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1. Cyprus Problem

November began with high expectations from the Turkish Cypriot and Greek Cypriot leaders Mustafa Akinci and Nicos Anastasiades. A leaders meeting was held in Mont Pelerin, Switzerland, from the 7th and 11th of the month to discuss territory and other interrelated issues. The outcome of the week-long negotiations, would have determined whether negotiations could continue into the final phase of the peace talks namely the discussion of the issue of security and guarantees at a multiparty/five party conference.

Both sides went to Mont Pelerin with differing positions. The Greek Cypriot side had set agreement on territory as a necessary prerequisite to proceed to the final stage. It therefore aimed at securing agreement on certain criteria on territorial adjustments and have these reflected on a map in order to agree for a date for a multi-party conference on guarantees. On the other hand, the Turkish Cypriot side had made clear that a map would not be produced until the leaders decided on a date for a five-party conference with the guarantor powers.

During the first two days of the talks the leaders discussed unresolved issues on chapters of the EU, the economy, governance, property and power sharing with the exception of the issue of rotating presidency, which was not discussed. Substantial discussion on territorial criteria began on November 9 with both sides submitting their positions in a unified document. As

both sides failed to find common ground on all territorial criteria they agreed to discuss three out of a long list of criteria namely: the number of refugees to return, the percentage of territory for the two constituent states and the length of coastline for each state. On November 11, a marathon session between the leaders produced significant progress as they reached agreement on the percentage of the Turkish Cypriot constituent state (reportedly 28.2% - 29.2%). Nevertheless, this was not enough to close the issue of territory altogether. The two leaders therefore decided to take a recess and reconvene in Mont Pelerin for a second round on November 20 for a two-day meeting on territory. According to Turkish Cypriot spokesman Baris Burcu, the break in the talks was requested by Anastasiades in order to confer with the Greek Prime Minister Alexis Tsipras and the Greek Cypriot party leaders at home.

On November 21, the second round of negotiations in Mont Pelerin ended inconclusively as discussions on territory did not yield the necessary convergences on the three criteria thus resulting in a deadlock of the process. The Turkish Cypriot side claimed that the Greek Cypriot side had “maximalist” positions while the Greek Cypriot side although expressing that it did not want to enter the blame game claimed that Turkish intransigence had led to the deadlock. According to reports the Greek Cypriot side insisted that 78.000-92.000 refugees should have the right to return while the Turkish Cypriot side would not accept more than 68.000, meaning that both sides had drawn a red line

on the issue of Morphou. Moreover, according to Turkish Cypriot media a so-called mini crisis occurred at the beginning of the talks after a leaked document from Greek Foreign Minister Nicos Kotzias asserted that Greece would refuse to attend an international conference unless it was agreed beforehand that guarantees would be abolished. In order to overcome the crises, UNSG's Special Advisor, Espen Barth Eide spoke with both the Greek and Turkish leaderships on the phone. It was after this exchange that the UN confirmed Greece would come to the meeting without preconditions.

Speaking to reporters upon his return from Mont Pelerin, Akinci said "the Greek Cypriot side without first agreeing over issues vital to secure the Turkish Cypriot peoples' political equality such as rotating presidency and active participation in decision making, attempted to conclude discussions on territory at the very first meeting, ignoring the fact that some aspects of these issues were to be discussed [at the last, give-and-take, stage] during the five-party conference. Later in the month, Akinci repeated that the Greek Cypriot side wanted to take what was important to them i.e. the map or agreement on the territorial adjustment criteria but to leave pending issues that were important for the Turkish Cypriots, such as the rotating presidency. "We could not accept this," Akinci added.

As the leaders of the two communities struggled to reach agreement in Mont Pelerin, thousands of people from both sides of the divide

attended a peace rally in the UN Controlled buffer zone to show their support towards the efforts for an agreed solution. The rally was organized by 120 Turkish Cypriot and Greek Cypriot organizations.

On November 23, in a written statement, the UN Secretary General Ban Ki-moon encouraged the leaders of the two communities to do their utmost to overcome the hurdle of lack of agreement on the criteria for territorial adjustment in Mont Pelerin. "They have made significant progress across chapters over the past eighteen months, advancing their talks further than ever before. They should continue to build upon their substantial achievements. The Secretary-General urges the leaders to continue their efforts in line with their shared commitment to do their utmost in order to reach a settlement in 2016. Especially in a region and in a world marked by increasing tension, they must not let this historic opportunity slip," the statement continued, adding "He reminds them that temporary set-backs are not uncommon in peace processes as talks approach a final stage".

