An Island Divided:
Next Steps for Troubled Cyprus

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PLUSEC
Pluralism, Human Security & Sustainability Centre
Centre du pluralisme, de la sécurité humaine et du développement durable

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Principal Findings

What's new? Relations between Greek and Turkish Cypriots have soured since 2017, when negotiations under UN auspices to reunify Cyprus as a bizonal, bicommunal federation broke down. Prospects for renewed talks, let alone a settlement, have receded further amid an increasingly complex geopolitical situation.

Why does it matter? Sovereignty disputes between Greek and Turkish Cypriots leave the latter isolated in the island's north, inhibit development (including of offshore hydrocarbon deposits), hinder efforts to address issues of mutual concern, and further heighten frictions in an increasingly militarised region.

Executive Summary

Prospects for the reunification of Cyprus have dimmed dramatically over the last six years. Following five decades of unsuccessful negotiations, a failed 2017 summit dashed the best hope in years for a deal between the Greek Cypriots, who control the internationally recognised Republic of Cyprus (RoC), and the Turkish Cypriots, who have a de facto entity in the island's north. As the eastern Mediterranean has become more militarised and geopolitically fraught, Cyprus' two main camps have moved farther apart. The RoC sees the north as increasingly under Ankara's thumb, while the north considers its counterparts too complacent to seriously negotiate. Both have a point. Meantime, their division complicates everything from exploitation of the island's hydrocarbon wealth to environmental protection. But even if near-term reunification is not realistic, the parties might ease frictions by coming to the table to discuss more modest goals – eg, to unlock trade, improve intra-island cooperation and take baby steps toward reconciliation.

Cyprus has been divided for decades. Founded in 1960 with a government designed to give voice to both the Greek and Turkish communities, its polity devolved into ethnic violence in 1963, which led to the massive displacement of Turkish Cypriots and Türkiye's withdrawal of recognition of the RoC. In 1974, Turkish troops responded to a coup backed by Greece's then-ruling junta by splitting off roughly one third of the island as a zone for Turkish Cypriots. That zone declared its independence in 1983, though to this day Türkiye is the only country in the world that recognises the claim. In 2004, after reunification was voted down in a referendum by 75 per cent of Greek Cypriots, the European Union (EU) granted membership status to the RoC. Throughout this time, UN-sponsored negotiations seeking reunification have failed persistently, most recently in 2017, when a well-prepared and much-anticipated summit at Crans Montana, Switzerland, failed to deliver a deal.

In the summit's aftermath, the appetite for talks dwindled amid rising tensions. Ankara, after reversing 40 years of support for bringing the parties together in a bizonal, bicommunal federation, called on other states to recognise the independence of the self-proclaimed "Turkish Republic of Northern Cyprus" ("TRNC"). Turkish Cypriots insist that the format for any talks recognise their sovereignty claims as equivalent to those of Greek Cypriots, while the RoC is adamantly opposed to anything that might lend legitimacy to the Turkish Cypriot administration. Meanwhile, the latter sees the RoC as content with the status quo and unwilling to enter negotiations in which it might have to make major concessions.

There are other worrying trends and developments besides. Northern Cyprus has become increasingly dependent on support and guidance from Ankara. Greek Cypriots are disconcerted by Türkiye's increasing sway to their north, while many Turkish Cypriots worry that their agency as a community is being undermined by Ankara's growing footprint. In an effort to shake up what they see as Greek Cypriot complacency, the Turkish Cypriot administration, backed by Ankara, decided in 2020 to begin opening to the public Varosha/Maraş, a seaside territory held by Turkish Cypriots since 1974 and long fenced off for use as a bargaining chip in future negotiations. To date, actual development has been limited, despite expansive

rhetoric, but even these moves risk undermining remaining prospects for rapprochement.

Although cooperation between Greek and Turkish Cypriots continues on some matters – including through twelve joint technical committees created in years past to facilitate needed collaboration – it faces major challenges. Progress is stymied by Greek Cypriot aversion to anything that would suggest recognition of Turkish Cypriot control in the north. Committee projects can be delayed for months, if not years, by fights over terminology to which either the Greek or Turkish Cypriots object. Large-scale environmental efforts funded by the EU run into stumbling blocks because, in practice, they are often limited to the RoC-controlled parts of the island, even though the problems they seek to address are island-wide.

Aside from its many other repercussions, the island's division complicates exploitation of its Mediterranean seabed hydrocarbon deposits, which in turn exacerbates regional and intra-island tensions frictions. Türkiye contests the RoC's right to make decisions regarding such resources without the participation of Turkish Cypriots, insisting that the latter be treated as co-owners of the island's resources in line with the 1960 constitution. The RoC agrees to share revenues, but not to give Turkish Cypriots a say in natural resource management. As it does not recognise the RoC, Ankara will not enter talks with it to delimit the seabed between Türkiye and the island. It threatens to block the Greek Cypriots from benefiting from exploitation of natural gas reserves unless they reach agreement with the Turkish Cypriots.

Tensions in Cyprus both drive and are driven by an already precarious geopolitical environment in the eastern Mediterranean. The RoC and Greece are making efforts to develop hydrocarbon resources and enter defence partnerships with outside powers like France and the U.S. These are met by parallel moves on Ankara's part. Meanwhile, Russia, long a partner of the RoC, seems to be dangling the prospect of greater outreach to the north, although to date its overtures are limited.

Cyprus has been looking for ways to pull out of the spiral in which it finds itself. Perhaps specifically in response to northern moves in Varosha/Maraş, in May 2022 the Greek Cypriot leadership formally proposed a package of confidence-building measures, including steps to build Turkish Cypriots' connections to other countries. The Turkish Cypriot administration rejected the proposal, calling it an attempt to "spread the power of the Greek Cypriot side throughout the island". But many of its specifics could be achievable, particularly if in the back-and-forth Turkish Cypriots make clear their continued intention to return Varosha/Maraş as part of a future deal. Even with reunification seemingly far away, an approach that emphasises stronger bicommunal cooperation, as well as opening ports and airports to increase commerce on both sides of the island, could mitigate the damage otherwise inherent in a hardening divide.

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I. Introduction

Among the myriad overlapping disputes that roil the eastern Mediterranean, the tug of war over Cyprus is one of the most intractable. The island has been divided since 1974, when Turkish troops responded to a coup backed by Greece's then-ruling junta by splitting off roughly one third of the island as a zone for Turkish Cypriots. That zone declared its independence in 1983, though to this day only Türkiye recognises the claim. Notwithstanding the island's fractured governance, in 2004, after a reunification referendum was shot down by Greek Cypriot votes, the European Union (EU) granted membership status to the Greek Cypriot-led Republic of Cyprus (RoC), with its capital at Nicosia.[1] Four decades of UN-sponsored negotiations with the aim of reunification have failed persistently, most recently in 2017, when a summit at Crans Montana, Switzerland, broke up without reaching a deal. They have not been revived. Indeed, not only have the parties shown few if any signs of returning to the negotiating table since Crans Montana, but all have also embarked upon policies that harden divides and thus worsen their knock-on effects.

As explored by Crisis Group in past and forthcoming reports, the standoff over Cyprus also feeds and is fed by the many disputes that set Greece and Türkiye against each other in the eastern Mediterranean.[2] These include long-running disagreements over Türkiye's maritime boundaries with the Greek islands scattered off its Aegean and southern coasts, as well as frictions over potential gas deposits and pipeline plans. The RoC has granted exploration contracts to industry giants such as Exxon Mobil, Chevron, Qatar Petroleum and an ENI-Total consortium. This move, in turn, has brought more engagement from the businesses' home countries (the U.S., France, Qatar and Italy, respectively), as well as from Egypt and Israel, which are working with the RoC to investigate options for joint natural gas export mechanisms.[3] Explorers have begun drilling new wells, but are uncertain

[1] Nicosia – Lefkosia in Greek, and Lefkoşa in Turkish – is divided. This report will use the term "Nicosia" to denote the southern part of the city, which is recognised internationally as the capital of the Republic of Cyprus. It will use "North Nicosia/Lefkoşa" to refer to the unrecognised capital of the de facto "Turkish Republic of Northern Cyprus", where the Turkish Cypriot administration is located. The report will provide both the Greek and Turkish names for all other cities and towns.

[2] See, for example, Crisis Group Europe Reports N°263, *Turkey-Greece: From Maritime Brinkmanship to Dialogue*, 31 May 2021; and N°257, *Turkey Wades into Libya's Troubled Waters*, 30 April 2020; as well as Crisis Group Middle East Report, *Rethinking Gas Diplomacy in the Eastern Mediterranean*, forthcoming. See also Crisis Group Statement, "How to Defuse Tensions in the Eastern Mediterranean", 22 September 2020; and Nigar Göksel, "Turkey's Siege Mentality", Crisis Group Commentary, 23 March 2018.

[3] Greece and Cyprus, along with Egypt, France, Israel, Italy, Jordan and Palestine, but notably excluding Türkiye, have formed the Eastern Mediterranean Gas Forum to discuss and coordinate policy. The RoC and the licencees are considering building a new pipeline (possibly via Israel) to Egypt, where two liquefied natural gas (LNG) terminals already exist, or establishing facilities on the island to liquefy gas (possibly including

how large reserves, and thus export potential, will prove to be. The resource competition has sharpened in parallel to the growing militarisation of the eastern Mediterranean.

Given that a political settlement in Cyprus appears increasingly unlikely, at least in the foreseeable future, the question is whether tensions on and around the island will continue to climb, or whether there are mitigating steps that the parties might choose to take. At present, the answer is unclear. But there is at least some prospect that broad acknowledgement of the deadlock could lead the parties to seek a more functional modus vivendi – spurring cooperation that would benefit both sides of the island as well as the broader region.

Against this backdrop, this report, for which research was completed in early 2023, maps the history of the Cyprus dispute; the failure of the most recent effort to achieve a political settlement on the island; trends and developments that make such a settlement that much more difficult to achieve; and modest steps that might create a better atmosphere between the parties in light of these realities.

The report draws on prior and parallel Crisis Group work on the region as well as fresh field research, including interviews with officials, representatives, negotiating team leaders and members, peace activists, civil society figures and businesspeople from the Greek Cypriot and Turkish Cypriot communities, as applicable. It also reflects conversations with representatives of Türkiye, Greece and the UK, as well as the EU and UN. Of these interlocutors, all the Turkish Cypriot and Greek Cypriot leaders, chief negotiators and senior diplomats were men, reflecting a gendered power divide on the island. Women were represented among all the other categories of interlocutors and other countries' diplomats, reflecting the make-up of these organisations.

offshore gas from Israel) to be channelled to Europe. "Cyprus weighing proposed pipeline to funnel natural gas from Israel", *Times of Israel*, 20 December 2022.

II. The Cyprus Dispute: From Foundation to Crans Montana

The RoC was founded in 1960. The island had previously been ruled by Britain for eight decades, before which it was part of the Ottoman Empire for three centuries. In the 1950s, Greek Cypriots who had long favoured union with Greece rose up to kick the British out by force. In response, a number of Turkish Cypriots joined the British as auxiliary police to help fight the Greek Cypriot paramilitaries. When Greek Cypriots retaliated against the community, the Turkish Cypriots organised their own paramilitary units. By the end of the decade, the two communities were battling over the island's future.[4]

The formation of the RoC was intended as a compromise between two divergent visions among the island's core populations – or, at least, majorities thereof. The Greek Cypriots' preference for the island's union with Greece (*enosis*) stood at odds with the Turkish Cypriots' desire for its partition (*taksim*), with their community coming under Turkish protection. The RoC constitution, which was negotiated by Türkiye, Greece and the UK, with the participation of Greek and Turkish Cypriot representatives, explicitly ruled out both *enosis* and *taksim*. Instead, it established a bicommunal state with quota-based representation of and power sharing between the two dominant constituent communities.

In the bicommunal state, the Greek and Turkish Cypriot communities were co-founding partners, though the latter was overrepresented in a variety of structures in comparison to its share of the population. Greek Cypriots, who made up nearly 80 per cent of the island's population, got only 70 per cent of the appointments in government and the civil service, for example. The vice president, who by the constitution was a Turkish Cypriot, had a veto over policy decisions.[5] Greece, Türkiye and the UK pledged to guarantee this new status quo. But hardliners in the Greek and Turkish Cypriot communities, who still sought *enosis* and *taksim*, respectively, were unhappy with the arrangement.[6]

It did not take long for tensions to boil over. In November 1963, with Greek Cypriots blaming Turkish Cypriot overrepresentation for policy bottlenecks, the Republic's Greek Cypriot president, Archbishop Makarios III, proposed a set of constitutional amendments. These aimed to create a more unitary (and thus, due to population size, Greek Cypriot-dominated) state rather than the ethnically divided bicommunal one. Three weeks later, intercommunal violence broke out in the capital city of Nicosia. Turkish Cypriot parliament members and civil servants withdrew from their posts, citing safety issues. (In the Greek Cypriots' telling, the Turkish

[4] For a detailed history, see Crisis Group Europe Report N°171, *The Cyprus Stalemate: What's Next?*, 8 March 2006.

[5] The RoC's Department of Statistics and Research set the total population of the island in 1974 at 641,000, 506,000 (78.9 per cent) of whom were Greek Cypriots and 118,000 (18.4 per cent) Turkish Cypriots. The figure for the Greek Cypriot population includes the Maronite, Armenian and Latin Christian minorities, who opted for membership in this community, as the constitution allowed them to do. "Report on the Demographic Structure of the Cypriot Communities", Council of Europe, April 1992.

[6] Crisis Group telephone interview, Turkish Cypriot think-tank representative, August 2022. See also Anna Koukkides-Procopiou, "Cyprus history: Ignore at your own peril", *Eurasia Review*, 1 June 2018.

Cypriot departure is often depicted as voluntary, intended to prevent the state from functioning.) With no Turkish Cypriot officials left in the government, the Greek Cypriot majority took full control of the internationally recognised RoC. By year's end, Ankara had ceased all contact with what it to this day terms "the Greek Cypriot administration". Its current position is that "the Republic of Cyprus, as envisaged in international treaties, ceased to exist" as of December 1963.[7]

Although UN peacekeepers were deployed in March 1964, intercommunal violence continued in bouts until the end of 1967.[8] Abductions, executions and sexual assaults had by then forced Turkish Cypriots from homes across the island, concentrating the community in enclaves covering 3 per cent of its territory.[9]

Things went from bad to worse in 1974, when a Greek Cypriot paramilitary group, backed by the junta then ruling in Athens, carried out a coup against the Cyprus government. Türkiye intervened with force, ostensibly to protect Turkish Cypriots. Turkish troops pushed Greek Cypriots out of the northern third of the island in an ugly campaign of evictions, plunder, detentions, executions and sexual violence. At the end, the island and its capital were de facto divided, as they remain to this day, with separate administrations in the north and south. In the process, Turkish forces seized the Varosha/Maraş beach resort along the Famagusta/Gazimağusa coast. Viewing this previously bustling economic hub as a bargaining chip in a future settlement, Ankara and the Turkish Cypriots kept it a fenced-off ghost town.[10]

In the decade that followed the invasion, Turkish and Greek Cypriot leaders commenced talks under UN auspices, aimed at establishing a bizonal, bicommunal federation. These negotiations envisioned two equal communities to be part of a single identity for foreign policy purposes. Meanwhile, Ankara sought to bolster the Turkish Cypriots with economic and political support. But prospects for reunification suffered a blow when, in November 1983, the de facto legislative assembly of the Turkish Federated State of Cyprus approved both the establishment of the "Turkish Republic of Northern Cyprus" ("TRNC") and its declaration of independence.[11] Since then, Turkish Cypriots and Türkiye have commonly used the name "TRNC" to refer to the entity run by a Turkish Cypriot administration.

