

**FROM CONFLICT TO COOPERATION: A WIN-WIN APPROACH IN SOLVING THE
CYPRUS PROBLEM**



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The latest alarming developments in Cyprus Republic's Exclusive Economic Zone (EEZ) (culminating with the interception of ENI SAIPEM 12000 drillship by the Turkish Navy in order to prevent the said drillship from sailing into sea plot number 3 of the said EEZ , an area disputed by the Turkey and the Turkish Cypriots) inevitably bring Greek Cypriots and Greece on the one hand and Turkey and the Turkish Cypriots on the other hand before a critical political dilemma: either to continue their confrontation over Cyprus Republic's EEZ in a lose-lose manner or to opt for an alternative win-win approach that could, inter alia, potentially turn the said crisis into an opportunity for resolving the Cyprus problem.

Following the incident with ENI SAIPEM 12000 Turkey has threatened to continue to obstruct any further effort by the Cyprus Republic to exercise its sovereign right to explore and exploit its natural resources in accordance with EU and international law, including the

UN Convention on the Law of the Seas (UNCLOS). In this regard Turkey has argued that, in acting as such, it safeguards both the rights of the Turkish Cypriots and Turkey's claims inside Cyprus Republic's EEZ, albeit the fact that Turkey has not signed or ratified UNCLOS. More specifically, Turkey sees part of the Cyprus EEZ in the south-west as its own continental shelf and Turkey and the Turkish Cypriots see the rest of the EEZ as jointly owned by Greek Cypriots and Turkish Cypriots. Even though the rest of the world does not recognize Turkey's continental shelf claims and supports the sovereign rights of the Cyprus Republic to exploit its own resources yet Turkey has made it clear that it would attempt to militarily deter any future effort by Cyprus Republic to explore and exploit its hydrocarbon reserves unless either (a) the Greek Cypriots jointly form with the Turkish Cypriots a bi-communal committee to commonly explore the resources or (b) the Cyprus Republic freeze its program to explore and exploit its natural resources until a solution is found. In addition, Turkey has indicated that should Cyprus Republic continue implementing its hydrocarbon energy program then Turkey-via the Turkish Petroleum Corporation (TPAO)-will support the Turkish Cypriots to explore and exploit in Cyprus EEZ as well.

Contrary to the Turkish and the Turkish Cypriot above-mentioned stance the Greek Cypriots have manifested in every international direction that they will continue an unconditional facilitation of the various international companies' exploration and exploitation activities in the Cyprus Republic's EEZ. In this respect ExxonMobil (*with the political support of the US government*) has reiterated its wish and will to start drilling in sea block 10 of the EEZ during the second half of 2018. Moreover, the government of Cyprus Republic, via its Minister of Energy, has reiterated that Cyprus's plans to explore, develop and exploit hydrocarbons in its EEZ will continue even if Turkish war vessels have prevented ENI SAIPEM 12000 from approaching its target. In addition, Cyprus Republic has initiated the process of exploiting the natural gas discovered in sea block 12 of its EEZ by preparing the signing between Cyprus and Egypt of a framework agreement governing the construction of an undersea pipeline which will allow the companies involved in the relevant negotiations to sell natural gas to one of Egypt's liquefaction plants.

All of the above-mentioned developments create a very complex and sensitive political and military environment with unpredictable and uncalculated negative consequences. In this respect it goes without saying that should both sides of the equation (Turkey/Turkish Cypriots vs Greek Cypriots/Greece) continue maintaining the same stance on this matter then a conflict between the two sides may erupt resulting in a lose-lose situation. Namely, a hypothetical future further military obstruction by Turkey of Cyprus Republic's and of the international companies' efforts to continue their exploration and exploitation activities in

Cyprus Republic's EEZ as well as a possible move by Turkey and the Turkish Cypriots to also start exploration activities in Cyprus Republic's EEZ could bring Turkey into a direct confrontation with the EU and the USA. Moreover, such negative developments in Cyprus Republic's EEZ could reduce both tourist arrivals on the island as well as the influx of foreign direct investments (FDI) thus threatening the stability of the Republic's economy. In addition, a tension in the Cyprus Republic's EEZ, and a subsequent standstill in Cyprus Republic's hydrocarbon program, could potentially deprive Greek Cypriots and Turkish Cypriots of the opportunity to reap the future benefits of the relevant exploration and exploitation. Finally, a possible conflict over the hydrocarbons issue will undermine the last few chances for a comprehensive solution of the Cyprus Problem.

Regardless, however, of the above gloomy picture both sides still have the chance to turn the said crisis into an opportunity for a win-win approach that could solve the Cyprus Republic's hydrocarbon issue dispute in a mutually beneficial way by simultaneously paving the road for a comprehensive solution of the Cyprus. This can be achieved in my opinion if both sides, with the support of the UN, think "out-of-the box" and thus agree to follow a step-by-step, or an evolutionary, solution of the Cyprus Problem based on high and low policy Confidence Building Measures (CBMs).

