

CYPRUS SETTLEMENT NEGOTIATIONS: FROM EUPHORIA TO REALITY

Arguably, negotiations for a settlement of the Cyprus issue are currently in their most critical and advanced phase in history, prompting euphoria. Considerable progress has been achieved, but serious thorns and obstacles remain. At the same time, the prospects of a solution of the Cyprus issue are inextricably linked to regional and international developments, including strategic alignments and alliances, economic realities, political developments, and energy issues. This article comprises a pragmatic account of the current state of affairs in the Cyprus issue, including an update on the negotiations, regional developments, and energy matters. It argues that present circumstances are more conducive to a solution than ever before and that the opportunity should be seized. It also argues the sense of urgency and the need for realism in doing so.

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TURKISH POLICY
QUARTERLY

Spring 2016

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UN-backed inter-communal negotiations aimed at resolving the anomalous political situation in Cyprus have been going on intermittently for over 50 years now. In the last decade, the parties appeared to have come close to a settlement on the basis of the so-called Annan Plan. The latter then collapsed in the 2004 referenda, after which there was no real dialogue for several years. In the spring of 2008, the process was relaunched and still continues eight years on, having survived two major interruptions during this time.

The more recent of these interruptions, which lasted from October 2014 to April 2015, was in fact rather serious, as it resulted from a dispute over offshore natural resources, which critically involves Turkey. This happened when the Italian company Eni started drilling off the island's southern coast in connection with a concession from the government of the Republic of Cyprus. This was followed by Turkey issuing a navigational warning (NAVTEX), designating areas in the island's southern offshore for seismic surveys to be carried out by Türkiye Petrolleri Anonim Ortaklığı (TPAO) based on licences it obtained from the Turkish Cypriot government in 2011.¹ The reaction of the Greek Cypriot side was to announce suspension of its participation in the negotiations.² The crisis subsided only after Eni, having found no "exploitable hydrocarbons," removed its drillship from the area. Meanwhile, Turkey's second NAVTEX expired and the TPAO's survey vessel left Cyprus' waters. On 7 April 2015, after meeting separately with both sides, the UN Secretary General's Special Advisor Espen Barth Eide announced, "I see no obstacle to a very early resumption of talks once the election process in the north of Cyprus is done."³

Eide's reference here was to the Turkish Cypriot presidential election, which was won on 26 April by Northern Cyprus's President Mustafa Akıncı, a center-left politician widely recognized for his credentials as a long-time supporter of peace and reconciliation. With Akıncı installed as leader of the Turkish Cypriot community, negotiations recommenced on 15 May, but not exactly where they left off.

A Different Mood and High Hopes

The Domestic Context

Prospects for a settlement in this latest episode of negotiations have been widely seen as being better than at any time in at least the last 10 years. This is largely

¹ "Turkey trespasses for fourth time since hydrocarbons discovered," *Cyprus Mail*, 21 October 2014, <http://cyprus-mail.com/2014/10/21/turkey-trespasses-for-fourth-time-since-hydrocarbons-discovered/>

² Jean Christou, "President says: I had no other choice," *Cyprus Mail*, 7 October 2014, <http://cyprus-mail.com/2014/10/07/president-says-i-had-no-other-choice/>

³ Michele Kambas, "U.N. Cyprus envoy says sees no obstacle to new peace talks," *Reuters*, 7 April 2015, <http://www.reuters.com/article/us-cyprus-un-talks-idUSKBN0MY12J20150407>

because the interlocutors, Greek Cypriot leader Nicos Anastasiades and Akıncı, are both known to be committed to reaching an agreement, which has been a rarity in the Cyprus talks.⁴ Another important point is that from the start, the two leaders appeared to have a good rapport. Additionally, at least in the beginning, many Greek Cypriots had confidence in Akıncı, chiefly due to his reputation as being capable of standing up to Turkey.⁵