The Turkish Cypriots' moves met with harsh condemnation at the UN Security Council.[12] Only Türkiye recognised the new entity, although it stopped short of formally endorsing partition, as it had done between 1955 and 1960. While many Turkish and Turkish Cypriot hardliners continued at least tacitly to favour full

[7] Crisis Group telephone interviews, senior Turkish diplomats, September-October 2022; senior Turkish Cypriot diplomat, November 2022. See also "Why and How Did the 1960 Order Collapse?", Turkish Ministry of Foreign Affairs, undated.

[8] See "The 1967 Crisis" page on the UN peacekeeping mission's website.

[9] "Report by the Secretary-General on the United Nations Operation in Cyprus", UNSC S/5950, 10 September 1964.

[10] Previous Crisis Group reports provide detail about the Varosha/Maraş situation. See, for example, Crisis Group Briefing N°61, *Cyprus: Six Steps toward a Settlement*, 22 February 2011.

[11] James Ker Lindsay has explained the matter in detail. See "Why is northern Cyprus not recognised? How the Turkish Cypriot declaration of independence failed", video, YouTube, 15 May 2020. Crisis Group practice is to refer to the de facto entity as the "TRNC", in quotation marks.

[12] "Security Council resolution on declaration by the Turkish Cypriot community of its secession from Cyprus", S/RES/541, 18 November 1983; "Security Council resolution on secessionist actions in Cyprus", S/RES/550, 11 May 1984.

partition until 2002, and Ankara continued to base military forces in the "TRNC", official policy on all sides consistently called for negotiations to reunify the island.[13] In line with that, Turkish Cypriots continued talks with Greek Cypriots for a federal state.

In 2002, Recep Tayyip Erdoğan took office as prime minister of Türkiye and threw his weight behind the island's reunification as a bicommunal, bizonal federation. He supported a comprehensive proposal that had been developed under the auspices of UN Secretary-General Kofi Annan in anticipation of Cyprus' EU accession, which foresaw a United Cyprus Republic comprising a federal entity with two powerful constituent states.[14] Erdoğan thus sidelined nationalists in Ankara and Turkish Cypriot leader Rauf Denktaş, who had taken a harder line.

But Erdoğan's endorsement was not enough to get the Annan Plan enacted. When it came to an island-wide referendum in April 2004, 65 per cent of Turkish Cypriots voted in favour, but 76 per cent of Greek Cypriots voted against it. Polling before and after the vote suggests that Turkish Cypriot women were somewhat more likely than Turkish Cypriot men to support the plan, with the reverse likely true among Greek Cypriots, although other analysis argued that gender had no impact on voting.[15] When the RoC entered the EU one month later, in May 2004, it did so with a protocol that deemed the north an area over which the government has jurisdiction but cannot exercise control, with implementation of the acquis (ie, the body of rights and obligations that make up EU law) suspended in that zone.[16]

Reunification negotiations since have all failed, and the two communities continue to regard each other with suspicion. The Turkish Cypriots, fearing majority tyranny and ethnic cleansing, demand that any unification grant them political equality with the Greek Cypriots, echoing both UN resolutions and negotiation frameworks to date.[17] But how to cement such a dispensation remains unclear.

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[13] "Few outside the military command in Ankara know if there are 21,000 soldiers, as Turkey says, or 43,000, as Greek Cypriots claim". Crisis Group Briefing, *Cyprus: Six Steps toward a Settlement*, op. cit.; "Gender Inclusion Now! Why Do We Need Women in the Cyprus Peace Process? Women, Peace, and Security Agenda for Cyprus", Center for Sustainable Peace and Democratic Development, 2018.

[14] Crisis Group Report, *The Cyprus Stalemate: What's Next?*, op cit.

[15] A pre-referendum poll among Turkish Cypriots, conducted by KASpiar, found 65 per cent of women and 52 per cent of men planning to vote yes. "Surprising survey in Northern Cyprus", *Internet Haber,* 22 April 2004 (Turkish). An exit poll published in the Greek newspaper *TA NEA* revealed that 78 per cent of Greek Cypriot women and 72 per cent of Turkish Cypriot men had voted no. (A photograph of the hard copy is on file with Crisis Group. The date is illegible.) See also Craig Webster and Alexandros Lordos, "Who Supported the Annan Plan? An Exploratory Statistical Analysis of the Demographic, Political and Attitudinal Correlates", *The Cyprus Review*, vol. 18, no. 1 (2006).

[16] "Protocol No. 10 on Cyprus", European Union Official Journal, 12003T/PRO/10, 16 April 2003.

[17] The definition for political equality regarding Cyprus is included in a report by the UN secretary-general, dated 8 March 1990, to the Security Council, which adopted it, and is as follows: "While political equality does not mean equal numerical participation in all federal government branches and administration, it should be reflected inter alia in various ways: in the requirement that the federal constitution of the State of Cyprus be approved or amended with the concurrence of both communities; in the effective participation of both communities in all organs and decisions of the federal government; in safeguards to ensure that the federal government will not be empowered to adopt any measures against the interests of one community and in the equality

Turkish Cypriots have sought, for example, to require that in a reunified state, at least one Turkish Cypriot minister must vote in favour in order to enact any initiative brought before the cabinet – creating a form of veto for the Turkish Cypriot constituency. They are also loath to give up the protection – and presence – of the Turkish armed forces. The Greek Cypriots, for their part, see the Turkish Cypriot push for a veto as a recipe for more of the stalemates and walkouts that characterised the early 1960s. They also point to the 1974 violence to demand that Turkish troops leave the island and that Türkiye, along with the UK and Greece, lose their status as guarantors of the arrangements reached under the 1960 treaties.[18]

There have been moments of hope, including in the run-up to a July 2017 summit among the parties most proximate to the dispute. As discussed further below, a deal appeared to be within reach when negotiations commenced at the Swiss town of Crans Montana. But instead of ending in inked signatures, the summit broke down. In its wake, Ankara withdrew Turkish support for continued negotiations for a bicommunal, bizonal federation. Since then, both frustration at the failure to reach agreement and regional power competition in the eastern Mediterranean have reduced the odds of productive talks even further.

In the meantime, northern Cyprus has been and remains isolated. Recognised only by Türkiye, it relies on Ankara for trade and access to the rest of the world. No international flight plan can originate or end at its airport. Only Turkish planes (some 24 flights per day) land there.[19] Mail reaches the north only through the Turkish post, using the code for Türkiye's Mersin province, and northern telephone calls are placed via Turkish exchanges. With a few exceptions, foreign dignitaries abstain from meeting with Turkish Cypriot officials. "TNRC" authorities have no contact with international agencies like Interpol and the World Health Organization. While there is no official commercial embargo, RoC pressure means that most international brands do not open franchises or trade with north Cyprus. Turkish companies and investors thus predominate in the north, and local borrowers must seek loans from Turkish banks, lacking access to other banking services. Northern Cyprus sports teams cannot participate in international tournaments or matches.

and identical powers and functions of the two federal states". "Report of the Secretary-General on His Mission of Good Offices in Cyprus", UNSC S/21183, 8 March 1990, Annex I, p. 7.

[18] "The current position of the Greek side is that guarantees should be abolished altogether, whereas the Turkish side considers that they have provided effective security and should be maintained in some form or another". Costas Constantinou, "Revising the Treaty of Guarantee for a Cyprus settlement", EJIL: Talk! (blog), 21 June 2017.

[19] As outlined in Crisis Group Briefing, *Cyprus: Six Steps toward a Settlement*, op. cit.

III. Crans Montana: Before and After

The period 2015-2017 may have been the most promising for the Cyprus peace process – at least since the lead-up to the Annan Plan referendum in 2004. In 2015, Turkish Cypriots elected as their leader Mustafa Akıncı, a staunch supporter of uniting the island under a bicommunal, bizonal federation. At that time, the RoC president was Nicos Anastasiades, a prominent reunification supporter. Thus, both communities were led by men who were on record as firmly in favour of a federal deal.[20] Negotiations began soon after Akıncı took office and the two leaders appeared to have good chemistry. A team member said they met weekly. She reported that the negotiating teams themselves put in long hours and held daily meetings in the buffer zone between Greek Cypriot- and Turkish Cypriot-controlled territory to iron out differences.[21] These talks formed the backdrop for the 2017 summit. Both sides' then-chief negotiators told Crisis Group that they felt they had made so much progress that, in the words of the Turkish Cypriot representative, "There was little left for Crans Montana".[22]

The working groups set up through this process reached preliminary agreement on citizenship and voting issues, as well as much of the post-unification governance framework. In their first meeting off the island, during a round of negotiations in Mont Pèlerin, Switzerland, in November 2016, the two leaders agreed on a range for the area of the island's territory the Turkish Cypriot constituent state would cover: from 28.2 to 29.2 per cent.

The high-water mark for collaborative work during this period came at the beginning of 2017, when the two sides came together for talks in Geneva. Over the course of three days, starting on 9 January, the negotiators focused on four chapters for an outcome document covering governance, property, EU matters and the economy. Both also for the first time presented their proposed maps for the allocation of territory in line with the percentage range noted above. On 12 January, the guarantor powers from the 1960 treaties (comprising, as noted above, the UK, Türkiye and Greece) joined in, convening what was referred to as the Conference on Cyprus under the UN secretary-general's auspices. Participants, again for the first time, discussed security guarantees and agreed to establish working groups to hammer out ways forward on key topics.[23]

Then came a six-month stalemate. Technical talks on how to address security concerns in a unified state dragged on: Türkiye and Turkish Cypriots wanted the guarantor system continued; Greece and the Greek Cypriots demanded that it end. Turkish Cypriots then almost pulled out of negotiations when the RoC parliament considered an extreme right-wing party's proposal that schools annually commemorate a 1950 Greek Orthodox Church-instigated referendum for union with Greece. Although the parliament rejected the proposal, the fact that it was even

[20] "Cypriot leaders agree to start full negotiations within three months – UN", *UN News*, 21 March 2008.

[21] Crisis Group interview, north Nicosia/Lefkoşa, September 2021.

[22] Crisis Group interview, north Nicosia/Lefkoşa, September 2021. The Greek Cypriot negotiator concurred. Crisis Group interview, Nicosia, February 2022.

[23] "Conference on Cyprus in Geneva", press release, Republic of Cyprus Ministry of Interior, 13 January 2017.

discussed underlined the continued appeal of *enosis* in the RoC and thus added to the bad blood between the communities.[24]

Nonetheless, the two island leaders met in New York in June 2017 at the UN Secretary-General's invitation and agreed to resume talks with a second Conference on Cyprus in Crans Montana later that month. The meeting would bring the two community leaders together with a host of high-level UN, EU and UK representatives and the foreign ministers of Türkiye and Greece. Hopes rose that the parties were preparing to cement two years of promising progress with a deal.

But despite the optimism, both Akıncı and Anastasiades arrived in Crans Montana essentially unable to deliver what the other wanted most. Anastasiades faced a re-election vote in less than six months. His opposition accused him of being too willing to entertain Turkish demands. The power sharing envisioned in the talks, including a rotating presidency, was likely to be very unpopular among his constituents. For a deal to be acceptable to his electorate, he needed a binding date by which Turkish forces would leave the island.[25] Turkish Cypriots, for their part, needed a guarantee of political enfranchisement, with a decisive role for their community in how Cyprus would be governed.

The Turkish Cypriots were under the impression that Anastasiades was buying time, rather than negotiating in good faith.[26] Ankara, meanwhile, was sceptical of Akıncı's judgement, believing that he had overestimated Anastasiades' resolve to strike a deal, and worrying that his willingness to compromise had weakened the Turkish Cypriot bargaining position. Meeting with Akıncı in Istanbul days before the Crans Montana talks commenced, Erdoğan reportedly warned, "I wanted to stop this charade, but you requested a last attempt. I will support you one last time, but if it doesn't work, we're not doing it again".[27]

Indeed, it did not work. Despite ten days of intense talks, the summit failed to deliver a deal. The Turkish Cypriot side was unsatisfied by the power-sharing commitments Anastasiades was willing to offer, which they felt walked back agreements worked out in the lead-up to talks. For their part, the Greek Cypriots were left cold by Ankara's proffered commitment to forsake its guarantor status and significantly reduce the number of troops it keeps on the island, feeling that unless such a pledge came with a clear withdrawal deadline attached, the Greek Cypriot electorate would not approve a deal at referendum.[28]

The Crans Montana summit ended abruptly, and both sides walked away frustrated. Anastasiades remained convinced that negotiations could resume after his re-election, as he said at the time and reaffirmed to Crisis Group.[29] But

[24] "Events islandwide to mark Eoka anniversary", *Cyprus Mail,* 1 April 2017. Crisis Group telephone interviews, member of Turkish Cypriot negotiation team, September 2022; Greek Cypriot analyst, November 2022.

[25] For thorough reporting on Greek Cypriot perceptions of security just before Crans Montana, see the Security Dialogue Initiative's 2016 Cyprus Social Cohesion and Reconciliation Index. See also "Cypriot president says wants zero forces, guarantees from Turkey", Reuters, 10 July 2017.

[26] Crisis Group interview, Turkish Cypriot negotiating team member, north Nicosia/Lefkoşa, September 2021.

[27] Crisis Group interviews, Turkish Cypriot journalist and civil society representative, Ankara, November 2021.

[28] For more on the disagreements, see "President's proposals dismissed as 'nothing new'", *Cyprus Mail,* 5 July 2017.

[29] Crisis Group interview, Nicos Anastasiades, Nicosia, April 2022.

Erdoğan, believing that he had "not just gone the extra mile but an extra ten miles" was fed up.[30] Turkish officials say they had offered to drop the Turkish troop presence to pre-1974 levels of just 650 personnel and agreed to an eventual end to Turkey's guarantor status – much more than many in the Ankara establishment could fathom, even if Türkiye's unwillingness to commit to dates rendered these proposals unacceptable to the RoC.[31] As he had threatened, Erdoğan ended his fifteen-year support for creating a federation in Cyprus. Ankara also explicitly blamed Akıncı, accusing him of having been duped by Anastasiades in pre-summit talks into promising concessions without getting a deal in return.

President Anastasiades was re-elected in February 2018, but he no longer had a northern counterpart able to deliver a deal. He described Akıncı as "a changed man", much weakened, after the Switzerland meeting.[32] Akıncı's own team, which had worked so hard for reunification, faulted Western governments for what they saw as passivity and failure to support Akıncı. In the words of one member, "They did nothing to bolster our standing. Not one international figure visited Akıncı. They simply watched from afar as Akıncı was trampled on by Ankara, and Anastasiades paid no price".[33] Akıncı went on to lose his next election in October 2020 to conservative nationalist Ersin Tatar, becoming the latest of several pro-settlement northern Cyprus politicians to fall to hardliners after failing to attain promised goals. Ankara weighed in strongly in Tatar's favour, a shift from its past practice of more subtle engagement in northern Cyprus elections. Tatar asserted that Turkish Cypriots would never give up what he referred to as their sovereignty, adding that he planned to use Türkiye's global leverage to protect Turkish Cypriot rights.[34]

[30] Crisis Group interview, Turkish Cypriot with ties to the Turkish presidential team, Ankara, November 2021.
[31] Crisis Group interviews, Ankara and Nicosia, September 2021-March 2022.
[32] Crisis Group interview, Nicosia, April 2022.
[33] Crisis Group interview, north Nicosia/Lefkoşa, September 2021.
[34] "Ersin Tatar won the elections in northern Cyprus", Deutsche Welle, 18 October 2020 (Turkish).

