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Kaymak, Erol

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SWP Comment

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Reviving Peace Talks in Cyprus: Diplomatic Innovation and the New UN Envoy

Creative Diplomacy Needed for Breakthrough in Long-Standing Conflict

Erol Kaymak

On January 5, 2024, UN Secretary-General António Guterres appointed María Ángela Holguín Cuéllar as his Personal Envoy on Cyprus. Her role is to determine the ‘common ground’ from which peace talks can be resumed after standing still since 2017. The shift in Greece-Turkey relations holds regional potential, which could lead to progress in Cyprus. Nonetheless, there is an urgent need for creative diplomacy given the stalemate and changing regional dynamics. A new agenda based on regional integration could further efforts to establish common ground through process innovation, phased negotiations, deadlines, and the establishment of safeguards against future stalls.

2024 promises to be a symbolic and consequential year for Cyprus. It marks the 60th anniversary of the United Nations Peacekeeping Force in Cyprus (UNFICYP) mission, 50 years since the island’s partition in 1974, and 20 years since its accession to the European Union (EU). Moreover, the recent momentum of bilateral talks between Turkey and Greece may be able to translate into support of a new round of peace talks in Cyprus.

A new chapter in Greece-Turkey relations was opened at the December 7, 2023 convening of the High-Level Cooperation Council during Turkish President Recep Tayyip Erdoğan and Greek Prime Minister Kyriakos Mitsotakis’s meeting. Their discussions resulted in the Athens Declaration on Friendly Relations and Good-Neighbourliness and 15

other documents that address various issues of mutual interest. The two countries had been moving towards this positive development since NATO’s Vilnius summit in July 2023 with the help of German and US mediation efforts, and they have purposefully focused on confidence-building measures in order to avoid more divisive topics.

Since the failed Crans Montana summit of 2017, no formal peace talks have been held over Cyprus. Recently, however, UN Secretary-General António Guterres secured an agreement on the appointment of a UN envoy whose task will be to determine ‘common ground’ between the Greek and Turkish Cypriot sides of the island and to otherwise advise him on the Cyprus issue. María Ángela Holguín Cuéllar, Guterres’ Personal Envoy on Cyprus, is a former



foreign minister of Colombia with vast conflict resolution experience, including in the Colombian peace process.

Diplomatic efforts for Cyprus

Cyprus gained independence in 1960, but inter-communal tensions led to UN Security Council (UNSC) Resolution 186 and the resultant deployment of the UNFICYP in 1964. The 1974 coup in Cyprus triggered Turkish military intervention and occupation of the northern third of the island. In 1977, Greek and Turkish Cypriots agreed on a 'bi-communal' federation, but negotiations stalled. In 1983, Turkish Cypriots unilaterally declared the Turkish Republic of Northern Cyprus (TRNC), which was promptly rejected by the UN under UNSC 541. Efforts to reunify the island, including under the UN-proposed Annan Plan of 2004, proved unsuccessful, and Cyprus joined the EU as a divided territory.

The Crans Montana summit of 2017, intended to conclude negotiations on a comprehensive settlement, failed despite the involvement of the guarantor powers – Greece, Turkey, and the UK – as well as the EU. No formal peace process has been initiated since, as the UN faces challenges in finding common ground due to the Turkish side's shift away from supporting the bi-zonal, bi-communal federal settlement that is the basis of the UN Secretary-General's Good Offices mission. No special envoy has been appointed since Espen Barth Eide, who filled this role from 2014 to 2017.

In search of common ground, the UN has pursued shuttle diplomacy, with Guterres appointing former UN envoy to Cyprus Jane Holl Lute as a consultant in 2018. The UN eventually hosted an informal '5+1' summit in April 2021 that included both Cypriot sides, the guarantor powers, and the EU, but Guterres was unable to identify common ground. The change of leadership in the Turkish Cypriot community in 2020 coupled with the re-election of Erdoğan as Turkey's president in 2023 reinforced the shift in Turkish Cypriot and Turkish posi-

tions in favour of a two-state solution. The Turkish Cypriot side submitted its vision for a two-state settlement to the UN in 2021, and since then, Erdoğan has openly called for the recognition of the TRNC at the UN General Assembly.