Thus, when the new round of negotiations began over a year ago, the atmosphere was utterly positive – almost euphoric – something unknown during any previous stage of the decades-long Cyprus peace process. The two leaders have made a huge impression with their often symbolically loaded gestures, calculated to encourage positive attitudes amongst the public towards reunification and reconciliation. Examples include their Saturday morning walk on 23 May 2015, along Arasta and Ledra street, which runs across the Green Line, or when on 8 June, accompanied by their spouses, they they watched a play together in their shared hometown, Limassol, performed in Turkish with Greek subtitles by a Turkish Cypriot theater group. Such joint public appearances have since been repeated on various occasions, including a joint video broadcast on 24 December where they sent out messages wishing peace and prosperity for Cyprus in both Turkish and Greek.⁶

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As for the formal process, the leaders decided at their first meeting that they would meet twice a month and spearhead the process, while their chief negotiators would hold more intense discussions between these meetings to support the process.⁷ The leaders also reached an agreement quite early on regarding a number of confidence

⁴ Though it is worth remembering that a comparable situation existed when negotiations restarted in 2008 with the two communities being represented by Demetris Christofias, the leader of a staunchly pro-rapprochement party, and Mehmet Ali Talat, with the same credentials. A common view back then, expressed in particular by Talat, was that an agreement could be concluded in less than a year.

⁵ Umut Bozkurt, “Yes we can? Mustafa Akıncı and a new hope for Cyprus,” *openDemocracy*, 30 April 2015, <https://www.opendemocracy.net/can-europe-make-it/umut-bozkurt/yes-we-can-mustafa-akinci-and-new-hope-for-cyprus>; and Evie Andreou, “Muddled signals on talks from Akıncı victory,” *Cyprus Mail*, 27 April 2015, <http://cyprus-mail.com/2015/04/27/muddled-signals-on-talks-from-akinci-victory/>.

⁶ See <https://www.youtube.com/watch?v=foBrMzufMAw>; and Ömer Bilge, “Two leaders of Cyprus wish joint Happy New Year,” *Hürriyet Daily News*, 25 December 2015.

⁷ “Statement on behalf of the Greek Cypriot leader Nicos Anastasiades and the Turkish Cypriot leader Mustafa Akıncı, as delivered by Special Adviser of the Secretary-General on Cyprus Espen Barth Eide,” UN Department of Political Affairs, 15 May 2015, <http://www.un.org/undpa/en/node/183418>

building measures which included: opening two new checkpoints (Derynia in the West and Lefke in the East), establishing two additional technical committees on culture and gender equality, working alongside the negotiations,⁸ demining, connecting electricity grids, and enabling mobile telephony.⁹

“There is no doubt that both Anastasiades and Akıncı genuinely want to conclude a comprehensive settlement deal.”

There is no doubt that both Anastasiades and Akıncı genuinely want to conclude a comprehensive settlement deal. Both have repeatedly talked about the urgency of a solution and expressed optimism about the chances of the current talks leading to a reunification agreement. They seem to share a certain common sense of purpose, which is reflected in their resolve so far to avoid playing

the blame game and to focus on keeping up the momentum of the negotiations. However, finding a solution before the end of 2016, which the leaders say they are now working for, will take more political will on their part that is strong enough to make the compromises that will ultimately be required.

It is also remarkable that a serious discussion of the economic aspects of a solution has also been considered for the first time. This pertains both to the financial cost of a solution and the expected peace dividend, in other words the economic benefits of a Cyprus settlement. This was understood to be imperative, given the economic crisis that has rocked the Republic of Cyprus since 2012: the financial situation of the island’s North that is entirely dependent on Turkey and thus potentially unsustainable, the changing international and European economic realities exerting pressures on the island’s economy, and finally the realization that any solution would entail a considerable financial cost for which no provisions have ever been made.

The Regional and International Context

The Cyprus issue neither arose nor does it continue to develop in a vacuum, but has been and still is inextricably linked to the broader regional security architecture, the policies and priorities of various international actors, and is directly or indirectly

⁸ See Technical Committees at <http://www.uncyprustalks.org/#>.