IV. Seven Worrying Trends for a Divided Island

The failure to reach agreement at Crans Montana has propelled dynamics on both sides of the island that make compromise a more distant prospect and undermine areas of cooperation. Geopolitics and disputes over maritime jurisdiction tend to aggravate these trends.

A. *Geopolitics and Militarisation*

Competition for sovereignty over seabed hydrocarbons and maritime boundary disputes, layered on top of longstanding geopolitical rivalries, has roiled the eastern Mediterranean. The result has been to increase regional militarisation, draw in outside powers, and generally raise the level of tensions on and around Cyprus.[35]

Both the RoC and Greece have deepened their defence cooperation with the United States. Washington, Athens and Nicosia have embarked upon two "3+1" initiatives, one with Israel and the other with Egypt, both intended to forge closer ties among actors in the eastern Mediterranean, and between them and the U.S.[36] U.S. access to Greek military bases increased in 2022, and on 16 September of that year, Washington lifted the arms embargo it had imposed on the RoC in 1987 to dampen prospects of an intra-island arms race.[37] It did so despite Turkish concerns. Washington was aiming, according to U.S. officials, to dissuade the RoC from buying more Russian arms, which had long formed the backbone of its arsenal.[38] The U.S. may have previously eschewed such steps for fear they could impede efforts to broker a political settlement; but any perceived constraints disappeared as hopes for a solution vanished following Crans Montana.[39]

The two have also forged tighter military links to France. Paris, whose relations with Ankara have become deeply strained, has increased its military cooperation with Athens. It sold Greece three warships in 2021 and six new Rafale fighter jets in 2022 (the latter now has eighteen altogether) and signed a defence pact in 2021.[40] In September 2022, joint French-Greek military drills further alarmed

[35] Crisis Group Report, *Rethinking Gas Diplomacy in the Eastern Mediterranean*, forthcoming.
[36] The rhetoric associated with the Egypt deal was explicitly critical of Türkiye, referencing its "provocative practices and aggressive rhetoric" and "aggressive activities or expansionist tendencies" in October and December 2021, respectively. "Greece, Cyprus and Egypt condemn Turkey's aggressive rhetoric in Mediterranean", *Republic.com*, 20 October 2021.
[37] "Cyprus hails US decision to fully lift arms embargo", VOA, 17 September 2022.
[38] Crisis Group interviews, U.S. military representatives and Turkish officials, September 2022. See also Ryan Brobst et al., "Lifting the arms embargo on Cyprus is a major opportunity to aid Ukraine", Foundation for Defense of Democracies, 22 September 2022. The RoC and the U.S. have also embarked upon joint efforts to combat money laundering and are increasingly collaborating in the energy sphere. Crisis Group interview, U.S. official, Nicosia, March 2022.
[39] Crisis Group interviews, U.S. officials, March 2022 and September 2022.
[40] Katerina Sokou, "Greece and France give European strategic autonomy a shot", Atlantic Council, 7 October 2021; "Macron back with Greek defense pact after submarine crisis", Bloomberg, 28 September 2021; "Greece buys six more Rafale fighter jets, frigates from France", Reuters, 24 March 2022.

Türkiye.[41] The RoC, too, has strengthened defence ties with France, embarking on exercises, offering base access and welcoming French naval vessels.[42]

As the RoC's Western partners have upped their support for the Greek Cypriots, President Erdoğan has made parallel moves in support of the north. In the last few years, Türkiye has fortified its military positions in Cyprus, including by stationing drones at the Lefkoniko/Geçitkale base in the island's north-eastern quadrant. Ankara is also reportedly planning to build a naval base in the nearby Trikomo/Iskele area, which will enable faster deployment of vessels in the region, although these plans are much delayed.[43] Now that the U.S. has lifted its arms embargo, Turkish officials are poised to do more. As one said, "We will be watching closely what the U.S. sells to Greek Cypriots, and accordingly fortifying … the north".[44]

The backdrop to this dynamic is a Turkish foreign policy that has grown increasingly assertive since the 2016 failed coup against President Erdoğan. At times, Ankara has dispatched naval vessels to prevent energy exploration and exploitation that it argues violates its rights. Türkiye has been active in the wars in Syria and Libya, supported Azerbaijan in its fight with Armenia to take back Nagorno-Karabakh, and stepped up its campaign against militants from the Kurdistan Workers' Party (PKK) – designated a terrorist organisation by Türkiye, the U.S. and the EU – sheltering in northern Iraq.[45] It is providing Ukraine with armed drones and armoured personnel carriers while also facilitating talks and mediation efforts in the Russo-Ukrainian war.

These policies, and Türkiye's often seemingly cosy ties with Moscow, which include a 2017 decision to purchase S-400 air defence systems from Russia, put additional stress on the already complicated relations between Ankara and its NATO allies. Turkish officials generally believe that Ankara's partnerships with Western partners can bear the cumulative strain. They see Türkiye's provision of weapons to Ukraine, its restoration of relations with Israel (important to Washington), and the U.S desire for regional partners to contain Iran as insulating Ankara from Western pressure to some extent.[46]

Moscow, meanwhile, may be courting northern Cyprus. In the wake of Russia's 24 February 2022 full-scale invasion of Ukraine, the RoC joined other EU countries in closing its airspace to Russian flights and its ports to Russian ships. Moscow then indicated it might consider direct flights to the Turkish Cypriot Ercan airport (called Tymbou by Greek Cypriots). Some nationalists in Türkiye and northern Cyprus see this move as Russia's "pivot from the Greek Cypriot Administration to TRNC" and a possible step toward Russia's recognition of a Turkish

[41] "Joint military exercises by Greece and French special forces in islands near Türkiye's shores", *Sözcü*, 30 September 2022 (Turkish).

[42] "France and Cyprus to upgrade military cooperation", *Cyprus Mail,* 16 June 2022; "Law no. 2020-45 authorising the approval of the agreement between the Government of the French Republic and the Council of Ministers of the Republic of Albania relating to cooperation in the field of defence and defence cooperation agreement between the Government of the French Republic and the Government of the Republic of Cyprus", 27 January 2020 (French).

[43] "Turkey plans to establish naval base in Cyprus", *Daily Sabah*, 25 December 2019.

[44] Crisis Group telephone interview, Turkish official, 25 October 2022.

[45] These matters are discussed at length in previous Crisis Group publications, as cited in footnote 2.

[46] Crisis Group telephone interview, Turkish diplomat, September 2022.

Cypriot state.[47] Russian officials deny any such intention.[48] But Greek Cypriots are nervous, especially since the announcement of plans to offer consular services for Russian nationals in the north. The naming of a new Russian ambassador to the RoC, Murat Zyazikov, in September 2022 fuelled speculation as well. Zyazikov, a Muslim, is now in a role in which successive Russian ambassadors have spent much of their time emphasising the bonds between the Russian Orthodox community and the Greek Orthodox church in the RoC.[49]

Although inflows of military hardware, shifting alliances and episodically rising tensions do not necessarily suggest that the island is facing an imminent flashpoint, they complicate the political landscape and make the challenge of mediating a settlement between the two Cypriot communities that much greater.

B. *A Widening Split over Sovereignty*

Since Ersin Tatar was elected in 2020, his administration, with Ankara's blessing, has officially favoured a two-state solution for Cyprus.[50] The Turkish Cypriot political elite, however, is split between two definitions of what a two-state solution might mean.

For some Turkish Cypriot advocates of a two-state solution, it means full independence from the RoC, although precisely what that would look like is the subject of another split. In one camp are those who prefer either that the north exist as its own freestanding entity or that it be absorbed into Türkiye. In the other camp are those who seek independence as a prelude to northern Cyprus' own, separate EU membership. Nationalists in Türkiye and Anatolian Turks who have settled in northern Cyprus often press for an independent north that is maximally integrated with Türkiye. Indigenous Turkish Cypriots by and large favour options that place the north in the EU – as long as they will not be subjugated to the RoC. Most in both camps recognise, however, that independent EU membership, which would require the unanimous agreement of EU member states including the RoC, is highly unrealistic.[51]

Other northern opinion-makers take a very different approach to the two-state solution: they see sovereign equality between two constituent states (one Greek Cypriot and the other Turkish Cypriot) as the basis from which the two could then

[47] "Flights from Russia to TRNC on the horizon: Top TRNC official confirms", TRT World, 23 September 2022.

[48] A Turkish official told Crisis Group that "if Moscow is smart, they will exploit Turkish frustration with the West over Cyprus. Turkish nationalists will rejoice over anything Moscow offers TRNC in the way of de-isolation or recognition". Crisis Group telephone interview, Turkish official, July 2022.

[49] Crisis Group telephone interview, November 2022. While the implications of Russia's steps are yet to emerge, they have added further intrigue to public debates, which are often prone to conspiracy theories. "Russia to offer consular services in the north", *Kathimerini,* 18 April 2022; and "New ambassador seen reflecting Russian opinion of Cyprus turning to the West", *Cyprus Mail,* 13 September 2022.

[50] "TRNC President Tatar: We are now advocating for a new (two-state) solution in Cyprus", Anadolu Agency, 19 June 2021 (Turkish).

[51] These conclusions are drawn from conversations with both Turkish Cypriot nationalists and pro-federation Turkish Cypriots, as well as from various opinion polls including by the Friedrich Ebert Stiftung (2020) and the Centre for Migration, Identity and Rights Studies (2021).

negotiate reunification as a confederation that would be an EU member.[52] Proponents of sovereign equality as a precursor to talks make three main arguments.

One argument is historical. It starts from the premise that the UK transferred sovereignty to both the Turkish and Greek Cypriot communities in 1960, with the new republic enshrining power sharing between Turkish and Greek Cypriots. Greek Cypriots, they argue, "hijacked" the state in 1963, in the wake of clashes.[53]

A second argument works back from the desired end state. It reasons that since a deal on a bicommunal, bizonal federation would grant Turkish Cypriots political status, and, indeed, the presidency of the republic on a rotating basis, as agreed most recently in 2017, it makes little sense that they be "treated as secessionists" until the day Greek Cypriots volunteer to share political power".[54] Proponents note that at UN-brokered meetings, Greek and Turkish Cypriots already negotiate as equals, though in all other formats, only the former have standing.

The third and final argument holds that the unequal standing of Greek and Turkish Cypriots has precluded a settlement because it benefits Greek Cypriots, who thus have insufficient incentive to change things. Conversely, according to this argument, unrecognised status unfairly leaves the Turkish Cypriot side of the island subject to trade and other restrictions. "We voted in favour of the Annan Plan", said a Turkish Cypriot official. "Secretary-General Annan acknowledged that the Greek Cypriot leadership advocated for the defeat of the Plan, and he called for the de-isolation of Turkish Cypriots. But, unless our sovereignty is affirmed, Greek Cypriots can block any de-isolation".[55] By contrast, according to proponents, allowing the parties to "sit at the negotiation table with equal conditions" would seed the ground for successful talks.[56] A former negotiator for the Turkish Cypriots said, "Continuing negotiations under current parameters just keeps us on hold and prevents our progress".[57]

But the RoC shows no inclination to agree to either one of the more definitive visions of northern independence or the confederalist vision described above. In general, Greek Cypriots treat the RoC's sovereignty over the entire island of Cyprus as indisputable.[58] They point to UN Security Council resolutions referencing a single government for the island, and to Protocol 10 of Cyprus' accession act to the EU, which designates the northern part of Cyprus as an RoC territory,

[52] The chief Turkish Cypriot negotiator has elaborated in writing. Ergün Olgun, "Turkish Cypriot View: A Confederation for the 'Island of Cyprus'?", Turkish Ministry of Foreign Affairs, 2000.

[53] "Comply with the Proposal or We Will Continue", Turkish Ministry of Foreign Affairs, 14 July 2019.

[54] Crisis Group telephone interview, Turkish Cypriot official, September 2022.

[55] Crisis Group telephone interview, Turkish Cypriot official, September 2022. For Annan's statement, see "Report of the Secretary-General on his mission of good offices in Cyprus", UNSC S/2004/437, 28 May 2004.

[56] Crisis Group interview, Turkish official, Ankara, November 2021. On 17 September 2022, Ankara renewed this call: "The international community, including the U.S., should reaffirm the sovereign equality and equal international status of the Turkish Cypriot people, which were also confirmed by the 1959-60 Agreements, and act accordingly". "Press Release Regarding the U.S. Decision to Lift the Arms Embargo on the Greek Cypriot Administration", Turkish Ministry of Foreign Affairs, 17 September 2022.

[57] Crisis Group interview, Turkish Cypriot former negotiator, north Nicosia/Lefkoşa, March 2022.

[58] Crisis Group interviews, Greek Cypriot officials, Nicosia, March and October 2022.

albeit one "on which the government cannot exercise control".[59] Moreover, as discussed below, they argue that the north's growing reliance on Ankara further undercuts its insistence on being treated as an independent sovereign entity at the negotiating table.

Nor is there much prospect that Turkish Cypriots will build meaningful multilateral support for any present iteration of their sovereigntist visions.[60] While Turkish Cypriot officials and experts argue that the UN Security Council should take a decision affirming the equal international status of Turkish Cypriots, the many UN experts Crisis Group spoke to regarded this idea as incapable of gaining sufficient Council support and non-viable.[61] But even if some Turkish Cypriot representatives acknowledge their position may not be realistic today, there are also those who contend that "eventually, even if it takes years", they will get what they want, saying both the Greek Cypriots and outside actors will come around to accepting their perspective.[62]

Some northern voices express regret for the positions that their representatives now espouse, blaming Ankara for taking an unrealistic stand since 2017. "It is understandable that President Erdoğan felt a need to harden his stance after Crans Montana. But the turn was much too radical. Opting out of negotiations played into the hands of the Greek Cypriot side", said a former negotiator.[63]

These contrarian voices, however, are not winning debates either in the north or in Ankara. Hardline positions in both northern Cyprus and Türkiye have continued to ossify. Support for reunification talks is frowned upon by sitting officials in both places. Indeed, Ankara officials have largely stopped engaging with Turkish Cypriot opposition figures who question the utility of the current line.[64] In his 2022 speech at the UN General Assembly, President Erdoğan called for international recognition of the "TRNC", marking the first time Ankara has pressed other countries to take this step.[65]

C. *Ankara's Bear Hug*

Ankara's influence over political, economic and cultural affairs in northern Cyprus has grown markedly since 2019. It has become so pronounced that some observers call it a "bear hug".[66]

As discussed, northern Cyprus has been dependent on Ankara since the island's 1974 schism left it cut off from the rest of the world. Its international isolation has hindered the development of trade and tourism, while foreign direct

[59] "Protocol No. 10 on Cyprus", op. cit.
[60] Crisis Group correspondence, Greek Cypriot expert, December 2022.
[61] Crisis Group telephone interviews, independent analysts who specialise in UN affairs and UN representatives, September 2022.
[62] Crisis Group interview, north Nicosia/Lefkoşa, September 2021.
[63] Crisis Group interview, north Nicosia/Lefkoşa, September 2021.
[64] Crisis Group interview, north Nicosia/Lefkoşa, September 2021.
[65] President Recep Tayyip Erdoğan, "Address to the 77th session of the United Nations General Assembly", 20 September 2022. Previously, Turkish Cypriot officials had emphasised that calls for sovereign equality are not demands for immediate recognition as an independent state by any country other than Türkiye. Crisis Group interviews, Turkish Cypriot and Turkish officials, September 2021 and March 2022.
[66] Crisis Group interviews, north Nicosia/Lefkoşa, 2021-2023.

investment and real estate have been held back both by uncertainty about the future and property disputes. In addition, a large and inefficient public sector has exacerbated fiscal imbalances.[67] Türkiye has essentially kept the north afloat all these years with direct aid. As a result, many of the most skilled Turkish Cypriots have departed for Türkiye, the UK and other countries where past migration had already created expatriate communities.[68]

While the parties were negotiating it was more plausible for proponents of reunification to look toward an eventual political settlement solving these problems by fostering an influx of European investment once a deal was in place.[69] But with talks paralysed for the foreseeable future, and no settlement on the cards anytime soon, there is only Ankara to fill the gap.

