



House of Commons
Foreign Affairs Committee

Cyprus

Second Report of Session 2004–05



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Report, together with formal minutes

Volume I

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The Foreign Affairs Committee

The Foreign Affairs Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of the Foreign and Commonwealth Office and its associated public bodies.

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The Committee is one of the departmental select committees, the powers of which are set out in House of Commons Standing Orders, principally in SO No 152. These are available on the Internet via www.parliament.uk.

Publications

The Reports and evidence of the Committee are published by The Stationery Office by Order of the House. All publications of the Committee (including press notices) are on the Internet at www.parliament.uk/parliamentary_committees/foreign_affairs_committee.cfm. A list of Reports of the Committee in the present Parliament is in the inside covers of this volume.

Committee staff

The current staff of the Committee are Steve Priestley (Clerk), Sarah Ioannou (Second Clerk), Ann Snow (Committee Specialist), Kit Dawnay (Committee Specialist), Kevin Candy (Committee Assistant), Julia Kalogerides (Secretary), and Chintan Makwana (Senior Office Clerk).

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Conclusions and recommendations

1. After careful consideration, we conclude that it was right that all those on the electoral roll in northern Cyprus were able to participate in the referendum held in April 2004, and we recommend that the same arrangements should apply in respect of any future referendum on a solution to the Cyprus problem. (Paragraph 80)
2. We conclude that there is as yet little evidence that the Republic of Cyprus has fully taken on board that its membership of the EU involves obligations, as well as opportunities. We recommend that the Government work on a bilateral level, and with its European partners, to encourage Cyprus to adapt to European Union values and methods of working. (Paragraph 103)
3. We are greatly disappointed that it has so far proved impossible to gain agreement on the modest but important proposals to improve the operation and usefulness of the Green Line Regulation on intra-island trade. We recommend that the United Kingdom work closely with the Luxembourg presidency to secure early implementation of these changes and to streamline procedures for making further amendments. We further recommend that the EU should take steps to bring in genuinely free trade, with traders in the South of the island being free to move goods and products across the line to the North. (Paragraph 115)
4. We regret that valuable aid for the people of northern Cyprus is being held up by political and procedural disputes within the EU. We recommend that the Government use its good offices to persuade all parties to remove the remaining obstacles to disbursement of this aid. (Paragraph 122)
5. We conclude that undertakings given to Turkish Cypriots by the international community must be honoured. We recommend that the Government do more to turn its words into action, by working with the Luxembourg presidency of the EU to remove obstacles to direct trade with and travel to northern Cyprus, and that it encourage the wider international community to do the same. (Paragraph 135)
6. We recommend that in its response to this Report, if not sooner, the Government clarify whether it has the power to authorise direct passenger flights between the United Kingdom and northern Cyprus. We further recommend that, if it does possess the power to authorise flights, the Government announce a date from which such services will be permitted, subject to satisfactory safety inspections of the facilities at Ercan and other assurances. (Paragraph 146)
7. In the absence of an early overall settlement, we recommend that the Government support practical measures which will enable Turkish Cypriots to trade with the United Kingdom and other countries, such as refurbishment and then joint operation to EU standards of the port at Famagusta, as proposed by the government of Cyprus. (Paragraph 152)
8. We reiterate our previous strong support for Turkish membership of the European Union. We conclude, however, that in practice Turkish accession will be impossible for as long as there is no settlement of the Cyprus problem. We also conclude that

Turkey has the power greatly to assist both a settlement in Cyprus and its EU aspirations, for example by withdrawing some of its many thousands of troops from the island, and we call upon it to do so. (Paragraph 163)

9. we conclude that, despite assertions to the contrary, there is no wish or intention on the part of the British Government to perpetuate the present state of affairs on the island, still less to move towards a permanent and legal partition, which would be in no one's best interests. (Paragraph 172)
10. We conclude that the Government's decision to offer to transfer sovereignty over almost half of the United Kingdom's sovereign base areas on Cyprus to the island's two communities as part of an overall settlement was a constructive and useful gesture, with no negative consequences for the United Kingdom's interests. We recommend that the Government be prepared to renew the offer with the same conditions as before in the event that progress towards a settlement is resumed. (Paragraph 182)
11. We recommend that in any future negotiations on a settlement based on the Annan Plan, the parties be invited to consider accelerating the withdrawal of Turkish and Greek forces and the demilitarisation of Cypriot forces, so that all these are reduced to zero and security guarantees are provided by an external force acting under the terms of a mandatory resolution of the United Nations Security Council. (Paragraph 195)
12. We note the very strong feelings of the Greek Cypriot people about the need for restitution of property to its rightful owners and conclude that the property issue remains one of the most crucial to be addressed in the search for a solution to the Cyprus problem. We conclude that in any revival of the talks process it will be necessary to find ways of addressing Greek Cypriot concerns which do not disadvantage Turkish Cypriots. An element of outside financial support may be helpful in this regard. (Paragraph 199)
13. We conclude that British citizens who intend to buy property in northern Cyprus risk exposing themselves to legal action by Greek Cypriots who may be the rightful owners of those properties. We recommend that the Government lose no opportunity to warn prospective purchasers of this risk. (Paragraph 200)
14. We recommend that a population census be held in northern Cyprus, funded by the European Union and carried out either by an appropriate international body or by the Turkish Cypriot authorities under close international supervision. (Paragraph 205)
15. We recommend that in any resumption of negotiations for a settlement of the Cyprus problem, the Government seek to persuade the parties of the need for an increase in the number of Turkish settlers who will be required to return to Turkey as part of a solution, together with improved financial compensation for them. The precise figures should be for negotiation between the parties. (Paragraph 208)
16. We conclude that a substantive financial gesture by Turkey on the property compensation issue would be a magnanimous and positive move which would

reflect well on Turkey and should be of some assistance in reducing Greek Cypriot opposition to a solution which stops short of full restitution. (Paragraph 211)

17. We conclude that the costs of a settlement in Cyprus may be considerable, but that the international community is able and willing to make a substantial contribution to them. We recommend that the Government seek to ensure that, before any further referendum is held on the island, clear information is available to the people of Cyprus on the extent of the financial contribution which will be made by countries other than Cyprus. We further recommend that the Government and the European Union look sympathetically at ways of alleviating the financial burdens of a settlement on ordinary Cypriots. (Paragraph 216)
18. We conclude that, in the absence of an overall solution to the Cyprus problem, a step-by-step approach is likely to be better than no progress at all. We also conclude that confidence-building measures have a role to play, but only if they are consistent with the principles which underlie the Annan Plan, and only if they do not diminish the prospects of an overall settlement. We recommend that the Government consider lending its support to any worthwhile and practicable confidence-building measures which meet those criteria. (Paragraph 223)
19. We conclude that a lasting settlement of the Cyprus problem is overwhelmingly in the interests of the people of Cyprus and that it offers important advantages for the European Union, for Turkey and for the international community. We further conclude that, although the prospects for success may not be great, the opportunities which will arise in mid-2005 must be seized. As one of the Permanent Five on the UN Security Council, as President of the EU in the second half of 2005 and as a guarantor power in relation to Cyprus, the United Kingdom is in a uniquely special position to assist the process. We recommend that the Government make the achievement of a solution to the Cyprus problem a priority of its foreign policy in 2005. (Paragraph 236)

Introduction

1. The island of Cyprus has been divided between its majority Greek Cypriot and minority Turkish Cypriot populations physically since 1974, and psychologically for far longer. Attempts to end the physical division, to find a solution to what has become known as “the Cyprus problem” came closer to success than ever before in 2004, with the publication of a UN-brokered scheme—the ‘Annan Plan’—on which both communities were able to vote in simultaneous referendums. The result of those referendums, in which two thirds of Turkish Cypriots supported the Plan, but three quarters of Greek Cypriots rejected it, was a stalemate. The internationally-recognised Republic of Cyprus, which exercises *de facto* control over only the Greek Cypriot-controlled parts of the island, entered the European Union in May 2004; the self-styled ‘Turkish Republic of Northern Cyprus’ is recognised only by Turkey, 35,000 of whose troops are garrisoned there. Turkey’s candidature for membership of the EU is blighted by the fact that its forces occupy a large part of the territory of an existing member state. It is hardly surprising that, after decades of simmering on the back burner of international priorities, the Cyprus problem has become a focus of attention. A further attempt to find a solution which is acceptable to a majority of all the people of Cyprus is likely to take place later this year.

History of the Cyprus Problem

2. The long, complex and unhappy history of the Cyprus problem was set out in a Report of our predecessor Committee in 1987.¹ For some (mainly Turkish Cypriots) the Cyprus problem began in 1963; for others (mainly Greek Cypriots) it began in 1974. This Report considers developments since 1987. If anything, we heard too much about the history of the Cyprus problem during this inquiry, and heard less than we would have wished to hear about the future. We accept, however, that just as with Ireland, no-one can claim to understand the Cyprus problem who has not studied its history. Although our main purpose is to look forward, we set out here a brief chronology of events since the previous Report.²

3. The election of a new, pro-settlement Greek Cypriot President, George Vassiliou, in 1988 provided fresh impetus for inter-communal negotiations. These proved fruitless and with the momentous events of the period 1989–91 in Russia and Europe, the Cyprus problem fell down the list of priorities for the international community. It remained there until April 1992, when United Nations Security Council Resolution 750 was adopted, in which it was asserted that a settlement must be based on “a state of Cyprus with single sovereignty, an international personality and a single citizenship, with its independence and territorial integrity safeguarded, and comprising two politically equal communities.”³ UN-sponsored talks with the active involvement of Secretary-General Boutros-Ghali began later that year on the basis of a document which came to be known as the Set of Ideas, but they had not been completed by the time Greek Cypriot Presidential elections were due in

1 Third Report of the Foreign Affairs Committee, Session 1986–87, *Cyprus*, HC 23

2 *Ibid*, paras 18–43

3 Full text available at www.un.org

February 1993. The parties had in any case been unable to agree on a range of issues, not least the delineation of the areas to be under Greek and Turkish Cypriot administration.

4. Following the elections in 1993, Glafcos Clerides returned to the President's Palace in Nicosia and made Cyprus's accession to the EU his priority.⁴ Although a great deal of work was carried out on the basis of the UN Set of Ideas in the period 1993–94, followed by some nugatory work on a series of confidence-building measures (some of which had been proposed by our predecessor Committee) there was little real progress towards a settlement during this period, which was characterised by occasional violence along the Green Line and in the UN-patrolled buffer zone. In 1994, the European Court of Justice declared direct trade between member states of the European Communities and northern Cyprus to be illegal and the following year, Greece agreed to support a customs union between the EU and Turkey only if Cyprus was accepted as a candidate for full membership.⁵ In May 1996, the British Government appointed its former Ambassador to the United Nations, David (now Lord) Hannay, to the newly-created post of Special Representative for Cyprus.⁶

5. Early in 1997, Mr Clerides made moves to acquire surface-to-air missiles from Russia—a step certain to annoy Turkey, which duly threatened to take military action. Despite these setbacks, and thanks not least to the efforts of Lord Hannay and Malcolm Rifkind,⁷ in July and August 1997 Turkish Cypriot leader Rauf Denktash and President Clerides met for direct talks, first in the United States and then in Switzerland. Like all the previous talks, these failed (in this case, Lord Hannay told us, partly because of tensions concerning Turkey's application to be a candidate for membership of the EU).⁸

6. Glafcos Clerides was narrowly re-elected as President of Cyprus in February 1998. In April, Turkey and northern Cyprus created a 'joint economic zone', further cementing the divide. The missile crisis was still at its height in September 1998, when the then House of Commons Foreign Affairs Committee visited Cyprus as part of its inquiry into EU enlargement.⁹ It was resolved only in December, following the application of strong pressure by Greece, which was concerned for its own relations with Turkey. Greece and Turkey had been close to war several times in the 1990s over territorial disputes. This tension was dissipated by the resolution of the missile crisis in Cyprus and then the mutual assistance between Greece and Turkey after the earthquakes of August and September 1999, so preparing the way for Turkey to take a further step towards EU membership. However, Greece accepted this development only in exchange for explicit undertakings that Cyprus's accession would not depend on a settlement of the Cyprus problem.¹⁰

7. With both Cyprus and Turkey aspiring to join the EU, the minds of the international community once more focused on the Cyprus problem and, in the words of Lord Hannay, "we had a further and much more elaborate attempt in which we, the European Union, the

4 Mr Clerides had previously been President in 1974, pending the restoration to office of Archbishop Makarios.

5 Q 228 [Mirel]

6 Q 40 [Lord Hannay]

7 Foreign Secretary until May 1997.

8 Q 41

9 See Third Report from the Foreign Affairs Committee, Session 1998–99, *EU Enlargement*, HC86.

10 Q 228 [Mirel]. See also *ibid*, para 88.

United States and the United Nations worked systematically together and that led through a series of negotiations ... to the Annan Plan.”¹¹ We summarise the process which led to the Plan in the next chapter of our Report.

Reasons for the present inquiry

8. Had it not been for the rejection of the Annan Plan by the majority Greek Cypriot population of Cyprus, it is most unlikely that we as a Committee would have carried out this inquiry and produced this Report. However, when that rejection happened, there was a natural desire among all friends of Cyprus to know how and why the best opportunity to secure a peace deal on the island had been missed, and whether there was any prospect of rescuing it.

9. Those of us who were members of the Committee in the last Parliament had visited Cyprus in 1998, in order to assess the preparedness of Cyprus for EU accession. This work had been followed up during a further visit in 2002, when we met all the major participants in the then talks process. We also went to Ankara in 2002, and subsequently produced a Report in which we considered Turkey’s candidacy for EU membership;¹² and we discussed Cyprus with leading Greek political figures during Greece’s Presidency of the European Union in 2003. We decided to draw together and follow up this work by seeking answers to a number of questions which, we felt, arose from the referendum result:

- whether the UK should continue to back the Annan Plan;
- the implications for the EU of the admission of a divided country;
- what role the UK should play in the continuing process of negotiations between the two communities on the island;
- implications of the Annan Plan’s rejection for the northern part of the island;
- whether the British Government should seek to alter its relationship with the northern part of the island, and if so how; and
- implications for the EU’s relationship with Turkey.

10. Below, we discuss these questions under three broad headings: the Annan Plan; the role of the European Union; and the role of the United Kingdom. In a final section on the way forward, we set out our ideas on how progress might yet be made towards a final, complete and fair settlement of the Cyprus problem.

Acknowledgements

11. We received more than 260 written submissions to our inquiry. This degree of public interest and involvement in the work of the Foreign Affairs Committee is unprecedented, certainly in the last ten years. As well as submissions from the governments of the United Kingdom and the Republic of Cyprus and from the administration of the “Turkish Republic of Northern Cyprus” we received a number of useful contributions from academics, interest groups and informed observers of the process. Those of us who went to

11 Q 40

12 Sixth Report from the Foreign Affairs Committee, Session 2001–02, *Turkey*, HC 606

Cyprus in November 2004 also met many political, business and community figures on both sides of the Green Line, including President Papadopoulos, Mr Denktash and Mr Talat.¹³ A full record of these meetings was made for the benefit of those of us who were unable to participate.¹⁴ We learnt a great deal from the written evidence and from the discussions held during the visit.

12. In Westminster, we heard oral evidence from the Minister for Europe, Dr Denis MacShane; Mr Pierre Mirel, Director, Enlargement Directorate, European Commission; Lord Hannay, former United Kingdom Special Representative to Cyprus; Mr Özdem Sanberk, former Turkish Ambassador to the United Kingdom; Mr Philippos Savvides, Research Fellow at the Hellenic Foundation for European and Foreign Policy (ELIAMEP); and Dr Christopher Brewin, Senior Lecturer in International Relations at Keele University. We were also fortunate to be able to hold private discussions in London with UN Secretary-General Kofi Annan and with Sir Kieran Prendergast, the UN Under-Secretary-General for Political Affairs. We decided at the outset of our inquiry not to hear oral evidence from representatives of the Greek Cypriot or Turkish Cypriot administrations or from the two communities' expatriate groups in London. Our deliberations were well-informed by the extensive written evidence received from all these.

13. The bulk of the written evidence to our inquiry (210 out of over 260 submissions) came from private individuals, the great majority of whom, we judge, fall broadly into three groups: Greek Cypriots, or those of Greek Cypriot origin; Turkish Cypriots, or those of Turkish Cypriot origin; and Britons who live or own property in Cyprus. We are grateful to all those who took the trouble to write to us with their views. All submissions received were read, circulated to the Committee and evaluated as we compiled our Report. For reasons of space and because of the very similar terms in which many of the submissions received from private individuals were expressed, we have decided not to publish a large number of them. However, those which we have not published are listed on page 86 of this Report and have been deposited in the Records Office of Parliament, where they may be consulted.¹⁵

14. Finally, we have made some use of published sources in preparing our Report. Most notably, these include the Annan Plan itself;¹⁶ the Secretary-General's Report to the Security Council on his mission of good offices;¹⁷ Lord Hannay's book, *Cyprus—The Search for a Solution*,¹⁸ published during our inquiry; and the 'Lordos study' of Greek Cypriot public opinion, *Can the Cyprus Problem be Solved?*, which was also published while our inquiry was under way.¹⁹ Where these sources have been used, they are cited in the text.

13 For the full itinerary of the visit, see Annex.

14 In order to preserve the confidentiality of discussions held during its visits overseas and with incoming visitors, it is the practice of the Committee not to publish its notes of such meetings.

15 Application may be made to the House of Lords Record Office, London SW1A 0PW, tel 020 7219 3074

16 Available at www.cyprus-un-plan.org/Annan_Plan_Text_.html

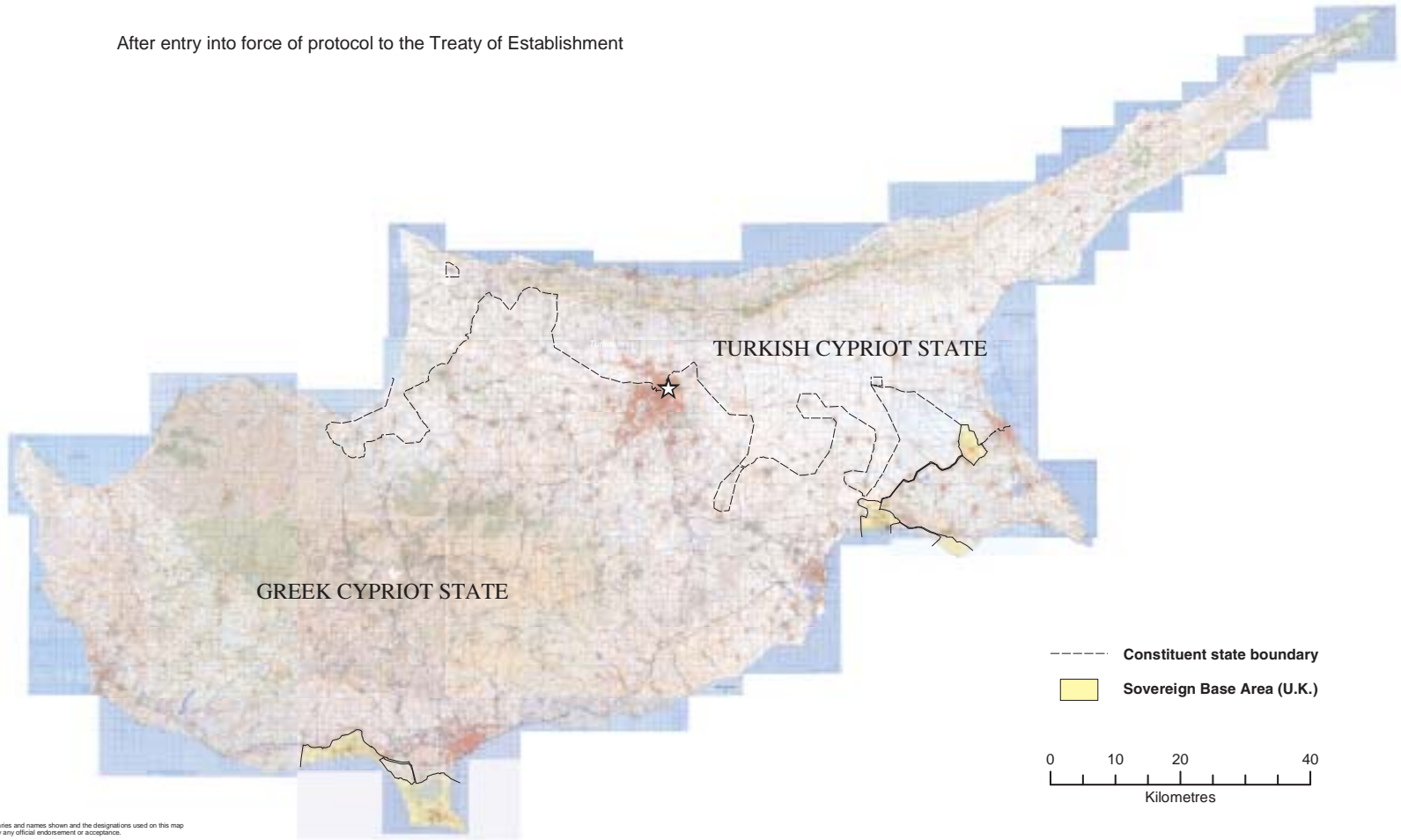
17 Report of the Secretary-General on his mission of good offices in Cyprus, UNSC document S/2003/398

18 I B Tauris, London, 2004

19 Alexandros Lordos in co-operation with Cyprus Market Research Ltd, 2004

ATTACHMENT 1b

After entry into force of protocol to the Treaty of Establishment



The boundaries and names shown and the designations used on this map do not imply any official endorsement or acceptance.

March 2004

Cyprus as it would look after the Annan Plan

(Source: *The Annan Plan*)

The Annan Plan

Genesis of the Plan

15. The United Nations has been directly involved in Cyprus since the early 1960s, when inter-communal violence reached such levels that from 1964 a peacekeeping force of ‘blue berets’ was deployed between the Greek and Turkish Cypriot communities in Nicosia and at other flashpoints on the island. After the events of 1974 and the physical division of the island, successive secretaries-general sought to use their good offices to bring about a solution of the Cyprus problem. The Set of Ideas produced by Secretary-General Boutros-Ghali in 1992 did not produce a settlement, but they remained on the table and were picked up again by Secretary-General Kofi Annan as his team began work in earnest in 2001.²⁰

16. In November 2001, as the strong likelihood of Cyprus’s accession to the EU with or without a solution to the Cyprus problem became a near-certainty, Turkish Prime Minister Bulent Ecevit announced that Ankara could in that event “annex” northern Cyprus.²¹ With a new sense of urgency evident, on 4 December President Clerides and Mr Denktash held face-to-face talks in the buffer zone at the latter’s instigation and announced the resumption of negotiations from early 2002. We visited the island in March 2002 and held discussions with both men. We formed the impression at that time that Mr Clerides was anxious to secure a settlement, in order that a united Cyprus could join the EU. Our opinion of Mr Denktash was that he understood the opportunities opened up by accession, but that he was not inclined to compromise.

17. The EU summit in Copenhagen in December 2002 provided a natural deadline for these negotiations, for it was to be at this summit that the question of Cyprus’s accession would be determined. The first version of what later became known as the Annan Plan was released in November 2002 and a revised version was made available in December. The final version of this phase, Annan 3, was presented to the parties in February 2003. To no-one’s surprise, but to wide disappointment, the negotiations failed once again, finally coming to a halt at The Hague in March.²²

18. Lord Hannay, who was closely involved in this process, told us that “it was Mr Denktash who prevented the negotiation and acceptance of Annan Two or Three at Copenhagen and then at The Hague,” because he once again refused to accept a settlement which did not involve prior recognition of his breakaway state, the “Turkish Republic of Northern Cyprus.”²³ If Annan 3 had been put to the vote, we were told not only by Lord Hannay but by many Greek Cypriots during our visit in November 2004, it could well have been approved by the electorate in the South under the leadership of President Clerides. It might even have been approved by Turkish Cypriots too, although that is much more doubtful. Of course, if the Plan had been accepted in 2003 by Greek Cypriot voters and

20 Q 41 [Lord Hannay]

21 Sixth Report from the Foreign Affairs Committee, Session 2001–02, *Turkey*, HC 606, Ev 3

22 Report of the Secretary-General on his mission of good offices in Cyprus, UNSC document S/2003/398

23 Q 46

rejected by their Turkish counterparts, the situation now would be totally different and the Republic of Cyprus would not have lost the moral high ground from which it fell with such a loud crash a year later.

19. Version three of the Annan Plan was remarkably similar to the later version five, on which the referendums took place, although there were also important differences. The territorial adjustments provided for in both were almost the same; the numbers of people in both communities entitled to citizenship was the same (in practice, this affected the North more than the South); and the provisions relating to the continuing in force of the Treaty of Guarantee were the same.²⁴ We turn now to version five of the Annan Plan, on which Cypriots were to vote in April 2004.

The process of negotiating the Plan

20. The period from the election of President Papadopoulos to the end of 2003 was described by Mr Annan as “a fallow period in terms of my good offices”,²⁵ but it was a period in which two very important developments took place in Cyprus. In April, to general surprise, the Turkish Cypriot authorities unilaterally relaxed restrictions at the Green Line in Nicosia, allowing Greek Cypriots to visit the North freely for the first time since 1974. The impact of this move was profound. Greek Cypriots were able to visit their former homes in the North, and in many cases to speak to their new inhabitants. In some cases, personal effects were returned, although not all encounters were so positive. And by visiting shops, restaurants and other facilities in the North, Greek Cypriots came into contact with their Turkish Cypriot counterparts, some of them for the first time, and found they were able to relate to them as people. In the first year, Cypriots made more than three million crossings of the Green Line, using the four crossing points then open, with very few incidents reported.²⁶

21. The second development on the island was the election, in December 2003, of a pro-resolution administration in the North. The new ‘prime minister’, Mehmet Ali Talat, made it clear that he was committed to taking his people into the European Union; that could happen only if there was a settlement of the Cyprus problem. The election of Mr Talat, following as it did the election of a pragmatic and stable government in Ankara under Prime Minister Erdoğan, created a new, more favourable climate for negotiations. “After weighing the situation”,²⁷ Mr Annan contacted both sides and, following a series of consultations, announced on 13 February 2004 that the parties had agreed to negotiate on the basis of Annan 3, with simultaneous referendums to be held before 1 May, the date of Cyprus’s accession to the EU.²⁸

22. Faced by that deadline of Cyprus’s accession date to the European Union, Mr Annan decided that the negotiations could not continue indefinitely and secured the agreement of

24 Report of the Secretary-General on his mission of good offices in Cyprus, UNSC document S/2004/437, paras 58–61

25 *Ibid*, para 6

26 US State Department background note on Cyprus, December 2004, available at www.state.gov. Figures released by the Cyprus government in January 2005 show 2.3 million crossings by Greek Cypriots and 3.6 million by Turkish Cypriots since the Line was opened.