⁹ Today, some of these measures have been implemented, even if only partially. However, much to the disappointment of many who are in regular contact with the other side, the linking of mobile networks has hit a snag that is yet to be overcome. See “Plan for mobile phone coverage across Cyprus hits buffers, expect delays,” *Famagusta Gazette*, 22 December 2015, <http://famagusta-gazette.com/plan-for-mobile-phone-coverage-across-cyprus-hits-buffers-expect-delays-p31689-69.htm>; and “Akıncı: “It is regrettable that the Greek Cypriot side is not taking any step,” TRNC Public Information Office, 25 December 2015, <http://mfa.gov.ct.tr/akinci-it-is-regrettable-that-the-greek-cypriot-side-is-not-taking-any-step/>.

affected by a multitude of international and regional developments. The interest and engagement of the international community has been particularly vivid in the course of the past year, not least as a function of increased challenges in the troubled region, energy prospects, and the emergence of a climate on the island, as described above, which would be more conducive to a solution than ever before.

The intense interest of the international community found expression, first, in an unprecedented number of ministerial and state official visits, reaffirming the commitment of the respective states to supporting an emerging solution. In parallel, a number of international institutions including the EU, IMF, World Bank, EBRD, and others have been extremely active on the island and beyond, supporting UN efforts and intensely working towards identifying issues of contention and suggesting ways to tackle them, especially with regard to the EU *acquis* and financial matters. As expected, however, this heightened involvement by various actors is also facing certain challenges, both in fact and in perception.

As a result, increased engagement and initiatives by certain states have raised eyebrows in others and led to scepticism locally and abroad regarding motives and possible avenues for development. This is particularly true of US involvement and the perception of future outcomes and priorities. At the same time, the excellent and close relations – for some particularly close – enjoyed between Russia and the

Republic of Cyprus, coupled with the currently troubled relationship between Russia and Turkey, create a more challenging environment for the solution of the Cyprus issue. In particular, regional, bilateral, and triangular relations – from alignments to potential alliances – have begun forming. This could prove to be of special importance when it comes to prospects for a solution and future developments.

Greece-Turkey

Despite the existence of decades-old unresolved bilateral problems between the two countries, Turkey and Greece are enjoying the longest period of peace in their modern history of relations. Occasional tensions and the serious problem of migration have not managed to overturn the fundamental framework of rapprochement enjoyed since 1999. Cooperation in various fields, despite the existence of traditional

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problems, indicates a shared sense of maturity and realism that could also be applied in their approach to the Cyprus issue. Indeed, faced with common pressing problems in their challenged region, as well as with prospects of mutual benefits from further cooperation in certain fields, like energy, the two countries should not miss the opportunity for deepening relations and rapprochement, including constructive engagement on a solution to the Cyprus issue.

“Greece, Israel, and the Republic of Cyprus (RoC), have been developing their mutual ties since about the time Israeli-Turkish relations took a nosedive in 2010.”

Turkey-Israel

Since the Israeli apology to Turkey in March 2013 for the deaths during the *Mavi Marmara* incident, negotiations have been underway to normalize relations between the two former allies. After a lull between July 2014 and December 2015, talks on normalization have resumed. The renewed effort seems to have been hastened

by the fallout between Turkey and Russia due to Turkey’s downing of a Russian warplane at the Turkish–Syrian border, which seems to have increased Turkey’s unease about its dependence on Russia for more than half of its natural gas supplies and its sense of urgency for additional alternative resources such as those in the Eastern Mediterranean.¹⁰ Currently, there are concerted efforts for full normalization in the relations between the two countries although the obstacles should not be underestimated and expectations for immediate improvement should not be unrealistically inflated, especially given recent domestic developments in Israel.¹¹