It is trying to do so. In 2019, the Turkish presidency established an agency of the presidency, the Cyprus Coordination Unit, to manage the assistance provided to the "TRNC" by various Ankara ministries and agencies. Besides supporting infrastructure, it is meant to help develop the northern Cyprus economy through capacity building, credits and better governance.[70] The Unit's staff describe these programs as a sea change in Ankara's support for the "TRNC" – saying they are based on the EU's pre-accession assistance to membership candidates as well as its institution-building programs for non-candidate partner countries.[71] Some Turkish and Turkish Cypriot officials argue that these programs will facilitate a more functional northern Cyprus, which in turn will have a stronger hand in negotiations, when those resume.[72]

Tatar's appeal to many of his 2020 voters included the argument that Ankara's staunch support for him personally would translate into increased Turkish economic contributions.[73] But in the two years that followed, one cause of the north's economic straits was financial instability in Türkiye itself. Each time the Turkish lira depreciated – due to flawed monetary and interest rate policy, according to experts – rapid inflation hit the north.[74] The northern Cyprus economy was also rocked by the COVID-19 pandemic and associated lockdowns, which starved the island of revenue from tourism, higher education (particularly student spending, as courses continued online) and related service sectors. Prior to the pandemic, tourism represented around 20 per cent of the north's annual GDP, the highest share of all sectors. If combined with related service sectors, the share reached

[67] Crisis Group Europe Report N°229, *Divided Cyprus: Coming to Terms on an Imperfect Reality*, 14 March 2014.

[68] The Turkish Cypriot diaspora is concentrated in Türkiye and the UK, though there are also sizeable communities in the U.S., Canada and Australia. "How was the destiny of the island and Türkiye shaped before, during and after the Cyprus operation?", *Euronews,* 20 July 2020 (Turkish); Tozun Issa, "Turkish-Speaking Communities in Britain", *The Welsh Journal of Education,* vol. 13, no. 1 (2004).

[69] Crisis Group interviews, Turkish Presidency representatives, Ankara, November 2021.

[70] "Coordination of Cyprus Issues", Republic of Türkiye Presidency, 6 July 2019 (Turkish).

[71] Crisis Group interview, Cyprus Coordination Unit representatives, Ankara, November 2021.

[72] Crisis Group interviews, Cyprus Coordination Unit representatives, Ankara, November 2021; north Nicosia/Lefkoşa, September 2021.

[73] For an analysis of Tatar's campaign pledges, see Hacer Buruk and Ayça Demet Atay, "An Analysis of the Message Strategies Used by Candidates in the TRNC 2020 Presidential Election", *International Journal of Art, Culture and Communication*, vol. 3 (2021) (Turkish).

[74] Crisis Group telephone interview, Turkish expert, January 2022.

approximately 35 per cent. Tourism's GDP share dropped to 12.8 per cent in 2020 and rose only slightly, to 13.8 per cent, in 2021.[75]

Since the election of its preferred candidate, Tatar, Ankara has launched several infrastructure projects in the north, laying roads and water pipelines that it hopes will spur economic activity, including in agriculture, upon completion. Türkiye is also investing in training local government officials and offering micro-loans to entrepreneurs. It is hard to assess the effects as yet. Micro-loans and capacity building take time to bear fruit, even in economies stronger than that of the north.

Türkiye has continued stepping up its economic engagement in the north. In April 2022, Ankara concluded a financial cooperation protocol with the "TRNC" that came into effect the next month.[76] The pact envisaged that 4.25 billion Turkish lira ($200 million) would be transferred from Türkiye to the "TRNC" in 2022 in the form of grants and loans. Among the objectives were to build the capacities of "TRNC" public institutions, eliminate budget deficits, and develop industry and trade. On 31 March 2023, Ankara promulgated a new protocol. By the terms of this one, it will transfer 9.5 billion Turkish lira ($495 million) to the "TRNC", also in the form of grants and loans.[77] This money will go toward building 26 new schools, three hospitals, a health centre, and a national disaster and earthquake centre, as well as supporting infrastructure projects such as irrigation.

Ankara's assistance is not always warmly received by all segments of the north's political class. When the 2022 pact was signed, it sparked intense debate. Both Turkish officials and representatives of the Turkish Cypriot administration argued that the protocol would enable the "TRNC" economy to be stronger and more self-sufficient.[78] But the 53-page document calls for alignment and coordination in matters that seem unrelated to public finance – on matters such as education, religious affairs, countering disinformation and acquisition of citizenship in the "TRNC".[79] Other controversial provisions include restricting trade union activities, privatising ports, and facilitating the acquisition of Turkish Cypriot citizenship for Turkish nationals. In 2023, the main "TRNC" opposition party released a written statement criticising the second financial protocol, saying it is a repetition of previous documents that does not take Turkish Cypriots' needs into account.

Public opinion about Ankara's growing role in the north is mixed. Tatar's core constituency of predominantly working-class, right-leaning Turkish Cypriots and settlers from Türkiye tends to welcome Ankara's more hands-on involvement. They expect it to improve public services and infrastructure, as well as to

[75] These figures are approximations taken from "TRNC Gross Domestic Product 2020 Bulletin", TRNC Statistics Institute, 2020 (Turkish).

[76] "The 2022 TRNC-Türkiye Economic and Financial Cooperation Protocol Was Signed Today in Ankara", TRNC Public Information Office, 15 April 2022 (Turkish). The full text is published in Türkiye's official gazette. For further details of the agreement, see "Here's the economic protocol", *Yenidüzen*, 20 May 2022 (Turkish).

[77] "Turkish Cypriot premier hails 'historic protocol' with Türkiye", Anadolu Agency, 1 April 2023.

[78] Crisis Group telephone interviews, officials in Ankara and north Nicosia/Lefkoşa, June-September 2022.

[79] "2022 Economic and Financial Cooperation Agreement between Republic of Türkiye and Turkish Republic of North Cyprus", Turkish Official Gazette, 14 April 2022 (Turkish).

create opportunities for local business.[80] But some Turkish Cypriots fear that Türkiye's support comes with unwelcome ideological and political strings attached – a view that can only be reinforced by the breadth of the above-referenced protocol. Many indigenous Turkish Cypriots see themselves as a distinct identity group. To them, Ankara's influence has worrying elements, like encouraging religiosity where it is not wanted – Türkiye has funded new mosques – and cramping a historically dissent-friendly culture.[81] Turkish Cypriot women and men told Crisis Group that they also fear for their independent judiciary and for their unions that have effectively protected workers' rights in the face of Ankara's push for productivity.[82]

There are other concerns as well, though none is likely to change the trajectory of relations between the "TRNC" and Türkiye. Some from the north worry that more patriarchal views – which they attribute to religiosity – on gender relations will follow increasing Turkish influence.[83] Others, particularly concerned with the fate of Turkish Cypriot companies, worry that Ankara's projects will favour contractors from Türkiye over less experienced firms from the island.[84] Still, a former Turkish Cypriot official told Crisis Group that absent the prospect of doing business with the Greek Cypriots, "there is no choice [save] increasing Turkey's footprint for economic growth. If that comes with governance implications, so be it".[85]

One such implication relates to outside perceptions of the north's agency. With Türkiye seemingly tightening its leash on northern Cyprus, as it steps up its financial assistance, trains the territory's bureaucrats and openly supports politicians such as Tatar, the Turkish Cypriots have an increasingly difficult time claiming to be a truly independent negotiating party. Indeed, the growing Turkish role in the north's governance and functioning feeds a Greek Cypriot perception – already strong – that Türkiye is their real counterpart, not the Turkish Cypriot administration. Ankara's "bear hug", in the Greek Cypriot view, undermines the argument that the north should be treated as an independent sovereign in negotiations.[86]

[80] Crisis Group interview, former Turkish Cypriot official, north Nicosia/Lefkoşa, September 2021.

[81] See "Mosque built in Cyprus has drawn reactions", CNN Türk, 22 November 2016 (Turkish); and "Turkish Cypriot teachers worried about diminishing of secular education", *Cyprus Mail,* 24 August 2017.

[82] Some independent analysts argue that some of these protections, at least as applied to government workers, have created waste, bloat and inefficiency. Crisis Group interviews, north Nicosia, September 2021 and March 2022.

[83] Crisis Group interviews, Turkish Cypriot media and civil society figures, north Nicosia/Lefkoşa, September 2021.

[84] Crisis Group interviews, Turkish Cypriots, northern Cyprus, Ankara and by telephone, September 2021-September 2022.

[85] Crisis Group interview, former Turkish Cypriot official, north Nicosia/Lefkoşa, September 2021.

[86] Crisis Group interviews, Turkish and Greek Cypriots, March 2022, December 2022.

D. *Erosion of the Varosha/Maraş Status Quo*

In 1974, Turkish troops took control of part of the Famagusta/Gazimağusa district in the east of Cyprus, including both its central port city and the beach suburb, Varosha/
Maraş, which was then the top tourist destination on the island. The Turkish military incursion prompted the mass flight of the area's Greek Cypriot residents (numbering around 39,000 and representing 80 per cent of the total population of the city at that time) to the southern part of Cyprus. Ever since then, 80 per cent of Famagusta/
Gazimağusa has been under Turkish Cypriot civilian administration.

The exception is the 6.4 sq km of Varosha/Maraş. Unlike the rest of the city, which bustles with homes, schools and businesses, this suburb, with more than 30 hotels and 3km of sandy beaches, is a ghost town, fenced off and formally designated as a "military zone".[87] The logic of holding this territory but keeping it empty, according to both Ankara and the Turkish Cypriots, was that it could eventually be returned as part of a settlement and, until then, would serve as a bargaining chip.[88] Varosha/
Maraş is particularly appealing in this regard because, unlike other areas Greek Cypriots left during fighting, it remains uninhabited. Thus, it presents none of the constraints in similar situations where new residents, with their own rights and needs, have moved in.

Greek Cypriots want all the properties in the area returned to the Greek Cypriot persons and businesses who legally own them, and the territory transferred to UN administration, as per UN Security Council Resolutions 550 and 789 on the status of Varosha/Maraş. These resolutions explicitly envision these steps even in the absence of a comprehensive plan for Cyprus as a whole. Numerous proposals (see Appendix A) have supported such a transfer as a confidence-building measure, a notion understandably favoured by the Greek Cypriot side. But Turkish Cypriots were long loath to give up the bargaining chip prior to a final deal – or at least absent significant concessions.[89]

In the last few years, Türkiye and the north have taken a new direction. In October 2020, Turkish Cypriot local authorities began to develop the infrastructure needed to allow public access to and use of a small portion (about 3.5 per cent) of Varosha/
Maraş.[90] The following July, they lifted the territory's "military zone" status, redesignating the beach and road there as a civilian area.[91] In addition, President Erdoğan called on Greek Cypriots who own property in this pilot area to apply for either compensation or return of their assets.[92] No one could previously do so,

[87] Crisis Group Briefing, *Cyprus: Six Steps toward a Settlement*, op. cit.
[88] Ibid. See also Mete Hatay, "Varosha: Between Human Rights and Realpolitik", PRIO, 2021.
[89] Turkish and Turkish Cypriot officials expressed widespread beliefs that if Varosha/Maraş were to be handed to the RoC absent a comprehensive settlement, Greek Cypriots would have less incentive to make the power-sharing concessions necessary for a federative solution. Crisis Group interviews, north Nicosia/Lefkoşa, September 2021 and March 2022.
[90] "Erdoğan holds rainy picnic in Cypriot ghost-town", *EUobserver,* 16 November 2021.
[91] "Turkey says part of Cyprus ghost town to reopen; EU, UK, U.S. object", Reuters, 21 July 2021.
[92] "Erdoğan calls on Greek Cypriots to apply to a panel to claim their properties in Varosha", *Hürriyet Daily News,* 16 November 2020.

as the area's status as a military zone precluded the Immovable Property Commission – set up by Türkiye in 2005 to deal with Greek Cypriot claims to land and/or property under "TRNC" control – from handling requests related to Varosha/Maraş.

Türkiye and Turkish Cypriots likely see a number of advantages to this new approach. Leading figures in the Turkish Cypriot administration describe it as a gambit to improve the north's hand in notional talks by increasing the costs of the status quo for Greek Cypriots.[93] A stalemate needs to be mutually hurting for a compromise to be reached, the chief negotiator explained. A Turkish Cypriot expert presented the approach as "a retaliatory move that reflects the frustration of [Türkiye] with the stance of the Greek side both over Cyprus and the issue of hydrocarbons" – and an effort to dissuade the RoC from further oil and gas projects that the north sees as unilateral and exclusionary.[94]

Both Turkish and Greek Cypriots suspect other motivations as well. To the extent that the 350-400 Greek Cypriot owners of property in the area where military zone status has been lifted decide to sell or return to live under the Turkish Cypriot administration's control, the pressure on the Turkish Cypriots to return the territory to RoC control would be diminished. Furthermore, with removal of the military zone designation allowing the Immovable Property Commission to adjudicate claims, Türkiye frees itself from the scrutiny and bad optics caused by property owners' appeals to the European Court of Human Rights, which holds Ankara responsible for restitution to Cypriots who have lost use of their property since 1974, and to which those property owners had turned in the absence of a local option.

The Greek Cypriot reaction has thus been predictably negative. Critics argue that engaging in the process Erdoğan has laid out would enable Turkiye to "colonise" Varosha/Maraş.[95] Greek Cypriot leaders fear that developing Varosha/Maraş properties would make talks that much more difficult. If Turkish Cypriots want to get rid of this key bargaining chip, then surely they are disinclined to deal.[96] Nor would it be good for the Greek Cypriots' motivation to engage in talks: if Greek Cypriot property owners are compensated through the Immovable Property Commission, they could well cease to be a lobby for negotiations, as they are at present.[97] (On the other hand, if the north were to undertake reconstruction without consulting legal property owners, Greek Cypriots would be even angrier, and have even less appetite or incentive to reunify.[98])

So far, little concrete development has occurred. In June 2019, Turkish Cypriot leader Tatar called on Türkiye's tourism investment companies to prepare for

[93] Crisis Group interview, Turkish Cypriot lead negotiator, north Nicosia/Lefkoşa. See also Olgun, "Turkish Cypriot view: A Confederation for the 'Island of Cyprus'?", op. cit.

[94] Crisis Group telephone interviews, opposition party representatives and former Turkish Cyptiot officials, June-July 2022. Ahmet Sözen, quoted in "Erdoğan met by protests from Turkish Cypriots during visit", *The Guardian,* 15 November 2020.

[95] "The Varosha property question", *Cyprus Mail,* 29 November 2020

[96] Numerous Greek Cypriots expressed this concern to Crisis Group in interviews.

