



# **The Cyprus Peace Process Since March 2008: Short History, State of the Art and What is Next in Store**

**Luigi Napolitano**

## **Abstract**

The ongoing peace process in Cyprus, started in March 2008, is still work in progress, which has not yet reached the point of no return. All negotiating matters have been explored, classified and discussed. Some of them have been negotiated in depth and a few agreements have even been reached. But most of the knots to reach a comprehensive settlement are yet to be untied. A solution to governance matters is in sight, whereas a compromise on the all important question of property is still elusive. The UNSG Ban Ki-moon will meet the leaders of the two Cypriot communities in Geneva on January 26th to take stock of the outstanding problems and of the leaders' plans to solve them. In reconstructing and analysing the main developments, this article strives to keep equal distance from the contending sides.

**Keywords:** *Cyprus / Peace process / Turkish Cypriots / Greek Cypriots / Inter-communal negotiations / UN Secretary General (UNSG)*

## **The Cyprus Peace Process Since March 2008: Short History, State of the Art and What is Next in Store**

by Luigi Napolitano\*

### **Introduction**

Turkey's EU accession negotiations and the bi-communal talks for the resolution of the Cyprus problem are intertwined to the extent that the solution of the latter is viewed as a necessary, albeit insufficient, condition for the former to come to fruition. Both processes are in trouble, and there is a distinct possibility that soon both may grind to a halt: Turkey's accession negotiations because of the difficulties in opening new negotiating chapters (setting aside the 13 chapters which have already been opened, there are as many as 18 that are "frozen", out of a total of 35); Cyprus' peace talks because the two Cypriot communities are reluctant to trade sufficient concessions to enable the necessary convergence on priority issues.

In view of the looming deadlock in the Cyprus peace process, the UN, in the framework of its good offices, has attempted to instil new momentum in the talks. The UN Secretary General (UNSG) hosted a tripartite meeting in New York on 18 November 2010, with the Greek Cypriot and Turkish Cypriot leaders. Mr. Ban Ki-moon will meet the leaders again in Geneva at the end of January 2011 to assess their progress. In the meantime, the UNSG has submitted to the UN Security Council a report on his good offices mission in Cyprus, which details how the present negotiations were launched and have unfolded. It summarizes the achievements made so far, the content and relevance of the unsolved issues, and the alternative solutions to some of the major pending problems.

Assuming Turkey's and the EU's ongoing interest in keeping the former's EU accession process alive, a strategy is needed to unblock some of the 18 "frozen" chapters, particularly those linked to Cyprus and its unsolved problems. Such a strategy could entail two tracks. First, approving the Direct Trade Regulation (DTR) between the Turkish Cypriot community and the EU, proposed by the European Commission in 2004 and sent to the European Parliament and to the Council last year. Second, working towards a comprehensive settlement in Cyprus. The first track has been tried, and is proving problematic because of the Republic of Cyprus' stubborn (and effective) opposition and its foreseeable ongoing obstinacy, which could result in retaliation by Nicosia in inter-Cypriot negotiations by becoming tougher at the bargaining table. The second represents the preferable way forward. It avoids siding for either part and unfolds in parallel with progress in negotiations and compromises made by both

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parties. Solving one of the most intractable conflicts in Europe would automatically remove a major roadblock in Turkey's accession talks.

In view of the centrality of Cyprus and its peace process, this paper explores in detail the state of the negotiations, which were re-launched in 2008 and currently run the risk of grinding to a halt. The negotiating matter for the comprehensive settlement has been divided into six chapters ("Governance and Power Sharing", "EU matters", "Economy", "Property", "Territory" and "Security and Guarantees"). The first three chapters have already been discussed in depth. The fourth chapter lies at the centre of the present talks. The last two have been examined only in a preliminary way so far, not least because they involve external actors (the "Guarantor States" of the 1959-60 Cyprus agreements: the UK, Greece and Turkey) alongside the two Cypriot communities.