In 2023, pivotal elections laid the groundwork for UN Personal Envoy Holguín to initiate dialogue in Cyprus. Nikos Christodoulides, the former Cypriot foreign minister, won the presidential election in the Republic of Cyprus (RoC) and expressed his commitment to resuming reunification negotiations. President Erdoğan also won another term in Turkey, and in Greece, a snap legislative election resulted in triumph for Prime Minister Mitsotakis. The enhanced bilateral relations between Greece and Turkey prompted Guterres to appoint Personal Envoy Holguín to Cyprus.

Nonetheless, efforts to kick-start peace talks on the island began amid tensions in the buffer zone. Events in the summer of 2023 in the mixed Turkish/Greek Cypriot village of Pyla/Pile and near the buffer crossing at Agios Dometios/Metehan have challenged the status of the UNFICYP and its authority to police the 'Green Line' that divides the island. The UN's efforts to reconcile both sides are tentative as neither side recognises the UN's aide-memoire, a guidance document aimed at maintaining peace in the buffer zone.

In 2024, diplomatic activity shifted to New York, where alongside formally appointing his personal envoy, Guterres finalised both the UNFICYP report and his Good Offices report (S/2024/13), laying out his plan for proceeding with peace talks. Notably, Guterres's report omits any reference to the settlement model. Guterres notes that "[a]s the divide grows wider year after year, there is an increasing realisation on both sides that the prospects for a solution which everyone can accept are gradually fading". The pessimism and tone of the report has led to speculation that the UNFICYP may be terminated after its 60 years of existence.

Contrary to this supposition however, on January 30, 2024, the United Nations Secu-

rity Council not only extended UNFICYP's mandate for one year, calling on all sides to cooperate with Envoy Holguín, but overtly reaffirmed that a single, sovereign Cypriot state comprising two politically equal communities in a bi-zonal, bi-communal federation was the basis for settlement, forbidding partition or secession (S/RES/2723).

The EU has welcomed the appointment of the UN Personal Envoy on Cyprus. In a joint statement, High Representative Josep Borrell and Commissioner Elisa Ferreira reiterated the EU's full commitment to a comprehensive settlement of the Cyprus problem under UN auspices. The EU continues to fund Technical Committees designed to address day-to-day issues in Cyprus through the Support Facility implemented by the UN Development Programme.

Turkey also welcomed the appointment of the personal envoy, but stipulated two conditions: The envoy's mandate should be "limited to exploring whether common ground exists or not" and should not exceed six months. Turkey and the TRNC insist on the recognition of the sovereign equality and equal international status of the Turkish Cypriot people as a prerequisite to any formal negotiations.

The UN envoy's mandate

Holguín's primary task is to determine the common ground from which formal negotiations can proceed. Here, the challenge will be navigating between the Greek Cypriot side's determination to negotiate a federal settlement within the UN framework and the Turkish Cypriot side's aspirations for a solution based on sovereign equality.

On the Greek Cypriot side, Christodoulides will affirm his commitment to the convergences achieved in the lead up to and during the Crans Montana summit. The Personal Envoy will then clarify the Greek Cypriot positions on political equality and effective participation of the two political communities within a power sharing con-

stitutional arrangement. Holguín will then record the positions of the Turkish Cypriot side regarding 'sovereign equality' as the basis of settlement talks.

The Turkish Cypriot leader, Ersin Tatar, was elected on a 'two state' settlement platform, serving as a 'veto player' who is opposed to a federal settlement. This has been in line with Ankara's policy since the failure of the Crans Montana summit.

It is useful to recall previous moments in the Cyprus issue that brought about shifts in the Turkish position. Following the 1997 Luxembourg Summit, for example, the RoC was granted candidate status for EU membership and the Turkish side then revised its policy on Cyprus away from federalism towards confederalism.

