphou/Güzelyurt should be returned, the Turkish Cypriots presently rule this out. It is possible that the village becomes part of the 'give-and-take' session possibly in exchange for an agreement on the rotating presidency, which is incredibly important for Akinci to be able to sell the deal, given both sides' commitment to political equality.

Security and guarantees are no less difficult as they also require an agreement by the three guarantor states. The 1960 Treaty of Guarantee gives unilateral rights of intervention to Turkey, Greece and the UK. Greece and the UK have indicated they are ready to give up their guarantor status. The UK has also signalled its readiness to concede half of its total sovereign military areas. However, the position of Turkey remains problematic. The Turkish Cypriots insist on a continued Turkish military presence, along with the right to unilateral intervention by Turkey, which are both unacceptable for the Greek Cypriots. The right to unilateral intervention, even if it were applied only to a future Turkish constituent state, is particularly contentious. These positions reflect the historical legacy of the conflict. While there has been no violence on Cyprus for decades, psychological scars remain. Turkish Cypriots do not trust the Greek Cypriots, while the Greek Cypriots do not trust Ankara; it will take time to turn this around. On the subject of military presence there seems to be room for flexibility, although the majority of the current 35-40,000 Turkish troops in the north should leave almost immediately. Creative options are also being discussed for guarantees, including a transitional option which could be reviewed after a certain length of time, along with changing the wording from guarantees to something else, such as security and defence cooperation.

Selling the deal

Yet even if a deal is secured and endorsed by the two leaders along with Greece and Turkey, this does not guarantee success as it requires popular support. An eventual compromise must be viewed as a win-win by both communities. In the run-up to Geneva, hardliners on both sides of the island intensified their efforts to turn people against a solution. To help counter propaganda and disinformation campaigns the two leaders have agreed to travel the island together to sell and explain the deal, which could prove vital to secure the necessary support from both communities.

With an estimated cost of €25-€40 billion, how the implementation of the deal will be financed also needs to be clarified. Those Cypriots who are due to receive compensation for property and/or territory will expect to see evidence that financing exists before they vote. Commitments voiced by the EU, along with the IMF and World Bank should be firmed up sooner rather than later. Moreover, the EU could also finance a tailored programme for Cyprus similar to the EU funded Northern Ireland PEACE initiative – aimed at supporting projects and operations which help reconcile communities and contribute towards sustainable peace.

Anastasiades and Akinci have gone further than anyone else in the process of reaching an agreement. Still, the last mile is always the most difficult one in peace processes. However, if the talks fail Cyprus would enter uncharted waters as most observers believe that this is the last realistic chance to reunite the island.

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