27 Report of the Secretary-General on his mission of good offices in Cyprus, UNSC document S/2004/437, para 10

28 *Ibid*, Annex I

the parties “to complete the plan in all respects by 22 March 2004.”²⁹ In our view, given the history of protracted efforts to reach a settlement, he would have been right to work to a deadline, even without the accession date. Although President Papadopoulos later complained of “undue haste and a rush to impose a settlement”,³⁰ and the influential AKEL party called for the referendum to be postponed,³¹ we agree with Dr Savvides that “the mistake of the previous efforts [was] that they were open-ended.”³² The issues were well known and so, indeed, were most of the solutions. What was required was a process under which the Plan could be ‘sold’ to the two communities by their leaders.

23. In this respect, version five of the Annan Plan differed crucially from version three. In earlier versions of the Plan, both communities’ political leaders would have been required to endorse the Plan and to have campaigned for it among their respective electorates. Under Annan 5, the Secretary-General’s determination to produce a definitive scheme by the deadline meant that he had to drop insistence on support by the leaderships. This step was probably taken in order to cater for the perceived likelihood—which must at the time have seemed a racing certainty—that Turkish Cypriot leader Rauf Denktash would refuse to campaign for the Plan, even if he could be prevailed upon to sign it.³³ Ironically, it allowed another intransigent leader, Greek Cypriot President Papadopoulos, to withhold his support from the Plan.

24. The curious and, for most observers, surprising reversal of roles between the traditionally rejectionist Turkish Cypriot leadership and the normally more pro-settlement Greek Cypriot leadership was a consequence of two unrelated factors: the election of a pro-Europe government in Turkey under Mr Recep Erdoğan; and the election of a more hard-line President of the Republic of Cyprus, the rejectionist Tassos Papadopoulos. With Mr Erdoğan in power in Ankara, the uncompromising stance of Rauf Denktash ceased to be supported by Turkey. This allowed negotiations on the Annan Plan to move forward,³⁴ all the time with an expectation that Mr Denktash would at some stage walk out, as he had done so many times before, but eventually reaching the point where a settlement was in sight. By the time Mr Denktash did withdraw from the process, more moderate Turkish Cypriot politicians were able and willing to take his place.

25. This unexpected development forced the Greek Cypriot political leadership, which was previously secure in the knowledge that the other side would once again be seen as the wreckers of a deal, to face up to whether it really supported the terms of the Annan Plan. The answer was “No.” In his televised address to the people of Cyprus on 7 April, President Papadopoulos called on them to give the Plan “a resounding No.”³⁵

26. Mr Annan was later to complain, in unusually blunt terms for an international civil servant and an experienced diplomat, that President Papadopoulos had not “accurately

29 *Ibid*

30 Ev 78 [Cyprus High Commission]. President Papadopoulos blamed the “undue haste” on the Turkish and Turkish Cypriot side.

31 BBC News, 22 April 2004

32 Q 2

33 Q 236 [Mirel]

34 Q 3 [Savvides]

35 The full text of President Papadopoulos’ speech is available at www.cna.org.cy/reviewen.

reflected the contents of the plan” when addressing the Greek Cypriot people,³⁶ and to imply that the President had reneged on earlier commitments to support the Plan.³⁷ EU Enlargement Commissioner Günter Verheugen reportedly complained that he was prevented from addressing the Greek Cypriot people on the Plan.³⁸ Mr Annan also called on the Greek Cypriot side to articulate their concerns “with clarity and finality”, thereby suggesting that the concerns had not been so communicated during the negotiating process.³⁹

27. This interpretation of the Greek Cypriot Government’s negotiating stance is widely shared. We therefore asked the Government of Cyprus to supply us with copies of the documents in which it had articulated its concerns during the negotiating process. We received a large bundle of papers in response to this request.⁴⁰ The papers support the contention by President Papadopoulos that he had submitted to the UN “more than 200 pages of comprehensive proposals.”⁴¹ Unfortunately, the Greek Cypriot proposals were not consolidated until late in the process, on 25th March; they were not prioritised; and they did not provide the “clarity and finality” which the Secretary-General evidently required.⁴²

28. There have been suggestions that the government of the Republic of Cyprus did not negotiate in good faith. Lord Hannay has stated as much in his recent book⁴³ and we were told that EU Enlargement Commissioner Günter Verheugen “felt betrayed.”⁴⁴ Neither are we aware of significant third-party support for the way in which the Greek Cypriot representatives conducted the negotiations, although we note that Mr Annan went out of his way to praise the other participants. The backing of Greece was “a credit to that country and her leaders”;⁴⁵ he “appreciated the strong support of the Turkish government, from the top down”;⁴⁶ and he placed on record his “appreciation of the efforts of Mr Talat both in the process and in the run-up to the referendum.”⁴⁷ The absence from the Secretary-General’s Report of any such positive reference to President Papadopoulos is surely eloquent evidence of his views.

29. The process of transforming version three of the Annan Plan into what became version five began in February 2004. From 19 February to 22 March, the parties negotiated in Cyprus, without significant progress, although important details were agreed by officials working on the details of implementation. The original deadline having been overshot, from 24 March the Secretary-General convened a meeting in Bürgenstock, Switzerland. In

36 Report of the Secretary-General on his mission of good offices in Cyprus, UNSC document S/2004/437, para 66

37 *Ibid*, para 65

38 See www.euractiv.com/Article?tcmuri=tcm:29-115057-16&type=News

39 Report of the Secretary-General on his mission of good offices in Cyprus, UNSC document S/2004/437, para 20 and Summary

40 Not printed, available in the Records Office

41 Ev 73 [Cyprus High Commission]

42 Report of the Secretary-General on his mission of good offices in Cyprus, UNSC document S/2004/437, para 37

43 Cyprus: The Search for a Solution, p 245

44 Q 24 [Brewin]

45 Report of the Secretary-General on his mission of good offices in Cyprus, UNSC document S/2004/437, para 77

46 *Ibid*, para 78

47 *Ibid*, para 76

their capacity as the guarantor powers,⁴⁸ Greece, Turkey and the United Kingdom also participated in this final phase of talks, which ended, as provided for in the originally agreed timetable, on 29 March. Mr Annan has described in his report to the Security Council how at Būrgenstock there were no face-to-face negotiations between the parties, all formal exchanges being made through the UN negotiating team.⁴⁹ President Papadopoulos was absent for much of the time and Mr Rauf Denktash failed to attend at all. The Turkish Cypriots were represented by Mr Talat and Mr Serdar Denktash, but President Papadopoulos has consistently refused to deal directly with Mr Talat. Mr Annan clearly found this very frustrating.

30. In accordance with procedures agreed between the parties in February, allowing him “in the event of a continuing and persistent deadlock” to use his discretion to finalise the terms of the Plan, Mr Annan then produced a text to submit to the people of Cyprus, for approval by separate referendums in the two communities.⁵⁰ In his report to the Security Council of May 2004 he stated that this final text preserved the balanced proposals of the Plan which had been agreed before, “while addressing to the extent possible the key concerns of each side.”⁵¹ Dr Denis MacShane told us that “It is difficult to think of a better deal that could have been agreed by all the different parties involved and then put to the vote of the people.”⁵² However, it was this text which was rejected by the Greek Cypriot electorate just over three weeks later.

31. We summarise the Plan’s main provisions below, before focusing on four specific areas of contention which, it has been suggested to us, contributed significantly to the decision by more than three quarters of Greek Cypriots voting in the referendum to reject it.

Contents of the Plan

32. Version five of the Annan Plan⁵³ proposed a “new state of affairs in Cyprus”, based on the Swiss cantonal model. A United Cyprus Republic (UCR) would be formed, with a federal government and two constituent states.⁵⁴ one predominantly Greek Cypriot, eventually comprising about 71 per cent of the land area of Cyprus; and the other predominantly Turkish Cypriot, comprising about 29 per cent of the land area. Cypriots would be citizens both of the UCR and of the appropriate constituent state.⁵⁵

33. The federal government of the UCR would include not less than one third Turkish Cypriot ministers, with the Presidency and Vice-Presidency alternating between the two communities each ten months. A bicameral federal parliament consisting of a Senate—in which both communities would be represented equally—and a Chamber of Deputies—not less than one quarter of whose members would be elected by Turkish Cypriots—would

48 *ie*, under the 1960 Treaty of Guarantee

49 Report of the Secretary-General on his mission of good offices in Cyprus, UNSC document S/2004/437, paras 30–35

50 *Ibid*, Annex I

51 *Ibid*, summary

52 Q 118

53 Available at www.cyprus-un-plan.org. References in the following paragraphs are to the authenticated text of the Main Articles dated 23 April 2004.

54 Article 2

55 Article 3

legislate, through a weighted system of voting.⁵⁶ The Supreme Court would be made up of three Greek Cypriot, three Turkish Cypriot and three non-Cypriot judges.⁵⁷

34. Turkish and Greek military forces would withdraw in phases so that by 2019 at the latest there would be no more than 650 Turkish and 950 Greek troops on the island. All Greek Cypriot and Turkish Cypriot forces would be dissolved.⁵⁸ Territorial adjustments between the two component states would take place in six phases over a 42-month period,⁵⁹ and the question of the rights of those who had lost their property would be dealt with under a complex system of reinstatement or compensation.⁶⁰

35. The Plan, containing fourteen Articles and nine Annexes, was supplemented by much detailed draft legislation and subsidiary agreements, which officials of the two communities were able to agree in technical working parties. It is remarkable that so much of the detail was agreed upon and that it remains, apparently, non-contentious.

The contentious issues

36. Our purpose in this section of our Report is to describe four of the main areas of contention, based both on the evidence we have received and on the many discussions which took place during the visit some of us paid to the island. In a later section of the Report we consider how each of these areas of contention could be resolved satisfactorily and we set out our conclusions.⁶¹

37. The issues on which we focus here are among those identified by Greek Cypriots who voted against the Plan. In preparing this section, we have made extensive use of the survey and statistical analysis of Greek Cypriot public opinion carried out by Mr Alexandros Lordos.⁶² We wish to emphasise, however, that where we have cited Mr Lordos's published survey we have done so because it confirms what we were told in evidence and also what we heard directly from many other sources when we visited Cyprus. We are grateful to Mr Lordos for carrying out his survey and for drawing the publication of its results to our attention.

38. It should also be borne in mind that, although most of them voted for the Plan, many Turkish Cypriots also had concerns about aspects of it. The London representative of the 'TRNC', Mr Namik Korhan, told us that "A very long list of why the plan should have been rejected exists in the minds of each and every Turkish Cypriot, let alone the leadership."⁶³ Some of these are enumerated in the evidence of the largest political party in northern Cyprus, the UBP.⁶⁴ Mr Korhan added that "any initiative by the Greek Cypriot side or any

56 Article 5

57 Article 6. The non-Cypriot judges would participate in decisions of the court only when a majority of the Cypriot judges could not agree.

58 Article 8

59 Article 9; see also Map 2

60 Article 10; see also paras 46 to 55 below

61 See paras 183 to 216 below

62 *Can the Cyprus Problem be solved? Understanding the Greek Cypriot response to the UN Peace Plan for Cyprus*, Alexandros Lordos, October 2004

63 Ev 135

64 Ev 260

other third party to make amendments to the Annan Plan is not acceptable on the part of Turkish Cypriots.”⁶⁵ Mr Lordos has recently carried out a survey of Turkish Cypriot opinion, in order to identify the issues which most concern them.⁶⁶ The key to any successful revival of the Annan Plan will be to meet the objections of Greek Cypriots in ways which do not reduce the attractions of the Plan to Turkish Cypriots. This will be a formidable challenge.

Security guarantees and Turkey's continued military presence

39. Under arrangements which were largely negotiated between Greece and Turkey in the 1950s, the Republic of Cyprus established in 1960 was to allow on its soil a maximum 950 troops from mainland Greece and 650 from mainland Turkey. Throughout the late 1960s and early 1970s, this rule was flouted and in 1974 the Greek military (who were also the civil power in Athens at the time) brought about a coup against the Government of the Republic of Cyprus. They put into power Nicos Sampson, a former terrorist who espoused political union between Cyprus and Greece (*enosis*). Turkey then intervened militarily. Ironically, both Greece and Turkey, together with the United Kingdom, were obliged to respect and uphold the independence of Cyprus under the 1960 Treaty of Guarantee.⁶⁷

40. After the coup of 1974 had been reversed, bringing down the Greek colonels' regime in Athens with it, the provisions of the 1960 constitution with regard to troop levels were again flouted by both sides, but most blatantly by Turkey, which has since July 1974 maintained a garrison on Cyprus of approximately 35,000 troops (Greece has about 1,250 troops in the South).⁶⁸

41. It can be seen how for each community on Cyprus, therefore, the presence of forces from the 'motherland' powers has been a source both of fear and of comfort. Turkish Cypriots, who suffered at the hands of Greek and Greek Cypriot forces between 1963 and 1974, feel that they need guarantees of their security, guarantees which historically have been provided only by the Turkish armed forces.⁶⁹ Greek Cypriots, who in 1974 were victims, first of the machinations of the Greek military, and then directly at the hands of Turkish forces, continue to regard the latter as the principal threat to their peace and security.

42. Force levels on the island were always bound to be one of the most difficult parts of a settlement to negotiate and on which to reach agreement. In earlier versions of the Annan Plan, all forces would have been withdrawn at the time of Turkey's accession to the EU or after 21 years, whichever came first. In Annan 5, the approach taken appears to have been to persist with the maximum 'motherland' troop levels permitted under the 1960 arrangements and with the status of Greece and Turkey as 'guarantor powers', but to overlay this with a strong guarantee of the status and security of both communities, underpinned by the UN Security Council. As noted above, this meant that by 2019 the

65 Ev 135

66 Preliminary findings available at www.help-net.gr/download.htm

67 Third Report from the Foreign Affairs Committee, Session 1986–87, *Cyprus*, HC 23, para 36

68 See www.european-defence.co.uk/directory/armedforces/cyprus.html. Turkish PM Erdoğan has claimed the true number of Greek troops in Cyprus is 6,000, see www.trncpresidency.org/press/news/erdogan_there_were.htm

69 Ev 257 [UBP]

Turkish military contingent in Cyprus would have been reduced to no more than 650 personnel.⁷⁰ The government of Cyprus suggested to us that, contrary to what the Secretary-General stated in his Report to the Security Council,⁷¹ the earlier provision (in Annan 3) for complete removal of the Turkish troops was changed at the insistence, not of Turkish Cypriots, but of Turkey.⁷²

43. In a last-minute attempt to deal with the Greek Cypriots' feelings of insecurity, the United Kingdom and United States brought forward a draft mandatory Resolution⁷³ in the UN Security Council to give effect under Chapter VII of the UN Charter to the provisions in the Plan calling for international support for its implementation and enforcement.⁷⁴ The Resolution was vetoed by Russia. Some observers have suggested that the Russians were exercising a proxy veto for the Republic of Cyprus. The presence in Moscow of the Cyprus Foreign Minister at the time the veto was cast was noted by Lord Hannay, the British Government and others.⁷⁵ It has also been suggested that the Russian veto was cast on procedural grounds.⁷⁶ However, during a visit to Moscow by Prime Minister Erdoğan in January 2005, President Putin said that Russia had used its veto "not to block the taking of this decision but to rule out any possible influence on the outcome of the referendum."⁷⁷ The effect nonetheless was to block the taking of a decision. We agree with the United Kingdom's Minister for Europe that this was "an extraordinarily unhelpful veto."⁷⁸

44. President Papadopoulos referred to the 650 troops as a "bridgehead".⁷⁹ One of our witnesses described what we suspect was a representative view of Greek Cypriots that "this was legitimising the presence of the invading forces."⁸⁰ The Lordos study shows that even moderate Greek Cypriots feel strongly that it would be inappropriate for Turkey to maintain armed forces in Cyprus and to have the right to intervene militarily even following a settlement. According to Lordos, more than three quarters of Greek Cypriots believe it is essential that Turkey should be obliged to reduce its forces to 650 within a much shorter timescale, and about three fifths demand that the troops should leave altogether and want to see an end to the right of unilateral intervention claimed by Turkey under the Treaty of Guarantee.⁸¹ A shortening of the timetable for a reduction in troop levels is actually the alteration to the terms of the Annan Plan most strongly sought by Greek Cypriots.⁸²

70 Annan Plan, Article 8

71 Report of the Secretary-General on his mission of good offices in Cyprus, UNSC document S/2004/437, para 55

72 Ev 118

73 UN document S/2004/313

74 Annan Plan Version 5, p 170. See also Q 44 [Lord Hannay]

75 Qq 44, 213

76 Ev 129 [Claire Palley]

77 Cyprus Mail, 12 January 2005

78 Q 213

79 Ev 74 [Cyprus High Commission]

80 Ev 227 [Constantis Candounas]

81 Lordos study, pp 44–45

82 Lordos study, p 53

45. Why do Greek Cypriots feel so strongly about the continued presence in the Turkish Cypriot-administered area of the island of 650 Turkish troops? Such a small force is not going to be able directly to threaten the security of over 600,000 Greek Cypriots and, in any case, Cyprus is famously within only a few minutes flying time for the Turkish Air Force's fast jets. The fact that Greek Cypriots apparently seek an accelerated reduction more than they demand a complete withdrawal suggests to us that the fundamental problem with the force level and guarantor power provisions of the Annan Plan was that the Greek Cypriots' experiences of 1974 meant that they did not trust the Turks.⁸³

Refugee return and property rights

46. The events of 1974 displaced approximately 50,000 Turkish Cypriots and 180,000 Greek Cypriots, separating them from their homes and property.⁸⁴ It has been a long-standing goal of Greek Cypriot refugees to repossess their properties and, in many cases, to return to live or to work in them. Lord Hannay has described the property question as the most complex and most sensitive of the core issues of the Cyprus problem.⁸⁵

47. The Annan Plan provided for the property rights of Greek Cypriots to be balanced against the rights of those now living in the homes or using the land, some of them Turkish Cypriot refugees from the South of the island, who had lost homes of their own, but many others of them Turkish settlers. Most Greek Cypriot property owners would have been able to return to their properties, because they lie in the area to be transferred to Greek Cypriot administration. Of the remainder, under a complex formula set out in the Plan, most of those who had lost a single dwelling standing on a plot of up to approximately a quarter of an acre or, in five specified villages, any property, would be entitled to recover the entire property, and others to recover one third of their property by value or area, receiving compensation for the balance.⁸⁶

48. However, a number of exemptions and exceptions apply, which in practice would have reduced the scope for owners to recover their property, or would at the very least have complicated or protracted the process of recovery. For example, if a property had been substantially improved by its new inhabitants they might be entitled to compensation. It was also suggested to us that most agricultural holdings are too small to be included in the scheme.⁸⁷ For a period of five years after the entering into force of the Plan, the great majority of Greek Cypriots with property in the North would be unable to return to live in their homes, and it would be fifteen years before all restrictions were lifted. Also, all proceedings before the European Court of Human Rights for recovery of property in Cyprus would have been struck out.

49. In its submission to our inquiry, the Ministry of Foreign Affairs of the Republic of Cyprus stated that up to 95,000 Greek Cypriots would be likely to return to the areas to be handed over from Turkish control to the Greek Cypriot constituent state, and that by 2023

83 Qq 19, 27 [Savvides], 26 [Brewin]; Ev 36 [FCO], 101 [Cyprus MFA], 115 [Claire Palley]

84 According to the US Committee for Refugees. See www.refugees.org/world/articles/idpeurope.htm

85 *Cyprus: The search for a solution*, David Hannay, I B Tauris, December 2004, p 37

86 Annan Plan, Annex VII

87 See Ev 226 [Constantis Candounas]

up to 51,000 Greek Cypriots would be able to take up residency in the Turkish Cypriot constituent state.⁸⁸ However, in his report to the Security Council, Mr Annan suggested that the Plan “would effectively allow over time some 100,000 Greek Cypriots to take up permanent residence in the Turkish Cypriot State” and an unlimited number to maintain second homes there.⁸⁹

50. The written evidence of the FCO makes no mention of the property issue in its discussion of the reasons for the rejection of the Annan Plan by Greek Cypriot voters.⁹⁰ There has also been a perception in some quarters that Greek Cypriots will not, in fact—whatever their currently expressed views—wish to return to live or work in the areas which, under the Plan, will be part of the Turkish Cypriot constituent state. Under this perception, the problem is essentially one of compensation, rather than of the right of return.

51. However, when we were in Cyprus, we heard a great deal about this aspect of the Plan, enough to convince us that when it comes to reaching a final settlement of the Cyprus problem, the right of return and property rights remain close to the heart of the matter. This impression was confirmed by the Lordos Study, which recorded support among Greek Cypriots for an increase in the proportion of property situated in the Turkish Cypriot administered areas to be returned to its Greek Cypriot owners as higher (at 63 per cent) than support for an increase in the proportion of the island to be administered by the Greek Cypriots (50 per cent).⁹¹

52. The property issue is important to Greek Cypriots not just for economic reasons. Even those born after the events of 1974 feel an emotional tie to their ‘home’ village in what Greek Cypriots often refer to as “the occupied territories”. The right of return is seen by many Greek Cypriots, just as it is seen by the Palestinians, in terms of the principle of just redress for a wrong committed by a militarily superior neighbour, not as a bargaining chip in some wider process of negotiation. Our impression is that most displaced Turkish Cypriots have less of a desire to return to their former homes and prefer to remain in the North, accepting a property in exchange for that which they have given up.

53. The Ayios Ambrosios Association wrote to us on behalf of their members, who in 1974 had to leave their village, 20 miles East of Kyrenia (Girne), in an area which under the Annan Plan would be part of the Turkish Cypriot component state. They pointed out that under the limits which the Plan would place on the numbers of former residents allowed to return, only over-65s could go back to their homes between the second and fifth years; and returnees can amount to no more than six per cent of the population of the village up to the ninth year, 12 per cent up to the fourteenth year and 18 per cent up to the 19th year.⁹² When we visited Cyprus, the point was made to us that these small numbers would in many villages be unlikely to be able to sustain facilities such as schools and churches in their communities.

88 Ev 117

89 Report of the Secretary-General on his mission of good offices in Cyprus, UNSC document S/2004/437, para 51

90 Ev 36

91 Lordos study, p 46

92 Ev 214

54. For Turkish Cypriots as well, however, the property issue and the right of return for Greek Cypriots are very sensitive areas. Turkish Cypriot leader Rauf Denktaş has previously expressed his fear that a right of return and its natural corollary, freedom of movement and of settlement, would rapidly lead to “Hellenisation” of the whole of Cyprus.⁹³ The principle underlying a bi-zonal solution would of course be undermined if Turkish Cypriots were to be outnumbered or dominated by Greek Cypriots within the Turkish Cypriot constituent state. Those of us who visited the island last November found that this concern was widely shared in the North and our impression is that, if anything, the prospect of cultural and economic domination by Greek Cypriots is a greater concern there than the problem of displacement of Turkish Cypriots and settlers who would have to leave the properties they currently live in, when they are returned to their rightful owners.

55. Greek Cypriots, on the other hand, also have concerns about their cultural identity. Under the Annan Plan, the constituent states of the United Cyprus Republic and not the federal authorities would be responsible for many services within their areas, including education, although Article 4 of the Plan declares that cultural, religious and educational rights of members of one community living in the area administered by the other community are “protected”. Greek Cypriots fear that returning families would find that their cultural identity would be suppressed by a Turkish Cypriot administration. They therefore seek adjustments to the Annan Plan which would give the federal authorities a greater role in the provision of services such as education.⁹⁴

Turkish ‘settlers’

56. When Turkish troops occupied more than 36 per cent of Cyprus in 1974, most Greek Cypriots fled South of the ceasefire line. In 1975, almost all of those who had remained were expelled by the Turkish authorities. The homes, farms and businesses they left behind were more than the Turkish Cypriot population could use and into this partial vacuum were soon sucked thousands of Turkish citizens, mainly from Anatolia. This process was encouraged by Turkish Cypriot leader Rauf Denktaş, and it has continued to the present day.⁹⁵ There has been much intermarriage between settlers and Turkish Cypriots and of course there are many children who have been born to such couples, who are regarded as being entirely Turkish Cypriot and who may be eligible for citizenship of the Republic of Cyprus. Large numbers of Turkish Cypriots have left their homeland, many of them using their status as Commonwealth citizens to emigrate to the United Kingdom, Australia or Canada. Their places, too, have largely been taken by newcomers from the Turkish mainland.

57. Although many Turkish Cypriots would be able to trace their ancestry to past generations of immigrants from Anatolia, a distinctly Turkish Cypriot identity has developed over the years. Turkish Cypriots generally adopt a more western and secular lifestyle than is followed in rural parts of mainland Turkey.⁹⁶ The term which is widely used

93 For example, in evidence to the Foreign Affairs Committee in 1986.

94 According to the Lordos study (p46), more than half of Greek Cypriots regard such a change as essential.

95 Q 36 [Savvides]

96 Ev 174 [Ahmet Djavit An]

to refer to mainland Turks who live in northern Cyprus is ‘settlers’, although many of them are migrant workers or others with no desire or intention of remaining permanently in Cyprus. For convenience, and for want of a more widely-accepted term, in this Report we refer collectively to Turks living in northern Cyprus who do not have citizenship of the Republic of Cyprus as ‘settlers’.

58. To Greek Cypriots, the Turkish settlers are illegal immigrants, many of whom have illegally occupied their homes, taken over their businesses, and developed their land, whereas all but a few of the most hard-line Greek Cypriots will now recognise Turkish Cypriots as fellow citizens, with full property and other rights. We consider that the legal logic of this position is undeniable (notwithstanding this, it is of course denied by many Turks and Turkish Cypriots). The Government of the Republic of Cyprus is regarded by all states other than Turkey as the legal embodiment of the state formed in 1960 by international treaty. Only that government has the right to confer, or to remove citizenship. The administration north of the ceasefire line on the island, although it has exercised *de facto* control over more than one third of the territory of the Republic of Cyprus for more than 30 years, does not have *de jure* powers. It cannot confer citizenship of the Republic of Cyprus; it can only confer ‘citizenship’ of a country which no state other than Turkey recognises.