In 2002, the UN's Annan Plan introduced a concept of 'constructed ambiguity' or 'virgin birth', blurring lines on the succession of a future reunified Cypriot state. Terms like "sovereignly" were coined to define how power could be exercised by "constituent states" even though the issue of sovereignty was not new in this context. Turkey's potential EU membership led to another policy shift in Ankara, with the Justice and Development Party government challenging military and nationalist politicians' approaches to Cyprus as well as the then-Turkish Cypriot leader Rauf Denktaş himself.

However, after the RoC joined the EU in 2004, the concept of 'virgin birth' became implausible. The accession treaty became 'primary law' and thus prohibited any derogations from the RoC's freedoms to move goods, services, capital, or people within the European single market, negating transitional features of the Annan Plan regarding settlement and restitution of affected properties due to the Cyprus problem. From then on, as per Protocol 10 of the Accession Treaty, the northern part of the island was outside of the 'effective control' of the RoC, where the *acquis Communautaire* is suspended pending reunification.

In a 2014 joint declaration, the Turkish and Greek Cypriot leaders reaffirmed the principle of Cyprus having a single inter-

national personality and sovereignty. This helped overcome Turkish Cypriot leadership's hesitancy to continue negotiations for a federal settlement. However, the declaration also recognised sovereignty as emanating from two political communities, aligning with the London-Zurich framework that established the RoC through an international treaty rather than an act of self-determination.

The standstill of Turkey's accession to the EU, especially since 2018, makes it less probable that Turkey change course again in favour of a federation in Cyprus. The EU lacks a common strategic vision with respect to its relations with Turkey, however, discussions on EU-Turkey relations have been slated to take place during the next meeting of the European Council in 2024.

Even within this difficult context, the previous Turkish Cypriot leader, Mustafa Akıncı, was willing to negotiate a federation under the condition that Turkish Cypriot political equality and effective participation would be enshrined in all federal structures, including through a rotational presidency. It is unlikely, however, that this line of negotiations will resume under Akıncı's successor, Ersin Tatar.

Nevertheless, both parties will present their visions of a settlement to the envoy, who will then assess the flexibility, compromise, and political will demonstrated by both sides, along with consultations with Greece, Turkey, and the UK. Based on her findings and recommendations, Guterres will then submit his Good Offices report to the UNSC on July 4, 2024.

Challenges in resuming peace talks

The main obstacle to peace talks in Cyprus remains the sides' divergent views on a settlement. There is no longer a consensus on federation in the aftermath of Crans Montana.

From the Turkish Cypriot standpoint, the substance of the Crans Montana summit is

obsolete, including the Guterres Framework, which included bridging proposals by the UN Secretary-General on the issues of governance, political equality, security, territory, and property. After the failure of the Crans Montana summit, the Turkish side rejects a federation and thus the convergences. Instead, the Turkish side wishes to record its 'sovereign equality' before participating in any formal settlement negotiations.

Moreover, the general lack of political will to resolve the Cyprus issue remains problematic. This has been observed ever since the 2004 Annan Plan referenda when three quarters of Greek Cypriots voted against reunification. Few politicians have spent their political capital in pursuit of a compromise. Nonetheless, Christodoulides, who was foreign minister in Nicos Anastasiades's second cabinet, has attempted to differentiate himself from the former president, who was accused of rejecting a proposal by the UN Secretary-General at the Crans Montana summit that could have resulted in a breakthrough.

Christodoulides has been keen to demonstrate the RoC's role as a Western ally that is determined to prevent Russian money laundering through Cyprus. In the wake of hostilities in the Middle East, he has also offered Cyprus's facilities to provide a humanitarian corridor for aid deliveries to Gaza. Demonstrating his constructive approach, he has also pledged support to reforming EU decision-making so that it can overcome deadlocks associated with unanimity voting. His calls for the appointment of an EU envoy to Cyprus have gone unanswered, as have his calls for Guterres to appoint a 'special adviser' as opposed to a 'personal envoy'. He potentially faces domestic challenges, as he must garner the support of political rivals to make progress in negotiations. Here, even confidence building measures (CBMs) are susceptible to politicisation; indeed, he delayed the announcement of a package of CBMs "aimed at improving the daily lives of Turkish Cypriots" until after Holguín was appointed. Still, these unilateral CBMs and reassurances

may not be sufficient to galvanise grass-roots support.