Following the disruption of the talks UN Special Adviser on Cyprus, Espen Barth Eide engaged in shuttle diplomacy in order to explore avenues for the negotiations to resume and overcome the first crisis between Anastasiades and Akinci since May 2015. The two leaders were expected to have dinner together on December 1st.

On November 30, British Foreign Secretary Boris Johnson visited Cyprus to demonstrate the UK's support for the Cypriot-led settlement talks. During the visit Johnson met Anastasiades and Foreign Minister Ioannis Kasoulides in the south, and Akinci in the north, as well as UN representatives and British UN peacekeepers working in the buffer zone.

The Nicosia branches of the Republican Turkish Party (CTP) and AKEL came together to discuss the crisis in the talks after the failure in Mont Pelerin. Following the meeting, the two parties pointed out that the two sides should abstain from engaging in a "blame game" urging the two leaders to move the process forward before the rise of nationalistic tendencies on both sides. The two parties also discussed, which concrete steps could be taken to contribute to the process and announced plans for various activities and events which would bring people from both sides of the divide together.

Earlier in the month, a delegation from the Social Democratic Party (TDP) visited separately AKEL and DISY to assess the latest developments in the talks and to discuss how to contribute to the process.

On Nov 4 the Pathways to Sustainable Peace Conference supported by World Vision International Middle East and Eastern Europe Regional Office, the Friedrich-Ebert-Stiftung and the Cyprus Women's Lobby brought together women from throughout Cyprus as a collective from various perspectives to gain a better

understanding of United Nations Security Council Resolution 1325, what it means, why it matters, but more importantly how it is implemented in the everyday lives of women in Cyprus. UNSCR 1325 is a landmark international legal framework that addresses not only the inordinate impact of war on women, but also the pivotal role women should and do play in conflict management, conflict resolution and sustainable peace. "We continue to see a considerable lack of addressing the implementation of resolution 1325 to substantially include women in the peace talks and also across the board," said Ambassador Mara Marinaki, the European External Action Service's Principal Adviser on Gender and on the implementation of UN Security Council Resolution 1325 on Women, Peace and Security during her keynote address. Marinaki added that the absence of Cypriot women from the formal peace negotiations shows a gap between the endeavours of the international community and the realities of the overall peace process on the island. "We've seen that when women are involved in peace processes, a peace agreement is more likely to be implemented, more likely to be concluded and also to be sustained and provide sustainable peace," said Special Representative of the Secretary-General (SRSG) in Cyprus and Head of UNFICYP, Ms. Elizabeth Spehar in her opening remarks at the conference. The result of the collective work created the 'White Book of Best Practice' which offer guidelines for the women, peace and security agenda in Cyprus. Its aspiration is to promote a set of

good practices to advance the women, peace and security agenda as a core dimension of the larger discussion of the Cyprus peace building process.

Turkish Cypriot and Greek Cypriot police were involved in an unprecedented joint raid in the early hours of November 2, in the bi-communal village of Pyla/Pile in what has been described as a 'significant clampdown' on illegal gambling dens; eight in total. Reportedly, the operation was coordinated by the United Nations. A total of 47 people have been taken into custody 37 Greek Cypriots, six Turkish Cypriots, one Romanian and three Vietnamese nationals. Witnesses said that Turkish Cypriot police officers were wearing red caps and Greek Cypriot police officers yellow ones to distinguish the different police forces. The Greek Cypriot Justice Minister Ionas Nicolaou denied any official cooperation with Turkish Cypriot "pseudo" police saying that the operation was only "simultaneous". The co-chairman of the Bi-communal Technical Committee for Crime and Criminal Matters Hakki Celal Onen said that he could not understand why the Greek Cypriot minister was trying to distort a joint effort carried out by the two sides. Onen added that the operation carried out was not part of the technical committee's mission but part of work carried out by a committee set up specifically for Pyla/Pile. Located in the UN buffer zone, the village is special in that it is one of only two settlements in Cyprus still inhabited by both Turkish and Greek Cypriots.