Israel-Greece-Cyprus

Greece, Israel, and the Republic of Cyprus (RoC), have been developing their mutual ties since about the time Israeli-Turkish relations took a nosedive in 2010. This has been a process driven primarily by potential common interests in the fields of energy and security. Recently, Anastasiades, Prime Minister Alexis Tsipras, and Prime Minister Benjamin Netanyahu presided over the first Israel-Greece-Cyprus trilateral summit in Nicosia.¹² They signed a joint declaration, establishing a basis

¹⁰ Kadri Gürsel, “Did Erdogan give up Gaza in return for Israeli gas?,” *Al-Monitor*, 23 December 2015, <http://www.al-monitor.com/pulse/originals/2015/12/turkey-israel-why-erdogan-cannot-normalize-ties.html>; Barak Ravid, “Five years after Gaza Flotilla Raid, Israel and Turkey reach understandings on ending crisis,” 17 December 2015, *Haaretz*, <http://www.haaretz.com/israel-news/1.692478>

¹¹ Yossi Melman, “Three’s company: Israel, Turkey, and Egypt,” *The Jerusalem Post*, 5 February 2016, <http://www.jpost.com/International/Balancing-Egypt-and-Turkey-443943>; and “Why Israel needs Putin more than it needs Erdogan,” *Al-Monitor*, 7 March 2016, <http://www.al-monitor.com/pulse/en/originals/2016/03/vladimir-putin-erdogan-netanyahu-syria-missiles-security.html>

¹² Charles Ellinas, “Cyprus-Greece-Israel tripartite meeting – Energy issues,” *Signalive*, 29 January 2016, <http://www.signalive.com/en/blog/charles.ellinas/2016/01/995/cyprusgreeceisrael-tripartite-meeting-energy-issues>

of cooperation between the three countries in various areas including energy, tourism, research and technology, the environment, water management, terrorism, and migration. More importantly, Israel also signed with Greece a “status of forces agreement,” a high level security agreement, which Israel has with only one other country.

Egypt-Greece-Cyprus

Another platform of regional cooperation that has been in the making since 2014 is the tripartite alignment of Egypt, Greece, and the RoC. During the third summit of leaders on 9 December 2015, the parties announced that talks to demarcate sea boundaries in the Eastern Mediterranean would be accelerated as part of efforts to turn the region into an offshore natural gas hub. The meeting was held in Athens and a joint committee was reportedly set up to work on tourism, investment and energy projects, to explore in particular, the potential for new regional pipelines depending on the level of gas reserves found in the Eastern Mediterranean.¹³

State of the Cyprus Negotiations

A notable feature of the talks since 2008 has been that they are “Cypriot-owned” and “Cypriot-led.” This has been a condition on which the Greek Cypriot side has insisted since 2004, and is a reflection of a common Greek Cypriot perception of the Annan Plan as an imposition by the international (especially western) community. The rule remains in place in the present round of negotiations, which, as described by Eide means, “... the process is led by the Cypriots and their leaders. My role is to facilitate but we [UN] are not putting down our own proposals. Every word is written and agreed to by both sides.”¹⁴ Bringing a gender perspective into the negotiations has been a stated aim of the parties since about 2012. However, the first serious attempt in this direction has only been made by the current leaders’ establishment of the Technical Committee on Gender Equality as a step to help in implementing the call of UN Resolution 1325 “to adopt a gender perspective (...) when negotiating and implementing peace agreements.” Also late last year, the Technical Committee on Education was formed. The Committee’s task is to “review existing research and good practices in education in Cyprus and abroad, and undertake new relevant research on how education can contribute to conflict transformation, peace, reconciliation, and the countering of prejudice, discrimination, racism, xenophobia, and extremism.” It will also work on “devising a mutually acceptable mechanism for the implementation of confidence building measures in schools on the two sides of the island.”