The UN envoy's methods

Drawing on her experiences from the Colombian peace process, Holguín offers a novel approach to Cyprus peace efforts as she signals her support for a participatory and inclusive process. During her first visit to the island, she met not only with the Cypriot leaders, but also with civil society groups. She is also accompanied by advisers with expertise in other peace processes, including that in Northern Ireland where civil society played a role. Instead of framing the search for common ground as a binary between 'federation' vs. 'two-state', her interaction with civil society groups reinforces a distinction between a mutually beneficial peace and an unsustainable status quo. Upon her arrival on the island, she received a joint letter from prominent civil society organisations that expressed support for a comprehensive settlement while emphasising that "this time [negotiations] must be different" as they need a phased, meaningful, and results-oriented approach, deadlock resolving mechanisms, and clear communication of what consequences would arise from another failure.

The UN's principle that "nothing is agreed until all is agreed" may foster creativity but it can also lead to stalling. The Annan Plan and Crans Montana process serve as examples of previous failures. Holguín's emphasis on broader participation could facilitate diplomatic innovation and serve as a backstop to stalemates. A process that generates phased negotiations, deadlines, and safeguards against perpetual stalling could help to uncover common ground.

An unsustainable frozen conflict

Much is at stake in this frozen conflict that has become increasingly dynamic. Tensions in the buffer zone coupled with a lack of

cooperation threaten to destabilise the island. In his latest report, the UN Secretary-General emphasised the importance of cooperation but expressed concern about the effectiveness of the Technical Committees. Similarly, the Security Council's latest resolution highlights the precariousness of the situation, emphasising its unsustainability and the risk of irreversible changes.

Tensions over maritime boundaries and hydrocarbon exploration in the Eastern Mediterranean and controversies over Varosha/Maraş, property, and irregular migration flows across the Green Line all threaten stability.

The ossified peace process also strains the already tense relationship between Turkey and the EU. The Cyprus issue is viewed by the EU as one of the obstacles to Turkey's suspended accession process, along with concerns about democratic backsliding. Turkey's non-recognition of the RoC has implications not only for progress on negotiating a modernised Customs Union but also for EU-NATO cooperation. Thus, a solution to the Cyprus issue is seen as a prerequisite to the EU's full engagement in a positive agenda with Turkey. The EU's approach to Turkey's accession is based on established conditionalities, including the reaffirmation of its commitment to UN-led settlement talks on Cyprus. In this context, the stalled accession process has diminished the EU's influence over Turkey.

Western sanctions on Russian investments in the RoC have inadvertently created an externality that incentivises the relocation of assets to northern Cyprus, thus making it increasingly attractive to organised crime syndicates. A real estate boom in recent years can partly be attributed to this influx of relocated assets, and this raises concerns about potential money laundering.

While the TRNC's 'puppet state' status may not be of great concern to the international community, it does demonstrate its 'pirate' potential. Turkey's isolation has also led to the marginalisation of Turkish Cypriots, thus raising concerns about their autonomy. Ankara's influence and the

Turkish Cypriot government's alliance with Erdoğan have created a polarised political environment as Ankara implements an expansionist strategy in the Eastern Mediterranean.

Competition for regional dominance and access to natural resources has come to dictate the current regional landscape. From the perspective of the EU and RoC, potential threats include the maritime delimitation agreement between Turkey and northern Cyprus as well as Cyprus's increasing strategic importance to Turkey from a military standpoint.

In an evolving security landscape, Ankara views the US's decision to lift its long-standing arms embargo on Cyprus as an act of hostility, while its ongoing rivalry with France and its confrontational approach to maritime borders continue to present potential risks of conflict.

The EU has demonstrated its support for the RoC in response to Turkey's maritime policies. Turkey's regional maritime ambitions are encapsulated in the "Mavi Vatan" (Blue Homeland) doctrine, which has prompted neighbouring coastal states to establish the East Mediterranean Gas Forum (EMGF), a strategic alliance that excludes Turkey but includes the EU as an observer. To mitigate its isolation, Turkey has recently sought to normalise relations with various EMGF members, including Egypt and Greece.