## 1. Settlement Framework of the Talks

The settlement framework of the talks was agreed during the preparatory period of the negotiations between March and August 2008. During this phase, the President of the Republic of Cyprus, Dimitris Christofias, and of the Turkish Cypriot Community, Mehmet Ali Talat, issued two Joint Declarations under the UN's auspices, respectively on 23 May and 1 July 2008. The leaders committed themselves to giving birth to a bi-zonal and bi-communal Cypriot Federation with 'political equality' defined as a 'partnership' which will have a 'Federal Government with a single international personality, as well as a Turkish Cypriot Constituent State and a Greek Cypriot Constituent State, which will be of equal status'. The leaders also 'discussed the issues of single sovereignty and citizenship which they agreed in principle' (Declaration of 1 July 2008). These Declarations on one hand reaffirmed the commitment to a Cypriot Federation as called for by the Greek Cypriots and, on the other hand, attributed to the Federation the label of a 'partnership' with two 'constituent States', as asked for by the Turkish Cypriots. The concept of partnership is highly significant, and immediately sparked a controversy.<sup>1</sup>

Compared with all previous discussions and agreements, the Joint Declarations constitute a peak in the understanding between the communities and reflect a degree of consonance and openness which remained unmatched in the two and a half years that followed. Since then, there has been a backsliding on both sides, which scaled down and even concealed to the public the degree of convergence reached in the Declarations. The Greek Cypriots have stepped away from the concepts of "partnership" and "constituent states", whereas the Turkish Cypriots have been squeamish about the constitutive characteristics of the future Federation. Both Christofias and Talat have paid a price for this. They came under attack from nationalist parties in their respective communities, which were harshly critical of the

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<sup>1</sup> "Partnership" and "constituent state", for the Turkish Cypriots, are the sacred juridical hallmarks of "political equality" with the Greek Cypriots. According to them, they entail the legal enshrinement into the new Constitution of the future Federation of being a community on an equal footing with the Greek Cypriot community, rather than a "minority" in the new state, i.e., equal partners each with one constituent state in the future Cypriot Federation. Although the federal solution is the sole compromise between the two sides, for a large number of Greek Cypriots the model of a centralized state and of a Turkish Cypriot minority are die hard dogmas.

Joint Declarations. Talat subsequently lost the presidential elections in northern Cyprus on 18 April 2010, while Christofias has become the target of relentless criticism, on which opposition parties will try to capitalize on in the 2013 presidential elections. Regardless of this, the Joint Declarations constitute an unavoidable *acquis* to reach any comprehensive settlement for the reunification of the island. They provide the tools to address the fundamental needs and demands of both communities, striking a compromise on the fundamental complaints the Cypriot communities address to each other.

In addition to the Joint Declarations, the preparatory period also saw the establishment of six Working Groups (WGs), one for each of the negotiating chapters, and seven Technical Committees for matters concerning the everyday life of the island's inhabitants. The WGs reviewed all the negotiating chapters and reactivated regular contacts between the parties, laying the groundwork for the top-level talks. On the whole, however, the WGs have provided limited support, having no substantial negotiating power and being prone to leaks, particularly on controversial issues. This proved of little benefit for the atmosphere and speed of the talks.

## 2. The Initial Negotiating Stage

The initial negotiating stage took place between September 2008 and March 2010. The first part, which ended in August 2009, was devoted to the "first reading" of the content of the comprehensive settlement, encompassing the six chapters listed above. The second part, devoted to the "second reading", began on September 2009 and lasted until March 2010, shortly before the presidential elections in the north, which was won by Derviş Eroğlu in April. The chapters chosen for the "second reading", on Talat's request, were three: "Governance and Power Sharing", "EU matters" and "Economy". There was also a preliminary discussion on "Property". The main aim of this stage was to reach a critical mass of meaningful convergences in order to propel the negotiations into a second stage, culminating in a comprehensive agreement. At the same time, the leaders also aimed at keeping their respective publics informed of the progress of the talks in order to pave the way for the referendums.