59. As with the troops issue, there is both a practical consideration and a principle at stake here. On the practical side, many settlers are occupying land and buildings which fall to be returned to Greek Cypriots under the Plan. They will have to go somewhere, and Greek Cypriots suggest that they should return to Turkey. Under the Annan Plan, thousands of them would have had to do just that, although the precise numbers are disputed. The Plan caps the number of persons of Turkish origin who can be given citizenship of Cyprus at 45,000 and provides for curbs on immigration from Turkey and Greece for a period up to 19 years.⁹⁷ In his Report to the Security Council, the Secretary-General suggested that “about half” of the settlers (a number certainly to be counted in the tens of thousands) would have to leave the island.⁹⁸ In his retort to Mr Annan, President Papadopoulos suggested that all but a few thousand would be able to stay,⁹⁹ and the Cyprus Ministry of Foreign Affairs told us that “under the 2004 version of the Plan, 111,000 Turkish settlers were either entitled to UCR citizenship or to residence.”¹⁰⁰ The difference between the figures may be due partly to differing assumptions about what choice would be made by settlers offered the right of residence without citizenship.

60. The issue of principle is, as ever, more difficult to resolve. The corollary of the assertion by Mr Annan that thousands of settlers should return to Turkey is that thousands of those who remained would become citizens of the new Cyprus. Many Greek Cypriots find this difficult to accept: it alters the demography of the island; and it creates very close ties between a segment of the population and Turkey.¹⁰¹ They would agree with the conclusion

97 Annan Plan Article 3; see also Ev 59 [FCO] and HC Deb, 14 October 2004, col 366W

98 Report of the Secretary-General on his mission of good offices in Cyprus, UNSC document S/2004/437, para 60

99 Ev 85 [Cyprus High Commission]

100 Ev 116

101 See, e.g., Ev 276 [Lobby for Cyprus]

of the Council of Europe Parliamentary Assembly in May 2003 that “the presence of the settlers constitutes a process of hidden colonization.”¹⁰²

61. Typical of the submissions we received from Greek Cypriots was that of Lobby for Cyprus, which told us that the settlers “were deliberately and cynically despatched to Cyprus by Turkey to change the demographic composition of the island” and which called for removal of these “colonists.”¹⁰³ According to the Lordos study, three quarters of Greek Cypriots regard it as essential that as part of a settlement of the Cyprus problem more Turkish settlers should be obliged to leave the island, and well over half (63 per cent) also demand stricter limitations on future Turkish immigration.¹⁰⁴ The settler issue is thus one which appears to have caused many Greek Cypriots to vote against the Plan.

62. The related question, of whether Turkish settlers should have been allowed to vote in the referendum, is considered at paragraphs 73 to 80 below.

Financial and economic costs of implementation

63. When we visited Cyprus, we heard from some of those whom we met in the South that the Annan Plan was unfair in that its implementation would impose a high economic cost on Greek Cypriots. Not only would many Greek Cypriots lose part of the value of their homes, land or businesses in the North, but they would incur almost the whole cost of compensation for such unrecovered property and of rebuilding the infrastructure and reviving the economy in the areas returned to their administration.¹⁰⁵

64. Further, under the Annan Plan, the Greek Cypriot population would have borne 90 per cent of the cost of administering federal services of the United Cyprus Republic, despite constituting about 80 per cent of the population and holding only two thirds of the seats in the lower house of the legislature and half of the seats in the upper house. It is no surprise, therefore, to see in the Lordos study that 73 per cent of Greek Cypriots apparently regard a fairer distribution of costs as essential if they are to support a settlement, and that three quarters of them require Turkey to compensate them for the value of any property which cannot be recovered.¹⁰⁶

65. Once again, we see an obstacle to acceptance of the Plan which is both practical and principled. No-one wants to dip into their pocket if it can be helped, but neither do Greek Cypriots see why they should pay to put right a wrong which, so far as they are concerned, was created by the Turkish Army and has been exacerbated ever since by poor decisions by those in charge of the North’s economy, such as the use of the weak Turkish Lira as the currency, and a lack of investment. The fact that Greek Cypriots are on average three times wealthier than Turkish Cypriots¹⁰⁷ is not seen by them as sufficient reason for asking them to pay the bills for a reunification scheme which in any case delivers only part of what they seek.

102 CoE Doc 9799, para 6

103 Ev 276

104 Lordos study, p 50

105 Ev 116-7 [Cyprus MFA]

106 Lordos study, pp 48 & 49

107 CIA world factbook

The referendums of April 2004

66. Simultaneous referendums took place in both parts of the island on 24 April 2004. In the Turkish Cypriot area, 64.9 per cent of voters supported the Annan Plan; turnout was 87 per cent. In the Greek Cypriot area, 75.8 per cent of voters rejected the Plan, on a turnout of 88 per cent. Under the Plan's own terms, it was from that moment "null and void".¹⁰⁸ In this section, we examine the referendum campaigns in both communities.

The referendum in the South

67. The official referendum campaign lasted just over three weeks, but in the South of the island it effectively began months before. There has always been a strong element in Greek Cypriot political life which has rejected the very concept of a bi-communal (still less a bi-zonal) federation, believing that, as in many other countries, the rights of minorities should be protected in a strong, unified state. This element has never supported the basic premise of the Annan Plan and, as one of our witnesses observed, "the campaign for the 'No' started even before Mr Papadopoulos was President; it started from the very first day we had the first version of the Annan Plan."¹⁰⁹ A seemingly well-prepared and well-resourced 'No' campaign got under way as soon as the Plan was published. However, as Mr Annan noted in his report to the Security Council, supporters of the Plan could only start to sell it once its final shape was known, and "the 'Yes' campaign did not get up and running until the last 10 days before the referendum."¹¹⁰

68. In his broadcast to the Greek Cypriot people on 7 April, Mr Papadopoulos said that the Plan would "do away with our internationally recognised state exactly at the moment it strengthens its political weight, with its accession to the European Union" and called on them to give the Plan "a resounding No".¹¹¹ Three quarters of them did just that.

69. How did this result come about? Undoubtedly, as we have seen, the Greek Cypriots had (and still have) major and genuinely felt concerns about the terms of the Annan Plan, although those opposing the Plan were by no means in agreement as to why they were voting 'No'.¹¹² These concerns were shared, and even reinforced, by their political leadership. The President of Cyprus, most of the Greek Cypriot political leaders, the head of the Greek Orthodox Church in Cyprus and many other senior figures in the Greek Cypriot community campaigned openly and strongly for a 'No' vote. Even the political party AKEL, traditionally one of the most pro-settlement parties, after much discussion and a failed attempt to delay the vote, came out against the Plan, calling on the electorate to give it a 'soft No' (rejection now, to allow a better Plan to be accepted later). To former Turkish diplomat Özdem Sanberk, the answer to the question posed at the beginning of this paragraph was simple: "The failure of the Annan Plan, in my opinion, is the lack of the political will of the Greek Cypriot leadership, they did not speak up for the Annan Plan."¹¹³

108 Report of the Secretary-General on his mission of good offices in Cyprus, UNSC document S/2004/437, para 80

109 Q 5 [Savvides]

110 Report of the Secretary-General on his mission of good offices in Cyprus, UNSC document S/2004/437, para 67

111 See www.cna.org.cy/reviewen

112 *Cyprus Review*, vol 16 No 1, Spring 2004 [Michael Attalides]

113 Q 81

70. Lord Hannay agreed that there had been a long-standing failure on the part of Greek Cypriot leaders:

I do think that all Greek Cypriot politicians, and that includes President Clerides and his party, have some responsibility for the fact that they did not prepare opinion on their side of the island for the necessary compromises. For many, many years, Greek Cypriot politicians in every election had promised the sky, the moon and the stars to their electorate, that all Greek Cypriots would go back, all Turkish troops would be removed and all the settlers would be sent back to Turkey. If you read their election speeches, that is what they said. Then of course the Annan Plan appeared, and it did not quite say that, and nobody was ready for it.¹¹⁴

71. Meanwhile, the international community, accustomed to hearing a loud ‘No’ from the direction of the ‘presidential’ palace in north Nicosia, failed to turn its ear to the South. By the time the approaching ‘No’ was heard in New York, London and elsewhere, the argument was lost. As Dr Savvides put it, “one of the things that I think that the international community can be criticised on is that it focused so much on the Turkish Cypriot community leadership in fact, how to avoid the obstacle named Rauf Denktaş, that it ignored developments within the Greek Cypriot community.”¹¹⁵

72. Whether a more energetic campaign by the international community, especially the countries of the European Union, to market the Plan to Greek Cypriot voters would have succeeded is open to question—it could just as easily have backfired.¹¹⁶ What seems rather to have been the case is that those putting together the Plan were so aware of the need to avoid a ‘No’ vote in the North, that they put into it features which, in the context of unrealistically high Greek Cypriot expectations of what was achievable, made a ‘No’ vote more likely in the South. If this analysis is accepted, the outcome of the vote among Greek Cypriots was effectively already decided when the final text of the Plan was published on 31 March.¹¹⁷

The referendum in the North

73. To seasoned Cyprus-watchers, the ‘Yes’ result in the North was if anything a greater *volte-face* than the ‘No’ result on the other side of the Green Line, albeit a more welcome one. The elected leader of the Turkish Cypriot administration, Mr Talat, campaigned vigorously for a ‘Yes’; elder statesman Rauf Denktaş fought no less strongly for a ‘No’. The December 2003 ‘parliamentary’ elections had given Mr Talat and his pro-solution allies a shade over half of the votes, although post-election manoeuvres had robbed him of a majority in the Turkish Cypriot assembly. In the end, the views of the new generation of Turkish Cypriot politicians triumphed over those of the old. Lord Hannay felt that it was the lively political debate in northern Cyprus which was partly responsible for delivering such a strong ‘Yes’ in the referendum:

114 Q 46

115 Q 5

116 See Q 36 [Savvides]

117 See Ev 224 [Constantis Candounas]

... interestingly enough, on the north of the island, they were ready for it, because they had been having a tremendously lively debate for two years about whether or not they could trust Mr Denktash to negotiate in good faith and finally they had come to the conclusion, the majority amongst them and that was reflected in the huge demonstrations in Nicosia at the end of 2002 and the beginning of 2003, that he could not be trusted; and that they wanted to sign up to the Annan Plan and to join the European Union at the same time as the south.¹¹⁸

74. Much of the nervousness in advance of the referendum in the North was occasioned by uncertainty over how Turkish settlers in northern Cyprus would vote, given that one consequence of implementation of the Annan Plan was to be that thousands of settlers would have to leave the island. It is instructive, therefore, to look at the distribution of votes in the North.

75. According to figures provided to us by the Turkish Cypriot authorities, Turkish Cypriots (ie, Turkish Cypriot citizens of the Republic of Cyprus) were more supportive of the Plan than were Turkish settlers. The ‘TRNC’ told us that “the Iskele district, which is mostly populated by citizens who have acquired citizenship over the last 30 years, had the lowest percentage of Yes votes” in the North.¹¹⁹ Even in Iskele (Trikomo), however, well over half of those voting supported the Plan. In areas with relatively few settlers, the ‘Yes’ vote was higher—in North Nicosia, it was over 70 per cent.¹²⁰ The apparent majority ‘Yes’ vote among settlers can probably be explained in part by the fact that many thousands of them would have gained citizenship under the Plan; for those who had calculated that they would qualify for such citizenship, a ‘Yes’ vote must have seemed tantamount to a ticket to Europe.

76. To many Greek Cypriots, the question of how many settlers voted for the Plan and whether they swung the vote (clearly, they did not) is irrelevant—the point is that as illegal immigrants they should not have been allowed to vote at all.¹²¹ The Greek Cypriot leadership naturally raised this point with Mr Annan during the negotiating process, pointing out various precedents and legal opinions.¹²² In his ‘good offices’ report, the Secretary-General noted that the Greek Cypriot side had proposed that voting in the referendum should be limited to those who had Cypriot citizenship in 1963 and their descendants.¹²³ The report refers to the “apparent impracticability” of this proposal and that it would have required the Turkish Cypriots to accept the Greek Cypriot interpretation of the history of their island in the early 1960s. In the event, despite “persistent, repeated calls” by the Greek Cypriot side to disenfranchise the settlers, they were allowed to vote in the referendum.¹²⁴ As Lord Hannay put it,

118 Q 46

119 Ev 170

120 Ev 171

121 See paras 56 to 61

122 Ev 85 [Cyprus MFA]

123 Report of the Secretary-General on his mission of good offices in Cyprus, UNSC document S/2004/437, para 62

124 Ev 75 [Cyprus High Commission]

The voting rolls which existed for Turkish Cypriot parliamentary elections and Turkish Cypriot presidential elections were in existence and they were what they were. I think it was generally agreed, and indeed the Greek Cypriots knew all about this, that this was a valid basis on which to seek an opinion.¹²⁵

77. The arguments against allowing settlers to vote were undoubtedly strong. We acknowledge the force of the case made by the government of the Republic of Cyprus and we note that the electoral rolls in the North clearly include information on when voters attained 'citizenship'.¹²⁶ It would thus have been feasible to restrict the vote in the North to those born on the island, most of whom are Turkish Cypriot citizens of the Republic of Cyprus. Against this, however, it has to be remembered that the fate of the settlers, too, was being determined. Their right to remain on the island was at stake. Most of the settlers also consider themselves to be 'citizens' of the 'TRNC,' to which they pay their taxes and under whose laws they live. Their interests cannot, however, be ignored or dismissed.

78. We note in passing that Greek (or other) immigrants who have been given citizenship by the Republic of Cyprus are able to vote in elections or referendums in the South, but that Turkish Cypriot citizens of Cyprus who live in the South do not have the vote in elections. For this reason, electoral law in the Republic has been found to be discriminatory.¹²⁷

79. One way of dealing with Greek Cypriot objections to the participation of settlers in any future vote in the North might be to require a solution to be approved by a majority of Turkish Cypriots, as well as by an overall majority of those taking part. A referendum carried out on such a basis could be regarded as valid by all parties. Turkish Cypriot objections to releasing information on the origins of voters would have to be overcome, to allow such a referendum process to be observed and validated by outside monitors.¹²⁸

80. After careful consideration, we conclude that it was right that all those on the electoral roll in northern Cyprus were able to participate in the referendum held in April 2004, and we recommend that the same arrangements should apply in respect of any future referendum on a solution to the Cyprus problem.

125 Q 60

126 Ev 170 [TRNC]

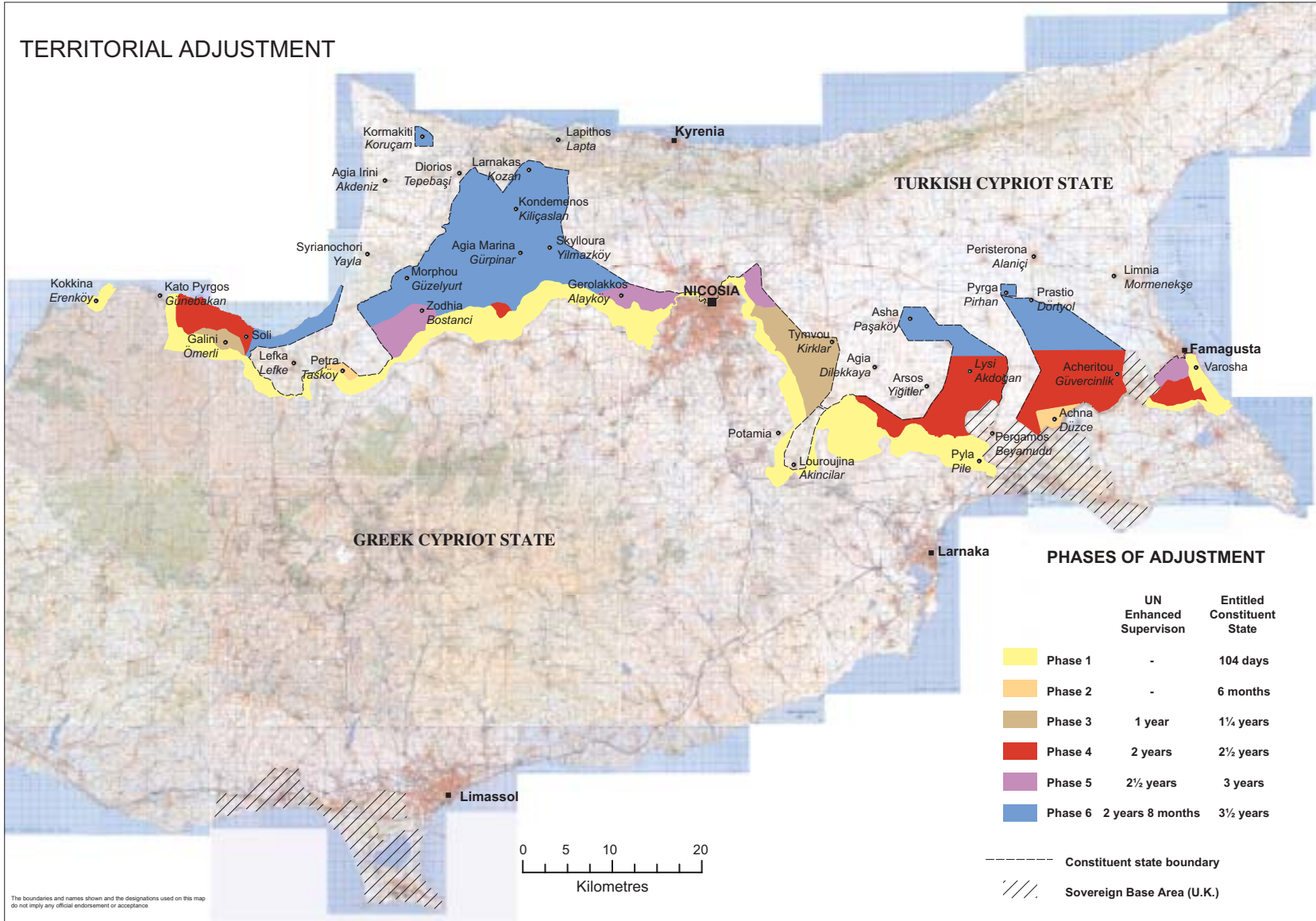
127 European Court of Human Rights judgment, *Aziz v Cyprus*, quoted in Ev 133 [Dr Claire Palley]

128 Ev 170 [TRNC]

TERRITORIAL ADJUSTMENT

Territorial adjustments under the Annan Plan

(Source: The Annan Plan)



Developments since the referendums

The 'good offices' report of the Secretary-General

81. On 28 May 2004, the Secretary-General of the United Nations published a report on his mission of good offices in Cyprus. Noting that his plan had been accepted by the Turkish Cypriot electorate by a margin of two-to-one, but rejected by the Greek Cypriot electorate by a margin of three-to-one, he concluded that the outcome of the referendums “represents another missed opportunity to resolve the Cyprus problem. ... There is no apparent basis for resuming the good offices effort while the current stalemate continues.”¹²⁹ The disappointment felt by the Secretary-General and his team is evident both from the content and from the tone of the document, and is entirely understandable.

82. The Secretary-General’s report provoked a remarkable response from President Papadopoulos. In a letter to Mr Annan dated 7 June, the President complained that parts of the report were “snide”, “offensive”, “ironic” and “sarcastic” and lambasted the UN’s “misguided negotiating tactics”, accusing it of acting with “undue haste”.¹³⁰ One thing Mr Papadopoulos’ letter ensured is that the UN will not be unduly hasty in seeking to revive its mission of good offices. Mr Papadopoulos appears to have replaced Mr Denktash as the man on Cyprus who says ‘No’. As Lord Hannay put it to us, “I am afraid to say that his [Mr Papadopoulos’] communications to the Secretary-General that I have seen in the last year bear a striking resemblance to those of Mr Denktash in the previous 30 years.”¹³¹

Political developments in the South

83. Following the referendum, Greek Cypriot politics have been characterised by much disagreement and recrimination, but there has been no fundamental shift in opinion. It must have been galling for Greek Cypriots, victims of an invasion by a militarily far superior foreign power in 1974, to find themselves portrayed as the wreckers of a deal which would have restored to them much—but not all—of their land, many—but not all—of their homes, and all of their international status. As Cyprus’s former High Commissioner in London, Michael Attalides, has observed, “The Cyprus Government and the Greek Cypriots have lost the moral high ground and the capital of good will accumulated with the international community from repeatedly being the side that had shown political will for solving the Cyprus problem.”¹³²

84. Most affected by the fallout from the referendum has been the major party on the left in south Cyprus, AKEL. Traditionally pro-settlement and with a history of talking and listening to moderate Turkish Cypriot politicians, AKEL has been undergoing what one of our witnesses described as “almost a crisis.”¹³³ Its decision to call for a “soft No” in the referendum has left it bearing a large part of responsibility for the Plan’s failure. We gained

129 Report of the Secretary-General on his mission of good offices in Cyprus, UNSC document S/2004/437, summary

130 Ev 76, 78, 80 [Cyprus High Commission]

131 Q 47

132 *Cyprus Review*, vol 16 No 1, Spring 2004

133 Q 7 [Savvides]

a sense when we were in Cyprus of a feeling that AKEL had misjudged the situation in April and was looking for ways of realigning itself, perhaps behind a modified Annan Plan. As the Minister for Europe suggested to us, “there were people [in AKEL] listening perhaps to the tom-toms in the undergrowth and no political party necessarily wants to be on the wrong side of a referendum vote.”¹³⁴ Such a political party is also likely to wish to be on the right side of a vote, when circumstances change. The challenge for AKEL, it was suggested to us when we visited the island, is to work for and to lead that change.

85. One question which many friends of Cyprus have asked themselves in the wake of the referendum in the South is, does Greek Cyprus really want a settlement? Anticipating that question, the Government of Cyprus told us “in the strongest possible terms, that Greek Cypriots ... rejected this particular Plan and not the solution of the Cyprus problem.”¹³⁵ But what sort of solution would Greek Cypriots have supported? As the real possibility of a bi-zonal federation loomed, many Greek Cypriots must have viewed with alarm the prospect of a formal end to the existence of the Republic of Cyprus as created in 1960. What many Greek Cypriots actually wanted, it was suggested to us, was a return to a strong, central state. They may still want it. In the words of Dr Brewin, “Mr Papadopoulos has been very consistent since his early beginnings as a leader of the struggle in wanting a proper sovereign state with minority rights for Turkish Cypriots, but he has never taken the view that this should mean that they should have an equal power in the state.”¹³⁶ It is our view that the actions and inactions of the present Greek Cypriot political leadership are entirely consistent with a strategy designed, over time, to achieve a unitary state and to avoid a bi-zonal solution. Such a strategy would be predicated on full membership of the EU (now achieved), continuing the isolation of northern Cyprus and placing the onus on Turkey to reconcile its EU aspirations with its stance on the Cyprus problem, thus achieving for Greek Cypriots a more attractive solution than UN-sponsored negotiations could ever produce.

86. The Lordos study of Greek Cypriot public opinion asked one thousand Greek Cypriots to choose their preferred model for the future of Cyprus. Very slightly fewer than half of the sample opted for a unitary state as their “ideal solution”, and only 16 per cent opposed it.¹³⁷ If this survey, which we understand was conducted in full conformity with accepted standards for such exercises, is accurate, it suggests a degree of attachment among Greek Cypriots to the unitary state model which the supporters of any revised plan incorporating a bi-zonal solution will have to work hard to overcome.

87. However, the picture may not be so bleak as it appears. The same survey also found that, although only 14.7 per cent of Greek Cypriots would regard a bi-zonal solution as an ideal solution, almost 70 per cent of them would tolerate it.¹³⁸ Thus, there appears to be an acceptance on the part of most Greek Cypriots that a bi-zonal solution is the most likely outcome. What is far from certain is whether the present Greek Cypriot political leadership shares that view; we suspect they do not.

134 Q 191

135 Ev 89 [Cyprus MFA]

136 Q 5

137 Lordos study, p 15

138 *Ibid*

Political developments in the North

88. In October 2004, the minority administration of ‘prime minister’ Mehmet Ali Talat, who had campaigned strongly in favour of the Annan Plan, resigned as it became apparent that there would be no early ‘reward’ for Turkish Cypriots’ support for the Annan Plan and some of his supporters defected.¹³⁹ Mr Talat, whom we met during our visit to Cyprus, has remained in office pending elections, which are to be held on 20 February. There have also been suggestions in the press that he will stand for ‘president’ in further elections, due in April.¹⁴⁰ The current incumbent, Rauf Denktash, has announced that he will not seek re-election, although neither does he intend to retire from politics.¹⁴¹

89. Michael Attalides suggested that Rauf Denktash “seems to have been moved to the sidelines”,¹⁴² although his voice is surely loud enough to be heard from there. However, his influence on Turkish Cypriot—and, perhaps more significantly—on Turkish public opinion is likely to remain strong. Mr Denktash is the most prominent rejectionist in the North, but he is far from alone. The National Unity Party (UBP), founded by Mr Denktash, is the main right-wing political grouping in northern Cyprus and has been in power for most of the past 30 years. It opposed the Annan Plan on the basis that it would have resulted in economic domination of the North by Greek Cypriots. Echoing comments by rejectionist Greek Cypriots about the Plan’s alleged lack of ‘functionality’, the UBP also told us that the Plan would have been unworkable in practice “even with goodwill and tolerance on both sides.”¹⁴³

90. Professor Clement Dodd, who is close to a number of leading Turkish Cypriot politicians, has concluded that “There would seem to be little profit in persisting with the Annan Plan.”¹⁴⁴ His view reflects a tendency among influential figures in the North to see a bi-zonal solution of the Cyprus problem as being against the interests of Turkish Cypriots. This tendency supports a Turkish Cypriot state which is either independent or in a very loose confederation with a Greek Cypriot state and which has a continuing close relationship with Turkey. The political resurgence of the UBP since the referendum may be evidence that this view is gaining ground among Turkish Cypriot voters. According to Professor Dodd, “it is now difficult to see an alternative to a two-state solution.”¹⁴⁵ If this is so, it underlines the extent of the opportunity missed last April.

91. It is clear that the continued support of Turkish Cypriots for a solution based on the Annan Plan cannot be taken for granted. The results of the ‘parliamentary’ elections in the North on 20 February will be the best indication of the extent to which Turkish Cypriots remain convinced that a bi-zonal solution is both a realistic and a desirable goal.