[97] Both President Anastasiades and Famagusta's mayor have warned Greek Cypriot property owners not to apply to the Turkish commission. "President warns Varosha residents using IPC are falling into a trap", *Cyprus Mail*, 29 January 2022.

[98] Crisis Group interview, Greek Cypriot analyst, Nicosia, March 2022. Getting Varosha/Maraş back is a prospect that makes reunification worthwhile for people who are from there.

a new era in Varosha/Maraş, raising the industry's hopes of refurbishing its dormant hotels.[99] But work to date consists of opening two main roads, restoring a mosque and putting up makeshift booths where visitors can buy beverages and snacks.[100]

In the meantime, while the prospect of more Turkish Cypriot unilateral action in Varosha/Maraş has not motivated Greek Cypriots to halt hydrocarbon exploration as northern proponents suggested it might, it has seemingly triggered new thinking about how to mitigate the risk that the "TRNC" and Ankara go further. A Greek Cypriot analyst told Crisis Group that a desire to stop action in Varosha/Maraş motivated Anastasiades to appoint Ioannis Kasoulides, known for his favouring confidence-building measures as a way to ease negotiations, as foreign minister. Kasoulides introduced new confidence-building proposals (discussed below in Section V) in an effort to re-energise talks and perhaps freeze, if not reverse, Turkish Cypriot actions in Varosha/Maraş. "No president wants the legacy of being at the helm of the republic when Varosha is lost", the analyst added.[101]

E. *Frustrations and Obstacles in Practical Cooperation*

Over the decades, the Greek and Turkish Cypriot communities, bolstered by foreign supporters and donors, have devised a variety of ways to mitigate the harm de facto partition does to ordinary citizens on both sides of the divide. But as prospects for a settlement have faded, cooperation in these channels has also suffered.

1. Technical committees

Among the most important tools for managing issues of common concern to Greek and Turkish Cypriots are the bicommunal technical committees created in 2008 under UN auspices to coordinate between and connect the communities. Each committee, of which there are now twelve, comprises an equal number of Greek Cypriot and Turkish Cypriot members and is led jointly by two co-chairs, one from each community. The committee members are appointed by community leaders, and their names are not public. Co-chairs are overwhelmingly men (two Greek Cypriot women and four Turkish Cypriot women co-chair committees) and the membership also leans male.[102]

The committees have been plagued by sovereignty-related squabbles from the start. In order to avoid any suggestion of legitimacy for the Turkish Cypriot administration, the RoC is adamant that no committee member serve in an official capacity with the "TRNC" or have a mandate to act on its behalf. It sees the committees as communication venues enabling experts to coordinate on functional issues that

[99] "Southern Aegean tourism professionals are aspiring to develop 'ghost town' Varosha", DHA, 23 June 2019 (Turkish).

[100] Developers dubbed a renovated park in Varosha/Maraş the "garden of the nation of Cyprus", unnerving Greek Cypriots, because the name seemed to evoke the "gardens of the nation" opened by the Turkish government in major cities of Türkiye. "Varosha revamp ongoing at feverish pace", *Kathimerini,* 9 November 2020.

[101] Crisis Group interview, Greek Cypriot analyst, Nicosia, March 2022.

[102] What started as seven technical committees (on crime, commerce, cultural heritage, crisis management, humanitarian issues, health and the environment) increased to twelve over time (adding culture, gender, education, checkpoints and broadcasting/telecommunications).

affect the daily lives of both communities. Turkish Cypriot administrators, however, would like the committees to be able to make decisions and take quick action, which of course requires its members to enjoy a measure of authority.

The result is a system that has brought positive results – some more significant than others – for both communities, though it is often frustrating. A member of a previous Turkish Cypriot administration described the committee experience in these terms: "It took us months to overcome little hurdles, finding creative solutions to get something done without involving any 'TRNC'-licenced entity, even a university. But given how small the returns were for this effort, I doubt this painstaking effort will be replicated".[103] Yet not all the returns are small: committees have helped restore cultural heritage sites, enabled police to cooperate in catching criminals, jointly carried out peace education, facilitated island-wide mobile phone service, and coordinated COVID-19 vaccination and testing procedures.[104]

But although both communities claim to see value in the committees, rising mistrust has limited what they can do. After the Tatar administration came to power in October 2020, many Turkish Cypriot committee members resigned or were replaced. Many of their Greek Cypriot counterparts saw their new colleagues as less knowledgeable, capable and engaged. Hence, a good number of them also left.

The struggles of one committee – that devoted to environmental issues – offer a case in point of how Cyprus' political impasse impedes both harm mitigation and general improvements – even when the goals being pursued are apolitical and sought by both sides.[105] Cyprus faces a variety of environmental challenges. Over time, climate change is poised to raise the temperature and salinity of the Mediterranean. It will also push up temperatures on the island itself, triggering deforestation and long droughts. Because weather, disease, pollution, plants and animals do not respect lines of separation any more than they do state borders, policy responses to climate change have to be island-wide to succeed. Both communities support collaboration on environmental issues, since there is no way to do much on this file without it. But the north-south divide creates tremendous roadblocks. In the words of a Cypriot environmentalist: "In no area is the ridiculousness of the politics on both sides as evident as it is in the area of environment. We cannot wait until the politics are settled to tackle our shared environmental threats".[106]

[103] Crisis Group interview, north Nicosia/Lefkoşa, 6 September 2021.

[104] "Police from both sides take part in simultaneous Pyla raids (Update 4)", *Cyprus Mail*, 2 November 2016. "Statement by the United Nations Spokesperson in Cyprus", UN Cyprus Talks, 13 April 2022; "UN press release: Imagine project reaches 3,665 students", ADHR, 28 June 2019; "Technical Committee on Cultural Heritage completes conservation works at Panagia church", *In-Cyprus*, 3 June 2021; "Bicommunal health committee working on reopening of crossings", *Kathimerini*, 13 April 2021; "Bicommunal Committee on Health discusses issues related to EU digital covid certificate", *In-Cyprus*, 4 August 2021; "Mobile phone links established between two sides (Updated)", *Cyprus Mail*, 11 July 2019; "Mobile interoperability was no easy task, CCCI official tells CNA", *In-Cyprus*, 12 July 2019.

[105] The committee comprises five women (three from the Turkish Cypriot side and two from the Greek Cypriot side) and seven men (three from the Turkish Cypriot side and four from the Greek Cypriot side).

[106] Crisis Group interview, Turkish Cypriot environment technical committee member, north Nicosia/
Lefkoşa, 25 March 2022.

One challenge concerns the discrepancy in regulatory regimes to which the RoC and "TRNC" answer. While the RoC must work to meet EU standards for combating environmental threats, the north, which does not receive substantial EU funding to support its efforts, is not subject to EU controls. Thus, a multi-million-euro EU project in the south to rehabilitate griffon vultures (a threatened species) that have too little food and have consumed poisonous chemicals, is undermined when the birds are released and fly to nests in the north, where those dangers remain.[107] Meanwhile, mining companies in the north are free to use explosives prohibited by EU rules to meet demand for stone, including from Greek Cypriot construction companies. But the resulting damage to biodiversity, notably to the local bat population, affects the island as a whole.[108]

The relevant technical committee has tried to address some of these issues. Yet while there is wide recognition of the challenges in both communities, here as elsewhere, sovereignty sensitivities flummox initiatives, as authorities on both sides must approve any projects the committee devises. For example, when the committee designed a project to launch a website for scientists and other experts on both sides of the island to share information and collaborate, RoC officials objected to the inclusion of email accounts tied to universities or companies registered by the "TRNC", for fear of lending the administration legitimacy. After weeks stretched into months of stalling, the technical committee finally agreed to ask all the Turkish Cypriot environmental activists and experts who wanted to be listed on this website to provide personal email accounts. Meanwhile, the Turkish Cypriot administration insisted that the website text reference "two sides" rather than "two communities" – which it apparently saw as in keeping with the evolving "TRNC" and Turkish "two-state" approach.

The pattern, in which projects do not move forward for fear that cooperation will be read as recognition, is a common impediment to collaboration across the north-south divide, stalling or precluding work that could otherwise benefit both sides of the island. In June 2022, when the committee finally launched the website, it was only after a year and a half of efforts to resolve such obstacles. By then, some of the experts who had been slated to be involved in the project had moved on to other commitments.[109]

2. The NGO gap

The island's deepening division also makes NGO cooperation difficult, particularly when groups are seeking funding for joint projects.

Again, environmental issues offer a case in point. NGOs formally registered with RoC authorities can apply for large, multi-year EU grants in this domain, focused for example on preserving wildlife like turtles, eagles, lionfish and vultures. That funding tends to stay on the south side of the island, but it does not need to.

[107] Crisis Group interviews, environment technical committee members, Nicosia and north Nicosia/
Lefkoşa, September 2021 and March 2022. For more on the vulture rehabilitation project, see "Rescued griffon vulture in Cyprus: Rehabilitated and ready for release", *4Vultures*, 16 October 2019.

[108] Crisis Group interview, Turkish Cypriot environmental expert, north Nicosia/Lefkoşa, September 2021.

[109] The website uses the formulation "sides/communities".

While funded work is carried out in partnership with RoC government agencies, the programs are intentionally designated by the EU as "predominantly" but not exclusively for government-controlled areas. Yet both RoC agencies and NGOs seem loath to work with entities not registered with the RoC.[110] Greek Cypriot organisations decline to take on Turkish Cypriot groups as subsidiary partners, perhaps because they fear RoC state agencies would be reluctant to support such projects.[111]

According to EU representatives, this local hesitancy too often prevents projects from operating in the north. Greek Cypriot groups tend to invite Turkish Cypriots to participate, and be paid, only as individuals – cutting their organisations out of funding streams. This practice is unsustainable for the Turkish Cypriot groups concerned.[112] It is also bad for the relevant programs, which often fail to achieve their goals, like the vulture rehabilitation effort described above.

While some funding streams go directly to the north, they are fairly modest. The EU Aid Programme for the Turkish Cypriot community disburses some €33-34 million per year – far less than goes to RoC entities. Around one third goes to economic development, the priority identified for the funds by the Turkish Cypriots. The rest underwrites efforts to build bridges between the communities, restore cultural heritage and similar endeavours.[113]

Because EU funding in the RoC tends not to flow north, and the EU's direct support to the north underwrites only small-scale projects, a capacity gap has developed between NGOs on the island's two sides. Turkish Cypriot NGOs – including those working on the environment – are less well-resourced and have developed less expertise in project implementation than their Greek Cypriot counterparts.[114] Over the years, the Greek Cypriot NGOs have thus attained significantly greater administrative capabilities. So, even when opportunities do arise for bicommunal projects, Greek Cypriot groups say they have even less incentive to work with Turkish Cypriot counterparts, as they do not want to carry the bulk of the administrative burden.[115]

F. *Tensions over Hydrocarbons*

Hydrocarbon competition in and around Cyprus is inextricably linked to the complicated politics of the eastern Mediterranean, but two issues specific to the island have become sources of increasing friction. One is that Türkiye refuses to enter any agreement to demarcate Exclusive Economic Zones (EEZs) with the RoC, which it does not recognise.[116] The other is that the Turkish Cypriots claim equal rights to

[110] Three such projects are LIFE EuroTurtles Project, LIFE Bonelli and LIFE with Vultures.
[111] Crisis Group telephone interview, Nicosia-based EU officials, June 2022.
[112] Crisis Group interview, north Nicosia/Lefkoşa, March 2022.
[113] Crisis Group telephone interview, Turkish Cypriot diplomat, December 2022. See also "Aid Programme for the Turkish Cypriot community", European Union, undated.
[114] Crisis Group interviews, NGO representatives, north Nicosia/Lefkoşa, September 2021.
[115] Crisis Group interview, Greek Cypriot environmental expert, Nicosia, March 2022.
[116] In a declared EEZ, according to international law, coastal states have the right to explore and exploit natural and living resources while other states cannot do so without the coastal state's permission. Coastal states can also build artificial islands, installations and other structures, and conduct scientific research. All other states continue to enjoy freedom of navigation and overflight in EEZs and can also lay submarine cables and pipelines. While often the term EEZ is used

the island's resources. They demand not only that any hydrocarbon revenue be shared with them but also that they be given a say in the RoC's demarcation agreements with third countries, licencing and pipeline-related decisions. Extraction has stalled due to economic viability considerations, but new wells are still being drilled. If and when the RoC begins to export natural gas, tensions may very well flare again.

The Cypriot parties have made efforts to defuse the issues around oil and gas exploration, but thus far to no avail. Before and after the failed Crans Montana summit, Greek and Turkish Cypriots tried to find a way to bracket management of hydrocarbon resources so that a solution for these issues would not be contingent on a comprehensive political settlement. In the summer of 2019, representatives of both communities submitted proposals on the topic to the UN secretary-general, under whose mandate negotiations between them continue to fall. The Turkish Cypriot proposal, proffered on 13 July 2019, called for establishing a joint committee under the auspices and with the facilitation of the UN. With the EU as observer, the committee would be authorised by both sides to take decisions related to exploitation of the island's offshore oil and gas resources. The proposal also foresaw creation of a trust fund into which the committee would deposit hydrocarbon revenues.[117]

RoC officials said no. They argued that a joint energy committee would be unable to legally allocate contracts to energy companies or draw up agreements with them. Greek Cypriots are willing to discuss sharing information and profit from energy exploration with Turkish Cypriots. But they regard any decision-making role for the northern administration as unacceptable because they see it as legitimating the "TRNC" as a government entity.

In August 2019, the RoC proposed an alternative. It suggested setting up an escrow account that would hold revenues accrued from exploitation of hydrocarbon deposits for Turkish Cypriots in accordance with their anticipated proportion of the voting population in a reunified Cyprus.[118] The proposal was vague about

interchangeably with "continental shelf", there are some differences between the two. First, the continental shelf includes only resources in the seabed and subsoil – and not living resources in the water column, such as pelagic fisheries, and the water surface. Secondly, the maximum extent of the EEZ measured from the baseline of the territorial sea limit of a coastal state is 200 nautical miles, while a state's continental shelf may extend beyond that limit up to 350 nautical miles depending on a number of geographic characteristics. Compared to the continental shelf, the EEZ is a new concept, having emerged in the 1970s and 1980s. Since then, states have usually preferred to delimit their EEZs/shelves together with a single delimitation line. See the relevant applicable international legal instruments, including Articles 55, 58 and 76 of the UN Convention on the Law of the Sea (UNCLOS). Crisis Group correspondence, maritime lawyer, May 2021.

[117] The Turkish foreign ministry gave Crisis Group the original text of the proposal, entitled "Turkish Cypriot Proposal on the Issue of the Hydrocarbon Resources around the Island", in September 2021.