Talat, in this period, badly needed to boost his popularity. In April 2008 the nationalist camp had comfortably won the parliamentary elections in the north, pitting Eroğlu, its leader, as the lead candidate in the 2010 presidential elections against the incumbent Talat. During the presidential campaign, Eroğlu accused Talat of having made excessive concessions to the Greek Cypriots with little in return. Unfortunately for Talat, Christofias did not lend a helping hand, both at the level of concessions in the talks and in the communication strategy towards public opinion on both sides. The Greek Cypriot President had also ended up under pressure from his vocal and well-organized nationalists, unhappy about the supposedly excessive concessions to the Turkish Cypriots. Furthermore, Christofias was dissatisfied with negotiations on the three chapters under discussion. In his view, the balance had tilted in favour of the Turkish Cypriots, reducing the likelihood of a Greek Cypriot yes in an eventual referendum. Talat had made no concessions on the property chapter, probably the most salient Greek Cypriot concern in the talks, whereas Christofias needed to understand how far the Turkish Cypriots were ready to go with concessions. In the

second half of 2009 in fact, Talat had refused to deal with property in greater detail, arguing that doing so would have been too costly for him politically with elections looming ahead. Despite this, and in part owing to the UN's good offices, talks on the three chapters carried on and intensified in the first quarter of 2010, with the drafting of joint papers and "bridging proposals". All this made convergences possible to the extent that a joint statement on progress to date, at one point, was deemed possible, although such a statement was ultimately delayed and, as we shall see below, when it was issued it was substantially watered down by Christofias for domestic political reasons.

As far as the "governance" chapter is concerned, the talks focused on the executive, the legislature, federal competences and external relations, and brought the parties quite near to a comprehensive agreement. In January 2010, Talat proposed an overall "package deal" aimed at achieving as thorough as possible a convergence on the entire chapter. In his proposal, Talat made an unprecedented concession. He accepted the election system of the federal executive proposed by the Greek Cypriot side: the direct election of a Greek Cypriot President and a Turkish Cypriot Vice-President on a single ticket, voted simultaneously by all Cypriots through weighted votes. Such a scheme would strengthen the legitimacy of the federal Presidency (as opposed to the election by the federal Senate, as originally proposed by the Turkish Cypriots) and would mark the starting point of the Cypriot "melting pot" from the top down.

However, Christofias dismissed the package deal, publicly labelling many of its suggestions as maximalist. He pursued instead progress on specific points, while downplaying the actual progress achieved on all chapters. The UNSG's visit to Cyprus on 1-2 March 2010 highlighted the President's reluctance to recognize, both privately and publicly, the progress on the three chapters under negotiation. Christofias, in all likelihood, acted this way because on the rare occasions in which he announced some convergences (on issues such as cross-voting, a rotating presidency between Greek Cypriots and Turkish Cypriots, and the possibility for up to 50,000 Turkish settlers to remain in Cyprus under a comprehensive settlement), he had been regularly and strongly criticized by the Greek Cypriot parties opposing the peace process (one ally, the socialist EDEK, left the government coalition and another, the centrist DIKO, almost did the same). All in all, Christofias, though aware of the importance of Talat's re-election and his role in securing it, preferred not use the flexibility he had in negotiating the governance chapter and failed to cooperate with his counterpart's electoral strategy in the north. Had the governance chapter been closed in early 2010, Talat's electoral prospects would have been undoubtedly boosted.

### 3. Talat's Last-Ditch Effort

In March 2010, at the end of a phase of intensive negotiations before the electoral recess in the north, the Turkish Cypriot leader made a last-ditch effort on the governance chapter in order to reach a consensus on the constitutional basis of the future Federation's sovereignty.

Such an understanding would have solved an important and controversial point in the chapter and, for all intents and purposes, would have allowed the chapter to be closed.

Talat's proposition was as follows: 'The Federal Republic shall have one sovereignty which is indivisible and which emanates equally from the Greek Cypriot and the Turkish Cypriot communities'. In his formulation, Talat rehashed a principle of the UN proposed in the 1992 "Set of Ideas", i.e., the notion that sovereignty would 'emanate equally from the two communities'. The Greek Cypriot position was instead the following: 'The Federal Republic of Cyprus will have a single sovereignty which is indivisible and emanates from the people of Cyprus, which comprise the Greek Cypriot and the Turkish Cypriot communities'. Christofias, allegedly pressed by Talat, sought to gain time by enquiring into the position of the main opposition party, the centre-right DISY, which garners the support of one third of the Greek Cypriot electorate. DISY's leader, Nicos Anastasiades, after having been confidentially consulted by the Special Assistant to the UNSG, Alexander Downer, endorsed the Turkish Cypriot proposal. In spite of this, Christofias declined to budge.