¹³ Angeliki Koutantou and Renee Maltezou, “Greece, Cyprus, Egypt to speed up talks over sea boundaries,” *Reuters*, 9 December 2015, <http://uk.reuters.com/article/uk-eurozone-greece-energy-idUKKBN0TS1QN20151209>

¹⁴ Paul Taylor, “Cyprus leaders to make joint Davos appeal for peace,” *Kathimerini English*, 20 January 2016, <http://www.ekathimerini.com/205222/article/ekathimerini/news/cyprus-leaders-to-make-joint-davos-appeal-for-peace>

The basis of the negotiations between Anastasiades and Akıncı is the Joint Declaration of 11 February 2014 (by Anastasiades and Erođlu, the former Turkish Cypriot leader whom Akıncı replaced in 2015.)¹⁵ The final paragraph in the set of guidelines included in this declaration reads as follows:

The sides will seek to create a positive atmosphere to ensure the talks succeed. They commit to avoiding blame games or other negative public comments on the negotiations. They also commit to efforts to implement confidence building measures that will provide a dynamic impetus to the prospect for a united Cyprus.

It is clear from their performance of the past year (including the above mentioned establishment of the Education Technical Committee) that the leaders have taken these commitments fully to heart.

In terms of the essential structure of the post-settlement state, the salient points from the guidelines can be listed as follows:

- (a) The settlement will be based on a bicommunal, *bizonal* federation with political equality (...)
- (b) The united Cyprus (...) shall have a single international legal personality and a single sovereignty (...) which emanates equally from Greek Cypriots and Turkish Cypriots.
- (c) There will be a single united Cyprus citizenship (...) All citizens of the united Cyprus shall also be citizens of either the Greek-Cypriot constituent state or the Turkish-Cypriot constituent state.
- (d) The powers of the federal government (...) will be assigned by the constitution (...) [which] will also provide for the residual powers to be exercised by the constituent states.
- (e) The federal laws will not encroach upon constituent state laws, within the constituent states' area of competences, and the constituent states' laws will not encroach upon the federal laws within the federal government's competences.
- (f) Neither side may claim authority or jurisdiction over the other.
- (g) *The united Cyprus federation shall result from the settlement* following the settlement's approval by separate simultaneous referenda.
- (h) The Federal constitution shall prescribe that the united Cyprus federation shall be composed of two constituent states of equal status.
- (i) The bizonal, bi-communal nature of the federation and the *principles upon which the EU is founded* will be safeguarded and respected throughout the island.

¹⁵ UN Cyprus Talks, "11 February 2014 Joint Declaration on Cyprus," <http://162.243.184.203/2014/02/11/11-february-2014-joint-declaration-on-cyprus/>

In general, these points provide a clear basis for the negotiations, except for the passages written in italics:

The snag about the word “bizonal” in (a) is that the two sides do not agree on what it entails politically. According to the Greek Cypriot side, it refers to nothing more than the existence of two administrations. From a Turkish Cypriot position, the word also crucially implies the notion of each community having a clear majority of the population and land ownership in its respective zone; an understanding which the UN clearly backed in the past and which continue to inform the Turkish Cypriot approach to the “criteria” for regulation of the exercise of rights to dispossessed property.¹⁶ This understanding remains a “red line” for the Turkish Cypriot side, while the Greek Cypriot side continues adamantly to refute it.¹⁷

“The discovery of natural gas in the area since 2010 is changing the geopolitics and economics of the region, and could potentially be a game changer.”

The italicized passage in (g) can be said to contain a subtle ambiguity related to the deeply divisive and – as perceived by the two sides – existential questions of: (1) where sovereignty lies in Cyprus pending a settlement; and (2) “coming into being of the new state of affairs.”¹⁸ The Greek Cypriot position foresees the creation of the new state of affairs through the writing of a new constitution for the *existing, internationally recognized, and continuing RoC*, which will be transformed into a bicommunal, bizonal federation, the Turkish Cypriot community essentially being reintegrated into that state. According to the Turkish Cypriot vision, on the other hand, the new state of affairs will emerge from the founding of a new state by the two pre-existing sovereign states or entities (i.e., the two separate administrations that now exist on the island). As demonstrated by both leaders’ statements on a number of occasions, these, in principle mutually incompatible, positions of the two sides continue to prevail at the top of their list of red lines.¹⁹

¹⁶ See paragraph 20 in “Report of the Secretary-General on His Mission of Good Offices,” dated 3 April 1992 (UN Doc. S2378), which was among the paragraphs endorsed in the UNSC Resolution 750 (1992).