2. Hydrocarbons

A preliminary study into the East Med pipeline has determined that the project is technically and commercially viable. The study was carried out by IGI Poseidon and funded by the Connecting Europe Facility (CEF). The East Med Pipeline is a proposed 1,300km gas pipeline linking Cyprus, Crete, Greece and possibly Italy. It aims to create a direct export route for natural gas reserves from the Eastern Mediterranean to Europe, as part of the East Mediterranean corridor.

3. Greek Cypriots

Economic Developments

On November 12, Moody's Investors Service said that it has reaffirmed Cyprus's B1 sovereign credit rating and changed the outlook to positive from stable citing the economy's reliance on services, the high stock of bad loans and high private and public debt which outweigh the economy's resilience and fiscal outperformance.

Meanwhile the European Stability Mechanism's (ESM) mandate would not allow for the financing of a Cyprus settlement without changing its treaty, ESM Managing Director Klaus Regling stated on November 1st. Regling however stressed that reunification would be good for the economy despite the fact that it is impossi-

ble at the moment to quantify the cost of a settlement.

The Vice President of Bank of Cyprus Wilbur Ross has been appointed as the US Secretary of Commerce by President elect Donald Trump. Ross, a billionaire who made a huge profit from his investment in the Bank of Ireland two years ago and led a group of investors into the Bank of Cyprus when the latter carried out a €1bn capital increase, served as an advisor to Trump during his election campaign.

According to the Statistical Service, the government posted a €186.5m fiscal surplus in the third quarter compared to a €132m fiscal surplus in the respective quarter of 2015. According to the same source Cyprus' economy expanded an annual 2.9% in the third quarter of the year after growing 2.8% in the second quarter.

The Bank of Cyprus announced that it will apply for a "standard" London Stock Exchange listing by using a holding company structure before it applies for a "premium listing". In a statement on the website of the Cyprus Stock Exchange the bank stated that it continued to work towards a premium listing at the London exchange and intended to apply for that in the future. A premium listing would allow it to be included in the FTSE UK Index series The FTSE UK Index is a share index of the 100 companies with the highest market capitalisation listed on the London Stock Exchange.

Domestic developments

Following the disruption of the talks on November all Greek Cypriot opposition parties except AKEL, resumed a hardline rhetoric calling President Anastasiades to join Greece in demanding that Turkey agrees to abolishing guarantees before consenting to attend a multiparty conference and blamed Turkish intransigence for the impasse. DIKO MP Christiana Erotokritou called on Anastasiades and all parties to support and buttress Kotzias' "robust position and stance", that the "abolishing of outdated and dangerous guarantee arrangements and the full withdrawal of Turkish troops" from Cyprus are preconditions to convening an international conference on the Cyprus problem. Socialists EDEK spokeswoman Maria Panagiotou said Turkish Cypriot leader Mustafa Akinci proved himself to be the best conduit for Turkish President Recep Tayyip Erdogan's "Islamofascist regime". Citizens' Alliance spokesman Constantinos Filaretou stated "Those who attempt to cover up the intransigence of Turkey and Mr Akinci by assigning blame on the Greek government are doing great injustice to our national cause while" Solidarity's spokesman Yiannis Selinopoulos said 'Anastasiades' strategy has "failed miserably...We wonder what reason we have to return to the negotiating table if there is no dramatic shift in the Turkish stance. AKEL via its spokesman Stefanos Stefanou called for an immediate stop to the burgeoning blame game in line with ruling DISY.

Labour Relations and Trade Unions

The Labour parliamentary committee discussed the plan “Guarantee for the Youth” presented by Ministry of Labour who admitted that the problem remains despite its efforts. MPs commented on the high rate of youth unemployment which renders Cyprus a champion in emigration. AKEL MP Andreas Fakontis said that the plan is ineffective and that a study needs to be made in order to redesign the priority targets after the crisis which has changed substantially the conditions in the labour field. Better and more frequent checks are needed according to Mr Fakontis because many employers use the Ministry’s training schemes as a vehicle for further deregulation and erosion of terms of employment. He added that the government must target the creation of new quality and stable jobs, pursue developmental policies and strengthen the welfare state. DISY MP, Marios Mavrides claimed that there are many reasons for youth unemployment and focused on the mis-match between university studies and the needs of the labour market. A redesign of higher education is needed according to Mr Mavrides so as to reduce unemployment and increase the flexibility of the labour market. He gave the example of the many graduates of political sciences and humanities that find it very difficult to find jobs and added that the involvement of private employment agencies and private counselors can improve the match between the unemployed and the available job.