139 Ev 222 [Professor Dodd]

140 For example, in *Milliyet* on 22 January 2005.

141 In an interview with the Turkish News Agency TAK on 14 May 2004.

142 *Cyprus Review*, vol 16 No 1, Spring 2004

143 Ev 263

144 Ev 220

145 Ev 221

Conclusion

92. During our visit to Cyprus, we were warned by almost every Greek Cypriot we met not to support international moves to end the isolation of the Turkish Cypriot community. The reasoning behind this was that, once Turkish Cypriots have the economic benefits of direct trade with and travel to the rest of Europe, they will cease to have any incentive to support a political settlement on the island. This is the counterpart of the argument used by Turkish Cypriots in the years leading up to Cyprus's accession to the European Union, that Greek Cypriots would have no incentive to resolve the island's problems once they had achieved for themselves the benefits of membership of the EU.

93. We do not believe that either of these theories holds true for the majority of Cypriots. On the contrary, we believe that most people in both communities on Cyprus, well educated and economically literate as they are, realise very well that all Cypriots stand to gain from a politically and economically secure united state of Cyprus which is within the EU. We certainly gained the impression that most Greek Cypriots, although now enjoying the benefits of EU membership, remain convinced of the need for a settlement of their island's problems; and our discussions with Turkish Cypriot politicians and business people persuaded us that they, too, see the bigger picture. Together, both communities can achieve so much more than they can apart.

94. However, there can be no perfect solution, no magic formula which delivers all the demands of both communities. Greek Cypriots and Turkish Cypriots alike will need to make concessions if a workable, lasting settlement is to be achieved. Their leaders will have to show qualities of statesmanship which have not been apparent thus far and to demonstrate their commitment to whatever settlement may be agreed, by campaigning for a resounding 'Yes'.

95. Michael Attalides has written that Cyprus now finds itself in the "third space" of the European Union, a place where the atmosphere may be more conducive to a settlement than on Cyprus itself, or even the United Nations.¹⁴⁶ In the next Chapter, we consider the Cyprus problem in relation to the EU and the prospects for agreement on aid to and trade with the North of the island.

The European Union dimension

Cyprus and the EU

96. Cyprus's path to membership of the European Union began in 1973 with the signing of an association agreement with the European Community. The events of the following year meant that her journey to the EU was to take longer than had been anticipated. A customs union was eventually signed in 1987 and in 1990 Cyprus's formal application for EU membership was accepted. In 1995, approval was given for the accession process to get under way, with or without a solution to the Cyprus problem, as part of a deal to bring in ten new members and advance Turkey's EU aspirations, Greece giving up her long-running veto against the establishment of a customs union with Turkey.

97. Christopher Brewin explained: "To end a period of really bad relations with Turkey, the EU paid the asking price for lifting the Greek veto on moving to the final stage of lifting the customs union with Turkey. As that price was allowing Cypriot accession talks without a prior settlement, this required the EU to ignore the first Copenhagen requirement."¹⁴⁷ Professor Clement Dodd summarised the compromise as, "Eastern enlargement was more important than settling the Cyprus issue."¹⁴⁸ When formal negotiations commenced in 1998, Turkish Cypriot representatives were invited to join discussions as part of the Republic of Cyprus team, but declined to do so.¹⁴⁹

98. Accordingly, in December 1999 in Helsinki, the Council confirmed that Cyprus's accession would "be made without [a solution] being a pre-condition"¹⁵⁰ The Copenhagen Council of December 2002 concluded that Cyprus would be admitted to the European Union and that in the absence of a settlement, the application of the *acquis* to the northern part of the island would be suspended.¹⁵¹ Thus, when the divided island formally became a member of the European Union on 1 May 2004, the Union's laws were duly suspended in the North.

99. Since May 2004, the Republic of Cyprus has held an important advantage as a voting member of the European Council. This can only have strengthened the hand of President Papadopoulos in calling for a 'No' vote on the Annan Plan: "Shall we do away with our internationally recognised state exactly at the very moment it strengthens its political weight with its accession to the European Union?"¹⁵² On the other side of the Green Line, Rauf Denktaş has claimed that "Repeated statements to the effect that Cyprus would be accepted as an EU member, whether there was an agreement or not, fed the intransigence of the Greek Cypriot side."¹⁵³

147 Ev 5

148 Ev 220

149 Ev 62 [Mirel]

150 *Ibid*; Q228 [Mirel]

151 Available at www.moi.gov.cy

152 President Papadopoulos, television address to Greek Cypriot voters on 7 April 2004

153 Ev 138

100. In an apparent bid to obtain concessions from Ankara ahead of the December 2004 EU summit, when a decision on Turkey's entry was to be made, President Papadopoulos described his country's newly-acquired veto as "a weapon we have in our hands."¹⁵⁴ He also claims to have plenty of ammunition, with no fewer than 64 opportunities to block Turkey's accession: one at the beginning and one at the end; and two for each of the 31 technical chapters.¹⁵⁵

101. Talk of using the veto so soon after joining the club may be unpopular, but there is also some evidence to suggest that, since entering the European Union, the government of Cyprus's actions have been less than wholeheartedly communitaire. The spirit of cooperation, the big picture which was the impetus behind European enlargement, seems to be lacking. For example, the Republic of Cyprus, which has successfully claimed to represent all the people of the island, has appointed only one Turkish Cypriot to its representation in Brussels.¹⁵⁶ Cyprus has also blocked the EU's direct trade proposal, which we discuss in detail below. Commenting on Cyprus's obstruction of the financial aid and trade proposals, Dr MacShane, said: "We have not found a solution and it would be perfectly fair to say that, in my judgment, the officials of the Republic of Cyprus are not working with us to find a solution."¹⁵⁷ Christopher Brewin was of the opinion that "the European Union has to get a grip on it."¹⁵⁸

102. Former senior Cyprus diplomat Michael Attalides, whom we met while in Cyprus, has written that

Being a member of the European Union is extremely important and pregnant with potential. But this potential is not realizable as an automatic outcome of the legal fact of membership. The legal fact of membership needs to be complemented with the full practice of membership in all fields of EU activity. The fruition of the legal fact of membership will only come through building up political capital for Cyprus within the EU, forming internal alliances or, simply put, making friends and influencing people.¹⁵⁹

Mr Attalides continues

In [the EU's] political culture nationality and cultural diversity are sacred, but nationalism is rejected. Basic citizens' rights are paramount and continually widened, but compromise is also valued. Democratic values are a sine qua non, but democracy is not always interpreted as strict numerical proportionality. The effort to reach unity in diversity leads to a situation where exclusion, xenophobia and prejudice are combated and the normal conduct of business involves accommodation of opposing views, painstaking efforts towards consensus, pragmatic implementation of principles, and tolerance of cumbersome decision making processes.¹⁶⁰

154 *Financial Times*, "Cyprus refuses to rule out Turkey EU membership veto", 12 October 2004.

155 Comment by Quentin Peel, *Financial Times*, 23 December 2004

156 Ev 5 [Brewin]

157 Q 125

158 Q 30

159 *Cyprus Review*, vol 16 No 1, Spring 2004

160 *Ibid*

This is wise advice for any new member of the EU, and particularly for Cyprus. It would be a great mistake for Cyprus to see membership of the EU in terms of gaining leverage over Turkey or over Turkish Cypriots.

103. We conclude that there is as yet little evidence that the Republic of Cyprus has fully taken on board that its membership of the EU involves obligations, as well as opportunities. We recommend that the Government work on a bilateral level, and with its European partners, to encourage Cyprus to adapt to European Union values and methods of working.

Ending the isolation of the North

104. There is no doubt that northern Cyprus is isolated. As we discuss in greater detail below, direct travel from the United Kingdom and almost every other country to ports and airports in the North is impossible. Opportunities for trade are similarly constrained. Residents of northern Cyprus who are not also citizens of the Republic of Cyprus or of another EU country cannot even visit the South of the island. The consequences of this isolation are obvious to any visitor to the island who travels to both sides of the Green Line. Turkish Cypriots are poorer than Greek Cypriots; they drive older cars, on less well-maintained roads; their economy and infrastructure are less developed.

105. Turkish Cypriots blame their relative lack of prosperity on the ‘embargo’ operated against them by other countries, at the insistence of the internationally-recognised government of Cyprus. Greek Cypriots point to mismanagement of the economy of the North, including use of the Turkish Lira, and place responsibility on those Turkish Cypriot leaders who, with the encouragement of Turkey, chose ‘independence’.

106. It is certainly worth recalling that even after 1974 northern Cyprus was quite free to trade directly with countries of the European Community, until it chose unilaterally to declare independence. As Lord Hannay reminded us,

... the north had every right to trade with the European Union; unfortunately they destroyed it, on a technicality (their ability to do so) by declaring their independence and thus invalidating all the stamps and seals which they used to show that the goods had been properly inspected and so on, so it was a self-inflicted wound by the Turkish Cypriots, by Mr Denktash’s policy of pursuing status rather than pursuing a settlement. But I do not think we should forget that the European Union’s original purpose in signing the customs union with Cyprus was that all Cypriots, Greek and Turkish, should benefit from free trade and the customs union.¹⁶¹

However, we see nothing to be gained now from an apportionment of blame for past mistakes. Our purpose in the sections below is to consider the difficulties which have arisen in respect of current proposals for ending the isolation of Turkish Cypriots, and ways of resolving them.

The Green Line Regulation

107. Just days after the referendums, on 29 April 2004, the European Council approved a Regulation which established rules for the crossing of goods and services across the Green Line.¹⁶² Under the Regulation, Turkish Cypriots are able to export their goods through the port of Larnaca in the South, and to trade directly with Greek Cypriots.

108. The Regulation applies both to products which originate wholly in northern Cyprus, such as agricultural produce, and to finished products, such as furniture. It is not intended to apply to products which have been imported illegally (as the Republic of Cyprus would argue) through ports in the North. The EU Council of Ministers has been given legal advice that the Regulation's application to finished products is intended to relate only to products which have already crossed the Green Line from South to North in an unfinished state, and which are then finished in the North for return to the South.¹⁶³

109. Volumes of trade across the Green Line, initially very small, have started to pick up. In the first week of December 2004, the value of goods traded across the line—mainly agricultural produce—exceeded the value for the entire month of October. The European Commission told us that “Between 23 August 2004 (when the Green Line Regulation became fully operational as regards trade) and 31 December 2004, goods worth approximately €475,000 crossed the line. Meanwhile the main products are vegetables (38% in total; 50% of the December crossings) followed by paper (16%) and furniture (10%).”¹⁶⁴ Although volumes remain low, it seems there is every prospect that they will increase further, especially if operation of the Regulation is improved and if confidence among business people increases.

110. It was the Turkish Cypriot side which took the initiative, in April 2003, to open the Green Line. It is disappointing, therefore, that they have not yet reached agreement on proposals made in July 2004 by the Greek Cypriot side to open further crossing points.¹⁶⁵ During our visit to Cyprus we heard that there are currently only four crossings along the entire length of the Line, which has meant that at busy periods queues of people form.¹⁶⁶

111. It is also disappointing that the Turkish Cypriot authorities continue to impose an almost complete ban on the movement of goods from South to North. This lack of symmetry in the operation of the Regulation lends credence to claims that Turkish Cypriots are being protectionist, and that they fear successful intra-island trade will undermine their case for direct trade with other countries.¹⁶⁷

112. Although some restrictions imposed by the Greek Cypriot authorities have been lifted, others remain. For example, Mr Mirel told us that “One of the issues we are trying to convince the Republic about is to allow truck drivers, taxi drivers, from the north to move goods into the south, otherwise the Green Line regulation does not mean anything.”¹⁶⁸ In

¹⁶² Council Regulation 866/2004

¹⁶³ Doc 11874/04, 25 August 2004

¹⁶⁴ Ev 71 [Mirel]

¹⁶⁵ *Ibid*

¹⁶⁶ See also Ev 245 [Andrew Dismore MP]

¹⁶⁷ *Ibid*

¹⁶⁸ Q 269 [Mirel]

October 2004, in an interview with the Turkish press, Mr Talat complained that the Greek Cypriot authorities were “searching in detail every car, the cars of tourists, taxis and lorries. They are imposing very high insurance fees and assuming a deterrent attitude”.¹⁶⁹ The Ministry of Foreign Affairs in Nicosia told us that

On 30 July 2004, the Government announced further supplementary measures in order to facilitate the movement and transport of Turkish Cypriots and their goods. As such, the Government decided on the amendment of the relevant legislation, so that public service vehicles owned by Turkish Cypriots are allowed to cross the line, loaded with persons or products, as appropriate. Such vehicles include:

- trucks to transport goods for own account;
- trucks to transport goods for hire or payment;
- tourist buses and coaches; and
- taxis owned by Turkish Cypriots.¹⁷⁰

However, the MFA neglected to tell us that they continue not to recognise driving licences issued in the North. In practice, therefore, few Turkish Cypriots are able to drive their trucks, buses or taxis across the Green Line.

113. The EU has been seeking to remove some of the other restrictions and in November 2004 made a series of specific proposals. These would allow trade in animals and animal products, easier movement of agricultural goods and relaxation of restrictions on goods for personal use.¹⁷¹ The proposals were discussed in working groups of officials with a view to their adoption at a meeting of the Council of Ministers in December. However, on 7 December Cyprus requested a delay, and then remittance of the proposals to the Council of Permanent Representatives (COREPER). This manoeuvre has effectively stalled the measure.

114. We consider that intra-island trade can only be a good thing: it has the potential to increase the prosperity of Greek and Turkish Cypriots alike; and it will break down barriers of mistrust and dislike. We agree with Lord Hannay that “if you freed up trade both on the island and between the island and the European Union, you would get a lot of prosperity for the Greek Cypriots too because the Turkish Cypriots are going to buy a lot of Greek Cypriot services if there is a freedom of trade on the island, so I think, as I keep saying, it is not a zero-sum game; it is a game in which the cake can get larger.”¹⁷² It is therefore deeply unfortunate that, in the circumspect words of the European Commission’s spokesman, “Neither side has taken concrete measures to improve the operation of the Green Line Regulation.”¹⁷³

169 *Turkish Press.com*, ‘Turkish Republic of Cyprus: There are serious problems with EU,’ 7 October 2004

170 Ev 121

171 Ev 71 [Mirel]

172 Q 54

173 Ev 71

115. We are greatly disappointed that it has so far proved impossible to gain agreement on the modest but important proposals to improve the operation and usefulness of the Green Line Regulation on intra-island trade. We recommend that the United Kingdom work closely with the Luxembourg presidency to secure early implementation of these changes and to streamline procedures for making further amendments. We further recommend that the EU should take steps to bring in genuinely free trade, with traders in the South of the island being free to move goods and products across the line to the North.

Aid to the North

116. Two days after the referendums, the EU General Affairs and External Relations Council agreed that failure to achieve a settlement should not detract from the need to assist the North, though by no means was this to be construed as recognition of the 'TRNC'.¹⁷⁴ In 2002, the European Council had set aside €259 million to help northern Cyprus and the Council now invited the Commission to develop comprehensive proposals for disbursement of this sum, with particular emphasis on the economic integration of the island and on improving contact between the two communities and with the EU. On 7 July, the Commission brought forward "A regulation establishing financial support for the economic development of the Turkish Cypriot community and for improving contacts between the two communities." The Regulation was to place "particular emphasis on alignment with EU legislation and policies, reconciliation and confidence building measures, social and economic development, development of infrastructure and people to people contacts."¹⁷⁵

117. Christopher Brewin gave us an example of the sort of project which could be funded under the aid package and which would prepare the way for implementation of a settlement.

So the money for Turkish Cyprus is for building houses north of Morphou for Turkish Cypriots to leave Greek houses now in preparation for a settlement. At the moment the aid is entirely around pre-accession kinds of things with feasibility studies. If the Turkish Cypriots actually had to build houses in anticipation of a settlement, which they will have to do when the Greeks go back into their properties, this would be a really positive signal that we expect a settlement and the EU could do that.¹⁷⁶

We agree that a shift in focus from feasibility studies to tangible preparations for a new state of affairs in Cyprus would be entirely appropriate. Others, however, have pointed out that the funds could be spent in ways which would make matters worse.

118. Lobby for Cyprus was concerned that aid might be used to improve properties which rightfully belong to Greek Cypriots (and thus, under the terms of the Annan Plan, make it more difficult for these owners to reclaim them). To guard against this, the Lobby urged

174 European Council decision of Foreign Ministers Conclusions' statement of 26 April 2004

175 Proposal for a Council Regulation establishing an instrument of financial support for encouraging the economic development of the Turkish Cypriot community (COM(2004)465, later amended as COM(2004)696)

that all funding should be channelled through the Republic of Cyprus authorities.¹⁷⁷ In discussing this point before us, Dr MacShane said that “the Government of the Republic of Cyprus, is arguing that it should have a particular interest in how [aid] is disbursed just as other Member States like to ensure that money from Brussels does not flow to areas and projects over which it has no say. We believe that it should be disbursed directly in the North. This is an area of continuing discussion.”¹⁷⁸ Speaking two weeks later, the European Commission’s Mr Mirel told us that

... after very lengthy discussions on the proposal, we have now full agreement, including the Republic of Cyprus, whereby this aid package could be used for the north—that would be implemented directly by the European Commission—but actually we would use the European Agency for Reconstruction which we have set up for the Western Balkans, which is a very experienced body to implement this type of programme, and they would open an operational centre in Cyprus. There is full agreement on this idea.¹⁷⁹

119. We welcome this agreement on the mechanics of delivering the aid. However, the €259 million has been a long time coming, and it has yet to arrive. Although we gained the clear impression when in Cyprus that Turkish Cypriots see the aid regulation as being a good deal less urgent or important than the direct trade regulation, the fact remains that this money could go some considerable way towards preparing northern Cyprus for what we hope will be its early integration into the EU.

120. Delay has occurred because the British Government and the Dutch presidency have treated the aid regulation and the direct trade regulation as a package of measures aimed at ending the isolation of the Turkish Cypriots, while the Government of Cyprus, on the other hand, supports the aid regulation but not the trade regulation. Cyprus’s High Commissioner in London told us that

... certain third countries, including the United Kingdom, have refused to cooperate in a constructive manner, in reaching an agreement on the text of this [the financial aid] regulation holding it, in a manner of speech, ‘hostage’ to agreement being achieved on the so-called draft regulation on ‘direct trade’. This conditionality in fact is what held up the implementation of the draft regulation on ‘financial support’ and not any prevarication on the part of the Republic of Cyprus.¹⁸⁰

121. The United Kingdom has indeed been at the forefront of the policy of linking the aid and trade regulations, and that linkage has undoubtedly been one factor in the delay in approving them. On the other hand, Dr MacShane said in evidence “I will not hide from the Committee my view that the British Government feels there has not been enough operational support from the Government of Cyprus to give effect to the clear wish of the European Union as a whole.”¹⁸¹

177 Ev 275

178 Q 141

179 Q 242

180 Ev 88

181 Q 153

122. We regret that valuable aid for the people of northern Cyprus is being held up by political and procedural disputes within the EU. We recommend that the Government use its good offices to persuade all parties to remove the remaining obstacles to disbursement of this aid.

Direct trade with the North

123. On 7 July 2004, the European Commission proposed to the Council of Ministers “A regulation to facilitate direct trade from the northern part of Cyprus. The proposal offers a preferential regime for products originating in the North, entering the Customs Territory of the European Union. It is proposed that the preferential regime should take the form of a tariff quota system which would be established to encourage economic development while avoiding the creation of artificial trade patterns or facilitating fraud.”¹⁸²

124. The legal basis of the draft regulation proposed by the Commission is Article 133 of the Treaty of Rome, which allows for decision by qualified majority voting. We were told by the former constitutional adviser to the President of Cyprus that the United Kingdom was instrumental in seeking a legal basis which would avoid the need for unanimity, and thus rule out any possibility of a Cypriot veto.¹⁸³ Article 133 deals with trade with third countries, whereas northern Cyprus is of course part of the EU, although the *acquis* is suspended in the North. The government of Cyprus therefore regards the proposed use of Article 133 as “legally wrong and politically questionable.”¹⁸⁴

125. The Cyprus High Commissioner in London invited us to take note of a legal opinion given by the legal service of the Council of Ministers.¹⁸⁵ This opinion points out that Article 133 has previously been used to regulate aspects of trade with territories which are outside the Community customs territory and cites Gibraltar as an example. The legal service suggests, however, that by passing the draft regulation the Council would effectively be partially ending the suspension of the *acquis* in northern Cyprus, a decision which would require unanimity. The service concludes that Article 133 cannot, therefore be used as the legal basis for the draft regulation, unless the Council has first decided unanimously in favour of a partial withdrawal of the *acquis*.

126. The legal service of the Council also considered the question of whether direct trade would imply recognition of the ‘TRNC’. In this case, the service was of the opinion that the matter could be clarified by appropriate wording in the regulation. However, it stopped short of sanctioning the draft regulation’s provision for the Commission to designate a competent authority to implement the regulation in the North, asserting that this must be subject to the consent of the government of Cyprus.¹⁸⁶

127. We asked the European Commission’s witness to comment on the legal opinion. Mr Mirel confirmed that the Commission is very firmly committed to legislating under Article

182 Proposal for a Council Regulation on special conditions for trade with those areas of the Republic of Cyprus in which the Government of the Republic of Cyprus does not exercise effective control (COM(2004)466)

183 Ev 130-1

184 Ev 88

185 Doc 11874/04, 25 August 2004

186 *Ibid*

133 and told us, “if we had to go before the court, I am sure we would win.”¹⁸⁷ Christopher Brewin, author of *The European Union and Cyprus*, felt that the legal opinion, although “powerfully” argued, made “little sense.” He speculated that “political pressures from Greece and the Republic of Cyprus” were at work.¹⁸⁸ On the other hand, Philippos Savvides thought that “if you take it to the extreme on shaky legal grounds, so that you force the Papadopoulos government to take the Commission or the EU to court, you risk a decision most likely against the Commission.”¹⁸⁹ At the time of writing this Report (January 2005) the legal position remains unresolved.¹⁹⁰

128. There is of course also a significant political aspect to the direct trade issue. The Cyprus Ministry of Foreign Affairs told us that “the so-called ‘direct trade’ is purely a political reward for the Turkish Cypriots, not justified by economic considerations.”¹⁹¹ The Cyprus MFA believes that direct trade would lead to “the creeping or overt recognition of the secessionist entity in the north.”¹⁹²

129. Those of us who visited Cyprus found that although there was a great diversity of views among Greek Cypriots about many aspects of the Annan Plan and related issues, there was almost complete unanimity on the direct trade issue. Across the political spectrum, opinion among Greek Cypriots is very firmly that moves to ‘end the isolation’ of Turkish Cypriots will backfire, making a settlement less rather than more likely. The Cyprus Ministry of Foreign Affairs stated that direct trade “would help to solidify and deepen the division of the island, and would give a political message to the Turkish Cypriots that they do not need to cooperate with the Greek Cypriots.”¹⁹³

130. Similar fears were expressed by Philippos Savvides

I think yes indeed that I am all in favour of helping the Turkish Cypriots improve their social and economic life and I do think that the European Union is in the process of doing that and I have no problem with this process. My only concern is not to take measures and not to make gestures which would solidify the status quo, which would create, as I wrote in an article, another Taiwan in the Mediterranean. We do not want something which is not recognised, which has economic and other relations with countries, which will solidify and cement the partition: we want to help to unify the island.¹⁹⁴

131. Although sympathetic to the need to assist Turkish Cypriots to improve their standard of living, Michael Attalides believes that the direct trade proposal “may prove to be counterproductive” and “could have further, probably unintended consequences ... leading towards the normalization or reinforcement of partition.”¹⁹⁵ Similarly, Friends of

187 Q 247

188 Ev 4

189 Q 37 [Savvides]

190 Ev 71 [Mirel]

191 Ev 120

192 Ev 122

193 Ev 120

194 Q 28

195 *Cyprus Review*, vol 16 No 1, Spring 2004

Cyprus told us that direct trade as proposed by the Commission would be “totally counterproductive.”¹⁹⁶

132. The other point of view was represented by Özdem Sanberk. He called for “the opening of trade and transport and also empowering the equal rights of the Turkish Cypriots. If that happens the process of rapprochement will start and the elements of mistrust will diminish. I think this is crucial; I cannot stress more the importance of starting direct trade and direct transport and furthering the equal rights of the Turkish Cypriots.”¹⁹⁷

133. Mr Sanberk’s position was echoed by Lord Hannay, who told us

... there are many arguments being put forward by the Government of Cyprus to the effect that it would be a bad thing to resume trade from the north to the European Union because this would consolidate the separation of the island. My own view is that that is very counter-intuitive. I think that if trade from the north were resumed, this would help what is an absolutely essential feature of the reuniting of the island which is to narrow the gap between the economic prosperity of the north and the economic prosperity of the south.¹⁹⁸

134. We certainly do not discount the strong misgivings of Greek Cypriots about the direct trade proposals, which were very forcibly expressed to us in Cyprus, and we have considered them at length and with care. We are concerned, however, that whether intended or unintended, the consequences of a failure to agree the proposals would be to consign Turkish Cypriots to continuing poverty and to place pro-solution politicians in northern Cyprus under possibly unbearable strain. Neither do we believe that direct trade will diminish the desire of Turkish Cypriots to experience the other benefits of EU membership—on the contrary, we believe that experience of direct trade and contact with the rest of Europe will provide Turkish Cypriots with an even greater incentive than before to seek an overall solution to the Cyprus problem, so that they can achieve the potentially substantial economic and political benefits which go with it. In our view, direct trade should hasten a solution, not prevent one.

135. Writing to our Chairman in May 2004, Foreign Secretary Jack Straw stated that “steps should be taken quickly to end the isolation of Turkish Cypriots.”¹⁹⁹ His statement was one of many at the time, including those by the Prime Minister,²⁰⁰ by the UN Secretary-General,²⁰¹ by Secretary of State Powell²⁰² and by the European Union.²⁰³ In September, the FCO told us that it wished “to see fully effective regulations on trade and aid implemented as soon as possible.”²⁰⁴ However, as the anniversary of their vote in favour of a

196 Ev 198

197 Q 76

198 Q 49

199 Ev 34

200 In Ankara on 17 May 2004.

201 In his Report to the UN Security Council of 28 April 2004.

202 During a press conference on 25 May 2004.

203 EU Foreign Ministers’ statement, 26 April 2004.

204 Ev 37

comprehensive settlement approaches, Turkish Cypriots are still waiting, and with diminishing confidence, on those who have promised them an end to isolation.²⁰⁵ **We conclude that undertakings given to Turkish Cypriots by the international community must be honoured. We recommend that the Government do more to turn its words into action, by working with the Luxembourg presidency of the EU to remove obstacles to direct trade with and travel to northern Cyprus, and that it encourage the wider international community to do the same.**

136. Trade of course takes place through ports and airports. We now consider the legal and political ramifications of how this can be achieved.