¹⁷ “Leaders agree to disagree on bizonality,” *SigmaLive*, 13 October 2015, <http://www.sigmalive.com/en/news/politics/136213/leaders-agree-to-disagree-on-bizonality>; and Jean Christou, “Akinci says property compensation for Greek Cypriots could total \$25-\$30bn,” *Cyprus Mail*, 30 December 2015, <http://cyprus-mail.com/2015/12/30/akinci-says-property-compensation-for-greek-cypriots-could-total-25-30bn/>

¹⁸ These differences have been a major challenge at the negotiations for decades. See paras 66 and 73-75 in UN Secretary-General, *Report of the Secretary-General on his mission of good offices in Cyprus*, 1 April 2013, S/2003/398, http://www.un.org/en/ga/search/view_doc.asp?symbol=S/2003/398.

¹⁹ “Anastasiades ‘disappointed’ by negotiations document leak,” *SigmaLive*, 2 February 2016, <http://www.sigmalive.com/en/news/politics/140966/anastasiades-quotdisappointedquot-by-negotiations-document-leak>; and Angelos Anastasiou, “Uproar over Turkish Cypriot side’s ‘virgin birth’ implication,” *Cyprus Mail*, 5 February 2016, <http://cyprus-mail.com/2016/02/05/uproar-over-turkish-cypriot-sides-virgin-birth-implication/>

Finally, in (i) the reference to *EU principles* conceals the two sides' still unresolved differences over the question of derogations – especially in connection with the tricky issue of property rights again – as well as over how a future settlement shall be accommodated in the EU's legal order, i.e., the debate about “primary law” (Turkish Cypriot demand) versus “secondary law” (Greek Cypriot demand).²⁰

In regard to the so-called core issues, they are: governance and power sharing (which also encompass the complex questions of citizenship, immigration, and residency); the economy; EU matters; property; territory; and security and guarantees.

“Unless mature public dialogue takes place, we run the risk that the political elites will embrace the solution but that the public may not.”

According to various statements by the leaders and also judging by some of the reports issued by the UN, substantial progress seems to have been made in bridging the parties' differences on power sharing and governance, EU matters, and the economy. To what extent these represent tangible “convergences” compared to mere “common understandings” is often unclear, however.²¹

That aside, in the power sharing and governance chapter, one important remaining difficulty pertains to whether the presidency in a united Cyprus is to rotate between the two communities. A rotating presidency is demanded by the Turkish Cypriot side as a prerequisite of political equality, whereas the Greek Cypriot side disagrees.²²

The property issue still remains contentious, though it has been discussed extensively, especially at the level of chief negotiators, and valuable ground work has been produced. Generally, the sticking points relate either to the question of how to balance the rights and interest of dispossessed owners and current users, or to differences on understanding and implementation of the principle of “bizonality.” Thus, further progress at this stage is awaiting the necessary political decisions by the leaders.

Of the remaining two core chapters, territory is yet to be negotiated. The issue of security and guarantees on the other hand, is for the time being, deliberately left

²⁰ “Akinci wants EU law permanent derogations,” *In-Cyprus*, 6 October 2015, <http://in-cyprus.com/akinci-wants-eu-law-permanent-derogations/>; and Jean Christou, “No majorities, no derogations, Anastasiades says,” *Cyprus Mail*, 11 October 2015, <http://cyprus-mail.com/2015/10/11/no-majorities-no-derogations-anastasiades-says/>