The conflicts in Ukraine and Gaza underscore the regional importance of Cyprus. The British Royal Air Force (RAF) base in Akrotiri — a Sovereign Base Area outside of RoC jurisdiction — played a role in airstrikes against Houthi positions in Yemen, highlighting Cyprus's strategic and military importance. Despite the unresolved Cyprus issue, Western allies have also been drawn to strengthen ties with the RoC, as made evident in a memorandum of understanding between the UK and RoC that aims to bolster strategic cooperation.

Similarly, Germany has emphasised its commitment to nurturing relations with the RoC. The German Federal President Frank-Walter Steinmeier's state visit to

Cyprus in February 2024 carried symbolic significance in both the bilateral and regional contexts. Moreover, German-Cypriot defence cooperation can be seen in Germany approving the delivery of helicopters to Cyprus.

Nonetheless, these bilateral connections may have the unintended consequence of reinforcing Turkey's strategic influence over northern Cyprus. Leveraging the island's geographical location, Turkey plans to build naval bases on the Karpasia/Karpaz Peninsula, and the Geçitkale airport has been upgraded to better accommodate Turkish drones.

Turkey's strategy to elevate its status is tied to its pursuit of maritime interests based on its unique interpretation of the United Nations Convention on the Law of the Sea (UNCLOS) that does not recognise the rights of islands to establish exclusive economic zones (EEZs). This approach contrasts with regional agreements on EEZs that Cyprus has negotiated with neighbouring countries.

The silver lining of this disagreement is that the pause in drilling at sea has opened the door for the start of talks between Turkey and Greece, and "Mavi Vatan" is not mentioned in the "Century of Türkiye" foreign policy document. However, this current phase of Greek-Turkish rapprochement excludes Cyprus.

Deterring revisionism

Revisionist views challenge the international consensus on a federal settlement in Cyprus. Such is exemplified in Former UK Foreign Secretary Jack Straw suggestion that London recognise the TRNC if the next round of negotiations fails. Similarly the Organisation of Turkic States (OTC) is in the process of ratifying the TRNC's observatory status despite the EU actively dissuading this, as it threatens doing so could have "negative effects" including repercussions for the EU's ratification of Enhanced Partnership and Cooperation (EPC) agreements with Central Asian countries.

The EU's options to proactively address the Cyprus issue are limited by Protocol 10 of the Accession Treaty, which suspends the *acquis* in the north. The EU engages with Turkish Cypriots and civil society through aid and trade, but the RoC can veto its policies. For example, in 2020 the RoC vetoed EU sanctions against Belarus, citing a lack of EU action against Turkey. The Cyprus veto also applies to EU-NATO cooperation.

A reassessment of the Cyprus issue is overdue, especially in a context in which Turkey's accession prospects are all but 'dead'. An alternative approach based on a revised 'positive agenda' could hold the key to finding common ground in Cyprus while mitigating the negative impacts of transactionalism.

An alternative approach

Ultimately, UN Personal Envoy Holguín's efforts to promote an inclusive process and find common ground in Cyprus may not prove sufficient. Achieving common ground requires broad buy-in and necessitates concessions and creativity. Flexibility on all sides is essential for the progress of Holguín's mission. Here, two types of common ground can currently be identified: The first finalises a deal for a comprehensive settlement and the second links the EU's positive agenda with the recommencement of a peace process in Cyprus. Without the incentive of EU accession for Turkey, the diplomatic initiative will have limited impact in Ankara and is therefore unlikely to become a breakthrough on the path to a comprehensive settlement.

Deterrence strategies against Turkey have shown to have limited effectiveness, and the positive agenda lacks sufficient appeal. Turkey has attempted to avoid conditionalities by proposing selective negotiations and emphasising pragmatism, highlighting potential areas of cooperation in Cyprus and the Eastern Mediterranean, using the Israel-Lebanon deal as an example. However, Turkey's strategic autonomy has its limitations. Additionally, consider-

ing that the RoC and EU are unlikely to abandon conditionalities and their explicit commitment to a comprehensive settlement, it is crucial to explore how the positive agenda can be utilised in interactions between Turkey and the EU.