[118] Original text of the proposal entitled "Non-Paper on the Issue of Hydrocarbons and the Maritime Zones of Cyprus", provided to Crisis Group by RoC authorities. Past agreements stipulated that two fifths of the revenues of the post-solution federal state's sale of natural gas (slightly higher than the 30 per cent quota for Turkish Cypriot government representation in the 1960 constitution) would be channelled to the Turkish Cypriot constituent state after reunification, and continue to flow in this proportion for twelve years thereafter or until its GDP per capita reached 85 per cent of the Greek Cypriot constituent state GDP per capita, whichever came first. Crisis Group interviews, senior Greek Cypriot officials, Nicosia, May and June 2022.

whether any funds might be transferred to Turkish Cypriots before reunification. But in April 2022, President Anastasiades indicated the answer was yes, telling Crisis Group that "the money would be available to Turkish Cypriots anytime, even before a comprehensive solution to the Cyprus problem".[119] He added a condition, however, namely that Türkiye sign an EEZ agreement with the RoC. Turkish officials told Crisis Group Ankara would not do so, because "the RoC [has] not represent[ed] the whole island since 1963".[120] In any case, Turkish Cypriots rejected the proposal as legitimating the RoC's control of resources. As a Turkish Cypriot parliamentarian explained, "They would be in the driver's seat".[121]

G. *Grassroots Distrust*

The traumatic events surrounding Cyprus' de facto partition included death, displacement, pillage, and gender-based and sexual violence on both sides. Over the years since, memories of this suffering have cemented mutual distrust, with both Greek and Turkish Cypriots fearing domination, the former by Ankara and the latter by their fellow islanders. Although donors have spent millions of dollars supporting various bicommunal activities since the 1990s, popular support for reconciliation remains fleeting.

One reason may be that although donors allocated funds to build trust, authorities in both communities have focused the bulk of their efforts on achieving a political settlement, to the detriment of work on reconciliation between the respective populations. In the words of a member of the Turkish Cypriot negotiating team at Crans Montana, reflecting on its failure: "We all focused on the political talks too much. Not enough was invested in reconciling the people. We counted on political will pushing through reunification, but now before starting a new reunification process, we need to focus on social dynamics".[122]

Each side accuses the other of downplaying its past suffering. For Turkish Cypriots, the worst memories stem from the eleven years between 1963 and 1974, when 400 Turkish Cypriots were killed or disappeared and 45,000 were displaced. Greek Cypriots, in turn, focus on the 1974 Turkish invasion, in the course of which 3,400 Greek Cypriots were killed or disappeared and 165,000 displaced.[123]

The memory of gender-based violence, particularly crimes committed by the Turkish army against Greek Cypriot women, adds a gendered dimension to the persistent fears and grievances.[124] Scholars assess Greek Cypriot women as the

[119] Crisis Group interview, President Nikos Anastasiades, Nicosia, 14 April 2022. In clause 3 of a non-paper submitted by Anastasiades to the UN secretary-general and conveyed to Akıncı on 13 August 2019, the RoC conditioned revenue sharing on a signed Türkiye-RoC EEZ. The text is on file with Crisis Group.

[120] Crisis Group interviews, Turkish foreign ministry representatives, December 2022.

[121] Crisis Group telephone interview, Turkish Cypriot parliament member, June 2022.

[122] Crisis Group interview, north Nicosia/Lefkoşa, September 2021.

[123] Figures for killed or missing are from Hugh Pope, "Rethinking Cyprus", Crisis Group Commentary, 18 November 2008. The figures for internally displaced Cypriots are estimates by the UN Peacekeeping Force in Cyprus. According to the Missing Persons Commitee, the total number of missing is 2,002, 1,510 of them Greek Cypriots and 492 Turkish Cypriots, approximately 0.2 per cent of each community.

[124] For gender-based violence cases in 1974, see "Report of the Commission", 6780/74-6950/75, European Commission of Human Rights, 10 July 1976; and Fionnuala N. Aoláin, "Gendering the

demographic group least enthusiastic about the prospect of Cyprus reunification.[125] Turkish Cypriot women, too, show lower levels of interest in and awareness of settlement processes than do Turkish Cypriot men, although economists believe they as a group would gain considerably from resolution of the conflict.

Against this backdrop, both communities have their own perspectives that make reconciliation that much harder. Many Greek Cypriots have accepted a view of the situation that does not particularly differentiate among Turkish Cypriots, Turkish citizens and the Turkish government.[126] This narrative treats the closeness of current northern Cypriot leaders to Türkiye as proof that the three are one and the same, and that Nicosia's main counterpart is in Ankara, not the north. Overcoming this preconception has become more difficult, "especially now that Tatar is in power and boastfully claims to be Erdoğan's man on the island", a Greek Cypriot analyst told Crisis Group.[127] By some accounts, Ankara's wider footprint in the north particularly irks Greek Cypriot women, who view the religiously conservative, Turkish nationalist ideology espoused by Ankara's ruling alliance as a threat.[128]

Greek Cypriots who doubt the benefits of reconciliation express frustration with what they see as an expectation that they roll out a red carpet for Turkish Cypriots. The latter, they believe, already enjoy many benefits provided by the RoC without paying taxes and while continuing to insist on a different, and indeed antagonistic, identity. Although Turkish Cypriots are not represented in the RoC government, the RoC's EU membership means that indigenous Turkish Cypriots also have EU citizenship rights. Reportedly, 95 per cent of them have taken advantage by obtaining passports.[129] Besides getting travel documents, Turkish Cypriots can benefit from the RoC's health, education and social security services, at least in theory; in practice, though, only those who are taxpayers in government-controlled territory can (exceptions are made for Turkish Cypriots who live in the north but need urgent medical help due to a life-threatening ailment).[130] "They pick and choose who they are depending on what suits them", complained a Greek Cypriot.

Law of Occupation: The Case of Cyprus", *Minnesota Journal of International Law*, vol. 27 (2018), p. 107.

[125] For an assessment of Greek Cypriot women's concerns about reunification, see work conducted by the Centre for Sustainable Peace and Democratic Development, available through the yearly Cyprus SCORE index findings. "Social Cohesion and Reconciliation Index – Cyprus", Score for Peace.

[126] Crisis Group interviews, Greek Cypriots, Nicosia, 2021-2022. Other researchers confirm that these views are prevalent. Nicos Trimikliniotis and Corina Demetriou, "The Interaction Between Racist Discourse and the Rise in Racial Violence in Cyprus", European University Institute, 2012; Julie A. Dilmaç, Özker Kocadal and Orestis Tringides, "Public Discourses of Hate Speech in Cyprus: Awareness, Policies and Prevention", Friedrich Ebert Stiftung, 2021.

[127] Crisis Group telephone interview, Greek Cypriot analyst, June 2022.

[128] Crisis Group telephone interview, Greek Cypriot analyst, November 2022.

[129] According to *The Guardian*, Anastasiades stated that the RoC had issued 97,000 passports and more than 110,000 identity cards to Turkish Cypriots "in respect of [their] rights" and confirming their Cypriot citizenship. "Cyprus: Row erupts as passports of Turkish Cypriot officials rescinded", *The Guardian*, 27 August 2021. It is contested, however, whether these numbers add up to 95 per cent of the indigenous Turkish Cypriots who are eligible for RoC identity cards.

[130] Crisis Group telephone interview, Nicosia-based trade union federation representative, January 2022.

But many Turkish Cypriots clearly do not feel privileged. General surveys suggest that overall dissatisfaction with the status quo, and corresponding levels of emotional distress, are higher among Turkish Cypriots than Greek Cypriots.[131] The former tend to doubt that the latter are seriously interested in a settlement that would alter a state of affairs they find agreeable. Former Turkish Cypriot leader Akıncı told Crisis Group that his takeaway from years of work to forge a federation was that there is no point in going back to the negotiating table until the desire to live together and share power trumps comfort with the status quo, particularly among Greek Cypriots.

Perhaps for this very reason, few indigenous Turkish Cypriots have qualms about the seeming tension between their separatism and taking advantage of the rights that come along with getting RoC ID cards and passports.[132] Rather, they argue, their inherent rights were denied for too long, and the RoC makes it difficult for them to take advantage of the range of benefits due to them as EU citizens. A Turkish Cypriot told of having family history in Cyprus tracing back to the 17th century, through multiple displacements, with no compensation for lost property in the south (due in this case, he thinks, to his family's leftist leanings). Such history, the interviewee said, confers as much right to legitimate Cypriot citizenship as that enjoyed by those who pay taxes to the RoC. The Turkish Cypriot said: "Why would I not deserve to get an RoC passport? I got my RoC ID, and then my passport, when I was 29. It was unfair that I could not travel anywhere in the world except Türkiye until then. I have catching up to do. So, yes, I travel a lot, but I resent questioning of my right to do so".[133]

[131] "Gender Inclusion Now!", op. cit.

[132] Crisis Group interviews, Turkish Cypriot civil society representatives, north Nicosia/Lefkoşa, September 2021 and March 2022. All five of the Turkish Cypriot civil society representatives with RoC ID cards with whom Crisis Group discussed these issues independently expressed resentment at suggestions that they were freeriders. All listed numerous bureaucratic obstacles to their exercise of legal rights. Four of them (three of whom were men) had never attended school or used a hospital in the south, and therefore said these rights were not relevant to them. One woman said when she had studied in the south, she was the only Turkish Cypriot in class and felt left out.

[133] Crisis Group interview, Turkish Cypriot environmental activist, north Nicosia/Lefkoşa, March 2022.

V. New Proposals, New Impasse

In the past, whenever Cyprus negotiations hit an impasse, one side or the other proposed a set of confidence-building measures to lay the groundwork for getting talks back on track. These encompassed everything from quick fixes for the everyday problems of island residents to much more substantial deals made up of complex tradeoffs. The ones that worked out avoided certain red lines. They did not imply recognition of sovereignty for the Turkish Cypriots, lest the Greek Cypriots object. Nor did they suggest RoC jurisdiction over the north, which would have been unacceptable to Turkish Cypriots. Some had tangible benefits. The opening of checkpoints between the two sides of the island in 2003 helped foster intercommunal interaction. (See Appendix A for description of the prior proposals that succeeded and those that did not, and for details of the crossings that were opened.[134]) But efforts to use such measures to jump-start negotiations in the wake of Crans Montana have foundered.

Both the RoC and the "TRNC" have put ideas on the table. Ioannis Kasoulides, who as noted was appointed in February 2022 for his third tour as RoC foreign minister, tried to push forward a set of confidence-building measures. These were formulated in a six-page letter signed by the RoC president and addressed to the leader of the Turkish Cypriot community.[135] Likely spurred by the Turkish Cypriot actions to reopen Varosha/Maraş, it echoed longstanding Greek Cypriot proposals for the area.[136] It proposed transferring the fenced-off part of town to UN administration (and after an interim period to Greek Cypriot administration) as well as taking measures that would facilitate transit and trade both between northern Cyprus and the outside world and between the RoC and Türkiye.[137] In exchange for the above steps on Varosha/Maraş, and for Türkiye opening its ports to Cyprus-flagged ships (none can dock at present) and airspace to RoC aircraft (of which there are none now), the proposal said port customs services for the northern port of Famagusta/Gazimağusa could be placed under EU authority and Ercan/Tymbou airport operations under the UN.[138]

Turkish Cypriot leader Tatar rejected the offer formally in June 2022, without consulting the Turkish Cypriot parliament. Representatives of his

[134] See "Bringing Cypriot communities closer together: EU promotes free movement across Cyprus", European Commission, 22 July 2020.

[135] The full text of the letter is available at "Exclusive: Proposal by Anastasiades to Tatar for talks", *Philnews,* 30 May 2022 (Greek).

[136] "Greek Cypriots in last-ditch effort to 'save Varosha'", *Parikiaki,* 7 February 2022.

[137] The Turkish Cypriots also once included Varosha's return in their proposals. See Appendix A for details of past proposals.

[138] There are around 24 Turkish Airlines flights a day from Turkish airports to Ercan in northern Cyprus. As outlined in Crisis Group Briefing, *Cyprus: Six Steps toward a Settlement*, op. cit., since the Turkish Cypriot administration is not internationally recognised, only the RoC can apply to the International Civil Aviation Organisation to authorise use of Ercan under the 1944 Chicago Convention. In the meantime, no international flight can legally be designated as originating or ending there. The steps that the RoC requests of Türkiye are consistent with the Ankara Protocol (signed in 1963, formally "The Additional Protocol to the Agreement establishing an Association between the European Economic Community and Turkey following the Enlargement of the European Union", often referred to as the Ankara Protocol because it was signed in Ankara).

administration told Crisis Group that Anastasiades's proposal was "a bunch of regurgitated old ideas" and that they wanted their sovereignty in the north affirmed before discussing any such thing, a view echoed by Turkish officials.[139] The Turkish Cypriot side was also not inclined to hand over Varosha/Maraş. Nonetheless, some Turkish and Turkish Cypriot former officials told Crisis Group that, though they could not accept Turkish Cypriots losing jurisdiction over the airport and port, they thought Tatar should have tried negotiating to find common ground.[140]

Tatar instead proffered his own six-point proposal for cooperation in July 2022.[141] Two of its elements were action initiatives: first, connecting the full Cyprus electricity network to Türkiye to create a joined-up Türkiye-Cyprus-EU grid; and secondly, demining the entire island in cooperation with the UN. The other four involved the creation of new joint committees: one each on hydrocarbons, solar energy cooperation, water (to include improving access to water from Türkiye) and illegal migration. But the Greek Cypriots saw the proposal, with its idea of new committees, as trying to affirm a Turkish Cypriot governing role and elevate the status of the 'TRNC" to that of an equivalent legitimate authority – and possibly also as an effort to lay groundwork for formal partition of Cyprus into two independent states.[142] For these and other reasons, the RoC rejected the proposal.

That the two parties each rejected the other's proposed confidence-building measures underlines the fundamental differences in their respective approaches, summarised by an interlocutor as follows: "For Turkish Cypriots, the state is under occupation; for Greek Cypriots, the land is under occupation".[143]

[139] Crisis Group telephone interviews, March, July and September 2022.

[140] Crisis Group telephone interviews, Turkish Cypriot opposition members, June-July 2022. See also "Proposals should be negotiated", *Yenidüzen*, 21 June 2022 (Turkish).

[141] "Regarding the Statement of the Greek Cypriot Foreign Minister", press release, "TRNC" Ministry of Foreign Affairs, 23 May 2022. Tatar sent Anastasiades an official letter to this effect on 20 June 2022.

[142] "Written statement by the Government Spokesman Mr Marios Pelekanos, on the proposals of Turkish Cypriot leader, Mr Ersin Tatar", press release, Republic of Cyprus Presidency, 20 July 2022. As the RoC foreign minister said before Tatar's proposal: "The Cyprus problem will not be solved through committees". Crisis Group interview, March 2022. The Turkish Cypriot administration made a statement objecting to the more active involvement of the EU, given its "partisan stance". "Foreign Minister Tahsin Ertuğruloğlu's response to the Greek Cypriot Foreign Minister's unfortunate statement regarding the European Union's 'active involvement' in the settlement process of the Cyprus issue", "TRNC" Ministry of Foreign Affairs, 23 March 2023 (Turkish). Meanwhile, Tatar has called for more active UK involvement in overcoming the impasse. "President Tatar visits the UK Parliament", Presidency of "TRNC", 29 March 2023.

[143] Crisis Group telephone interview, U.S. analyst, January 2022.

VI. Toward a More Promising Agenda

A return to the sorts of conversations between Turkish Cypriots and Greek Cypriots that led up to the 2017 summit is difficult to fathom absent a dramatic (and unforeseeable) geopolitical catalyst. But unfolding election cycles in the RoC, Greece and Türkiye could change the landscape. In the RoC, Anastasiades' former foreign minister, Nikos Christodoulides, was elected president in February 2023. He is hoping to draw the EU into a bigger role in negotiations despite Turkish Cypriot and Turkish antipathy to the idea.[144] Once elections in Türkiye and Greece conclude by the summer of 2023, a broader push for better regional relations could create space for, at least, transactional deals that might limit the damage the continuing Cyprus problem does to prospects for cooperation among the island's neighbours.