²¹ Michele Kambas, “Cypriot president says peace talks make progress but work needed,” *Reuters*, 11 February 2016, <http://uk.reuters.com/article/uk-europe-cyprus-president-idUKKCN0VK22K>

²² Kambas (2016); and “Akinci: Ongoing Cyprus talks ‘the last chance’ for solution,” *SigmaLive*, 6 March 2016, <http://www.sigmalive.com/en/news/politics/142488/akinci-ongoing-cyprus-talks-quotthe-last-chancequot-for-solution>

to the end of the negotiations, to be opened only after the two sides resolve their differences on other issues. The incompatibility of the parties' positions on this highly controversial matter are well-known. The Greek Cypriot side demands the end of the 1960 guarantee system, while the Turkish Cypriot side wants it to be retained in some form, which will at any rate include Turkey's role as a guarantor. A role, incidentally, which Turkey appears keen to retain.²³

The Energy Paradox

The discovery of natural gas in the area since 2010 is changing the geopolitics and economics of the region, and could potentially be a game changer.²⁴ The discovery of hydrocarbons in the area has both exacerbated existing tensions and holds the key to cooperation ensuring non-escalation of conflicts and their resolution. The rush to explore these hydrocarbon resources has aggravated tensions between the two Cypriot communities and triggered maritime disputes between Cyprus and Turkey on the one hand, and Israel and Lebanon on the other. The regional exploration context though, in particular the political realities, is wider and affects the parties involved and the region as a whole, but also third major geopolitical actors. As such, it includes developments in and between other countries and institutions in the region: Greece, Turkey, Israel, Lebanon, Egypt, Syria, and the EU. It also includes the regional interests and perhaps antagonisms of other powers. Thus, the handling of the development of hydrocarbons can become equally an opportunity and a challenge.

The matrix of relations making up this framework is at best challenging and at worst explosive. Bilateral relations or actions between two regional states have the power to directly affect a third state or states and their cooperation potential. For instance, this context includes Greek-Turkish relations – potential tensions between which can impact Cyprus's fate. It also includes Turkish-Israeli relations which can critically determine hydrocarbon prospects in the Eastern Mediterranean, and accordingly Cyprus can either be an optimal energy transportation partner or be sidelined and bypassed. It further includes Turkey-EU relations, as well as relations between Turkey and the other states in the region. Any changes in these balances for other

²³ "Akinci draws 'red line' over Cyprus security guarantees," *Famagusta Gazette*, 7 March 2016, <http://famagusta-gazette.com/akinci-draws-red-line-over-cyprus-security-guarantees-p32844-69.htm>; and "Turkish Cypriot security 'critical for Ankara' says Cavusoglu," *Cyprus Mail*, 28 February 2016, <http://cyprus-mail.com/2016/02/28/turkish-cypriot-security-critical-for-ankara-says-cavusoglu/>

²⁴ See Gurel, A., Kahveci, H. and Tzimitras, H. "How to build confidence over energy issues in the context of a Cyprus settlement?" in Andoura, S. and Koranyi, D. (eds.), *Energy in the Eastern Mediterranean – Promise or Peril?* Brussels-Washington D.C.: *Egmont Institute and Atlantic Council*, 2014; and Gurel, A. and Tzimitras, H. "Gas Can Become the New Lost Opportunity" in Kerr Lindsay, J. (ed.) *Resolving Cyprus: New Approaches to Conflict Resolution*. London: I.B. Tauris, 2014.

reasons can dramatically affect the energy situation in the Eastern Mediterranean and Cyprus's role therein. Finally, it includes the interests of states that become stakeholders through national companies operating in the region.²⁵