Opening up the airports of the North

137. Cyprus has a number of well-appointed airports. The former international airport at Nicosia is in no-man's land and is no longer operational. It has the potential, however, to accept traffic once again, if agreement can be reached. In the South, there are commercial airports at Larnaca and at Paphos. In the North, the main airport is at Ercan (Tymbou), with a well-appointed diversion airfield available at the military airbase at Gecitkale (Lefkoniko). The British forces airfield at Akrotiri in the South is not normally open to civilian traffic.

138. The legality of international flights is governed by the Chicago Convention on International Civil Aviation. Different countries implement the Convention in different ways. The United States, for example, has entered into open skies agreements with a range of countries, and the FCO told us that under these agreements it is possible for flights originating from one of those countries (such as Turkey) to stop off *en route* at an airport in another country (which could be Cyprus) “without permission from the US authorities provided the intermediate airport meets US security standards.”²⁰⁶ American federal aviation authorities have apparently inspected Ercan (Tymbou) airport in northern Cyprus, but no scheduled flights have yet taken place.²⁰⁷ According to the FCO, “The US Government has not yet made a policy determination on the issue of direct flights to northern Cyprus.”²⁰⁸

139. The European Union has an open skies policy but (as we have pointed out in our Reports on Gibraltar) this does not cover airports in territories where the *acquis* is not fully in force, such as northern Cyprus.²⁰⁹ According to the FCO, “EU operators wishing to fly to the north therefore need a route licence and to file flight plans with the relevant authorities in accordance with the appropriate national legislation. ... The Commission have made clear they consider flights to the north as primarily an issue for national governments and do not plan any initiatives themselves.”²¹⁰

205 See, eg, Ev 215 [Embargoed!]

206 Ev 59

207 US State Department spokesman Richard Boucher, 21 October 2004, available at www.state.gov.

208 Ev 59. See also comments by State Department spokesman Richard Boucher on 25 January 2005, *ibid*.

209 Ev 58 [FCO]

210 *Ibid*

140. The United Kingdom's implementation of the Chicago Convention does not allow for intermediate stops in the way that the Americans' does. The Convention is applied in the United Kingdom by Air Navigation Orders issued under Section 60 of the Civil Aviation Act 1982. At present (February 2005) an operator wishing to fly between the United Kingdom and northern Cyprus is obliged to file a flight plan to Turkey. The aircraft must land in Turkey under the terms of the permit. Such aircraft remain on the ground in Turkey for about 45 minutes before they take off again and fly to Cyprus, operating under a different permit, issued by the Turkish authorities. About 50 flights per week perform this two-part movement.

141. We received many letters from exasperated Turkish Cypriots and expatriate Britons, calling for direct flights. Clearly, anyone travelling between the United Kingdom and northern Cyprus must find it inconvenient and tiresome to have to stop off in Turkey, although since the Green Line restrictions were eased most travellers have had the alternative option of flying direct to southern Cyprus and then crossing to the North.

142. The FCO told us that "HMG policy to date has been to refuse to issue permits for direct flights to north Cyprus. We have not yet reached a decision on whether to change this policy in response to the new situation created by the referendums of 24 April."²¹¹ We are interested that the FCO has stated in such clear terms that the question of whether to permit direct flights between the United Kingdom and northern Cyprus is one of policy, not just legality, and that they are evidently actively considering the matter.

143. When we asked the Minister for Europe why direct flights have not started, he suggested that the Republic of Cyprus had been less than cooperative on the issue: "We have not found a solution and it would be perfectly fair to say that, in my judgment, the officials of the Republic of Cyprus are not working with us to find a solution."²¹²

144. We later received a memorandum from the Ministry of Foreign Affairs of the Republic of Cyprus, in which it is pointed out that under Article 1 of the Chicago Convention, each country has "complete and exclusive sovereignty over the airspace above its territory."²¹³ The Republic of Cyprus, which is recognised as sovereign by the United Kingdom, thus claims sovereignty over the airspace which is in practice administered by the Turkish Cypriot authorities. It appears, therefore, that a decision to permit direct flights without the approval of the government of Cyprus could contravene the Convention and that such a decision could be challenged in the courts. A court might be invited to consider whether what the FCO has called the "new situation created by the referendums" in Cyprus has a bearing on interpretation of the Convention.

145. The question of direct flights is caught up in, but is actually separate from, the direct trade issue. The direct trade regulation makes no mention of flights or airports,²¹⁴ although clearly they would be one method of delivery. However, most aircraft would be carrying passengers rather than goods, so protracted delays in approving the direct trade regulation are not, of themselves, a reason for failing to implement direct flights. And for Turkish

211 *Ibid*

212 Q 125

213 Ev 90

214 Q 249 [Mirel]

Cypriots, the potential benefits of tourism considerably outweigh the likely gains from trade in goods.

146. We recommend that in its response to this Report, if not sooner, the Government clarify whether it has the power to authorise direct passenger flights between the United Kingdom and northern Cyprus. We further recommend that, if it does possess the power to authorise flights, the Government announce a date from which such services will be permitted, subject to satisfactory safety inspections of the facilities at Ercan and other assurances.

Opening up the sea ports of the North

147. In its legal opinion of August 2004, the legal service of the Council of Ministers suggested that under international law a sovereign state has the right to declare any of its ports open or closed to international trade and that it is the duty of the European Community to engage in “loyal cooperation” with a member state in these circumstances.²¹⁵ The legal service accordingly concluded that the consent of the government of Cyprus is required before ports in northern Cyprus can be regarded as open for trade, a point which the Cyprus Ministry of Foreign Affairs reinforced in its evidence to us.²¹⁶ The United Kingdom’s Minister for Europe, however, told us in very clear terms that “any member state if it so chooses, any individual ship owner if he so chooses, can sail into any port in northern Cyprus. ... There is nothing today to stop any ship owner or any ship docking and unloading in northern Cyprus.”²¹⁷

148. Unlike air transport, international maritime transport is not subject to prior approval by the Government. The FCO told us that trade is already taking place between EU states and ports in the North, but that because of the legal constraints which have applied since 1994, and the domestic law of the Republic of Cyprus, volumes remain low.²¹⁸ Although traders opting to use ports in northern Cyprus risk prosecution only in the Republic of Cyprus, penalties imposed by a court in Cyprus may be enforceable elsewhere in the EU.

149. Mr Mirel of the European Commission said that the question of whether a member state of the EU allows trade through a particular port is a matter for that state, and not for the Commission.²¹⁹ The Commission cannot compel a member state to designate this or that port; neither can it act against a state whose nationals use a port which lies in the territory of a member state and which that state has not designated. However, by removing the legal impediment to trade with the North which now exists, the direct trade regulation would effectively encourage the use of ports situated in the North.

150. A further complication which affects the ports issue (but not the airports issue) is the dilapidated state of the facilities at northern Cyprus’s main port, Famagusta (Mağusa). Those of us who visited the island saw for ourselves the ramshackle and very limited freight handling capacity of the port. We discussed with the Turkish Cypriot authorities the

²¹⁵ Doc 11874/04, 25 August 2004

²¹⁶ Ev 90

²¹⁷ Qq 136, 137

²¹⁸ Ev 60

²¹⁹ Q 282

proposal by the government of Cyprus to regenerate the port of Famagusta and operate it jointly with the Turkish Cypriots, under EU supervision, in return for restoration to Greek Cypriot control of the adjacent town of Varosha.²²⁰ We have no reason to suppose that this offer is anything other than sincere and we do not see why Turkish Cypriots (and the Turkish armed forces, who control Varosha) should not consider it seriously and seek to reach an accommodation.

151. Meanwhile, the Republic of Cyprus has encouraged Turkish Cypriot exporters to make use of the Green Line Regulation to send their goods through the port at Larnaca, in the South. Turkish Cypriots see this as a tactic to diminish support for the direct trade regulation. It appears that few have taken advantage of it.

152. In the absence of an early overall settlement, we recommend that the Government support practical measures which will enable Turkish Cypriots to trade with the United Kingdom and other countries, such as refurbishment and then joint operation to EU standards of the port at Famagusta, as proposed by the government of Cyprus.

Recognition of Cyprus by Turkey

153. Ever since Turkish forces landed on Cyprus in their thousands in July 1974, Cyprus has not recognised Turkey, and Turkey has not recognised the government in Nicosia as being the rightful government of the Republic of Cyprus under the 1960 constitution. Turkey does recognise—and is the only country to recognise—the ‘Turkish Republic of Northern Cyprus’.

154. The mutual non-recognition of Turkey and Cyprus has been played out in various international settings. The Minister for Europe told us that “Turkey is vetoing the government of Cyprus joining international organisations where Turkey has veto rights, so the government of Cyprus feels it is not getting fair treatment from Turkey in terms of international treaty organisations it would like to join.”²²¹ Similarly, Turkey does not allow Cypriot-flagged vessels to use its ports or its territorial waters—it also bars them from what it regards as the territorial waters of the ‘TRNC’. Turkey must be advised that its refusal to permit Cypriot-flagged vessels to use its ports or its territorial waters is a constraint upon the European Union as a whole and that a continuation of this practice would be a severe impediment to advancing its EU candidacy.

155. The question of recognition has long bedevilled efforts to achieve a settlement in Cyprus. For many years, Mr Denktash tried to insist on recognition of the ‘TRNC’ as part of his campaign for political equality between the two communities. Rather than change its policy towards the present government of Cyprus, Turkey would prefer to recognise a new United Republic of Cyprus, in what Mr Papadopoulos has characterised as a “virgin birth”.²²² Reflecting the Turkish position, Özdem Sanberk told us that “the call for recognition of the Republic of Cyprus is irrelevant under present conditions because Turkey has expressed its readiness to recognise the new partnership state which was going

220 See also para 218 below

221 Q 196. The organisations which Cyprus claims Turkey prevents it from joining are listed at Ev 59.

222 According to the Cyprus Mail. See www.cyprus-mail.com/news/main.php?id=17833&cat_id=1.

to emerge as a result of the negotiations between the two sides under the comprehensive settlement plan of the United Nations, but this plan is rejected.”²²³

156. The recognition issue is important in its own right, but has assumed a greater importance as Turkey’s aspiration to join the European Union has come closer to being realised.

Implications for Turkey’s accession

157. We set out the history of Turkey’s longstanding efforts to join the EU in our 2002 Report on Turkey

In a speech in 1924, Atatürk said “The decline of the Ottomans began when, proud of their triumphs over the West, they cut their ties with the European nations. This was a mistake which we will not repeat.” It was this context that drove Turkey to be among the first countries to apply for membership of the European Economic Community, signing an Association Agreement as long ago as 1963. However, Turkey’s progress towards membership has been slow. The Customs Union envisaged in the Association Agreement was put in place only in 1995. Turkey’s rejection as a formal candidate for membership of the European Union at the Luxembourg European Council in December 1997, when many countries were accepted as candidates which until only a few years before had been communist dictatorships, engendered much anti-European feeling in Turkey. Turkish leaders claimed that Turkey’s candidacy was being blocked on religious grounds, following comments by the Chairman of the European People’s Party that “the European project is a civilisational project. Turkey’s candidature for full membership is unacceptable”, and reports that the then German Chancellor, Helmut Kohl, had described the EU as “a Christian club”. This negative atmosphere altered at the Helsinki European Council in December 1999, when Turkey was accepted as a candidate to join the EU.²²⁴

158. On 17 December 2004, the EU Council of Ministers agreed that Turkey should be invited to commence accession negotiations from 3 October 2005, provided certain conditions are met. Turkey must reform some of its laws, improve its human rights record and end torture. Most controversially, Turkey must also extend its customs union agreement with the EU to include the ten new member states, among them Cyprus. Turkey has not been explicitly required to recognise Cyprus, but by entering into a customs union agreement which includes Cyprus, Turkey will have to deal with Cyprus in the way it deals with other member states. Most observers accept that this will amount to implicit or informal recognition of Cyprus by Turkey.

159. Nowhere in the conclusions of the December 2004 Council of Ministers is it stated that the Cyprus problem must be solved before Turkey may join the EU, nor is it specifically required that she must withdraw her forces from Cyprus. On the other hand, for Turkey to join the EU without formally recognising one of its member states, or with forces still present on part of the territory of a member state without that state’s agreement,

223 Q 80 [Sanberk]

224 Sixth Report from the Foreign Affairs Committee, Session 2001–02, *Turkey*, HC 606, paras 7–8

is impossible. We have shown elsewhere in this Report that the continued presence of Turkish troops in Cyprus is obstructing moves towards a final settlement; a withdrawal of some of those forces could only be of assistance both to a settlement in Cyprus and to Turkey's relations with the EU.

160. Minister for Europe Denis MacShane summed up the position for us in a series of statements: "it will be an anomaly of increasing magnitude that Turkey is seeking to negotiate with a union of 25 Member States, one of which it does not recognise";²²⁵ "it behoves Turkey, though it is not for me to give advice, to show that in the Eastern Mediterranean it can find ways to solve the Cyprus problem as soon as possible";²²⁶ and "I do not see how Turkey can join the EU on the basis of a partitioned island."²²⁷

161. We invited distinguished former Turkish diplomat Özdem Sanberk to give us his personal perspective. He told us that "I do not believe that it is possible for Turkey to join the European Union without a solution to the Cyprus problem and I do not believe it is desirable because it relates to the stability of the whole Eastern Mediterranean and also our relations with our Greek friends in Athens."²²⁸ He went on to say

... one of the reasons why we are facing now this deadlock in Cyprus is the fact that the balance which was struck by the Lausanne Treaty and which was reconfirmed by the 1960 London and Zurich Treaties, was upset by the unilateral admission of the Greek Cypriots, and even when Turkey will be under the same umbrella like Greece, then of course there will be Turkish Cypriots and Greek Cypriots and this balance will be re-established in the Eastern Mediterranean and, definitely, it will help a lot to the solution of the problem. This is something which is so very important that I do not [know] how to re-stress it.²²⁹

162. We agree with the premise which underlies Mr Sanberk's position, which is that Turkish Cypriots who are part of a bi-zonal, federated United Republic of Cyprus which is inside the EU, will enjoy greater political equality than they could ever have in an unrecognised, self-declared statelet outside the Union. And with Turkish Cypriots inside the European Union as part of an overall solution of the Cyprus problem, Turkey's path to accession would be greatly eased.

163. We reiterate our previous strong support for Turkish membership of the European Union. We conclude, however, that in practice Turkish accession will be impossible for as long as there is no settlement of the Cyprus problem. We also conclude that Turkey has the power greatly to assist both a settlement in Cyprus and its EU aspirations, for example by withdrawing some of its many thousands of troops from the island, and we call upon it to do so.

225 Q 166

226 Q 131

227 Q 181

228 Q 91

229 *Ibid*

The role of the United Kingdom

Historical summary

164. The United Kingdom's involvement in Cyprus was summarised by our predecessor Committee in 1987

Between 1517 (when Cyprus was conquered by the Venetians) and 1878, the island was part of the Ottoman Empire, but the Greek Language, culture and religion were nonetheless generally allowed to flourish, despite some violent persecution of Greek Cypriot leaders, particularly during the Greek war of independence. In 1878 de facto control passed to Great Britain, in return for British protection for the Ottoman Empire against Russia, and in 1914 Britain formally annexed the island in response to Turkish support for Germany in the First World War. During this first phase of British rule there was already considerable support amongst Greek Cypriots for Union with Greece (Enosis) and in 1915 the British Government actually offered Cyprus to Greece in return for Greek support in the War. When, in 1917, Greece finally did enter the War on the allied side, the offer was no longer open.

British sovereignty in Cyprus was formally recognised by Turkey in the Treaty of Lausanne in 1923, and thereafter Cyprus was governed as a British colony until August 1960. In 1931, following rioting in favour of Enosis, the elected Legislative Council was abolished, and Cyprus was thereafter prevented—largely through Greek Cypriot opposition—from experiencing any form of democratic self-government (except at a municipal level) before independence.²³⁰

Independence followed a five-year guerrilla campaign against British rule by Greek Cypriot supporters of *Enosis* in which many died, and the arrest and deportation by the British of the spiritual and political Greek Cypriot leader, Archbishop Makarios.

165. Relations between the United Kingdom and the Republic of Cyprus after independence were close, if not always cordial. As a guarantor power under the Treaty of Guarantee, the United Kingdom had a continuing interest in Cyprus; its military bases on the island were of increasing importance; and there were strong trading and cultural ties. Even after the events of 1974, which many continue to believe were badly handled by the British Government of the day, relations between Cyprus and the United Kingdom continued to develop. In the 1980s and 1990s, the South of Cyprus became a major tourist destination for British holidaymakers; and by 2004 6,000 Britons owned property in northern Cyprus. Many thousands more own property in the South. There are also large Greek and Turkish Cypriot communities in the United Kingdom, particularly in London.

166. The FCO told us that the United Kingdom has

... strong bilateral reasons for supporting efforts to find a settlement. The UK has close ties with Cyprus, not just based on shared history, co-operation on the Sovereign Base Areas, and extensive people-to-people contacts, but also a shared

230 Third Report from the Foreign Affairs Committee, Session 1986–87, *Cyprus*, HC 23, paras 19 and 20

outlook on vital EU business, such as economic reform. We wish to see Cyprus play its full part in the life of the Union, which requires a settlement to the political problem.²³¹

In this chapter, we examine the role played by the United Kingdom in the continuing search for a solution of the Cyprus problem; and we consider the importance of the United Kingdom's military bases on the island.

The role of UK diplomacy

167. In 1996, the then Foreign Secretary, Malcolm Rifkind, asked the United Kingdom's former Ambassador to the United Nations, Sir David (now Lord) Hannay, to take on the newly-created role of the United Kingdom's Special Representative for Cyprus. He did this, Lord Hannay told us, because

... the British Government felt at the time, so they told me, that having committed themselves to Cyprus's membership of the European Union and that having some quite tricky implications for the situation in the eastern Mediterranean, it was really part of our duty to make a further effort, a further serious effort, to get a settlement to the Cyprus problem to obviate some of the tensions that would arise.²³²

168. As is clear not only from Lord Hannay's recent book,²³³ but from the comments of others,²³⁴ he expended a great deal of effort on his role as the United Kingdom's Special Representative. With his experience at the United Nations, he was able to work closely with the Secretary-General's special representatives and with international diplomats and political figures, many of whom he knew personally. However, after the collapse of the Annan 3 negotiations in March 2003, Lord Hannay requested that his appointment not be renewed. He was not replaced.

169. Lord Hannay's important contribution to efforts to find a way round the obstacles in the path of a settlement of the Cyprus problem was complemented by the work of another distinguished British diplomat, Sir Kieran Prendergast, Under-Secretary-General for Political Affairs at the United Nations. Although not able to work on the Cyprus problem full time—he has also been responsible for the UN's contribution to the Middle East Peace Process, among other things—Sir Kieran has over a period of some years made a huge input to the negotiations on Cyprus, which we hope may not yet be over. We are fortunate to have been able to discuss the Cyprus problem with Sir Kieran on a number of occasions, most recently in October 2004.

170. As well as its diplomatic engagement with Cyprus, carried out with distinction by the high Commission in Nicosia, the United Kingdom is also actively involved in supporting financially a number of worthwhile projects in both communities. As the poorer community, with a standard of living well below that of the Greek Cypriots, the Turkish Cypriots naturally receive the greater part of this aid. For example, British aid to northern

231 Ev 38

232 Q 40

233 *Cyprus: The search for a solution*, David Hannay, I B Tauris, December 2004

234 Qq 33 [Brewin], 69 [Sanberk]; Ev 38 [FCO], 91 [Claire Palley]

Cyprus in 2004–05 included £150,000 under the Reuniting Europe programme for public administration reform, customs reform and assisting the Turkish Cypriot administration to plan and prepare project proposals.²³⁵ For 2005–06, northern Cyprus has been designated a “priority region” and aid under the programme will increase to £500,000.²³⁶

171. The Ministry of Foreign Affairs of the Republic of Cyprus obliquely expressed its annoyance with the United Kingdom’s policy on Cyprus, by informing us of the “disappointment” of Greek Cypriots about United Kingdom actions during the Annan Plan negotiating process “trying to undermine the positions of the Greek Cypriot side” and about

... the fact that British policy, following the 24 April 2004 referendum, has not shown, in practice, respect for the will of the overwhelming majority of the Greek Cypriots, as expressed during the voting. There is a feeling that the British policy towards Cyprus, although in words purports to aim for the reunification, in actual terms consolidates the division and the alienation of the two communities bringing feelings of disappointment to the Greek Cypriot community.²³⁷

Dr Claire Palley, who from 1980 to 2004 acted as constitutional consultant to the President of Cyprus, told us that “the long-standing and consistent attempts to balance Greek Cypriot and Turkish Cypriot interests were, from late 2002 onwards, subordinated to a desire to secure Turkish and American interests, with this policy being supported by Her Majesty’s Foreign Office.”²³⁸ We received comments of a similar nature also from some individual Greek Cypriots and from some representative Greek Cypriot organisations, but we do not accept that such assertions can be substantiated.

172. Our own view is that the United Kingdom’s actions in relation to Cyprus have continued to be motivated by a genuine desire to end the “division and alienation of the two communities” and **we conclude that, despite assertions to the contrary, there is no wish or intention on the part of the British Government to perpetuate the present state of affairs on the island, still less to move towards a permanent and legal partition, which would be in no one’s best interests.**

173. In October 2004, the Minister for Europe visited Cyprus.²³⁹ His visit demonstrated the British Government’s continued interest and active involvement in the search for a settlement. Although there was never any real prospect that the Minister’s visit would produce a new initiative—nor was one intended—we believe that it was welcomed by all concerned.

174. During our own visit to the island, we visited the British High Commission and we called on the British Council’s premises on both sides of the Green Line in Nicosia. Both the High Commissioner and his staff and the Council have been carrying out a great deal of work to break down barriers between the two main communities, which they have listed

235 GOF Reuniting Europe Programme: Projects Database 04/05, available at www.fco.gov.uk

236 GOF Reuniting Europe Programme: Strategy and Bidding Guidelines 2005/06, available at www.fco.gov.uk

237 Ev 119

238 Ev 124

239 Ev 39 [FCO]

in evidence to us.²⁴⁰ One of the main activities of the British Council—which is largely self-financing—is assisting young Cypriots from either side of the Line who wish to study for British educational qualifications, in the United Kingdom or in Cyprus. We strongly support this work.

The Sovereign Base Areas

175. When we visited Cyprus, we spent several hours in the Eastern Sovereign Base Area (ESBA). As well as being briefed on the United Kingdom's continuing requirement for the use of its facilities in Cyprus, we observed and discussed a number of factors which relate closely to the prospects for a long-term settlement of the Cyprus question.

176. Most graphically, we were able to see from a distance both the abandoned town of Varosha, which since 1974 has been occupied only by the Turkish Army and has no permanent residents; and the bi-communal village of Pyla (Pile). Both these are adjacent to the ESBA, but each presents a different prospect of Cyprus. Varosha exemplifies the destructive, divisive conflict between the two communities: formerly a thriving tourist area, it has fallen into decay while being retained by the Turkish side as a bargaining counter. Pyla, on the other hand, is a settlement situated entirely within the UN-administered buffer zone.²⁴¹ The village comprises 950 Greek Cypriots and 500 Turkish Cypriots. Each community has its own mayor, school and place of worship. We were told that in Pyla, Greek and Turkish Cypriots co-exist peacefully, and co-operate on matters of common interest. In microcosm, Pyla is a symbol of the new Cyprus every bit as much as Varosha sums up the waste and pointlessness of the past 30 years of division.

177. At Strovilia and at Pergamos, we saw the day-to-day difficulties caused by the presence on the perimeter of the ESBA of two of the four Green Line crossing points. Effectively, these crossing points are situated at an external border of the European Union, although the SBAs are not part of the EU. As at November 2004, 36 staff of the United Kingdom Customs and Excise work in the SBAs, spending a considerable proportion of their time countering illegal smuggling operations and performing border checks.

178. The two Sovereign Base Areas, which cover 99 square miles of the land area of the island of Cyprus, are sovereign territory of the United Kingdom under the 1960 Treaty of Establishment. The Eastern Sovereign Base Area, located between Famagusta (Mağusa) and Larnaca, contains the main British Army units on the island. The Western SBA, to the West of Limassol, contains further Army units at Episkopi and a RAF base at Akrotiri. A further 13 sites, most notably the listening post on Mount Olympus, the highest point on the island, are retained by the United Kingdom under provision made in the Treaty of Establishment.²⁴² The importance of the bases and some of the sites to the United Kingdom's national interest and to wider interests was impressed upon us when we visited Cyprus.²⁴³

240 Ev 59-60

241 Outside Nicosia, the 'Green Line' is in places several kilometres wide and contains a number of settlements and farms.