Thus the opportunity was lost not only to boost Talat's re-election chances but also to solve the mother of all ills in the Cyprus conflict: sovereignty and the related question of the entry into force of the 'new state of affairs' in Cyprus (i.e. through state succession or state continuity) following a comprehensive settlement. Talat's suggestion, on one hand, acknowledged the two communities' equal sovereignty – by far the main Turkish Cypriot claim – and, on the other hand, opened the way to the Annan Plan's solution regarding the entry into force of the 'new state of affairs'. The 2004 Plan had provided in fact that 'both sides (would) keep their views of the way in which the new state of affairs would come into being, while leaving no doubt regarding the future legal situation. To achieve this, the settlement needed to provide elements of continuity for both sides into the new state of affairs. The settlement also needed to be the source of legitimacy for all matters in the future'. (UN doc. S/2003/398 - §67)

On 30 March 2010 the negotiating phase between Christofias and Talat ended with a Statement of the two leaders, the content of which was minimalist and prudent. This was in accordance with Christofias' will not to sign a text that could have been interpreted as an interim agreement. The text did not go beyond the leaders' acknowledgement that: 'we are encouraged by the important progress made so far on the chapters of "Governance and Power Sharing", "EU matters" and the "Economy" and we are convinced that with perseverance we shall achieve a comprehensive settlement', without giving further specifications. The end of the Statement only stated that 'the negotiations remain confidential' and that 'the leaders may explain to their communities the progress made so far and the differences that still need to be resolved'.

From the standpoint of Talat's re-election, the declaration was too little, too late. But this was no surprise to Cyprus-watchers. Christofias had long since demonstrated his preference for caution and deference to his nationalist coalition partners (DYKO), which kept him in check. The Greek Cypriot leader in fact had assumed that Eroğlu was bound to win. Hence, concessions would have made Christofias' life harder in a post (Turkish Cypriot) election situation in which, sitting across the table would have been Eroğlu, who would have cashed in the Greek Cypriot concessions without having paid a price.

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#### 4. The Current Stage

On 18 April 2010 Derviş Eroğlu was elected Turkish Cypriot President in the first round, with 50.36 percent of the vote. His electoral programme was significantly different from Talat's, who received slightly less than 43 percent of the vote. Talat lost for a plethora of reasons: his inability to maintain any of his electoral pledges; the voters' widespread disappointment with the EU for not having supported the Turkish Cypriots after the 2004 referendum; the perceived lack of transparency in the negotiations; the concessions made on sovereignty, the executive and the degree of federal (as opposed to confederal) features of the future Cypriot state; a supposedly insufficient commitment to preserve the sovereignty of the Turkish Republic of Northern Cyprus; and lastly, the electoral support received from the international community (the EU, UK and US), which many voters deemed as undue foreign interference. Eroğlu instead won the elections based on an electoral platform that insisted upon full political equality, equal status and legitimacy, bi-zonality and the continuation of Turkey's effective guarantee. According to Eroğlu's narrative, the failure of the peace process to date was due to the asymmetry between the Cypriot sides and the indifference of the international community towards the international isolation of northern Cyprus and the restrictions imposed on Turkish Cypriots by the Greek Cypriots. Eroğlu's platform also claimed that 'fruitless negotiations for partnership cannot go on indefinitely and, in case of a new failure, people with authority are expected to step forward and declare that the gap between the two sides is not bridgeable'. Concerning property, Eroğlu emphasized the importance of bi-zonality, deemed to be a 'crucial requirement', interpreted as each federated state being responsible for one community, which represents a majority in terms of population and property within that state. The property dossier also had to ensure that no new refugees would be created nor the socio-economic fabric on either side disrupted. Lastly, the platform called for political criteria to adjudicate compensation for the loss of property of original owners. The property issue would be solved in respect of bi-zonality through compensation, exchange and limited restitution (only in the case of unused/unutilized properties).