At present, it is difficult to see how Ankara and Athens will position themselves post-elections. Election cycles are notorious for inviting tough talk from leaders and candidates in both Greece and Türkiye. The rhetoric may be somewhat less heated in 2023, in light of the substantial support provided by Greece to Türkiye in the aftermath of February's devastating earthquakes. If built upon, this new good-will could set the stage for renewed dialogue between the two after voting wraps up.[145] But more constructive dialogue between Türkiye and Greece does not necessarily translate into a course reversal on the Cyprus problem.

There is also no indication that a future government in Türkiye will significantly revise Ankara's approach to the Cyprus problem. If Erdoğan wins – and assuming that he remains allied with nationalist partners – he will likely stick to the existing policy (although he is known for his pragmatic U-turns when conditions shift). The Turkish opposition alliance, meanwhile, has signalled that, should it come to power, it might well follow the Turkish Cypriots' lead more. While these parties would not themselves push for new talks, they would support Turkish Cypriots if the islanders seek to return to negotiations.[146]

Greek parliamentary elections, which have less impact on RoC positions than do Turkish elections on northern Cyprus stances, are also nearing. Regardless of the composition of the new Athens government, which will almost certainly be a coalition, analysts and decision-makers with whom Crisis Group discussed the topic largely expect incremental rapprochement with Türkiye.[147]

If improved Türkiye-Greece relations emerge following polls, it will not necessarily make constructive dialogue between Turkish Cypriot and Greek Cypriot leaders more likely – but it cannot hurt. If talks do move forward, while a comprehensive settlement will likely remain out of reach for some time, there is a reasonable

[144] Crisis Group interviews, Nikos Christodoulides, February 2022; Greek Cypriot analysts and former and current Turkish and Turkish Cypriot officials, June-September 2022; Turkish Cypriot officials, March 2023. Crisis Group spoke with Christodoulides upon his resignation as foreign minister. "Divided Cyprus' new president scopes out peace talks reset", AP, 23 February 2023.

[145] "Earthquake solidarity showed that Greece and Turkey are the closest kin yet," Euronews, 23 February 2023.

[146] Alper Coşkun and Sinan Ülgen, "Political Change and Turkey's Foreign Policy", Carnegie Endowment for International Peace, 14 November 2022.

[147] Crisis Group telephone interviews, Greek analysts, March 2023; Greek officials and Turkish opposition party representatives, Istanbul, Ankara, Prague, Washington and Nicosia, February 2023.

chance that all parties will see near-term benefit in arresting the downward trajectory of intra-island relations. Some mix of confidence-building measures – to enable projects of mutual benefit, advance intercommunal reconciliation and lay the groundwork for more steps later – is likely to be the most successful. The most plausible deals will aim small in the hopes of building toward a moment when more is possible.

A. *Trade, Travel and Varosha/Maraş*

Trade and travel initiatives may offer the most hope for progress. The Turkish Cypriots have a lot to gain from reopening the Ercan/Tymbou airport to international flights. An airport deal could connect northern Cyprus by direct flights to countries other than Türkiye, which is an especially exciting prospect for hoteliers, who believe their businesses would profit tremendously.[148] Travellers from both sides of the island would also benefit from greater airline and airport competition, which could well lower prices and perhaps even improve service.

Turkish Cypriots, however, do not want to reopen the airport if that means its registration and controllers would be under RoC control, for fear, as with all else, that this step would amount to recognising RoC sovereignty. Greek Cypriot leaders have previously said they are open to exploring creative options. Kasoulides, when he was foreign minister, explained to Crisis Group that "the proposals are not a take-it-or-leave-it scenario but a springboard for further discussion".[149] A way forward might therefore be possible, although no specific workarounds have been identified to date.

As alluded to above, in return for movement on the airport, the RoC would likely require two things.

First, the RoC would want Türkiye to reverse its bans on docking at Turkish ports by RoC-registered ships and ships moving directly to and from the RoC, as well as on the use of Turkish airspace by RoC-registered aircraft. The Turkish ban, first instituted in 1987 to deny access to ROC-registered ships, was later expanded to prohibit vessels registered in third countries from travel between RoC ports and Türkiye's ports in 1997.[150] The ban hits the RoC in a key industry: its commercial shipping fleet is the eleventh largest in the world, and some 16 per cent of the EU's cargo vessels sail under the RoC flag.[151] But the fleet could be still larger: vessels have often refrained from registering under the Cyprus flag due to Turkish restrictions.[152] If more register, the RoC would gain revenue.[153] Türkiye opening its airspace is less significant for Greek Cypriots. There is no Cypriot national

[148] Crisis Group interviews, Turkish businesspeople who own and/or manage hotels in northern Cyprus, September 2021.

[149] Crisis Group interview, Nicosia, March 2022.

[150] "The adverse effects of Turkish restrictive measures on Cyprus, EU maritime transport and free trade – Briefing by the Cypriot delegation", EU Monitor 16273/10, 26 November 2010. Lifting this ban would entail Türkiye's implementation of the Additional Ankara Protocol of 2005 to the RoC.

[151] "Steering the World's Fleet", Cyprus Profile, undated; "Cyprus a flag of progress and quality: Ship Registration procedures and the benefits of Cyprus flag", Legal 500, December 2021.

[152] "Cyprus related sanctions", GAC, 17 November 2017.

[153] Antonis J. Karitzis and Katerina Kefaloniti, "Cyprus", *The Shipping Law Review*, 13 June 2022.

carrier at present.[154] All other things being equal, the Greek Cypriots would like the air access, but most say they would not make any concessions to secure it.[155]

The benefits of a ban rescission would accrue not only to the Greek Cypriot economy but also to European and global commercial interests. Foreign producers would be able to bundle cargo destined for Türkiye with that headed to RoC, rather than shipping to the island separately. One estimate placed the resulting savings at €100 million a year.[156] These lower costs would presumably reduce the prices of imported goods on the island and benefit suppliers. Türkiye and its economy would also gain. Türkiye already ranks fourth in the world in terms of number and tonnage of ships recycled in shipbreaking yards. Under this deal, it could benefit from offering destruction and recycling services for RoC ships as well.[157]

Secondly, it is hard to imagine the Greek Cypriots allowing a deal to move forward without concessions by Turkish Cypriots and Türkiye on Varosha/Maraş. Before coming to the table, the RoC will want to hear the Turkish Cypriots reiterate that they intend eventually to hand this area over to an UN interim regime, so that it can subsequently be incorporated into the Greek Cypriot zone of administration as part of a comprehensive settlement. To make clear that it is not trying to create new facts on the ground that would undercut this arrangement, the Turkish Cypriots could pair this statement with a moratorium on future development, pending agreement with the Greek Cypriot administration.

B. *Reconciliation Efforts*

Structured reconciliation efforts within and between the communities could, over time, help alleviate the frustrations both sides feel. Despite institutional challenges to effective coordination between communities, direct contacts have increased, albeit slowly, particularly since the creation of checkpoint crossings in 2003.[158] But by itself this step has not been enough to build a feeling of solidarity between north and south. As a former Turkish Cypriot official argued, "We need to work on areas of cooperation that will lead people on both sides, but particularly the Greek Cypriots, to feel that they gain from living together. We need a bottom-up approach that evolutionarily results in understanding each other and overcoming the otherisation".[159] It is a tall order, but progress is conceivable in some areas.

First, historical education reforms – though difficult to achieve – are worth exploring. Though northern schoolbooks have improved significantly to remove hostile stereotypes of Greek Cypriots, pro-federation Turkish Cypriots in civil society are concerned that, absent a commitment from the RoC to carry out similar reforms, the de facto authorities will revert to the old ways of narrating the

[154] Cyprus Airways went bankrupt in 2015, and the name was sold to foreign investors. "Cyprus Airways closed down after EU state aid ruling", Reuters, 9 January 2015.
[155] Crisis Group telephone interviews, Greek Cypriot analysts, July-August 2022.
[156] "Cyprus solution good for shipping", Cyprus Profile, 17 September 2015.
[157] "The Toxic Tide: 2021 Shipbreaking Records", NGO Shipbreaking Platform, 2 February 2022.
[158] For data about crossings in 2021, see "Report from the Commission to the Council", European Commission, EC No. 866/2004, 7 June 2022.
[159] Crisis Group interview, former Turkish Cypriot official, north Nicosia/Lefkoşa, September 2021.

island's history.[160] Greek Cypriot advocates of reunification, on the other hand, point out that the current Turkish Cypriot administration has pulled out of peace education initiatives undertaken by its predecessor. Meanwhile, the history taught in Greek Cypriot schools continues to reinforce what some analysts have termed a "Hellenocentric dominant narrative of the twentieth century".[161] This slant, and continuing church involvement in education, contribute to children developing deeply skewed views, according to pro-reunification Greek Cypriots and others.[162]

A common historical narrative may currently be out of reach, and efforts to encourage teachers to present students with alternative narratives are sure to face tremendous backlash, but there are still areas where the two sides might work together.[163] At the very least, gaining support for broadened civil society efforts to raise awareness on both sides of the other community's suffering in the 1960s and 1970s would be worthwhile.

Secondly, the EU and other donors could improve the performance of their large-scale environmental projects in Cyprus by more explicitly encouraging the RoC's inclusion of Turkish Cypriot counterparts. Donors could promote collaboration by favouring inclusive bicommunal applications, particularly for projects that would be much more meaningful if carried out on both sides of the divided island. For all bicommunal committees, adopting a shared lexicon of agreed-upon terminology would go a long way toward speeding and smoothing the cooperation they ostensibly seek.[164]

[160] See Yiannis Papadakis, "History Education in Divided Cyprus: A Comparison of Greek Cypriot and Turkish Cypriot Schoolbooks on the 'History of Cyprus'", PRIO, February 2008. A Turkish Cypriot expert told Crisis Group that the curriculum changed twice after that, first badly deteriorating, then in 2014 improving again. Crisis Group telephone interview, Turkish Cypriot teacher's union member, September 2022.

[161] Lukas Perikleous, Meltem Onurkan-Samani and Gülen Onurkan-Aliusta, "Those Who Control the Narrative Control the Future: The Teaching of History in Greek Cypriot and Turkish Cypriot Schools", *Historical Encounters,* vol. 8, no. 2 (2021)

[162] Crisis Group interview, Greek Cypriot academic, Istanbul, April 2021.

[163] Crisis Group interviews, Greek and Greek Cypriot analysts, April 2023.

[164] In supporting the idea that prior agreement on an acceptable lexicon would be desirable, an environment technical committee member said, "It should not be our job to find a mutually agreeable word. We should be able to focus on what we know best: the science and the implementation". Crisis Group interview, north Nicosia/Lefkoşa, March 2022.

VII. **Conclusion**

After more than five decades of failed talks, and the particularly spectacular collapse of promising negotiations in 2017, it is hard to see a clear way forward to the reunification of Cyprus, or even to talks about reunification. But the tensions that have emerged or intensified since the Crans Montana summit should not be ignored. They threaten to deepen rifts in the eastern Mediterranean and sour Türkiye-EU relations, while aggravating old disagreements and creating new ones between Ankara and its NATO allies. Among other things, the impasse between Cyprus' two main communities underlines the limits of pressure tactics for both sides. Decades of isolation and economic pressure have led Turkish Cypriots to closer ties with Ankara, not acceptance of Greek Cypriot terms. Türkiye's military posturing and turn away from negotiations have not led the RoC to recognise the Turkish Cypriot entity as sovereign and equal.

With no comprehensive deal in reach for the time being, the parties may be ready to try a more conciliatory approach – looking to cooperate transactionally for mutual benefit, for example in support of trade and travel, and to take other small steps together. Since Crans Montana, politicians in Cyprus have allowed too many opportunities for de-escalation to pass them by. They may very well change course for the benefit of their own communities, as well as for peace and security in the eastern Mediterranean.

April 2023

Appendix A: Proposals Related to Trade, Hydrocarbons and/or Varosha/Maraş

Date	Proposed by	Contents of Proposal	Implemented?
November 1978	Presented by the U.S.; co-authored by the UK and Canada.[1]	Start negotiations for a loose federation and resettle Varosha/Maraş with its rightful owners, in stages and under UN auspices, while negotiations continue. Greek Cypriots who return to remain independently of whether the two sides reach a final agreement.	No. The Greek Cypriot side rejected the proposal, calling it "imperialist" and saying it interfered in Cyprus' internal affairs.[2]
May 1979	Kyprianou-Denktash Agreement[3]	Resettle Varosha/Maraş with its rightful owners, under UN auspices, upon initiation of negotiations aimed at a comprehensive solution. To be implemented independently of the negotiations' outcome on other issues.	No. Both sides initially assented but later withdrew from the agreement.
August 1981	Turkish Cypriot side	Draft constitution would create a bicommunal, bizonal federal republic with equal representation; freedom of movement and settlement; and the right to property to be regulated in accordance with guidelines the sides agreed to in 1977. Proposal also includes a map that delineates the Varosha/Maraş area and provides for the opening of Nicosia/Lefkoşa airport to international traffic with both sides enjoying free access. [4]	No. The proposal was discussed until 1983, but no agreement was reached. The Greek Cypriots insisted on the indivisibility of territory and a Greek Cypriot-dominated legislature, which Turkish Cypriots rejected.[5]
November 1992-July 1993	UN Secretary-General Boutros-Ghali	Rehabilitate Varosha/Maraş and reopen Nicosia/Lefkoşa airport under UN supervision – allowing both sides free access.[6]	No. Agreed in principle by both sides. Disagreement over how to implement precluded doing so.
March 1994	UN Secretary-General Boutros-Ghali (Building on 1993 proposal)	Rehabilitate Varosha/Maraş and reopen Nicosia/Lefkoşa airport under UN supervision – allowing both sides free access. Appoint a head of a UN Temporary Administration of Varosha/Maraş's fenced-off area, empowered to collect local taxes and customs duties; free entry for both sides to Varosha/Maraş, "subject to the requirements of normal security". Appoint a UN airport administrator with full authority to regulate traffic rights.	No. Rejected by the Turkish Cypriot side, which said this approach unacceptably revised what was agreed to in 1993 with regard to a) the schedule for implementation; b) traffic rights at the airport; c) collection of customs duties by the UN; d) arrangements for secure travel between the buffer zone and the fenced-off area of Varosha/Maraş; and e) the map delineating Varosha/Maraş.[7]
1995	Turkish Cypriot side	Fourteen-point proposal seeking completion of the aforementioned UN-sponsored confidence-building measures and expressing the Turkish Cypriot side's readiness to discuss the subject of RoC membership in the EU.[8]	No. Rejected by the Greek Cypriot side. President Glafcos Clerides opposed making settlement a prerequisite for EU membership. He argued that Turkish Cypriot support for the EU application could help find common ground.[9]