SEK proposed a reform of the taxation system in the context of the more general reorganization of the public sector. This is a Congress decision taken by SEK, given to the government which seems to view the proposal positively.

Trade unions are satisfied with the developments in the renewal of the existing collective agreements in 2016. Out of 147 collective agreements covering 54.243 workers pending at the end of 2015, 131 of them covering more than 25.000 workers have been renewed in 2016. In 76 of those the trade unions were able to abolish cuts in wages and benefits that were agreed during the crisis. In 31 of those collective agreements, the abolition of cuts in wages and benefits was total while in 45 it has been partial. In the period ahead 154 more collective agreements covering a further 33.000 workers are due to be renewed with 61 of them being at the sectorial level and national in terms of coverage. The renewal of 20 collective agreements including those in construction, public works and the semi-public sector, that have expired, is still pending.

The unresolved conflict between the primary school teachers’ union POED and the government over the special contracts imposed on the newly hired teachers continues. However POED suspended the implementation of its decision for periodic hours of strike in different days and cities in the first three weeks of November because of the Cyprus problem negotiations, resuming in the last week of the month.

4. Turkish Cypriots

Economic Developments

A three-day protest staged by the Livestock Breeders Association and Potato Growers Association, brought parts of the capital to a standstill. Farmers used around 150 tractors and trucks to blockade the entrance of the ministry of Finance and Parliament before moving on to the Prime Minister's office. Farmers listed their demands as support to offset price hikes and drought compensation, possibly by giving them barley or fodder; purchase guarantees for goat and sheep milk at a higher price and subsidized fuel. The protest came to an end when the minister of Finance, Serdar Denktas, announced that agreement had been reached on "four out of the ten demands" and asked for extra time to deal with the rest.

The number of students receiving higher education in Turkish Cypriot universities has reached 93.292 this year; of those enrolled, 13.619 are TRNC¹ nationals, 52.135 are Turkish nationals

¹ The Turkish Republic of Northern Cyprus (TRNC) is only recognised by the Republic of Turkey. While for Turkey and the Turkish Cypriots, Mustafa Akinci serves as President of the TRNC, the international community considers him the communal leader of the Turkish Cypriots. As the government of the Republic of Cyprus remains internationally recognised as the government of the whole of the island, the entire island is now considered to be a member of the European Union. However, the *acquis communautaire* is suspended in northern Cyprus

and the remaining 27.538 are from third countries. According to the Turkish Cypriot Minister of Education, soon a protocol will be signed with Ankara to make it possible for TRNC universities to benefit from the Scientific and Technological Research Council of Turkey's research grants.

According to the State Planning Organisation, inflation has gone up by 1.43% in comparison to the previous month, and by 8.77% in comparison to November last year. The highest price hikes were recorded in housing, water, electricity, gas and other fuels.

Relations with Turkey

Speaking at a press conference following his contacts in Athens at the beginning of November, and responding to a question regarding Greece's objection to the continuation of the Guarantee Agreement in Cyprus, Turkey's Minister for EU Affairs and Chief Negotiator Omer Celik said "We will not enter such a discussion and will not allow [the issue of guarantees] to become an issue of discussion".

Following the failure in Mont Pelerin II, Turkish Foreign Minister Mevlut Cavusoglu paid a working visit to the northern part of Cyprus to establish 'which stage the ongoing Cyprus problem talks were at' and what 'the next move will be for the Turkish Cypriot side'. After holding meetings with Akinci, the coalition partners and

pending a political settlement to the Cyprus problem (see Protocol no. 10 of the Accession Treaty).

opposition leaders, Cavusoglu said that he was leaving the TRNC satisfied.

During the parliamentary group meeting of the ruling Justice and Development Party (AKP), Turkish Prime Minister Binali Yildirim said that Turkey's effective guarantee was a sine qua non for the solution of Cyprus problem. Stressing that Turkey, more than anyone else, supported a just agreement on the basis of rotating presidency, Yildirim said "the other side however is not fulfilling its responsibilities. We do not want our Turkish Cypriot brothers to face the bitter experiences of the 60's and 70's again."