Turkey, for its part, kept itself at a watchful distance from the electoral competition in northern Cyprus. It did not side with either competitor, but insisted that regardless of the electoral result, the new Turkish Cypriot leader remained committed to the inter-communal negotiations, which Turkey considers its national interest. Prime Minister Tayyip Erdoğan's declarations to some Greek Cypriot journalists in late February 2010 were noteworthy: the Turkish Prime Minister appealed to Greek Cypriots to overcome their ancestral mistrust of the Turks and pledged that Turkey would be willing to do its part to foster a settlement and see to its implementation thereafter. Equally significant was the support that Erdoğan expressed for a solution on the basis of Christofias and Talat's Joint Statement of 23 May 2008, confirming Turkey's commitment to a bi-zonal and bi-communal federation with political equality and a single international personality. Furthermore, Ankara, on the eve of the April 2010 elections, declared that the negotiating process would continue regardless of the winner, and saw to it that, both prior to and immediately after his victory, Eroğlu reaffirmed exactly that.

Thus the handover from Talat and Eroğlu took place smoothly, without negative consequences for the negotiating "acquis" up to 30 March 2010. Talks resumed on 26 May 2010.

## 5. The Property Chapter

Upon Christofias' request, the inter-communal negotiations restarted on the "property" chapter. The positions of the parties were far apart. The Greek Cypriots insisted that the last word on the fate of any given property should remain with the original owner and that his/her property rights were absolute. The Greek Cypriots also insisted that the "property" and "territory" chapters be discussed in conjunction. The Turkish Cypriots instead, taking advantage of an European Court of Human Rights (ECHR) judgement on 5 March 2010 (i.e. on the Demopoulos case), which for the first time seemed to corroborate Turkish Cypriot legal reasoning, claimed that the interests of current users should become an evaluation criterion as well, and that the Immovable Property Commission (IPC) in northern Cyprus be acknowledged as an effective domestic remedy, as the ECHR adjudicated. The Turkish Cypriot side focused, as a prevailing remedy, on compensation. Moreover, the Turkish Cypriots, viewing territory as their principal "bargaining chip", also refused to link the "property" and "territory" chapters at this stage, arguing that this should happen in the context of a final "give and take". They also let it be known that they considered any limited border adjustment as a concession.

The Turkish Cypriot refusal to link, at this stage, "property" and "territory", created a substantial problem for the Greek Cypriots, who called for congruous territorial adjustments in their favour in order to reduce the number of Greek Cypriot owners with legal claims in the territory of the future Turkish Cypriot constituent state. In the present TRNC, roughly three quarters of the properties belong to Greek Cypriots and if each claimant were granted the restitution of his/her property, it would be impossible for the Turkish Cypriots to implement the principle of bi-zonality. Consequently, as in the Annan Plan, the Turkish Cypriots asked for a ceiling on the number of Greek Cypriots who could reclaim their properties in the north. Finally, the Turkish Cypriots drew a link between the "territory" and "security and guarantee" chapters in the talks, given that both, in their view, should be dealt with in the final stage of the talks. The deep gap in the parties' positions thus persisted.

In September 2010, the two sides exchanged papers containing their "comprehensive proposals" concerning property. The Turkish Cypriot paper was designed as a general framework for the solution of the problem and contained some innovative proposals. The paper did not dispute the original owner's choice regarding the destiny of his/her property, but maintained that such choice should be conditioned by present circumstances. Therefore, argued the paper, it was necessary to agree beforehand on regulations through which an owner would be able to make his/her choice. In addition to the three accepted remedies – return, compensation and exchange – the paper introduced the concept of "alternative property" to be found in areas of territorial adjustments. Innovatively, it also foresees the setting up of a Property Development Corporation (PDC) in order to develop and boost the value of the relinquished zones, among them the former Greek Cypriot resort town of Varosha, bordering Famagusta, as well as formerly Turkish Cypriot areas in southern Cyprus. This increase in value would benefit both communities as well raise financial resources for compensation. The paper reasserted the respect for the 'strong bi-zonality' principle, which meant precise limitations on the number of returnees, in order to preserve a clear ethnic majority in both zones. It established that compensation would take the form of "Guaranteed



Financial Entitlements” (GFE), whose value would be pre-determined and assured by the respective Constituent State (possibly also by Turkey). In order to find the necessary funds for compensation, beyond the resources generated by the PDC, there would also be compensations from present users, the sale of real estates belonging to public institutions, the introduction of special taxes, and, if need be, a recourse to loans from financial institutions. Properties belonging to the Orthodox Church of Cyprus and to the EVKAF (Muslim Religious Foundation) would be returned only if in use for religious purposes between 1963 and 1974. The rest would be subject to compensation.