It was energy prospects that arguably played the key role in Turkish-Israeli rapprochement. Moreover, it is again energy that could become the platform for Israeli-Palestinian reconciliation. In the case of Cyprus, the two communities could find in hydrocarbons the best – possibly the only – platform for cooperation and mutual gains. This would not only pave the way to synergy in other areas and eventually a solution to the Cyprus issue, but could also serve as a basis for wider regional common efforts, with Cyprus as the catalyst and crossroads. The serious challenges the region is currently facing point to the absolute necessity for cooperation, and energy could be the ideal facilitator. At the same time, if the regional states adopt short-sighted and selfish policies, which are insensitive to regional realities, the risk of energy becoming a trigger for conflict instead of an agent for partnership is obvious. Due to the urgency of the matter, there is a pressing need for clear mapping of the benefits of cooperation to all concerned parties where needed, as well as best practices and the tangible dangers from potentially unsustainable and often exclusionary hydrocarbon policies without a long-term vision. This will contribute to an informed public dialogue on the subject as the first step towards the formulation of best policies.²⁶

Irrespective of the validity of the various parties' positions and disagreements, the fact remains that energy has quickly become part of the problem, rather than the solution. Energy issues were viewed through the lens of the Cyprus problem and the stance of the parties on the issue were informed by their respective positions on the conflict. Thus, energy fell victim to the conflict of principle and became yet another link in the chain of contentious issues and a new chapter in the book of the Cyprus conflict. This had two unfortunate consequences: the introduction and addition of a new problem to the long list of existing issues, adding further complexity to the process and prospects of a solution, and the failure to treat energy as a win-win platform for cooperation and reconciliation that could potentially pave the way to cooperation in other areas.

Additionally, energy could be one of the important pillars in a solution to the financial aspects of the Cyprus issue, both with respect to the financing of the solution and as potential income for the federal state. The inability or unwillingness to consider energy within the framework of the reunification negotiations so far has meant a lot of crucial time wasted and the complete absence of any consideration

²⁵ Gürel, A., Kahveci, H., Tzimitras (2014)

²⁶ Gürel, A., Kahveci, H., Tzimitras (2014)

of and preparation for the inclusion of the matter under a post-solution federal competence. Indeed, cooperation on energy matters would not only further cooperative relations between the two Cypriot communities for their mutual and common benefit, but it would also allow energy and Cyprus to become catalysts for cooperation, reconciliation, and ultimately peace in the whole region by, for example, facilitating Turkish-Israeli rapprochement through collaboration on energy matters. Time is of the essence, however, in such matters. Although it is not necessarily too late for such developments, changing international and regional realities render this task especially difficult at the moment.

Concluding Remarks

The current favorable climate is undoubtedly conducive to a solution, and when combined with the apparent momentum, it indicates an opportune conjuncture regarding the prospects of solving the Cyprus issue in the foreseeable future. This is a unique opportunity certainly worth supporting. At the same time, fundamental disagreements on the thorniest issues still exist and time is on the side of the spoilers. The single most important issue then is how to strike a balance between maintaining the existing but delicate positive momentum without allowing unrealistic expectations and perceptions of progress to lead us to take things for granted. The important progress which has been made and the good rapport between the two leaders should be used as a basis on which to build.

However, it is imperative that an accurate account of positive developments and of the remaining challenges are communicated to the public truthfully and fully, preparing them for the referenda and the possible solution. Unless mature public dialogue takes place, we run the risk that the political elites will embrace the solution but that the public may not. Indeed, there is a pressing need for leadership and public dialogue, including independent efforts to inform and persuade the public vis-à-vis the need for a solution and hence for political compromises. This is crucial to avoid the 2004 situation and the mistakes made at the time.

At the same time, it is also important to communicate candidly about the expected positive outcomes of a solution to the Cyprus problem as well as the foreseen challenges from a non-solution. Today, unprecedented regional and international challenges render it more important than ever before a solution is reached. A united Cyprus will greatly improve prospects of dealing with these challenges. Conversely, a picture of considerable uncertainty can be envisaged. It is often repeated that the Cyprus issue has a history of lost opportunities. Opportunities of the past were in many ways not nearly as good as they are now, with present circumstances being more conducive to a solution than ever before. This makes it imperative to capitalize on this opportunity.