The March 2024 European Council meeting has the potential to bring clarity to the EU's position on Turkey, which would be helpful if it grants the necessary flexibility for Holguín to explore potential common ground beyond the existing deadlock. A strategy focused on regional integration could strengthen pro-EU sentiments in Turkey and Cyprus, influencing Turkish foreign policy and supporting ongoing re-engagement efforts. Offering opportunities to collaborate in the fields of infrastructure and regional solidarity could effectively convey the EU's intention to view Turkey as an equal partner.

This regional approach aligns with the EU's ongoing efforts in the Balkans, exemplified by the Berlin Process. In the face of Russia's invasion of Ukraine, EU enlargement as a strategic objective has become more significant. While a comprehensive approach to the Eastern Mediterranean may surpass the capabilities of individual EU institutions, it should be employed as a unified engagement strategy towards Turkey. This strategy should prioritise mutual interests and avoid transactional pitfalls. Modifications in the strategy could enhance the potential of a 'package deal' that links modernisation of the Customs Union with progress in the Cyprus talks, creating a win-win for all parties involved.

The Turkish perspective that the basis of talks should acknowledge northern Cyprus's 'inherent sovereign equality' may imply a degree of tactical posturing whereby the Turkish side barter for enhanced starting terms as talks on the basis for formal talks progress. The alternative to open-ended talks is what the UN has promoted as a 'results-oriented' approach, which the Turkish side has linked to timeframes.

Overcoming the impasse will require both compromise and ingenuity. Timeframes, which are implicitly based on the

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SWP
Stiftung Wissenschaft und Politik
German Institute for International and Security Affairs

Ludwigkirchplatz 3 – 4
10719 Berlin
Telephone +49 30 880 07-0
Fax +49 30 880 07-100
www.swp-berlin.org
swp@swp-berlin.org

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political calendar, can be reformulated as time-bound processes that link trust-building initiatives with tangible consequences for missing the deadlines of each phase.

Predetermined backstops should be in place if progress stalls at any phase. This would necessitate upfront concessions from the Greek Cypriot side, aligned with the EU, to ensure and incentivise Turkish participation by establishing clear progress milestones that reflect advancements made in phased negotiations. Likewise, a 'results-oriented' process can be reinterpreted to focus on verifiable agreements that gradually demonstrate genuine power-sharing in practice, rather than being confined to political labels or rigid frameworks. Such an approach would also prevent a crisis if the UN initiative fails. Nonetheless, both sides will likely resist this formula. The Greek Cypriot side may find an interim deal with concessions unappealing, but it would come with the extension of the Customs Union with Turkey, thus implying recognition. Similarly, the leadership of the Turkish Cypriot side and Turkey may outright reject an interim deal if they intend to pursue independence and international recognition.

This novel approach suggests the phased and flexible integration of the Turkish Cypriot community into the EU, functioning to both incentivise negotiations and to work as a safety net by ensuring that even if comprehensive settlement talks falter, progress will be made. By promising inclusion and encouraging compromise, talks should foster a conducive environment for dialogue and agreement, ensuring that the situation in Cyprus does not revert to a pre-negotiation stalemate.

It may be worthwhile to consider how the status of the Turkish Cypriot community can be accommodated vis-à-vis the EU by contemplating the status granted to the EU's Overseas Countries and Territories (OCTs), such as Greenland. While Greenland, an autonomous region of the King-

dom of Denmark, is not a direct analogy to Cyprus, where UN Security Council resolutions forbid the recognition of the TRNC, exploring alternative models of integration for the Turkish Cypriot community in the EU could nonetheless help bridge the diplomatic gap.

In January 2026 Cyprus is set to preside over the European Council. This date could function as a virtual deadline for the positive agenda, thus creating a sense of urgency as the parties work to avert any new crises in EU-Turkey relations. Where a comprehensive settlement may be elusive or premature, the EU should be prepared to entertain novel means of supporting Holguín's peace initiative.

Dr. Erol Kaymak is a Fellow at the Centre for Applied Turkey Studies (CATS).

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