Speaking after the Council of Ministers meeting, Turkish Deputy Prime Minister and Government Spokesperson Numan Kurtulmus said that the issues of territory, security and guarantee were considered as sensitive by the Turkish government adding that they attached importance also on the free movement of Turkish citizens and services once a settlement was reached.

Turkish Cypriot Minister of Labour and Social Security Hamza Ersan Saner met with Turkish Minister of Family and Social Policies in Istanbul. According to a statement released by the Ministry, cooperation on projects being carried out such as the Senior Centre, Home for the Disabled and Children's Village were taken up during the meeting.

A bill to modernize the Turkish Cypriot customs system and bring it in line with Turkey's was approved by parliament. The changes will mean the TRNC will now adopt an internationally

recognized electronic system used by Turkey to replace the existing paper-based documentation. The new standards will "eliminate the differences" in procedures between customs departments in TRNC and Turkey, Economy and Energy Minister Sunat Atun told MPs after they ratified an agreement signed by the two governments to establish a joint committee.

Domestic developments

The main opposition Republican Turkish Party (CTP) held its 26th congress on 13 November. Running unopposed, Tufan Erhurman, who was serving as the General Secretary of the party, has become the new leader. Addressing the congress with his new title, Erhurman among other things said that there were some party members who had displayed stances that conflicted with the party's left values and added that he would not allow this in the future. Noting that a one-week break had been given to the Cyprus talks after the first Mont Pelerin summit, Erhurman said that as the new leader of the CTP his first duty would be to meet with the representatives of two main Greek Cypriot parties, AKEL and DISY. 'We will continue to work to find creative ways to find peace both at the table and on the streets' Erhurman said.

On November 28, the newly elected CTP Party Assembly held its first meeting under the presidency of Erhurman. According to a statement released by the party, new members of the Central Executive Board were elected during the meeting. The new Board is comprised of the

following members: Ali Karavezirler, Mehmet Caglar, Cemal Mert, Teberruken Ulucay, Cicek Gockun Bayramoglu, Dogus Derya, Aybike Yektaoglu, Armagan Candan and Hasan Ulas Altioik. In the same meeting, the party assembly elected Erdogan Sorakin, former president of the Union of Primary School Teachers (KTOS) as the new General Secretary.

According to the latest quarterly opinion poll carried out by the Centre for Migration, Identity and Rights Studies (CMIRS), hopes for a solution in Cyprus are at the lowest level since the polling have started in March 2015. Only around 23% of the 500 people polled in October said that they believed their actions could have "any impact" on the solution process. Average levels of happiness have also reached a low point with a score of 5.66 out of 10, compared to a high of 6.81 in April and 5.81 in July. Most of those who were interviewed had cited the Cyprus problem, economic woes and unemployment as "our biggest problems".

Social Democratic Party (TDP) Nicosia MP and former party leader Mehmet Cakici resigned from his party along with a number of members including former Famagusta MP Mustafa Emirogullari. The move followed an announcement earlier in the day that the TDP's disciplinary committee had decided to suspend the latter's membership for one year over a number of disciplinary offences. Few days later, Cakici announced that the Communal Liberation Party (TKP) had been registered as a party at the Ministry of Interior. TKP is the resurrection of

the party, which had been originally established in 1976 and ceased to exist when it dissolved itself to establish TDP. Meanwhile, the TDP headquarters issued a statement thanking Cakici and his followers for their past services to the party.

Two schoolgirls and a bus driver have died following a head-on collision between the school bus and a lorry near the quarries on the Kythrea (Degirmenlik)-Kyrenia road. The accident has sparked outrage with people criticizing the Turkish Cypriot government for emulating Turkey in not turning back clocks and making the pupils travel to school before the sunrise. The darkness, coupled with the bad condition of the rural road where the accident happened were considered as the main causes. Since the end of October, the northern part of Cyprus has been one hour ahead of the south after the Turkish Cypriot government decided to stick with summer hours following an announcement from Ankara in September that it was opting out of daylight saving time. In a joint statement, the unions in the education sector censured the decision not to put clocks back, bad condition of the roads, the lack of inspections on vehicles carrying passengers, and the absence of measures to prevent road accidents.

5. FES Cyprus Events

December 2016

--- no events ---



January 2017

--- no events ---



The FES-Newsletter team and the FES office in Cyprus wish you all a Merry Christmas and all the best for 2017.



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