



The Cyprus Question: A Window of Opportunity in 2014?

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This April will mark the tenth anniversary of the Annan Plan referenda, the hitherto most comprehensive attempt to find a solution to a decade-long conflict on the island of Cyprus. Ten years ago most Greek Cypriots thought that EU membership of the Republic of Cyprus could facilitate the conflict resolution process on the divided island and result in a solution closer to their expectations than the Annan plan per se. These expectations were not fulfilled.

In fact, instead of facilitating conflict resolution, Cyprus' EU membership further complicated Turkey's EU accession process. Turkey's refusal to extend its customs union agreement with the European Union to Cyprus and insistence on an embargo on Cypriot vessels and aircraft led to an EU Commission veto on eight chapters and a Cypriot veto on six chapters of Turkey's EU accession negotiations. Meanwhile, Turkey's interest in EU membership started to fade, as the government no longer needed EU support to consolidate its rule.

The country's economic success story fueled ambitions for an independent regional and even global role. This new attitude was epitomized in the adage "The European Union needs Turkey, more than Turkey needs the European Union." No matter how invalid a statement it may be, it reflected the mindset of a growing segment of Turkish political elite and public opinion alike. EU membership prospects, as well as the Cyprus issue, were put on the shelf, and other issues occupied Turkey's diplomatic agenda.

So what brings a fresh wave of hope for a breakthrough in the Cyprus dispute in 2014? This is the first time since 2004 that the Cyprus question has attracted so much international attention. And there is good reason for that. The resumption of bi-communal peace negotiations in February following protracted preliminary talks on the drafting of a joint communiqué was internationally welcomed as the most important opportunity for reaching a compromise solution on the island since the Annan Plan. The agreed communiqué, which

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outlines the principles to be upheld during the negotiations, is expected to provide a useful framework for the smooth conduct of negotiations.

Much of the current optimism is based on the person who is currently at the helm of the Republic of Cyprus. President Nikos Anastasiades risked his political career in 2004, when he supported a “yes” vote in the April 2004 referendum on the Annan Plan against the overwhelmingly negative opinion polls. His principled position cost him heavy criticism and almost his political career, yet he was able to make a rather unexpected comeback and get elected to the Presidency of the Republic in February 2013.

Although absorbing the shock of the bank crisis which hit Cyprus in the first days of Anastasiades’ term inevitably detracted the attention of his government, it would be hard to argue that he has no strong interest in a compromise solution. In fact, he attempted to link the two arguing that the recovery of the Cypriot economy would be boosted by a solution of the Cyprus question and post-conflict reconstruction of Cyprus.

Developments on the Turkish foreign policy front may also be conducive to that direction. In contrast to its high ambitions at the outset of the “Arab Spring”, Turkey is slowly coming to terms with the limits of its capacity to influence developments in its region. Turkish foreign policy has suffered several setbacks in Syria, Egypt and beyond and is in need of a diplomatic success that could lend credibility to its declared commitment to conflict resolution with neighbors. A breakthrough in the Cyprus negotiations could serve that purpose very well. In addition, it would remove one of the biggest obstacles to the smooth continuation of Turkey’s EU accession negotiations.

The stronger impetus towards conflict resolution in Cyprus may come from energy. The discovery of sizable natural gas fields off the shore of Cyprus may not turn Cyprus into a new Qatar, yet it is likely to substantially contribute to its future GDP. More importantly, it can help reconfigure the Cyprus issue in a way that increases the benefits of all parties from a solution and turn Cyprus from a security liability to a security asset for the European Union.

The crisis in EU-Russian relations over Ukraine highlights the need to reduce European energy dependency on Russia and the development of alternative energy supplies. While it is unlikely that any other country could alone substitute Russia as a single energy supplier, it is possible that a number of smaller suppliers together could contribute to the decrease of energy dependency on Russia along with a shift to renewable energy.

The Eastern Mediterranean basin is one of the EU regions with the highest energy potential. A breakthrough in Cyprus could unlock great potential for regional cooperation between Cyprus, Turkey and potentially Israel and contribute to the construction of a pipeline that would

bring Eastern Mediterranean natural gas to the European market. Greece and Turkey could also be major beneficiaries of such a project, as they both heavily depend on Russia for their natural gas supplies. Solving the Cyprus problem could therefore contribute not only to European but also Greek and Turkish energy security.

This is not to say that bi-communal negotiations will be easy. Even within the framework set by the communiqué there is still a great degree of variations in the questions of governance, security, property rights, territory, and citizenship. Nevertheless, what is equally important is informing public opinion on both sides of the “green line” about the benefits of a solution vis-à-vis the current status quo, as well as what a bi-zonal, bi-communal federation means.

Opinion polls have shown that this mission, while not easy, is anything but impossible. Moreover, it is of vital importance to agree on confidence-building measures (CBMs). The opening of the closed part of the city of Famagusta (Varosha) to its Greek-Cypriot inhabitants and the partial lifting of the trade embargo against Turkish Cypriots, for example, could prove to be a catalyst in the negotiations process. This is essential in order to overturn a negotiations fatigue that has become dominant on both sides of the “green line”.

Following decades of failed negotiations and little change on the ground, an increasing number of Cypriots have grown accustomed to the status quo and are increasingly unwilling to take the risks that a compromise solution could entail, because they cannot envision any benefits. It is imperative to show that negotiations can deliver substantive results and that all Cypriots can benefit from such a breakthrough.

This is not only necessary in order to achieve a positive popular vote in both referenda that will take place among both communities following the successful completion of negotiations. It will also be paramount in the difficult first steps of a post-agreement, bi-zonal, federal republic. Ten years after the Annan Plan referenda, the current state of affairs provides a window of opportunity that should not be missed.