The Greek Cypriot paper instead hinged on the acknowledgement of the original owner’s right of first choice, a principle which is insufficient to give rise to a full-fledged legal regime for property issues and leaves the field wide open to the will of single citizens. As such, the paper is scarcely operational for negotiations. Priority is systematically given to the remedy of restitution and to the original owner’s rights over those of present users. All in all, it befits what UNSG Ban states in his report on 18 November 2010 (§24): ‘While the tabling of the substantive proposals on property represented important progress, these can only be useful if used as a platform for seeking convergences, rather than standing as fixed positions’. In public statements, the Greek Cypriot leadership dismissed as intransigent and unacceptable the Turkish Cypriot proposals, but such statements do not match with President Christofias’ behaviour in the talks, where he showed clear interest in these positions and the will to tackle the most contentious issues. This dichotomy in the President’s attitudes reflected his broader approach to the talks marked on the one hand by a sincere commitment to seek a solution through direct talks, on the other by the perceived need to publicly utter his pessimism for the sake of domestic political consumption.

Following the summer recess, talks resumed in October 2010, but progress again was negligible, as remarked later also by the UNSG in his November Report. In the run-up to the tripartite meeting in New York on 18 November (see below), the parties agreed on some technical points: the public interest in building schools and hospitals, the sharing of public land by the federation and the constituent states, the development of unutilized land by an ad hoc joint company, and the organization of a donors conference alongside the compensation mechanism.

As elaborated by former President Talat in a 5 November interview to the Turkish Cypriot newspaper *Yeni Duzen*, property is certainly the most difficult chapter in the whole negotiating process because it concerns most of the Cypriot population. Because of this, it may have been wiser, according to Talat, to complete first negotiations on governance and power-sharing, EU matters and the economy, and then turn to the complex property question followed by the related issues of territory and security. Talat added that, if “territory” is tackled right away, the Turkish Cypriot community would be destabilized and put in a state of agitation by Greek Cypriot requests for land. He also remarked that it is necessary to find ways of solving the problem of compensations, because Turkey would not carry the financial burden.

Indeed, under the current paralysis, a trigger is needed to secure progress. It is difficult to imagine that such a trigger may be provided by an agreement on governance matters. At present Christofias needs, first and foremost, something that will help him

domestically and allow him to make some concessions on property, but there is nothing Eroğlu can now concede under the “governance” chapter. This is why there can be no trade-off between these chapters. Regardless of this, Christofias’ top current priority is to cash-in some concessions on territory before the final give and take. He may be afraid that, if he goes into the final stage without being confident that a deal can be struck, a failure will cost him and his AKEL party dearly. Probably he is also unsure of whether he can sell to his people a deal which does not include the right of choice of original owners on their properties. Assuming this is the case, he may be trying to buy time in order to assess how to sell such a deal and, in the meantime, may gain further concessions from the Turkish Cypriot side to fend off domestic attacks.

## 6. The Tripartite Meeting in New York and Its Follow-up

As the negotiations became increasingly deadlocked, the UNSG felt the need to give them a boost by inviting the Cypriot leaders to New York on 18 November 2010. Mr. Ban made it clear that ‘the UN respects these talks as a Cypriot-led process’ and ‘for that reason expects the Cypriot sides to assume their responsibilities to drive the process toward a solution’. However, the very invitation signalled that, while Cypriots owned the process, the international community in general and the UNSG in particular were observing anxiously the process unfold, pressing for its successful conclusion.

Christofias and Eroğlu recognized the need to speed up the pace of the talks and agreed to intensify their contacts in the following weeks in order to establish a viable plan for overcoming the major remaining points of disagreement. The UNSG and the leaders also agreed to meet again in Geneva at the end of January 2011 in order to take stock of the further convergences on the negotiation agenda reached by the parties in the meantime. At the New York meeting, neither side got exactly what they wanted. Christofias brought up the issue of “territory and settlers”, but according to Eroğlu’s statements to the press thereafter, the “territory” and “guarantees” chapters were not included in the talks. Christofias also failed to secure the UNSG’s consent on the linking of the territory and property chapters, but he was reassured by the UNSG that the negotiations would continue in its present format and would not entail UN arbitration (nor muscular mediation) and the organization of an international conference. Eroğlu, by contrast, was pleased with the UNSG’s suggestion to hold a meeting in Geneva following a two-month period of intensive negotiations, because the Turkish Cypriot side has always insisted on the need for a timeframe for the talks.