April 2003	Turkish Cypriot side	Lift all restrictions on transport and travel across Cyprus's divide; hand over part of the fenced-off area of Varosha/Maraş (areas south of Dhimoktrathias street, extending to the UN Buffer Zone) to Greek Cypriot control for resettlement; lift restrictions on overseas trade, transport, travel, cultural activities and sport; lift corresponding restrictions imposed by Türkiye and Greece; normalise flow of goods between the two sides; form a bilateral Reconciliation Committee to "promote understanding, tolerance and mutual respect between the two parties".[10]	Partially. Some checkpoints opened, but the Greek Cypriot side refused further negotiations on confidence-building measures, seeking negotiations for a comprehensive settlement under the UN's aegis instead.[11]
July 2004	Greek Cypriot side	Start demining on both sides; hand over Varosha/Maraş to its lawful inhabitants, per UN Security Council Resolution 550 (1984); organise common operation of Famagusta/ Gazimağusa port; restrict military exercises; open eight additional crossing points.[12]	Partially. UN-coordinated demining began.[13] Some checkpoints opened, but no action on other points. In a letter dated August 2004, President Rauf Denktaş blamed the Greek Cypriot side for "holding Turkish Cypriot economic development hostage to its political considerations" and "extending its illegal authority over the Turkish Cypriots".[14]
2005-2006	EU initiative, under the auspices of the Austrian and Finnish EU presidencies [15]	Proposals to de-isolate Turkish Cypriots, including the Green Line regulation (an EU framework dealing with the movement of persons and goods across the boundary separating Turkish and Greek Cypriots), financial aid to Turkish Cypriots and direct trade between Turkish Cypriots and the EU. A draft European Commission declaration in December 2005 echoed Greek Cypriots' demands that Varosha/Maraş be returned to them, along with joint operation of the port at Famagusta/Gazimağusa and a moratorium on sale of or construction on Greek Cypriot property in the north.[16]	Partially. Green Line and aid proposals implemented. The direct trade regulation proposal submitted to the European Commission was denied a vote on the grounds that voting would imply tacit recognition of the north. Turkish Cypriots initially agreed to return Varosha/Maraş in return for opening ports and airports in the north.[17] Greek Cypriots rejected opening northern ports and airports, saying it would lead to development of separate economies and permanent division of Cyprus.[18] No other action taken.
January 2006	Türkiye	The plan's ten items contain the following related to trade and movement:[19] open Türkiye's seaports to Greek Cypriot vessels involved in trade, in accordance with the European-Turkish customs union; allow Greek Cypriot air carriers to use Turkish airspace for overflights and to land at Turkish airports in accordance with international procedures; open the ports in northern Cyprus, including Famagusta/Gazimağusa, Kyrenia/ Girne and Karavostasi/Gemikonağı, to international traffic of goods, persons and services under Turkish Cypriot management; open Tymbou/Ercan airport for direct flights under Turkish Cypriot management;	No.[20] The Greek Cypriot side rejected the proposal, saying the concessions offered by Türkiye were pre-existing obligations vis-à-vis the EU.

		make special arrangements for the practical inclusion, as an economic entity, of northern Cyprus into the EU's customs union, allowing unhindered direct trade between both sides of the island and with the outside world; allow Turkish Cypriot participation in international sports, cultural and other social activities.	
December 2006	Türkiye	Open one port in Türkiye to RoC vessels and one airport in Türkiye to RoC commercial flights; open the Tymbou/Ercan airport and the Famagusta/Gazimağusa port to international trade under "TRNC" management.[21]	No. RoC presidential spokesman Vassilis Palmas said in a radio interview the "Turkish demand for the opening of Tymbou (Ercan) Airport was a 'red line' for the Cyprus government".[22]
September 2011	Turkish Cypriot side	Either jointly cease all hydrocarbon exploration activity until an agreement is reached or establish a joint ad hoc committee with UN participation responsible for giving licences for drills.[23]	No. Greek Cypriots rejected proposal on grounds that hydrocarbon exploration is a sovereign right of the RoC. [24]
September 2012	Turkish Cypriot side	Establish a technical committee, which will be chaired by an independent facilitator appointed by the UN secretary-general. The committee would help the two sides reach an agreement on licences issued, conclude delimitation agreements, agree on how to share gas revenue and govern the revenue account. The revenues would be used to finance implementation of a comprehensive settlement.[25]	No. The Greek Cypriots rejected the offer.
June 2013	Greek Cypriot side, proffered as a public statement by the RoC's foreign minister and never formalised.	Subject to the Turkish Cypriot side handing Varosha/Maraş to its Greek Cypriot lawful owners: RoC would enable Turkish Cypriots direct trade with EU tax-free via Famagusta/ Gazimağusa port, to be operated by Turkish Cypriots under EU supervision.[26]	No.
May 2015	Greek Cypriot side[27]	Put in place mobile interoperability; open more crossing points; connect electricity grids; prevent radio frequency interference.	Yes. All proposals implemented. Mobile interoperability achieved in 2019.[28] Additional crossing opened.[29] Electricity grid connected.[30]
February 2019	Greek Cypriot side[31]	Among the plan's 21 measures, the following are related to trade, connectivity and Varosha/Maraş: Allow use of Famagusta/ Gazimağusa port under UN control, subject to Varosha/Maraş being handed to its lawful inhabitants; unfreeze negotiating chapters in Türkiye's EU accession process, subject to Türkiye fully implementing the Ankara Protocol; conduct demining on both sides; open additional crossing points; lift other obstacles to trade in order to facilitate movement of commercial vehicles transporting goods covered by the EU Green Line regulation, eliminate Turkish	No. The sides did agree to demine nine suspected hazardous areas on both sides of the island.[32]

		Cypriot import taxes, permits and VAT on Greek Cypriot goods.	
July 2019	Turkish Cypriot side	Create a joint committee to cooperate in decision-making about offshore energy reserves.[33]	No. The Greek Cypriot side stated that a committee cannot deal with issues that relate to the RoC's sovereign rights, such as allocation of shares to companies for research, licencing and conclusion of international agreements.[34]
August 2019	Greek Cypriot side[35]	Provide regular briefings to the Turkish Cypriot leadership on hydrocarbon issues, on the condition that activity in the RoC's claimed EEZ cease; set up an escrow account, in accordance with the respective population counts of future constituent states (the two sides of the prospective federation) to share revenues with Turkish Cypriots, on the condition that Türkiye agrees to delimit its EEZ with the RoC in accordance with the UN Convention on the Law of the Seas (UNCLOS).[36]	No.
December 2020	Greek Cypriot side [37] (Referred to as a "non-paper" by the RoC's foreign minister)	Subject to EEZ delimitation between the RoC and Türkiye, in accordance with UNCLOS: return Varosha/Maraş to its rightful owners under UN administration, per UN Security Council Resolutions 550 and 789; place Tymbou/Ercan airport under UN administration to allow international flights; place Famagusta/Gazimağusa port under EU administration, subject to Türkiye lifting its restrictions on Cyprus and fully implementing the EU-Türkiye Association Agreement by opening up its ports and airspace to Cyprus; create an escrow account, for the benefit of the Turkish Cypriots, where revenues from hydrocarbon exploration would be deposited prior to a solution to the Cyprus problem in accordance with the respective population counts of the two future constituent states.	No. The Turkish Cypriot side did not respond until the proposal was officially presented to them in May 2022.
April 2021	Greek Cypriot side[38]	Same substance as the December 2020 proposal: discussing Varosha/Maraş, Tymbou/Ercan airport and Famagusta/Gazimağusa port, as well as the Cyprus problem in general.[39]	No. Turkish Foreign Minister Mevlüt Cavuşoglu said the Greek Cypriot side did not bring a new proposal to the table.[40]
May 2022	Greek Cypriot side[41]	Open Tymbou/Ercan airport to direct flights under UN auspices; operate Famagusta/Gazimağusa port customs services under EU authority; hand over Varosha/Maraş to UN administration; Türkiye to implement the EU's Additional Ankara Protocol by opening ports to ships under the RoC flag and allowing RoC planes to enter its airspace; set up an escrow account to share revenues with the Turkish	No. Turkish Cypriots said the proposed confidence-building measures attempted "to extend the authority and jurisdiction of the Greek Cypriot side to the whole island", adding that new negotiations can begin only after their sovereign equality is recognised.[42]

		Cypriots, on the condition that Türkiye agrees to delineate an EEZ with the RoC in accordance with UNCLOS.	
July 2022	Turkish Cypriot side	Cooperation in six concrete areas, without prejudice to the two sides' respective stances regarding a comprehensive settlement. • Demining of the entire island • Joint work under UN auspices to curb irregular migration • Hydrocarbons committee • Joint committee on solar energy • Connecting the electricity grid to Turkey • Joint committee on water resources	No. President Nicos Anastasiades said it constitutes a new attempt at a two-state solution.[43]

[1] "US offers new Cyprus plan in an effort to revive talks'', *The New York Times*, 29 November 1978.
[2] Zaim M. Necatigil, *The Cyprus Question and the Turkish Position in International Law* (Oxford, 2008), pp. 161-162.
[3] ''The Ten-point Agreement of 19 May 1979'', Press and Information Office, Republic of Cyprus Ministry of Interior, 19 May 1979.
[4] Necatigil, *The Cyprus Question and the Turkish Position in International Law*, op. cit., pp. 164-167.
[5] Olga Campbell-Thomson, "Pride and Prejudice: The Failure of UN Peace Brokering Efforts in Cyprus", *Perceptions,* vol. 19, no. 2 (2014), p. 73.
[6] As per "Report of the Secretary General on His Mission of Good Offices in Cyprus", UNSC S/26026, 1 July 1993, "a significant area of Varosha would be placed under UN administration as a special area for bicommunal trade and contact". To this end, the Turkish Cypriot side requested that Tymbou/Ercan airport be allowed to receive European flights and the opening of ports in the north which had hitherto been registered as "closed" by the RoC authorities, preventing the free entry of international vessels, ie, lifting what the Turkish Cypriots deemed an ''embargo''.
[7] "Report of the Secretary-General on His Mission of Good Offices in Cyprus", S/1994/629, 30 May 1994, p. 17.
[8] "Confidence Building Measures (1992-1994)", Republic of Türkiye Ministry of Foreign Affairs, undated.
[9] Clement Dodd, *The History and Politics of Cyprus Conflict* (New York, 2010), p. 187.
[10] "Letter Sent to Greek Cypriot Leader Papadopulos on 2 April 2003 by the President of the TRNC, H.E. Rauf R. Denktaş", Turkish Ministry of Foreign Affairs, 2 April 2003.
[11] On 23 April 2003, a first crossing opened at the Ledra Palace Hotel in the capital, Nicosia/Lefkoşa. The second crossing, for vehicles only, opened at Ayios Dometios/Metehan a month later. The Ledra/Lokmacı pedestrian crossing, the capital's second, opened on 3 April 2008 in the heart of the city. The Strovilia/Akyar crossing in Famagusta/Gazimağusa opened on 26 April 2003, the Astromeritis/Bostancı crossing on 31 August 2005 and the Ljmnitis/Yeşilırmak crossing on 14 October 2010. Two more crossing points were opened up on 11 November 2018. See "First border crossing opened 16 years ago", LGC News, 26 April 2019. There are nine crossing points (two under the jurisdiction of the British military bases) as of July 2022. "The Situation in Cyprus", 835th Meeting of the Minister's Deputies, Council of Europe, 8 April 2003.
[12] "Confidence Building Measures in Cyprus", UK Parliament, 21 July 2004; "Demining in the 'TRNC'", *Hürriyet*, 12 August 2005 (Turkish); "Letter dated 23 July 2004 from the Permanent Representative of Cyprus to the United Nations addressed to the Secretary-General", A/58/857–S/2004/596, 27 July 2004.
[13] The two communities agreed to demine their respective areas. Between 2004 and 2011, the Mine Action Center cleared 27,000 mines from the buffer zone. Then, in 2015, the UN deployed a team of deminers to spend six months working in Cyprus. The UN withdrew the team in November 2017, following the breakdown of UN-facilitated settlement talks that July.
[14] "Letter dated 23 August 2004 from the Permanent Representative of Turkey to the United Nations addressed to the Secretary-General", A/58/876–S/2004/675, 24 August 2004, pp. 3-5.
[15] Cyprus: Status of UN Negotiations and Related Issues", Congressional Research Service, 20 July 2007.
[16] Ibid.
[17] Ibid.
[18] Ibid.

[19] "New Initiative by Türkiye on Cyprus", Turkish Ministry of Foreign Affairs, 24 January 2006.
[20] "Chronology of Events: Cyprus", Security Council Report, 3 November 2020.
[21] "New Recommendation from Türkiye to EU – Compilation", Turkish Ministry of Foreign Affairs Directorate for EU Affairs, 12 August 2006 (Turkish).
[22] "Cyprus to reject Turkish 'minimal' move to open ports", *Financial Mirror*, 6 December 2006.
[23] "Eroglu proposal over Cyprus gas", *Kathimerini*, 25 September 2011.
[24] RoC spokesman Stephanos Stephanou stated that "exploration and exploitation of our natural resources constitutes a sovereign right of the Republic of Cyprus. … Our sovereign right is not negotiable". "TRNC-RoC Cooperation: A Critical Missing Piece for Eastern Mediterranean Stability", Konrad Adenauer Stiftung, 2020.
[25] Talking Paper on the Hydrocarbon Reserves around the Island of Cyprus, "TRNC", 29 September 2012.
[26] "Meeting of the Minister of Foreign Affairs with the Secretary-General of the United Nations", press release, Permanent Mission of the Republic of Cyprus at the United Nations, 8 May 2013 (Greek).
[27] "Statement delivered by Special Adviser of the Secretary-General on Cyprus Espen Barth Eide on behalf of the Greek Cypriot leader Mr. Nicos Anastasiades and the Turkish Cypriot leader Mr. Mustafa Akıncı", 28 May 2015.
[28] ''Mobile interoperability was no easy task, CCCI official tells CNA'', *In Cyprus*, 12 July 2019.
[29] "Report of the Secretary-General on his Mission of Good Offices in Cyprus", S/1994/629, 30 May 1994.
[30] "Anastasiades, Akinci agree on CBMs including mobile phone network link", *In Cyprus,* 26 February 2019.
[31] Non-paper on package proposal, on file with Crisis Group.
[32] "Statement by the United Nations Spokesperson in Cyprus", UN Cyprus Talks, 26 February 2019.
[33] "Akıncı: 'Cooperating in the field of hydrocarbons within the framework of a joint committee will not prevent a solution, and to the contrary will shorten the path to one'", KKTC Enformasyon Dairesi, 17 July 2019 (Turkish).
[34] "Anastasiades proposes creation of escrow account in a bid to ease tension", *Kathimerini,* 4 September 2019. In 2022, Anastasiades told Crisis Group that hydrocarbon revenues could be made available to the Turkish Cypriots even before settlement of the Cyprus problem. Crisis Group interview, April 2022.
[35] Non-paper from 13 August 2019, on file with Crisis Group.
[36] "Anastasiades proposes creation of escrow account in a bid to ease tension", op. cit.
[37] Non-paper submitted to the UN Secretary-General on 31 December 2020. "Report of the Secretary-General on his mission of good offices in Cyprus", S/2023/6, 3 January 2023.
[38] "Speech of the President of the Republic Mr. Nikos Anastasiades anti-occupation event of Famagusta municipality, at the Famagusta municipal cultural centre in Deryneia", Republic of Cyprus Press and Information Office, 7 August 2021 (Greek).
[39] The Greek Cypriot side made this proposal at a conference in Geneva. "The President of the Republic on the Conclusion of the Informal Conference on Cyprus, in Geneva", Presidency of the Republic of Cyprus, 29 April 2021; "Our view: Anastasiades' CBMs proposal is just another ploy", *Cyprus Mail*, 6 June 2021.
[40] "Turkish Cypriot leader says no point in formal Cyprus talks", Reuters, 29 April 2021.
[41] "Exclusive: Proposal by Anastasiades to Tatar for talks", *Φilenews,* 30 May 2022 (Greek).
[42] TRNC Presidential Statement, Presidency of the Turkish Republic of Northern Cyprus, 31 May 2022
[43] "Anastasiades: Tatar proposals another stab at two-state solution", *Cyprus Mail*, 20 July 2022.