To be more specific, *after substantial preparation and consultation with all interested parties*, the UN Secretary-General ought to call in 2018, an International Conference convoking the participation of: the three Guarantor powers of the Cyprus Republic (i.e. Greece, Turkey and the UK), the EU, ideally the five permanent members of the UN, and the two Cypriot communities. The said Conference should aim at leading the two communities to a **Provisional Agreement for a step-by-step solution of the Cyprus Problem**. Such an Agreement should incorporate a preamble which will, inter alia, include a clause stating that the two communities are bound by the the Guterres Framework submitted to all interested sides at Gran Montana on the 30th of June, 2017 and a clause stating that the two communities will remain committed in seeking in the near future a comprehensive solution based on a bi-zonal, bi-communal federation with political equality. In addition, this Provisional Agreement could incorporate **a 3 year road-map** within which both Greek Cypriots and Turkish Cypriots shall concurrently implement a series of high and low policy CBMs monitored by the UN. On the one hand such measures would engage them in a creative, constructive and trustful political, economic, military and cultural collaboration, and on the other hand would satisfy each side's core negotiating interests. The goal of CBMs would be to gradually lead all sides at the end of this road map to

intensive negotiations for a comprehensive and permanent solution of the Cyprus Problem. An indicative list of five *substantial* CBMs might be the following:

- i. *First, return by Turkey of the fenced-off section of the Turkish occupied city of Famagusta to the administration of the UN and subsequently to its legal Greek Cypriot inhabitants in return for a Cyprus Republic approval of the direct trade regulation (via a commonly accepted legal wording) and thus the legitimate opening of the port of the said city and the Tymbou (Ercan) airport* (essentially via the consent of ICAO and ideally co-managed by a Greek Cypriot and a Turkish Cypriot Board of Directors under the auspices of the EU or of the UN).*
- ii. *Secondly, the creation by the UN (with the approval of the Cyprus Republic) of a bi-communal Steering Committee that should start discussing a mutually agreed way in exploring and exploiting of the hydrocarbon reserves in the Cyprus Republic's Exclusive Economic Zone (EEZ) in return for Turkey's avoidance of any threats and actions that violate of the said EEZ.*
- iii. *Thirdly, implementation by Turkey of the 'Ankara Protocol' in return for a de-freezing by the Cyprus Republic of the six negotiating chapters of Turkish accession negotiations (that the Cyprus Republic has been blocking since 2009) as well as a Cyprus Republic's consent to the upgrading of the EU-TURKEY Customs Union Agreement.*
- iv. *Fourthly, gradual withdrawal of the Turkish troops from northern Cyprus and approval by Turkey of a de-mining of the island in return for a freezing of Cyprus Republic's National Guard's weapons' upgrading programs (**this CBM can start in the 2nd year**).*
- v. *Finally, the Greek Cypriots and the Turkish Cypriots ought to continue and intensify their current cultural and educational exchanges, under the UN's supervision in order to help their respective societies to understand each other.*

In unison, such an evolutionary approach should point the Greek Cypriots and the Turkish Cypriots, as well as Turkey and Greece, in the direction of an all-win situation. More specifically,

The Greek Cypriots would be able to:

- Maintain the internationally recognised Cyprus Republic.
- Reclaim, for first time since 1974, an important piece of now occupied land (Varosha) plus reap the economic and financial benefits (i.e. influx of foreign

- direct investment plus job creation and so on) that would inevitably result from the reconstruction of this piece of land.
- Experience conditions of tranquillity in the Cyprus Republic's EEZ and as a consequence make the exploitation of the island's relevant hydrocarbon reserves easier, safer and more lucrative.
 - Gain semi-recognition of the Cyprus Republic by Turkey.
 - Save a vast amount of money from the freezing of the Republic's National Guard's weapons upgrading programs, and
 - Develop confidence with their Turkish Cypriot compatriots – something quintessential for a future comprehensive solution of the Cyprus problem.

Likewise the Turkish Cypriots, would be able to:

- Gain a lifting of their so called 'economic and political embargo' by the legitimate opening of Famagusta port and Tymbou (Ercan) airport.
- Reap the economic and financial benefits of the reconstruction of Famagusta.
- Proportionally enjoy any future possible remuneration by the exploitation of Cyprus hydrocarbon reserves.
- Indirectly receive acknowledgement by the Cyprus Republic that they are politically equal with the Greek Cypriots and,
- Develop confidence with their Greek Cypriot compatriots.

What is more, both Turkey and Greece can benefit enormously from the signing of such an interim agreement.

*On the one hand, **Turkey** could, inter alia:*

- Enjoy a boost in its efforts to either become a member of the EU or to establish a "special relationship" with the Union..
- Save a good sum of money from the gradual withdrawal of its troops from Cyprus and
- Improve its relations with Greece markedly, hence creating the necessary conditions for solving the Aegean political and economic differences with Greece (differences that involve a set of interrelated issues).

*On the other hand **Greece** could, among other things:*

- Further improve its bilateral political and economic relations with Turkey.

- Locate a solution to the Aegean differences revealed above that could allow Greece to exploit the full potential of its EEZ. (For a more detailed analysis of my proposal for a step-by step solution of the Cyprus Problem please view YIANGOU C. "SOLVING THE CYPRUS PROBLEM: AN EVOLUTIONARY APPROACH" THE CYPRUS REVIEW JOURNAL, VOL.26, NO.2 (FALL 2014).

In conclusion, all interested parties do have perhaps a last chance to turn the latest crisis in Cyprus Republic's EEZ into an opportunity for a lasting solution of the Cyprus Problem. To do so, however, they need to think in a non-conventional way. After endless abortive efforts by parties to find a comprehensive solution to the said problem based on the elusive and failed principle "nothing is agreed until everything is agreed" it seems that time is now ripe to approach the solution from a different thinking pattern – namely, from a step-by-step or an evolutionary point of view based on CBMs. Adopting this approach in everyday collaboration between the Greek Cypriots and Turkish Cypriots on high and low policy issues, based on a non-zero sum game, may be extremely productive. Such teamwork may enable the two communities, but also Greece and Turkey, to eradicate the sources that fashioned the Cyprus problem. Moreover, via this solution, both Cypriot communities with the support of the international factor could, in stages, quench their basic negotiating interests but also create a baggage of trust. This would hopefully help these communities to renegotiate in the future, with a fresher angle, a comprehensive settlement of the problem within the framework of a future plan by the UN, *ideally* again based on a bi-zonal, bi-communal federation with *political equality*.