In his Report to the UN Security Council following the meeting, the UNSG pointed to the end of January as a deadline for the leaders to agree on a practical plan for overcoming the main points of disagreement. He also stated that the talks could not be open ended. This means that, in case of significant progress in Geneva, the process could evolve through an international conference. In case the leaders fail to establish any convergences instead, the UN could slowly disengage from the peace process. In this respect, the UNSG anticipated that in the coming months he would conduct a broader assessment of the UN presence in Cyprus ‘with a view to recommending ways to adjust to ongoing developments’. Far from being vague diplomatic jargon, to Cyprus-watchers the UNSG remarks were no less than a (un)veiled hint to the connection

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between progress in the peace process and the level of UN engagement in Cyprus, be this through good offices or peacekeeping (the UNFICYP mission).

## Conclusions

This account of the over two years of direct negotiations in Cyprus since the ill-fated Annan Plan has highlighted the inertiae and difficulties that have delayed a solution and continue to do so to this day. This is a Cypriot-led process aimed at a Cypriot solution. Its evolution and final outcome is thus of first and foremost interest to the inhabitants of the island itself. However, this process, which has largely taken place away from the international limelight is deeply intertwined with a web of complex interests, partly of the international community and partly of specific countries such as Turkey, Greece, the UK, as well as major actors such as the United States, the European Union and Russia.

Nobody can predict the outcome of this process. It could be the long-sought reunification of the island or, in the event of failure, the beginning of a gradual formalization of the de facto partition. What is clear is that the status quo of protracted negotiations cannot continue indefinitely. In any case, the current talks cannot be completed by Cypriots alone; they need the intervention of the international community. In the present phase, the sides are trying to reach the most advanced point of convergence they can on their own. The actual completion of the process would require an international conference. The UN, which so far has been engaged in an irreplaceable good-office mission, is trying to inject an element of dynamism into an almost deadlocked process. The Geneva meeting at the end of January is nearing and eliciting responsible answers from the Cypriot communities.

The most important chapter under negotiation concerns property. The controversy revolves around the problem of whether it should be negotiated as a stand-alone issue or in connection with "territory". Inter-chapter trade-offs at this point have become unavoidable, both to open the necessary political space within both communities and, consequently, to allow for further concessions by the parties, so that all present gaps can be bridged. It is high time for the sides to sketch out the possible outlines for the above trade-off. The risk is however, that when the parties meet again in Geneva, Christofias, faced with uncompromising coalition partners at home, will not bring significantly new ideas using as a scapegoat the parliamentary elections in May 2011 in Cyprus and in June in Turkey. Conversely, Eroğlu's stronger domestic position could allow him to confirm the Turkish Cypriot road map according to which the parties could try to converge, at least in principle, on a link between "property" and "territory", as asked by the Greek Cypriots, and then on an international conference whereby all the negotiating chapters can be discussed and finalized together, as proposed by the Turkish Cypriots. At present a short list of core issues in each chapter has been prepared and the parties are submitting some bridging proposals. The procedure after the New York meeting is to try to discuss all chapters in parallel.

Looking over the horizon, Turkey is likely to stand by the Turkish Cypriots in their complex task of assessing territorial adjustments, property, and security together. Like-minded EU member states could encourage Ankara to give its pivotal contribution to