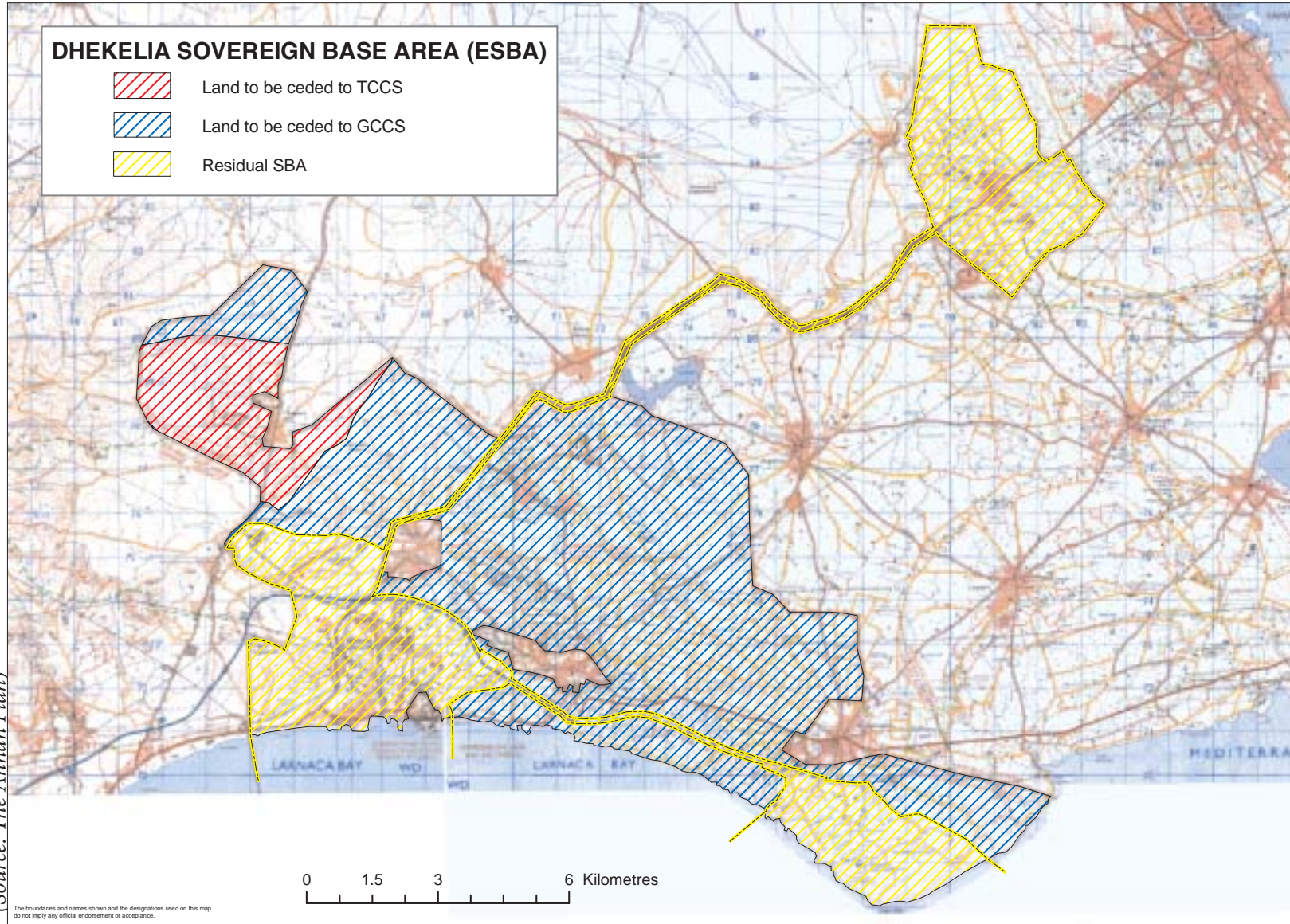
242 HC Deb, 19 January 2005, col 949W

243 See also Ev 104 [Brigadier Henn]

Eastern Sovereign Base Area, showing proposed territorial adjustments

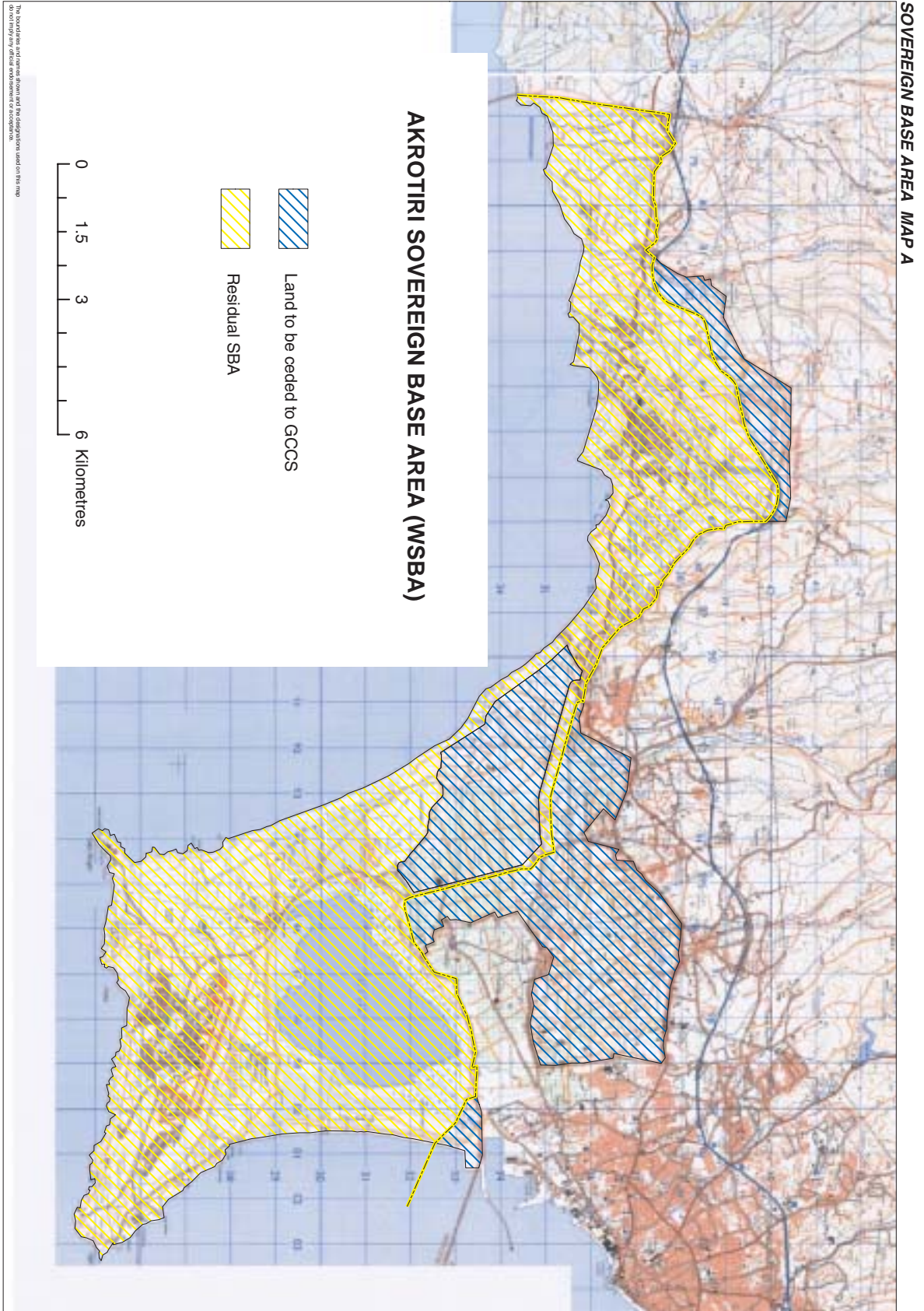
(Source: *The Annan Plan*)

SOVEREIGN BASE AREA MAP B



Western Sovereign Base Area, showing proposed territorial adjustments

(Source: *The Annan Plan*)



179. Nonetheless, the 99 square miles of territory include large areas of land which no longer have any real military value. These areas are settled by Cypriot civilians; they consist largely of arable and grazing land, with some private houses. As part of the settlement envisaged under the Annan Plan, the British Government was prepared to transfer 46 square miles of SBA territory to Cypriot sovereignty, most of it within the boundaries of the Greek Cypriot constituent state but some within the Turkish Cypriot constituent state.²⁴⁴ The United Kingdom's military facilities would have remained as sovereign territory and, we were assured, their operational value and capability would not have suffered. Indeed, as one witness pointed out, one side-effect of the Annan Plan would have been "to re-legitimize the position of the SBAs" under international law.²⁴⁵

180. Because the British Government made the offer to transfer sovereignty as part of the wider settlement envisaged under the Annan Plan, it was rendered null and void along with the Plan itself by the result of the referendum in the South of the island.²⁴⁶ However, like the Plan, the offer remains on the table. We therefore asked the Minister for Europe whether the offer might be reactivated if the Annan Plan process itself is revived. He told us that he saw "no problem in handing some of it [the SBA land] back, but in the context of an agreement."²⁴⁷ From the briefings we received when visiting the Eastern SBA, we are content that the transfer of sovereignty over the land, which is already owned by Cypriots, would have no adverse effect on the United Kingdom's interests.

181. One of our witnesses raised the question of whether the bases as a whole should be returned to Cypriot sovereignty even before an overall settlement. Christopher Brewin acknowledged the value of the bases to the United Kingdom, but suggested that the sovereign status of the areas was an anachronism. He called for "leasehold now".²⁴⁸ Dr Claire Palley also suggested that the efficient functioning of the SBAs could suffer "If Cyprus-UK relations become embittered—as they well may".²⁴⁹ Our Parliamentary colleague, Andrew Dismore MP, told us that the status of the bases was becoming an issue on the island.²⁵⁰ However, when we visited, we encountered no significant pressure from Cypriots to alter the present arrangements, and it appears that the only political party in the South openly calling for such a step is the small Green Party.²⁵¹ We were also told that changes in status can be made only with the agreement of Greece and Turkey, which we believe is unlikely to be forthcoming in isolation from progress on the broader issues. We do not, therefore, agree with those who seek an immediate change in the status of the SBAs, or indeed any change outside the context of an overall settlement.

182. We conclude that the Government's decision to offer to transfer sovereignty over almost half of the United Kingdom's sovereign base areas on Cyprus to the island's two communities as part of an overall settlement was a constructive and useful gesture, with

244 See Maps 3 and 4

245 Ev 128 [Claire Palley]

246 Q 200 [MacShane]

247 Q 201

248 Q 33

249 Ev 126

250 Ev 244

251 See also Q 203 [MacShane]

no negative consequences for the United Kingdom's interests. We recommend that the Government be prepared to renew the offer with the same conditions as before in the event that progress towards a settlement is resumed.

The way forward

Dealing with the contentious issues

183. In our discussion of those aspects of the Annan Plan which appear to have caused many Greek Cypriots to vote against it, we identified four particular issues: security guarantees and Turkey's continued military presence; refugee return and property rights; Turkish 'settlers'; and the financial and economic costs of implementation. We now return to each of these issues, with a view to proposing ways in which the concerns of Greek Cypriots may be addressed, without raising new concerns among Turkish Cypriots.

184. In seeking to identify ways of moving the process forward, we are encouraged by the views of some of our witnesses that there is good reason to suppose that a modified plan could be acceptable to the people of Cyprus. President Papadopoulos has been categorical in stating that Greek Cypriots rejected, not the whole concept of a settlement, but the particular scheme on which they were asked to vote.²⁵² Dr Savvides told us "I do not believe that the 76 per cent 'no' is solidified or cemented."²⁵³ These comments were supported by what we heard when we were in Cyprus.

185. The four key areas of contention we have identified in this Report are not the only areas of contention. Both the government of Cyprus²⁵⁴ and the Lordos study have identified others. In particular, the government of Cyprus stresses what it calls the lack of functionality in the Annan Plan, arguing that the federal structures set out in the Plan would be too cumbersome and unworkable in practice. These objections need to be taken seriously when considering any alterations to the Plan, but they are not prominent among the points raised by ordinary Cypriots and we do not consider them in detail here.

Security guarantees and Turkey's continued military presence

186. A major factor which has caused Turkey to retain its military presence on Cyprus has been the need to provide security for the Turkish Cypriot population and for increasing numbers of Turkish settlers. Protection of Turkish Cypriots from the extremist if short-lived regime of Nicos Sampson was the ostensible reason for the Turkish military intervention of 1974. Between 1963 and 1974, most of the Turkish Cypriot population had progressively withdrawn into enclaves scattered across the island, in order to protect themselves from the violent attentions of a section of the Greek Cypriot population. At several points during that period, Turkey had threatened to send forces to protect Turkish Cypriots and on more than one occasion its air force had overflown the island in a demonstration of its capability. Once it had intervened, Turkey maintained its presence. From the Turkish perspective, there can be no question of abandoning Turkish Cypriots to the treatment too many of them received at the hands of their Greek Cypriot neighbours before 1974.

252 Ev 73 [Cyprus High Commission]

253 Q 4

254 Ev 115-9

187. Turkey also has its own strategic interests. A glance at a map of the region demonstrates the proximity of Cyprus to Turkey's Mediterranean coastline. At just forty miles distance, Cyprus is only a few minutes' flying time by fast jet. One of the most anxious periods in the recent history of relations between Turkey and Cyprus came in 1997, when the Greek Cypriot government of President Glafcos Clerides decided to construct a military airbase, with hardened shelters for aircraft which Cyprus did not possess, but which Greece did, and to purchase a ground-to-air missile system capable of striking Turkish aircraft in their own airspace.²⁵⁵ Clerides eventually backed down, but the incident revealed Turkey's sense of vulnerability on its southern flank and fed deep-seated fears in Ankara that Cyprus would join with Greece in any wider conflict with Turkey. These fears have been a significant factor in the Turkish military establishment's reluctance to withdraw from Cyprus.²⁵⁶

188. As we noted above,²⁵⁷ a majority of Greek Cypriots regard the early departure of Turkish forces from Cyprus as essential. The proposal in Annan 5 for a gradual reduction in those forces to no more than 650 by 2019 was unacceptable to them, mainly because of the slow pace of withdrawal envisaged. No doubt for reasons of national pride as well as for the reasons outlined above, Turkey has been hostile to any suggestion that it withdraw completely. However, if Turkey is serious about joining the EU, she will have to be more reasonable on this point. Turkish Cypriots are, we believe, ambivalent about the Turkish army. Although for understandable reasons they are reluctant to place their views on the record, we heard from several Turkish Cypriot sources when we visited the island that the presence of Turkish troops is not seen as an unalloyed blessing.²⁵⁸ We believe that many Turkish Cypriots would prefer to see an end to Turkey's military presence, if appropriate security guarantees could be provided.

189. The question therefore appears to reduce to one of how to deal with Greek Cypriots' sense of insecurity, while not creating a renewed sense of insecurity for Turkish Cypriots. It is scarcely credible to suggest that a force of 650 Turkish troops would meaningfully enhance the security of Turkish Cypriots; neither would it pose any serious threat to the security of Greek Cypriots. The presence of such a force would be symbolic, and it is that symbolism as well as the perceptions of insecurity which have to be dealt with. We have therefore considered the possibility that security could be provided for both communities by an international force, which could be drawn from NATO member states, or EUFOR, or the United Nations, but which should not include Greek or Turkish troops.

190. When we put this proposal to Dr MacShane, he said that it was "a very interesting proposition" but his reply appeared to suggest that he had not thought of it as a likely scenario.²⁵⁹ He was sceptical that "tweaking in terms of troop levels" would be sufficient to persuade Greek Cypriots to support the Annan Plan and told us that "I personally—and it is a personal point of view—cannot get hugely worked up about 650 troops. I just do not see that as a sticking point."²⁶⁰ We have already demonstrated that this is indeed perceived

255 *Cyprus: The search for a solution*, David Hannay, I B Tauris, December 2004, p 70

256 Ev 102 [Brigadier Henn]

257 See paras 39 to 45

258 See also Ev 246 [Andrew Dismore MP]

259 Q 220

260 Q 149

by a majority of Greek Cypriots as a sticking point. It may be that the Minister was looking at the proposition as being made in isolation, rather than as part of a package of changes to the Annan Plan.

191. Other witnesses were less sceptical. Although the EU has, we were told, yet to consider taking on a security role in Cyprus, Mr Mirel of the European Commission felt that this would be a subject for discussion in the context of the Annan Plan.²⁶¹ Dr Savvides supported a NATO or EU force,²⁶² calling for “some action by the European Union and some guarantees by the Security Council which can mitigate the Greek Cypriot concern”²⁶³ and suggesting that the Turkish political leadership had already accepted that Cyprus does not present a threat to Turkey.²⁶⁴ On the other hand, Lord Hannay’s view was that “Turkey and the Turkish Cypriots, they cannot accept the European Union as the guarantor of a settlement when Turkey is not in the European Union.”²⁶⁵

192. Turkey’s continued status as a guarantor power under the Treaty of 1960, which grants it the right to intervene on the island in certain circumstances (a right which it claims to have exercised in 1974) is another factor which, it is suggested, caused many Greek Cypriots to vote against Annan 5. As the government of the Republic of Cyprus has tirelessly pointed out, the continuation of the guarantor rights was insisted upon by Turkey, not by the Turkish Cypriot negotiating team (although it remains an article of faith for Rauf Denktaş).²⁶⁶ The Cyprus Ministry of Foreign Affairs also told us that “as a last resort and ultimate further concession, the Greek Cypriot side had proposed the adoption of a triggering-off mechanism for the exercise of the alleged right of intervention under the Treaty of Guarantee.”²⁶⁷

193. We understand why Greek Cypriots, who have already experienced the exercise by Turkey of its claimed rights under the Treaty of Guarantee, are concerned by the Annan Plan’s provision for those rights to be perpetuated. In practice, however, we consider that the intervention rights are quite meaningless. The international community has not accepted that Turkey was acting in conformity with its legal rights and powers in 1974, but Turkey acted nonetheless, and Turkey would doubtless have acted as it did, Treaty of Guarantee or no. The best assurances against future action by Turkey would be provided, not by a further treaty, but by a demilitarised Cyprus, a continuing rapprochement with Greece and progress towards EU membership, and the presence on the ground of a properly constituted multinational force, providing real security guarantees with the backing of a United Nations Chapter VII Resolution.

194. The importance of future guarantees being underwritten by the UN was stressed to us by Lord Hannay, who said that

261 Q 278

262 Q 32

263 Q 27

264 Q 29

265 Q 65

266 Ev 75, 114

267 Ev 115

It is still not true that some alternative vehicle called the European Union or NATO or whatever is available; it is not available because it is not acceptable to all the parties. For Turkey and the Turkish Cypriots, they cannot accept the European Union as the guarantor of a settlement when Turkey is not in the European Union, and the European Union quite rightly has a primary responsibility towards Cyprus which is in it.²⁶⁸

Lord Hannay was, of course, speaking before Turkey received a green light for EU accession talks.

195. We recommend that in any future negotiations on a settlement based on the Annan Plan, the parties be invited to consider accelerating the withdrawal of Turkish and Greek forces and the demilitarisation of Cypriot forces, so that all these are reduced to zero and security guarantees are provided by an external force acting under the terms of a mandatory resolution of the United Nations Security Council. The force could also assume responsibility for any defensive installations on the island, such as ground-to-air missile systems, as suggested by Friends of Cyprus.²⁶⁹ Our preference would be for the force to be under EU command, thus avoiding the connotations of a NATO operation, although this is of course for the parties to agree. The arrangements for tasking and monitoring the force would clearly need to provide for Turkey to play a role equivalent to that of Greece, and for the Republic of Cyprus to waive its rights to be involved as an EU member. If a formula of this kind can be devised which is acceptable to both communities on the island, we see no reasonable grounds on which Turkey could object to it. Such a formula might be of considerable assistance in persuading Greek Cypriots to support a settlement in greater numbers than they did in April 2004.

Refugee return and property rights

196. We noted above the very strong feelings of Greek Cypriots on the property issue, and the fears among Turkish Cypriots of ‘Hellenisation’. The rights of Greek Cypriot refugees to return to the North of the island and to live in their former homes have to be balanced against the rights of those who now live in those homes, some of whom are themselves Turkish Cypriot refugees from the South. It has always been recognised in discussions on the Cyprus problem that there will have to be an element of exchange and compensation to settle the property issue. Other measures, such as the degree of involvement by a minority community in the affairs of the constituent state within which they reside, and the extent to which such communities are protected directly by the federal authorities, are the subject of complex arrangements in the Annan Plan, which could be subject to further discussion and amendment.

197. Neither can the property issue be considered to be part of a fixed set of circumstances. Conditions on the ground are changing daily. Before we visited Cyprus, Dr Savvides drew our attention to “the whole construction boom which is taking place in northern Cyprus on Greek Cypriot properties.”²⁷⁰ He was concerned that this new construction “destroys

268 Q 65

269 Ev 200

270 Q 36

the whole balance within the plan over the property issue, which has been very, very sensitive and very, very difficult to handle.”²⁷¹ We witnessed some of this development when we visited the Kyrenia (Girne) area, although it is apparently most apparent in the area to the north of Famagusta (Mağusa). Land and property are being developed at breakneck pace. The longer this continues, the more complicated the property issue becomes; and the more difficult it will be to resolve.

198. We sympathise greatly with those who were drafting the Annan Plan and who had to grapple with this intractable issue. Further movement may be required if Greek Cypriots are to change their opposition to a settlement, although it should be achieved without displacing more Turkish Cypriots against their will. One possibility might be to provide economic incentives to Turkish Cypriots or settlers to vacate homes owned by Greek Cypriots, by building attractive new homes for them in adjacent communities. This replicates the approach being taken in respect of some areas to be handed over to the Greek Cypriot constituent state, such as Morphou (Guzelyurt). Other aspects which may need to be re-considered include the phasing of arrangements for return and the limits placed on the numbers returning.

199. We note the very strong feelings of the Greek Cypriot people about the need for restitution of property to its rightful owners and conclude that the property issue remains one of the most crucial to be addressed in the search for a solution to the Cyprus problem. We conclude that in any revival of the talks process it will be necessary to find ways of addressing Greek Cypriot concerns which do not disadvantage Turkish Cypriots. An element of outside financial support may be helpful in this regard.

200. One allied but separate question arises in relation to the property issue: the position of British citizens who have purchased properties in northern Cyprus. According to the British Residents’ Society of Northern Cyprus, there are about 6,000 British residents in the North.²⁷² Many of them own properties built on land to which Greek Cypriots have legal title. The British Government advises prospective purchasers of property in northern Cyprus to seek independent, qualified legal advice before doing so, because “The non-recognition of the ‘Turkish Republic of Northern Cyprus’ and the possibility of a future political settlement in Cyprus could have significant practical or financial implications for those considering buying property in the north.”²⁷³ We consider the Government is right to do this. There have recently been some high-profile court cases involving British citizens who have purchased property in northern Cyprus.²⁷⁴ Now that Cyprus is in the EU, court judgments reached in Nicosia may be enforceable in the United Kingdom and British residents may find themselves increasingly subject to legal action.²⁷⁵ **We conclude that British citizens who intend to buy property in northern Cyprus risk exposing themselves to legal action by Greek Cypriots who may be the rightful owners of those properties. We recommend that the Government lose no opportunity to warn prospective purchasers of this risk.**

271 *Ibid*

272 Ev 241

273 HC Deb, 14 October 2004, col 365W and www.fco.gov.uk (advice current as at 12 January 2005)

274 See, eg, *Bad news for British expats in the north*, Cyprus Mail, 16 January 2005.

275 Ev 246 [Andrew Dismore MP]

Turkish ‘settlers’

201. Underlying the whole settler question is a dispute about how many Turks live in northern Cyprus, and what proportion they form of the resident population. The issue is complicated by intermarriage between Turkish Cypriots and settlers, by Turkish Cypriot emigration and by the mobility of the population between northern Cyprus and Turkey. In a paper published by the Cyprus Council of the International European Movement and submitted to us by its author, Dr Ahmet Djavit An, a Turkish Cypriot who has written extensively on the Cyprus problem and on the history of modern Cyprus, the population issue is considered in some detail.²⁷⁶ Most of the following statistical information is extracted from Dr Djavit An’s paper:

Year	Turkish Cypriot population	Turkish settler population
1960	104,942 (Muslim population)	N/A
1974	119,147 (independent estimate) 114,960 (Cyprus Government figure) 115,758 (Turkish Cypriot figure)	N/A
1977		39,611 (extrapolation from official Turkish Cypriot figure)
1983		47,186 (extrapolation from official Turkish Cypriot figure)
1987	115,000 (UK Government estimate) ²⁷⁷	35,000 (UK Government estimate) ²⁷⁸
1990	173,224 (Turkish Cypriot unofficial census)	
1996	137,398 (Turkish Cypriot official census—figure refers to those born in ‘TRNC’, which includes children of settlers)	54,626 (Turkish Cypriot official census—figure refers to those born in Turkey or citizens of Turkey, not necessarily resident in Cyprus)
2001	87,600 (Council of Europe estimate)	115,000 (Council of Europe estimate)
2004	187,244 (official Turkish Cypriot figure) ²⁷⁹	

In its submission to our inquiry, the Ministry of Foreign Affairs of the Republic of Cyprus suggested that there are “119,000 illegally implanted Turkish settlers” in the North.²⁸⁰

²⁷⁶ Ev 172-7

²⁷⁷ Third Report of the Foreign Affairs Committee, Session 1986-87, *Cyprus*, HC 23, para 49

²⁷⁸ *Ibid.*

²⁷⁹ According to press reports, December 2004

²⁸⁰ Ev 74

Lobby for Cyprus claims there are “130,000 colonists”.²⁸¹ It is clear that there is no reliable figure in the public domain for the number of persons of Turkish mainland origin who have taken up residence in northern Cyprus since July 1974.

202. Dr Savvides told us that the building boom in the North has been attracting more workers from mainland Turkey, some of whom may wish to remain on the island.²⁸² This point was also made to those of us who visited Cyprus. We were also told that Turkish Cypriots, disillusioned and disheartened by the lack of progress towards a settlement, are leaving the island in significant numbers. It appears that both the influx into Cyprus of Turkish settlers and emigration from Cyprus by Turkish Cypriots continue. The demographic balance of the North is thus altering further.

203. If a solution such as the Annan Plan, which envisages naturalisation of some Turkish settlers, residence rights for others and the return to Turkey of the rest, is to be implemented fairly and to command confidence, it is important that it is based on information which is accepted by all parties as being accurate and reliable. Such information is not available in respect of the population of northern Cyprus. Recognising this, the Council of Europe’s Parliamentary Assembly has twice (in 1992 and 2003) adopted recommendations for a census to be held of the population in northern Cyprus, in order to determine its composition.²⁸³ Others, such as Friends of Cyprus, have supported this call.²⁸⁴

204. Mr Mirel, representing the European Commission, told us that “Certainly we would be willing to support the imposition of such a census” and suggested that part of the EU’s aid to northern Cyprus could be used to fund it.²⁸⁵ Dr MacShane, for the Government, also said that he “certainly would favour the Turkish Cypriot authorities being able to announce clearly the number of people and where they came [from] and where they were born and to put that in the public domain.”²⁸⁶ In a supplementary paper, the FCO suggested that “It would be for the two communities on the island, in conjunction with the United Nations, to discuss the contribution that a census could make to the achievement of an overall solution.”²⁸⁷

205. We recommend that a population census be held in northern Cyprus, funded by the European Union and carried out either by an appropriate international body or by the Turkish Cypriot authorities under close international supervision.