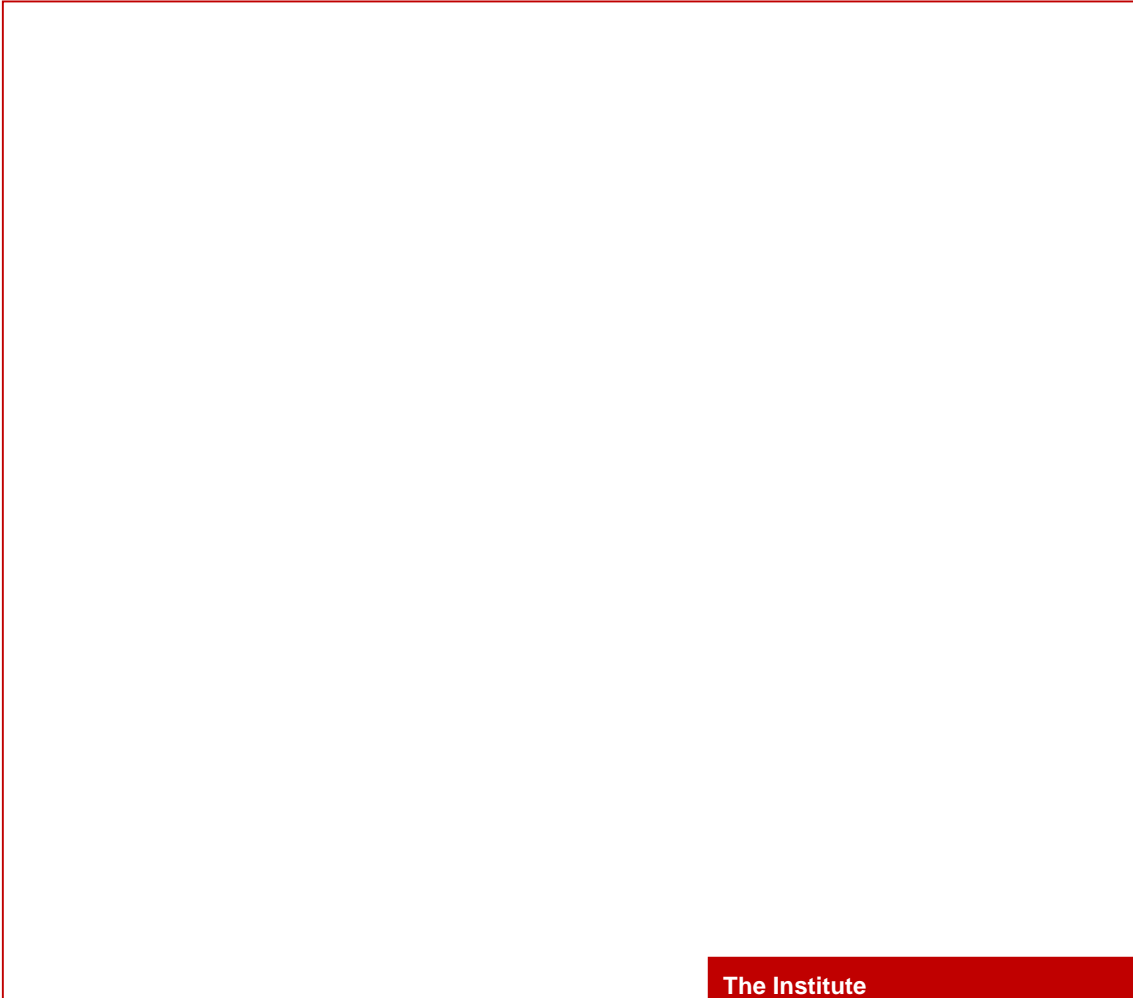
the success of the Cypriot peace process. The EU instead can be of limited help. The Union has become neither a “stick” nor a “carrot” for the Turkish Cypriots, although they still attach significant importance to the DTR as well as to international flights to Ercan airport in northern Cyprus. But the Republic of Cyprus is unlikely to allow any movement on this front.

Looking at the Cypriot problem in its entirety, one cannot overlook the fact that the negotiating process, notwithstanding its frailty, is, all things considered, not easy to dismantle. It is likely to be pushed forward by its own inertia: the first player to quit would pay a very heavy political price in future. Therefore, even an exit strategy is not simple, unless the UN itself were to call itself out of the talks. The opposite scenario, a successful negotiation, is and remains above all in Cypriot hands, aided by a more coherent and enhanced commitment by the international community to the peace process, avoiding to take sides however in the Cypriot negotiation for a comprehensive settlement. Both communities need instead to be steadily confronted with their respective responsibilities to achieve reunification. At the end of the day a sustainable reunification is feasible only through the full agreement of both Greek Cypriots and Turkish Cypriots. For now, the likely scenario ahead is: “Steady as she goes...”.

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The IAI puts out an English-language quarterly (The International Spectator), an online webzine (AffariInternazionali), a series of research papers (IAI Quaderni) and an Italian foreign policy yearbook (La politica estera dell'Italia).