206. Accurate figures should be of some assistance in establishing exactly how many people and families will be affected by the terms of a solution based on the Annan Plan, but they will not of themselves deal with Greek Cypriot objections to the provisions of the Plan which, under any of the many different interpretations which exist, would allow more than half of the settlers to remain in Cyprus. We noted above that most Greek Cypriots regard it

281 Ev 276

282 Q 36

283 Ev 133 [Claire Palley]

284 Ev 195

285 Q 270

286 Q 205

287 Ev 59

as essential that the numbers of Turks to be obliged to return to Turkey under the terms of the Plan should be increased. We are also aware of suggestions, which were substantiated when we visited Cyprus, that Turkish Cypriots feel that their distinctive identity may be under threat, now that they form a minority of Turkish-speaking residents of Cyprus.

207. We therefore feel guardedly optimistic that there may be scope for some limited adjustment of the provisions of the Annan Plan in relation to the settler issue. We suggest that such an adjustment could most realistically focus on providing strong economic incentives for settlers to return to Turkey, combined with stricter limitations on the granting of citizenship or the right of residence. These measures can be portrayed as a mirror image of those which apply to Greek Cypriots seeking to reclaim their properties in the North: quantitative limits, offset by financial compensation. They would introduce a greater symmetry to the Plan and they would satisfy the criterion we set ourselves earlier in this Report, of seeking changes to the Plan which would meet the demands of Greek Cypriots, while not damaging the interests of Turkish Cypriots.²⁸⁸

208. We recommend that in any resumption of negotiations for a settlement of the Cyprus problem, the Government seek to persuade the parties of the need for an increase in the number of Turkish settlers who will be required to return to Turkey as part of a solution, together with improved financial compensation for them. The precise figures should be for negotiation between the parties.

Financial and economic costs of implementation

209. Although Turkish Cypriots receive aid from the United States, the United Kingdom and the EU, among others, the self-styled ‘Turkish Republic of Northern Cyprus’ has effectively been bankrolled by Turkey, which has supported the northern Cyprus economy to the tune of \$3.7 billion over the past 30 years. In 2005 alone, this aid is expected to amount to over \$350 million.²⁸⁹ This significant financial commitment and burden will presumably continue if there is no settlement of the Cyprus problem, so it is not unreasonable to expect Turkey to maintain some kind of financial assistance to the island in the event that there is a settlement.

210. We noted above that many Greek Cypriots believe as a matter of principle that compensation for unrecovered property should be paid by Turkey, whose forces expelled them from those properties some 30 years ago.²⁹⁰ The very fact that Greek Cypriots are prepared to contemplate an element of compensation rather than full restitution is itself a huge compromise for them.

211. We conclude that a substantive financial gesture by Turkey on the property compensation issue would be a magnanimous and positive move which would reflect well on Turkey and should be of some assistance in reducing Greek Cypriot opposition to a solution which stops short of full restitution.

²⁸⁸ See para 38 above

²⁸⁹ See www.trncpio.org/ingilizce/ingilizcesayfa.htm

²⁹⁰ See para 52

212. The United Kingdom's financial aid to northern Cyprus has already been referred to.²⁹¹ The amounts provided through FCO programmes are modest, but in relation to the size of the population they are not insignificant; we also believe the aid has been well-targeted. Since a solution to the Cyprus problem should offer important advantages to the United Kingdom, opening up new economic, trading and investment opportunities, we would expect the Government to be prepared to invest in Cyprus's future. In particular, educational and training initiatives involving young people from both communities could offer significant medium- and long-term advantages for both Cyprus and the United Kingdom.

213. It is the European Union, however, which is best placed to throw its financial weight behind a solution to the Cyprus problem. As well as the €259 million of aid already committed to the North, there is the prospect of major investment from the structural funds, once the *acquis* applies across the island. Greek Cypriots as well as Turkish Cypriots can benefit from investment in ports, reservoirs, public utilities and economic infrastructure projects. Lord Hannay told us that EU funding could be used to "help the South bear the economic costs" of a settlement without damaging the interests of Turkish Cypriots.²⁹² Our recent discussions with senior figures in the EU have confirmed this impression.

214. Speaking in October 2003, US Ambassador to Cyprus Michael Klosson said that

The costs of a settlement—although real—can be managed, and international aid will help smooth the inevitable disruptions of change. As recently as the end of May during his visit to the island, the Administrator of our Agency for International Development reiterated the U.S. commitment. Let me repeat it: the United States will participate in and contribute financially to the donors' conference the EU will organize. Keep in mind as well the expected economic benefits that will accrue following the adoption of the Annan plan.²⁹³

We welcome this commitment, and look forward to the time when it can be turned into practical assistance to Cyprus.

215. The concern felt by many Greek Cypriots about the ongoing running costs of the proposed United Cyprus Republic, as distinct from what might be called the 'set-up' costs and the costs relating to the two constituent states, is more difficult to deal with. The Republic of Cyprus is not a poor country, even in EU terms. The standard of living in the South of the island is higher than that in Portugal.²⁹⁴ It is significantly higher than that in the North.²⁹⁵ Nevertheless, the experience of Germany since reunification demonstrates that even the strongest economies can come under severe strain when they have to adjust to a new state of affairs, and concerns and resentments similar to those expressed by Greek Cypriots have arisen in western Germany, leading to strains and tension between Germans. It will be important, therefore, that the international community not only assists the people

291 See para 170

292 Q 50

293 Speech available at www.americanembassy.org.cy

294 CIA World Factbook

295 *Ibid*

of northern Cyprus to raise their standard of living and improve the health of their economy, but that it eases the burden on the people of southern Cyprus. There may also be ways of reducing the cost of implementation, as suggested by Friends of Cyprus.²⁹⁶

216. We conclude that the costs of a settlement in Cyprus may be considerable, but that the international community is able and willing to make a substantial contribution to them. We recommend that the Government seek to ensure that, before any further referendum is held on the island, clear information is available to the people of Cyprus on the extent of the financial contribution which will be made by countries other than Cyprus. We further recommend that the Government and the European Union look sympathetically at ways of alleviating the financial burdens of a settlement on ordinary Cypriots.

Prospects for success

The case for and against a step-by-step solution

217. As we noted above, for a period in the early 1990s the approach to the Cyprus problem was essentially one of seeking to make progress by a series of confidence-building measures. Such measures would have included the opening of Nicosia international airport (which is situated in the buffer zone) to air traffic for both sides of the island, and the return of Varosha to Greek Cypriot administration.²⁹⁷ None of these initiatives was adopted, although other measures such as the provision across the Green Line of water and electricity have been successfully implemented throughout the period since the Turkish intervention, particularly in Nicosia.

218. Following the failure of the Annan Plan, there has been renewed interest in confidence-building measures as a way of making incremental progress towards an overall solution, particularly on the Greek Cypriot side. For example, President Papadopoulos has proposed a series of measures, including designating the port of Famagusta (Mağusa), which is situated in the Turkish Cypriot sector, as a legal port of entry for Cyprus, and making much-needed investment in it, in exchange for the return of the adjacent town of Varosha.²⁹⁸ Meanwhile, small-scale but important initiatives have proceeded, including demining of areas mined during and after the 1974 conflict and efforts to locate and open mass graves of those who fell in that conflict, although it has to be said that these have been neither as swift nor as successful as had been hoped for.²⁹⁹

219. The UN and most governments appear to favour an all-or-nothing approach, but the difficulty with this is obvious: in the absence of all, there is nothing. Others are more supportive of a step-by-step approach, and suggest that it could be part of an overall solution. Brendan O'Malley, a journalist and author who has written extensively on the Cyprus problem, suggested that "there is an important place for a supplementary channel by which Cypriots can break the logjam" and proposed two cross-community initiatives:

²⁹⁶ Ev 198

²⁹⁷ Report of the Secretary-General on his mission of good offices in Cyprus, 4 April 1994, UN Doc S/1994/380.

²⁹⁸ Ev 89 [Cyprus High Commission]. The port would be operated jointly by Greek and Turkish Cypriots, under EU auspices.

²⁹⁹ See, for example, *Digging in the wrong place?*, Cyprus Mail, 12 January 2005.

educational and awareness schemes to break down mistrust and increase understanding among young people; and a “grass-roots constitutional convention ... to find an island-wide consensus on how the functionality of the Annan Proposals can be improved.”³⁰⁰

220. It would also be possible for any of the parties to the problem to take unilateral steps which would increase confidence or assist the climate for a solution. For example, the Minister for Europe suggested that “the sight of a division or so of Turkish troops getting on to their transports and leaving the island would send a marvellous symbolic signal around the world that Turkey was thinking afresh while still maintaining security for the Turkish Cypriots and security concerns in the region.”³⁰¹ We strongly agree with this, and are disappointed that recent Turkish statements appear to have completely discounted it as a possibility.³⁰²

221. When we asked Dr MacShane whether he felt there were any other issues which could be dealt with outside the context of a full resumption of negotiations he said “I do not want to cherry pick. I really think that is not helpful.”³⁰³ We recognise the great danger of the cherry-picking approach, that once one side has as many cherries as it feels it needs, it loses any incentive to make further progress. However, as each step builds trust and confidence, so the psychology changes. It is perhaps the very lack of confidence between the two sides in Cyprus which has made agreement on an overall settlement so difficult.

222. In other Reports, we have considered the situation in the Middle East, and in particular the unilateral decision by the Israelis to withdraw from Gaza.³⁰⁴ In that context, we have regarded the Gaza withdrawal as a positive development, provided that it is consistent with the Road Map and with the wider peace process. We consider that similar considerations apply to confidence-building measures in Cyprus.

223. We conclude that, in the absence of an overall solution to the Cyprus problem, a step-by-step approach is likely to be better than no progress at all. We also conclude that confidence-building measures have a role to play, but only if they are consistent with the principles which underlie the Annan Plan, and only if they do not diminish the prospects of an overall settlement. We recommend that the Government consider lending its support to any worthwhile and practicable confidence-building measures which meet those criteria.

Annan Six?

224. Seasoned observers of the Cyprus problem know better than to expect an early resolution. Talking to us in October, Dr Savvides said that “it will be difficult now to undertake another effort ... in the next few months or a year.”³⁰⁵ He suggested that it may take until after elections in the South of the island in 2006 before any new initiative can be

300 Ev 203

301 Q 173

302 See our recommendation at para 163 above.

303 Q 179

304 Seventh Report from the Foreign Affairs Committee, Session 2003-04, *Foreign Policy Aspects of the War against Terrorism*, HC 441, paras 348–358.

305 Q 23

launched.³⁰⁶ On the other hand, Dr Brewin called for the EU to take an early initiative, concluding that

The chances of there being an upset in Turkey on any number of issues ranging from Iraq, to Kurds, to Muslims, to a split within the governing party, are so great that if we do not pay attention to the regional context and try and get a solution to the Cyprus thing, not just for the European Union's internal reasons but for the sake of peace in the area, then I think we are going to be regretting the time we lost waiting for elections.³⁰⁷

225. Lord Hannay saw limited room for manoeuvre on the terms of the Annan Plan, but thought it could “probably” be revived,³⁰⁸ provided both sides were prepared to compromise.³⁰⁹ He reaffirmed that “the United Nations is going to have to be the vehicle for any settlement”,³¹⁰ a view supported by Dr MacShane.³¹¹ However, Greek Cypriot political leaders have recently supported a greater role for the EU in any revived talks process, and a correspondingly lesser role for the UN. This is unsurprising, given Cyprus's new status as a full EU member and the strong language used in President Papadopoulos' letter to Mr Annan,³¹² but it is unlikely to be acceptable to the Turkish Cypriots or to Turkey.

226. Speaking in Brussels on 17 December, Mr Annan said “For the moment I have no plans to resume the talks and, as I said, my good offices are available and I am waiting for the parties to reflect on what has happened and determine where they want to go.”³¹³ It remains to be seen what the parties will decide, but the outcome of the European Council on 17 December has effectively set a timetable of opportunities.

227. Elections to the Turkish Cypriot representative assembly in February will be followed by a leadership election in April. After these elections, a period of at least three months will be available, during which negotiations on a settlement based on the Annan Plan could take place, if the parties are willing. Under the ideal scenario, such negotiations would lead to agreement and referendums could be held in both communities in time for the settlement to be implemented by the beginning of October. Turkey would then be able to recognise the United Cyprus Republic and (if other criteria had been met) its accession talks with the EU could proceed on schedule and in a more favourable context. Former Cyprus diplomat Michael Attalides has pointed out that, whereas last April Greek Cypriots faced the danger that they might be voting for a solution which, in the event of a rebuff from the EU, Turkey would see no incentive to implement, Turkey has since 17 December had every incentive to abide by its commitments.³¹⁴

306 *Ibid*

307 Q 25

308 Q 56

309 Q 62

310 Q 65

311 Qq163, 214

312 See para 82 above

313 See www.un.org/News/Press/docs/2004/sgt2429.doc.htm

314 *Cyprus Review*, vol 16 No 1, Spring 2004

228. Turkey also has a strong incentive to seek an early resolution of the Cyprus issue. It has undertaken to extend its Customs Union agreement with the EU to all ten of the 2004 accession countries—including Cyprus—by 3 October 2005. By doing this, Turkey will be entering into a legally binding international agreement with a state which it does not, at present, recognise. As things stand, Turkey will either have to recognise the Republic of Cyprus formally, or accept that the customs union will be interpreted in some quarters as being tantamount to recognition. All this is aside from the question of whether the Republic of Cyprus will choose to make use of one of the 64 opportunities it has identified to veto Turkey's accession if recognition is not formal and explicit.³¹⁵ If, however, Turkey were able to recognise a United Cyprus Republic and establish full diplomatic, trading and other links, its situation would be transformed. For Turkey, an early settlement of the Cyprus problem must now be a priority.

229. Turkish Cypriots, too, have strong incentives to conclude a settlement with the minimum of delay. All those Turkish Cypriots who wish to be a fully integrated part of the EU and to see their economy develop and prosper will need to be ready to countenance negotiated changes in the Annan Plan, as discussed above.³¹⁶ There is also a real danger that areas currently administered by the Turkish Cypriots but which under the Annan Plan would be handed over to the Greek Cypriots, such as the town of Morphou (Guzelyurt), will be starved of investment. An early resolution of the status of these areas would remove this blight. And for pro-solution Turkish Cypriot politicians, time may be running out. The result of the elections in northern Cyprus will show the extent to which Turkish Cypriots have either lost patience or are still prepared to support a solution based on the Annan Plan.

230. Greece supports Turkey's application to the EU and supported the Annan Plan. Although Greece has adopted a low-profile role in relation to the Cyprus problem, it can be assumed that she will continue to work for a settlement behind the scenes. We are heartened by the continuing rapprochement between Greece and Turkey. We believe, however, that it would be helpful if Greece were to be more openly in favour of and to throw its weight behind a settlement, in the event that a further agreement can be reached.

231. The EU and the UN will certainly be willing to support a process which has a realistic prospect of success. For the UN, the test for the resumption of the Secretary-General's mission of good offices was set out by Kofi Annan in his Report to the Security Council last May: the Turkish Cypriots must be ready to consider changes to the Annan Plan; the Greek Cypriots must state what changes they require; and the process must hold out a realistic prospect of success.³¹⁷ We are confident that the new generation of Turkish Cypriot political leaders is willing to discuss changes to the Plan, so long as they do not radically alter its balance. The key to further progress, therefore, will be the attitude of the Greek Cypriots and of their political leadership.

232. It is the Greek Cypriots who have least incentive to conclude an early settlement. They are in the EU; their economy is prospering, with every expectation that they will be able to

315 'How Cyprus's wounds are hurting Europe', *Financial Times*, 23 December 2004

316 See paras 183 to 216. Turkish Cypriots who are citizens of the Republic of Cyprus are already citizens of the EU.

317 Report of the Secretary-General on his mission of good offices in Cyprus, UNSC document S/2004/437, para 91; see also Q 214 [MacShane]

join the Euro; and their situation is stable. For Greek Cypriots, there is much about the *status quo* which is positive. Yet a settlement of the Cyprus problem offers them much more: the opportunity to develop the full economic potential of the island; a trading relationship with their near-neighbour, Turkey; recovery of land and of property; and above all, the prospect of eventual reconciliation with their Turkish Cypriot counterparts and the removal from their lives of the blight of inter-communal strife. The alternative may be a perpetuation of the *status quo*, leading to permanent division of the island. Nonetheless, there is no evidence of urgency on the part of the government of the Republic of Cyprus and it is the Greek Cypriots who will, doubtless, prove hardest to persuade of the need for urgency.

233. There is, however, a further factor. On 1 July 2005, the United Kingdom will assume the Presidency of the European Union. The Government will then be responsible for making progress on the EU's agenda and will be able, within limits, to set its priorities. During its Presidency, the United Kingdom will have to implement the European Council's decision of 17 December on Turkey's accession process. The Government will thus play a leading role in preparing for and then implementing that process. It will be uniquely well-placed to assist the process for a settlement of the Cyprus problem, as a guarantor power and by ensuring that the search for a settlement is one of the priorities of the Presidency, so that the EU is fully committed to the process.

234. We suggest that the process leading to an early settlement could look something like this:

- between now and April, the United Kingdom and the international community would impress upon Turkish Cypriots the importance of their continued support for a settlement consistent with the terms of the Annan Plan, which they have previously accepted in a popular vote;
- in the same period, the United Kingdom and the international community would impress upon Greek Cypriots that their interests are best served by a negotiated settlement such as the Annan Plan, and that they need to articulate their concerns with precision, clarity and finality, in order that negotiations can take place this Summer;
- the UN would ensure that, following the leadership elections in the North, it is in a position to take stock of the situation and determine whether there are grounds for restarting the Secretary-General's mission of good offices;
- if there were grounds for reopening the mission of good offices, the parties would without delay begin negotiations, under UN auspices if they so choose, with a view to meeting as many as possible of the concerns felt by Greek Cypriots, without detracting from the attractions of the scheme for Turkish Cypriots;
- if negotiations resumed, the United Kingdom Government would ensure that their successful conclusion was made a priority of its Presidency of the EU;
- the negotiations would be completed as soon as possible, so that a settlement plan agreed by the political leadership of both communities and by the international community could be published well in advance of referendums;

- as part of their acceptance of a settlement plan, the political leaderships of both communities would undertake to campaign in their respective communities for a 'Yes' vote;
- the referendums would take place in time for the result to be announced and (in the event that a favourable result was achieved) the plan to take effect before 3 October 2005.

235. We are of course aware that the above scenario assumes success at several points in the process where failure must be considered the more likely outcome. We consider, nonetheless, that the political leaders of both communities on Cyprus, and the international community, owe the people of Cyprus their best effort at achieving the settlement which is in all their interests.

236. We conclude that a lasting settlement of the Cyprus problem is overwhelmingly in the interests of the people of Cyprus and that it offers important advantages for the European Union, for Turkey and for the international community. We further conclude that, although the prospects for success may not be great, the opportunities which will arise in mid-2005 must be seized. As one of the Permanent Five on the UN Security Council, as President of the EU in the second half of 2005 and as a guarantor power in relation to Cyprus, the United Kingdom is in a uniquely special position to assist the process. We recommend that the Government make the achievement of a solution to the Cyprus problem a priority of its foreign policy in 2005.

Annex

Programme of the Committee's visit to Cyprus, November 2004

Monday 8 November

Meeting with Foreign Minister George Iacavou

Meeting with former President George Vassiliou

Briefing with High Commission staff

Tuesday 9 November

Meeting with HE President Tassos Papadopoulos

Meeting with Nicos Anastasiades, Chairman of DISY and Chairman of the Foreign Affairs Committee of the Cyprus House of Representatives

Lunch with members of the House of Representatives Foreign Affairs Committee

Meeting with Demetris Christofias, Chairman of AKEL and President of the House of Representatives

Call on the British Council

Dinner with representatives of Greek Cypriot society

Wednesday 10 November

Meeting with Mustafa Akinci, leader of the BDH

Meeting with HE Rauf Denktash

Meeting with Dervis Eroglu, leader of the UBP

Lunch with representatives of Turkish Cypriot society

Meeting with Serdar Denktash, leader of the DP

Dinner with Mehmet Ali Talat, leader of the CTP and head of the Turkish Cypriot administration

Thursday 11 November

Meeting with Oktay Kayalp, Turkish Cypriot Mayor of Famagusta

Briefing by Peter Draycott, Sovereign Base Area Administrator and Kyriacos Demetriades, Area Officer for Dhekelia

Briefing by Colonel Bede Grossmith, Commander, Eastern Sovereign Base Area and Major Andy Lukes, Chief of Staff, ESBA

Formal minutes

Tuesday 1 February 2005

Members present:

Donald Anderson, in the Chair

Mr David Chidgey	Andrew Mackinlay
Mr Fabian Hamilton	Mr John Maples
Mr Eric Illsley	Sir John Stanley
Mr Andrew Mackay	

The Committee deliberated.

Draft Report (Cyprus), proposed by the Chairman, brought up and read.

Ordered, That the Chairman's draft Report be read a second time, paragraph by paragraph.

Paragraph 1 read, as follows:

The island of Cyprus has been divided between its majority Greek Cypriot and minority Turkish Cypriot populations physically since 1974, and psychologically for far longer. Attempts to end the physical division, to find a solution to what has become known as “the Cyprus problem” came closer to success than ever before in 2004, with the publication of a UN-brokered scheme—the ‘Annan Plan’—on which both communities were able to vote in simultaneous referendums. The result of those referendums, in which two thirds of Turkish Cypriots supported the Plan, but three quarters of Greek Cypriots rejected it, was a stalemate. The internationally-recognised Republic of Cyprus, which exercises sovereignty over only the Greek Cypriot-controlled parts of the island, entered the European Union in May 2004; the self-styled ‘Turkish Republic of Northern Cyprus’ is recognised only by Turkey, 35,000 of whose troops are garrisoned there. Turkey's candidature for membership of the EU is blighted by the fact that its forces occupy a large part of the territory of an existing member state. It is hardly surprising that, after decades of simmering on the back burner of international priorities, the Cyprus problem has become a focus of attention. A further attempt to find a solution which is acceptable to a majority of all the people of Cyprus is likely to take place later this year.

Amendment proposed, in line 6, after the first word “referendums” to insert the words “However, the result of the referendum in the North was seriously flawed by the inclusion and participation of countless thousands of citizens of the Republic of Turkey. Their inclusion was contrary to European norms. It reflects badly on the UN and governments who for expediency acquiesced in this. No-one was able to produce for the Committee a breakdown of the proportions of those on the northern electoral roll who were citizens of the Republic of Cyprus and who were citizens of the Republic of Turkey, or nationals of other states.”.—(*Andrew Mackinlay*.)

Question, That the Amendment be made, put and negatived.

Another Amendment proposed, in line 7, to leave out the words “Turkish Cypriots” and insert the words “those participating in the North”.—(*Andrew Mackinlay.*)

Question, That the Amendment be made, put and negatived.

An Amendment made

Paragraph, as amended, agreed to.

Paragraphs 2 to 13 read and agreed to.

Paragraph 14 read, amended and agreed to.

Paragraphs 15 to 37 read and agreed to.

Paragraph 38 read, amended and agreed to.

Paragraphs 39 to 75 read and agreed to.

Paragraph 76 read, as follows:

To many Greek Cypriots, the question of how many settlers voted for the Plan and whether they swung the vote (clearly, they did not) is irrelevant—the point is that as illegal immigrants they should not have been allowed to vote at all. The Greek Cypriot leadership naturally raised this point with Mr Annan during the negotiating process, pointing out various precedents and legal opinions. In his ‘good offices’ report, the Secretary-General noted that the Greek Cypriot side had proposed that voting in the referendum should be limited to those who had Cypriot citizenship in 1963 and their descendants. The report refers to the “apparent impracticability” of this proposal and that it would have required the Turkish Cypriots to accept the Greek Cypriot interpretation of the history of their island in the early 1960s. In the event, despite “persistent, repeated calls” by the Greek Cypriot side to disenfranchise the settlers, they were allowed to vote in the referendum. As Lord Hannay put it,

The voting rolls which existed for Turkish Cypriot parliamentary elections and Turkish Cypriot presidential elections were in existence and they were what they were. I think it was generally agreed, and indeed the Greek Cypriots knew all about this, that this was a valid basis on which to seek an opinion.

Amendment proposed, in line 3, after the word “all.” to insert the words “This is undeniably a valid argument for those giving fealty to the internationally-recognised Republic of Cyprus to advance.”. —(*Andrew Mackinlay.*)

Question, That the Amendment be made, put and negatived.

Another Amendment proposed, in line 18, at the end, to add the words “Despite what the Secretary-General and Lord Hannay have said, it would have at the very least been appropriate for those voting in the northern referendum to have been identified as

either settlers or as citizens of the *de jure* Republic of Cyprus prior to voting and for their votes to have been counted separately.”—(*Andrew Mackinlay*.)

Question, That the Amendment be made, put and negatived.

Paragraph agreed to.

Paragraph 77 read, as follows:

The arguments against allowing settlers to vote were undoubtedly strong. We acknowledge the force of the case made by the government of the Republic of Cyprus and we note that the electoral rolls in the North clearly include information on when voters attained ‘citizenship’. It would thus have been feasible to restrict the vote in the North to those born on the island, most of whom are Turkish Cypriot citizens of the Republic of Cyprus. Against this, however, it has to be remembered that the fate of the settlers, too, was being determined. Their right to remain on the island was at stake. Most of the settlers also consider themselves to be ‘citizens’ of the ‘TRNC,’ to which they pay their taxes and under whose laws they live. Their rights cannot be ignored.

Amendment proposed, in line 6, to leave out from the word “Cyprus.” to the word “Most” in line 8.—(*Andrew Mackinlay*.)

Question, That the Amendment be made, put and negatived.

An Amendment made.

Paragraph, as amended, agreed to.

Paragraphs 78 read, amended and agreed to.

Paragraph 79 read and agreed to.

Paragraph 80 read, as follows:

After careful consideration, we conclude that it was right that all those on the electoral roll in northern Cyprus were able to participate in the referendum held in April 2004, and we recommend that the same arrangements should apply in respect of any future referendum on a solution to the Cyprus problem.

Motion made, and Question proposed, to leave out paragraph 80 and insert the following new paragraphs:

It was wholly wrong for people other than citizens of the Republic of Cyprus to have been permitted to participate in the referendum held in April 2004. No-one was able to produce for the Committee a breakdown of the proportion of those on the northern electoral roll who were citizens of the Republic of Cyprus and who were citizens of the republic of Turkey, or nationals of other states.

As a consequence of including indiscriminately all those on the ‘electoral roll’, regardless of citizenship, and allowing them to participate in the referendum, means that the result was, to say the least, seriously flawed. The inclusion and

participation of countless thousands of citizens of the Republic of Turkey in the referendum was contrary to western European norms and it reflects badly on the UN and on the governments who for expediency acquiesced in this.—(*Andrew Mackinlay.*)

Question put and negatived.

Paragraph agreed to.

Paragraphs 81 to 99 read, amended and agreed to.

Paragraph 100 read, as follows:

In an apparent bid to obtain concessions from Ankara ahead of the December 2004 EU summit, when a decision on Turkey's entry was to be made, President Papadopoulos described his country's newly-acquired veto as "a weapon we have in our hands." He also claims to have plenty of ammunition, with no fewer than 64 opportunities to block Turkey's accession: one at the beginning and one at the end; and two for each of the 31 technical chapters. In our view, however, the veto is a single-use weapon; its use by a small member state on a matter which was not generally accepted to be one of vital national interest would be catastrophic for that state's credibility and would cause a major crisis within the Union.

Amendment proposed, in line 6, to leave out from the word "chapters." to the end of the paragraph.—(*Andrew Mackinlay.*)

Question put, That the Amendment be made.

The Committee divided.

Ayes, 3

Noes, 3

Mr David Chidgey

Mr Fabian Hamilton

Mr Eric Illsley

Mr Andrew Mackay

Andrew Mackinlay

Mr John Maples

Whereupon the Chairman declared himself with the Ayes.

Paragraph, as amended, agreed to.

Paragraph 101 read, as follows:

Talk of using the veto so soon after joining the club may be unpopular, but there is also some evidence to suggest that, since entering the European Union, the government of Cyprus's actions have been less than wholeheartedly communitaire. The spirit of cooperation, the big picture which was the impetus behind European enlargement, seems to be lacking. For example, the Republic of Cyprus, which has successfully claimed to represent all the people of the island, has appointed only one Turkish Cypriot to its representation in Brussels. Cyprus has also blocked the EU's direct trade proposal, which we discuss in detail below. Commenting on Cyprus's obstruction of the financial aid and trade proposals, Dr

MacShane, said: “We have not found a solution and it would be perfectly fair to say that, in my judgment, the officials of the Republic of Cyprus are not working with us to find a solution.” Christopher Brewin was of the opinion that “the European Union has to get a grip on it.”

Amendment proposed, in line 1, to leave out from the beginning to the word “the” in line 5.—(*Andrew Mackinlay*.)

Question, That the Amendment be made, put and negatived.

Paragraph agreed to.

Paragraph 102 read, amended and agreed to.

Paragraph 103 read, as follows:

We conclude that there is as yet little evidence that the Republic of Cyprus has fully taken on board that its membership of the EU involves obligations, as well as opportunities. We recommend that the Government work on a bilateral level, and with its European partners, to encourage Cyprus to adapt to European Union values and methods of working.

Motion made and Question proposed, That the paragraph be disagreed to.—(*Andrew Mackinlay*.)

Question put and negatived.

Paragraphs 104 to 114 read and agreed to.

Paragraph 115 read, as follows:

We are greatly disappointed that it has so far proved impossible to gain agreement on the modest but important proposals to improve the operation and usefulness of the Green Line Regulation on intra-island trade. We recommend that the United Kingdom work closely with the Luxembourg presidency to secure early implementation of these changes and to streamline procedures for making further amendments. We further recommend that the EU should take steps to bring in genuinely free trade, with traders in the South of the island being free to move goods and products across the line to the North.

Amendment proposed, in line 3, to leave out from the word “trade.” to the end of the paragraph.—(*Andrew Mackinlay*.)

Question proposed, That the Amendment be made:—Amendment, by leave, withdrawn.

Paragraph agreed to.

Paragraphs 116 to 121 read and agreed to.

Paragraph 122 read, amended and agreed to.

Paragraphs 123 to 126 read and agreed to.

Paragraph 127 read, amended and agreed to.

Paragraphs 128 to 145 read and agreed to.

Paragraph 146 read, as follows:

We recommend that in its response to this Report, if not sooner, the Government clarify whether it has the power to authorise direct passenger flights between the United Kingdom and northern Cyprus. We further recommend that, if it does possess the power to authorise flights, the Government announce a date from which such services will be permitted, subject to satisfactory safety inspections of the facilities at Ercan and other assurances.

Motion made and Question proposed, That the paragraph be disagreed to.—
(*Andrew Mackinlay.*)

Question put and negatived.

Paragraphs 147 to 153 read and agreed to.

Paragraph 154 read, amended and agreed to.

Paragraphs 155 to 162 read and agreed to.

Paragraph 163 read, as follows:

We reiterate our previous strong support for Turkish membership of the European Union. We conclude, however, that in practice Turkish accession will be impossible for as long as there is no settlement of the Cyprus problem. We also conclude that Turkey has the power greatly to assist both a settlement in Cyprus and its EU aspirations, for example by withdrawing some of its many thousands of troops from the island, and we call upon it to do so.

Amendment proposed, in line 1, to leave out from the beginning to the word “that” in line 2 and insert the words “We conclude”.—(*Andrew Mackinlay.*)

Question put, That the Amendment be made.

The Committee divided.

Ayes, 2

Noes, 4

Mr Eric Illsley
Andrew Mackinlay

Mr Fabian Hamilton
Mr Andrew Mackay
Mr John Maples
Sir John Stanley

Paragraph agreed to.

Paragraphs 164 to 170 read and agreed to.

Paragraph 171 read, as follows:

The Ministry of Foreign Affairs of the Republic of Cyprus obliquely expressed its annoyance with the United Kingdom's policy on Cyprus, by informing us of the "disappointment" of Greek Cypriots about United Kingdom actions during the Annan Plan negotiating process "trying to undermine the positions of the Greek Cypriot side" and about

... the fact that British policy, following the 24 April 2004 referendum, has not shown, in practice, respect for the will of the overwhelming majority of the Greek Cypriots, as expressed during the voting. There is a feeling that the British policy towards Cyprus, although in words purports to aim for the reunification, in actual terms consolidates the division and the alienation of the two communities bringing feelings of disappointment to the Greek Cypriot community.

Dr Claire Palley, who from 1980 to 2004 acted as constitutional consultant to the President of Cyprus, told us that "the long-standing and consistent attempts to balance Greek Cypriot and Turkish Cypriot interests were, from late 2002 onwards, subordinated to a desire to secure Turkish and American interests, with this policy being supported by Her Majesty's Foreign Office." We received comments of a similar nature also from some individual Greek Cypriots and from some representative Greek Cypriot organisations, but we do not accept that such assertions can be substantiated.

Amendment proposed, in line 19, to leave out from the word "organisations" to the end of the paragraph.—(*Andrew Mackinlay*.)

Question, That the Amendment be made, put and negatived.

Paragraphs 172 to 204 read and agreed to.

A paragraph—(*Andrew Mackinlay*)—brought up and read, as follows:

As will be seen from the table above, it is not at the moment possible to identify exactly the numbers of settlers and those indigenous Turkish Cypriots who are, constitutionally and/or *de jure*, citizens of the Republic of Cyprus and European Union citizens. If the Council of Europe's estimate of 115,000 settlers in North Cyprus is correct, this seriously undermines the integrity of the referendum in the North. In short the referendum in the North was seriously flawed and it is a dangerous delusion for the international community and in particular the EU and the UN Secretary-General to pretend otherwise. It is also a very bad precedent for the EU and the Secretary-General to acquiesce in the pretence that the referendum had integrity. Such expediency not only reflects badly on the Secretary-General and the EU, but will also be prayed in aid by parties on other conflict situations elsewhere in the world.

Question put, That the paragraph be read a second time.

The Committee divided.

Ayes, 2

Noes, 5

Mr Eric Illsley
Andrew Mackinlay

Mr David Chidgey
Mr Fabian Hamilton
Mr Andrew Mackay
Mr John Maples
Sir John Stanley

Paragraph 205 read, as follows:

We recommend that a population census be held in northern Cyprus, funded by the European Union and carried out either by an appropriate international body or by the Turkish Cypriot authorities under close international supervision.

Amendment proposed, in line 2, to leave out from the word “out” to the end of the paragraph and to insert the words “by an appropriate international body. This census must identify those who are settlers and those who are *de jure* citizens of the Republic of Cyprus and, *ipso facto*, existing citizens of the European Union and only the latter would be permitted to participate in any future referendum.”.—(*Andrew Mackinlay.*)

Question put, That the Amendment be made.

The Committee divided.

Ayes, 2

Mr Eric Illsley
Andrew Mackinlay

Noes, 5

Mr David Chidgey
Mr Fabian Hamilton
Mr Andrew Mackay
Mr John Maples
Sir John Stanley

Paragraph agreed to.

Paragraph 206 read and agreed to.

Paragraph 207 read, as follows:

We therefore feel guardedly optimistic that there may be scope for some limited adjustment of the provisions of the Annan Plan in relation to the settler issue. We suggest that such an adjustment could most realistically focus on providing strong economic incentives for settlers to return to Turkey, combined with stricter limitations on the granting of citizenship or the right of residence. These measures can be portrayed as a mirror image of those which apply to Greek Cypriots seeking to reclaim their properties in the North: quantitative limits, offset by financial compensation. They would introduce a greater symmetry to the Plan and they would satisfy the criterion we set ourselves earlier in this Report, of seeking changes to the Plan which would meet the demands of Greek Cypriots, while not damaging the interests of Turkish Cypriots.

Amendment proposed, in line 5, to leave out from the word “residence” to the end of the paragraph.—(*Andrew Mackinlay.*)

Question, That the Amendment be made, put and negatived.

Paragraphs 208 and 209 read and agreed to.

Paragraphs 210 and 211 read, amended and agreed to.

Paragraphs 212 to 231 read and agreed to.

Paragraph 232 read, amended and agreed to.

Paragraphs 233 to 235 read and agreed to.

Paragraphs—(*Andrew Mackinlay*)—brought up and read, as follows:

The Annan Plan was adopted as ‘the way forward’ uncritically, by most of the main players and in particular the British Government. It should be recognised in retrospect that the Plan was seriously flawed. Indeed, had it been endorsed by referendums in both the North and in Greek Cyprus there would have been a very real danger of it seriously unravelling after accession, because so much important detail had, in all reality, not been agreed. Such a situation could have resulted in the nightmare scenario where the EU would have had for the very first time the chemistry for internal armed conflict on a significant scale, as well as a serious crisis with a member of NATO, Turkey.

The need to meet the deadline of Cyprus’s European Union accession had meant not only trimming on essential details vital to the interests of both sides, but also the efficacy of the referendums. We refer, by way of example, to:

- (i) not enough work having been done on the numbers of Turkish settlers who would be required to return to Turkey;
- (ii) not enough work done on arrangements for the restitution of property and/or the criteria whereby compensation would be negotiated, arbitrated or in some cases presented as the only option;
- (iii) failure to agree in advance sums which Turkey might make available to help fund compensation;
- (iv) failure to agree an internationally acceptable electoral roll for the referendum in the North which either excluded non-EU/republic of Cyprus citizens (ie the settlers) or at least placed the latter on a separate roll in order that a true measure of Turkish Cypriot opinion could be gauged.

In short, the Annan Plan was a fudge and so incomplete that it is little wonder that many felt unable to vote for it. It may, however, be a blessing in disguise. Although flawed and incomplete, the Annan Plan still forms the only foundation for progress. It must now be built on, the gaps filled in and the details sorted out. This, we hope, may now be achieved without the aggravation that the EU accession date deadline caused.

Question put, That the paragraphs be read a second time.

The Committee divided.

Ayes, 2

Mr Eric Illsley
Andrew Mackinlay

Noes, 5

Mr David Chidgey
Mr Fabian Hamilton
Mr Andrew Mackay
Mr John Maples
Sir John Stanley

Paragraph 236 read and agreed to.

Annex agreed to.

Resolved, That the Report, as amended, be the Second Report of the Committee to the House.

Ordered, That the Chairman do make the Report to the House.

Ordered, That the provisions of Standing Order No.134 (Select committees (reports)) be applied to the Report.

Several Papers were ordered to be appended to the Minutes of Evidence.

Ordered, That the appendices to the Minutes of Evidence taken before the Committee be reported to the House.—(*The Chairman.*)

[Adjourned till Tuesday 22 February at 2.30pm.]

Witnesses

Tuesday 19 October 2004

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Dr Christopher Brewin, Keele University and **Dr Philippos Savvides**, Hellenic Foundation for European and Foreign Policy (ELIAMEP)

Ev 6

Tuesday 2 November 2004

Lord Hannay of Chiswick CH GCMG

Ev 20

Mr Özdem Sanberk, retired ambassador of Turkey

Ev 27

Tuesday 16 November 2004

Mr Denis MacShane MP, Minister of State and **Mr Dominick Chilcott**, Director, Europe, Foreign and Commonwealth Office

Ev 41

Wednesday 17 November 2004

M. Pierre Mirel, Director, Enlargement Directorate, European Commission

Ev 65

List of written evidence

Dr Philippos Savvides, Research Fellow, Hellenic Foundation for European and Foreign Policy (ELIAMEP)	Ev 1, 15
Dr Christopher Brewin, Keele University	Ev 5
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Foreign and Commonwealth Office	
Letter from the Secretary of State for Foreign and Commonwealth Affairs	Ev 34
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M. Pierre Mirel, Enlargement Directorate, European Commission	Ev 62, 71
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Dr Vassilis K Fouskas, Reader in International Relations, Kingston University	Ev 91
Mr Christopher Price	Ev 93
Argyros George Argyrou	Ev 94
The Union of South London Cypriots in Britain	Ev 99
Pahpos Association in England	Ev 100
Brigadier Francis Henn CBE	Ev 102
Action for Cyprus (Midlands)	Ev 105
Union of Refugees and Displaced Persons of Cyprus	Ev 107
Ministry of Foreign Affairs of the Republic of Cyprus	Ev 111
Dr Claire Palley, former UK Representative to the UN Sub-Commission on prevention of Discrimination and Protection of Minorities, and former constitutional consultant to the President of Cyprus	Ev 124
Turkish Republic of Northern Cyprus, Deputy Prime Ministry and Ministry of Foreign Affairs	Ev 134
Turkish Republic of Northern Cyprus, President's Office	Ev 137, 155, 166, 167, 168, 170
Turkish Republic of Northern Cyprus, Office of the London Representative	Ev 165
Cypriot Forum for Labour	Ev 171
Organisation of Relatives of Missing Cypriots	Ev 171
Dr Ahmet Djavit An	Ev 172
Friends of Cyprus	Ev 195, 201
Mr Brendan O'Malley	Ev 202
Tracemed	Ev 204
Council of Turkish Cypriot Associations in the United Kingdom	Ev 204
Ayios Ambrosios Association	Ev 212
Embargoed!	Ev 214
Cypriot Community Centre, London	Ev 219
Professor Clement Dodd, School of Oriental and African Studies, University of London	Ev 220, 221
Costantis A Candounas	Ev 224
Mr Michael Stephen	Ev 229
National Federation of Cypriots in the United Kingdom	Ev 239

British Residents' Society of North Cyprus	Ev 241
Mr Andrew Dismore MP	Ev 244
Association of Martyrs' Families and War Veterans	Ev 247
Kyrenia Refugees Association	Ev 248
National Unity Party of Northern Cyprus	Ev 256
Cyprus Turkish Fighters Association	Ev 263
Turkish Cypriot Human Rights Committee	Ev 265
TRNC Human Rights Association	Ev 267
All Party Parliamentary Group for the Turkish Republic of Northern Cyprus	Ev 269
Lobby for Cyprus	Ev 271

List of unpublished written evidence

Additional papers have been received from the following and have been reported to the House but to save printing costs they have not been printed and copies have been placed in the House of Commons library where they may be inspected by Members. Other copies are in the Record Office, House of Lords and are available to the public for inspection. Requests for inspection should be addressed to the Record Office, House of Lords, London SW1. (Tel 020 7219 3074) Hours of inspection are from 9:30am to 5:00pm on Mondays to Fridays.

A number of submissions bearing illegible signatures and no address were also received and have been placed in the Records Office.

Panicos Eleftheriou	Bryn Lewis	Zekiye Yucel
Zack Charou	Demetra Solomou	Ibrahim Kanli
Gonul Yavas	Peter R Hewitt	Najma Shah
Professor Owen R Ashton	Angie Collings	Kemal Toz
Michael Doolin	Neil Howard	Mr Fahri Zihni
Mark Piazza	Michael John Haslam	Caner Mustafa
Hilarie Jones	Roy Haskett	Mr Veli Avdji
Vaughan Williams	Stephen Christie	Mr Osman Mehmed
Vivienne Hope	Mrs Linda Greenan	Mrs Narin Zekayi
Yvonne Smith	Mrs Teresa Cefa	Imren Incirli
Mr John and Mrs Sandra Dear	Fanoulla Argyrou	Mustafa Rifat
Linda Koupparis	Brendon Lancaster	Sonya Nedjib
Dr John Galpin	Ray Hainsby	Jan Kiamil
Peter Craig	Mrs Jane Howard	Cllr Ertan Hurer
Gary Smith	Stephen J Brady	Ermine Ibrahim
Jerry Dixon	George Eleftheriades, Australian Citizens Committee for Civil Concerns	David Bedford
Christine Soper	Dr Geoffrey Quick	Cengiz Rifat
Mr and Mrs B Wicks	Anne Mcdougall	Altan H Aras
Robert Dudman	Ms Joanna Koussertari	Alkan Mustafa
D Thomas	Professor Michael Attalides, Friends of Cyprus	Ozel Ramiz
Michael Wheeler	Philippos Eleftheriou	Mr Altan Munir
Mr and Mrs S Collard	Free Ayios Amvrosios Association	Beyhan Aziz
Amanda Sowerby	Pavlos Afxentiou	Serife Yusuf
Mr J and Mrs M Mansfield	Anita and Tony Woods	Mr E Dervish
Richard Long	Edward Ashburn	Father Papa Elias
Phil Krause	Mrs Julia E Holmes	Christina Lillitou
R J Tirard	Frances E Allen	Mrs Mary Helen Karaolis
Demetrios Markou	Suzanne Nuri	D R Thomas
George Evgeniou	Turgut Saridja	Mr Mustafa Salih
S A Belbas		Omer Kulle
Charles Sozou		Fatma Korusoy
		Hassan Korusoy
		Ergin Balli
		M I Mustafa

Mr Huseyin Mustafa
 North Cyprus Turkish
 Youth Club of
 Victoria
 Adil K Certel
 Sema Sener
 Ms Ipek Hamit
 Levent Yilmaz
 Deniz Huseyin
 Ms Peri Orhan
 Mr Zekai Misiri
 Mrs Rustiye Misiri
 Mrs Nimet Misiri
 Master Oguz Misiri
 Miss Pinar Misiri
 Mr T Kucuk
 Mr Macit Ibrahim
 Mr A Uysal
 Mrs Guluzar Orhan
 Atila Orhan
 Etem Dindjer
 Mrs Havva Hussein
 Mrs Ayne Djemal
 Havva Demet
 Emine Rauf
 Cermaliye Ali
 Ayse Latif
 Huseyin Yusuf
 Sumer Ahmet
 Emine A Sonmez
 Hatice Çetin
 Fatma Mehmet
 Ahmet Mustafa
 Ilkay Mustafa
 Mrs Osman
 Mrs Hirmiis Ibrahim
 Harry Blackley
 Djovit Hussein
 Mr F Mehmet
 M Mehmet
 Spyros Michas
 Mr B Hasan
 Emine Etere

Mrs Serda Suleyman
 Miss Zerin Ahmet
 Niyazi Eren
 Irfan Menevili
 Andrew Hanley
 Fevzi Turkalp
 Mustafa Irfan
 Mrs Rabia Kiuc
 Fevziye Dilgil
 Leyla Eryuneleler
 Saadet Eryurek
 Mrs D Hassan
 Alp Ermiya
 Miss A Halil
 S Saffet
 Gulsen Uzel
 Ferdiye Djamboulat
 Mr Taner Buyukoglu
 Serhat Inanli
 Fekriye Özecer
 Mr E H Ibrahim
 Nurten Arkut
 Esengul Yardim Sevenler
 Erdogan Ali Cemal
 Sultan Ali Cemal
 Emriye Ay
 P Ahmet
 Mr Rifat Ali
 Naciye Ali
 Mr & Mrs Dyevedet
 Ali Rifat
 Banire Dervish
 K Dervish
 Davut and Jake Jahit
 Emine Jahit
 Eliz Huseyin
 Emine Huseyin
 Sureya Hussein
 Mustafa Hussein
 Ayshe Hussein
 Hassan Hussein
 Aysen Zekei
 N Nazamoglu

A Nizamogley
 Mr M Nisamoglu
 S Mehmet
 Jevdet Sami
 Ismet Cafer
 Osman Salish
 Ozzam Mustafa
 Lucy Sami
 A Rifik
 Ayse Banbridge
 Metin Guvener
 Umran Ahmed
 Imran Guvener
 Perfin Arif
 Mustafa Izzet
 Omen Sulyman
 Hayriye Omer
 Halil Arif
 Erel Korusoy
 S Baybora
 Emine Korusoy
 Melda Salih
 Oner Salih
 Sema Salih
 Evran Salih
 Eda Salih
 Miss S Halil
 Mrs H Halil
 Mr T Halil
 Mrs S Halilgil
 Mr H. Halilgil
 Mr H Ahmet
 Mrs R Hassan
 Adem Ali
 Aydin Ali
 T Mustafa
 Mrs P Mustafa
 Mr S Zurnaci
 Mrs H Hussein
 Pembe Katircioglu
 Bayram Katircioglu

Reports and Evidence from the Foreign Affairs Committee since 2001

The following reports and evidence have been produced in the present Parliament.

Session 2004–05

REPORTS

First Report Foreign Affairs Committee Annual Report 2004 HC 112

Session 2003–04

REPORTS

Eighth Report Foreign and Commonwealth Office Annual Report 2003–2004 HC 745 (*Cm 6415*)

Seventh Report Foreign Policy Aspects of the War Against Terrorism HC 441-I (*Cm 6340*)
HC 441-II

Sixth Report Strategic Export Controls HC 390 (*Cm 6357*)

Fifth Report South Africa HC 117 (*Cm 6283*)

Fourth Report Human Rights Annual Report 2003 HC 389 (*Cm 6275*)

Third Report Iran HC 80 (*Cm 6198*)

Second Report Foreign Policy Aspects of the War Against Terrorism HC 81 (*Cm 6162*)

First Report Foreign Affairs Committee Annual Report 2003 HC 220

First Special Report Implications for the Work of the House and its Committees of the Government's Lack of Co-operation with the Foreign Affairs Committee's Inquiry into The Decision to go to War in Iraq HC 440

MINUTES OF EVIDENCE

Oral and Written Evidence Developments in the European Union HC 1233-i
HC 129-i

Written Evidence Overseas Territories HC 114

Written Evidence The Biological Weapons Green Paper HC 113

Written Evidence Private Military Companies HC 115

Written Evidence Turkey HC 116

Session 2002–03

REPORTS

Twelfth Report Foreign & Commonwealth Office Annual Report 2003 HC 859 (*Cm 6107*)

Eleventh Report Gibraltar HC 1024 (*Cm 5954*)

Tenth Report Foreign Policy Aspects of the War against Terrorism HC 405 (*Cm 5986*)

Ninth Report The Decision to go to War in Iraq HC 813 (*Cm 6062*)
and (*Cm 6123*)

Eighth Report Zimbabwe HC 339 (*Cm 5869*)

Seventh Report Strategic Export Controls: Annual Report for 2001, Licensing Policy and Parliamentary Scrutiny HC 474 (*Cm 5943*)

Sixth Report	The Government's proposals for secondary legislation under the Export Control Act	HC 620 (<i>Cm 5988</i>)
Fifth Report	The Biological Weapons Green Paper	HC 671 (<i>Cm 5857</i>)
Fourth Report	Human Rights Annual Report 2002	HC 257 (<i>Cm 5320</i>)
Third Report	Foreign Affairs Committee Annual Report 2002	HC 404
Second Report	Foreign Policy Aspects of the War against Terrorism	HC 196 (<i>Cm 5739</i>)
First Report	The Biological Weapons Green Paper	HC 150 (<i>Cm 5713</i>)
First Special Report	Evidence from Mr Andrew Gilligan to the Committee's Inquiry into the Decision to go to War in Iraq	HC 1044

MINUTES OF EVIDENCE

Oral and Written Evidence	The Decision to go to War in Iraq	HC 1025-I and HC 1025-ii
Evidence	The Thessaloniki European Council	HC 774-i
Evidence	Developments in the European Union	HC 607-i
Evidence	The Inter-Governmental Conference 2004: The Convention on the Future of Europe	HC 606-i
Evidence	The Copenhagen European Council	HC 176-i
Evidence	The Prague NATO Summit	HC 66-i

Session 2001–02

REPORTS

Twelfth Report	FCO Annual Report 2002	HC 826 (<i>Cm 5712</i>)
Eleventh Report	Gibraltar	HC 973 (<i>Cm 5714</i>)
Tenth Report	Zimbabwe	HC 813 (<i>Cm 5608</i>)
Ninth Report	Private Military Companies	HC 922 (<i>Cm 5642</i>)
Eighth Report	Strategic Export Controls: Annual Report for 2000, Licensing Policy and Prior Parliamentary Scrutiny (Quadripartite Committee)	HC 718 (<i>Cm 5629</i>)
Seventh Report	Foreign Policy Aspects of the War against Terrorism	HC 384 (<i>Cm 5589</i>)
Sixth Report	Turkey	HC 606 (<i>Cm 5529</i>)
Fifth Report	Human Rights Annual Report 2001	HC 589 (<i>Cm 5509</i>)
Fourth Report	Zimbabwe	HC 456
Third Report	Laeken European Council	HC 435
Second Report	British-US Relations	HC 327 (<i>Cm 5372</i>)
First Report	Gibraltar	HC 413
First Special Report	Appointment of Parliamentary Representatives to the Convention on the Future of Europe	HC 509

MINUTES OF EVIDENCE

Evidence	The Inter-Governmental Conference 2004: The Convention on the Future of Europe	HC 965-i
Evidence	The Barcelona European Council	HC 698-i

The reference to the Government response to the report is printed in brackets after the HC printing number