



#### **FES CYPRUS NEWSLETTER**

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#### **Contents**

1.	Cyprus Problem	2
2.	Hydrocarbons	6
3.	Greek Cypriots	7
	Economic Developments	7
	Domestic Developments	9
	Labour Relations and Trade Unions	10
4.	Turkish Cypriots	12
	Economic Developments	12
	Domestic Developments	12
5.	FES Cyprus Events	14

# **FES NEWS**

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## 1. Cyprus Problem

On June 2, following the resumption of the negotiations for a settlement of the Cyprus Problem, the Turkish Cypriot leader Mustafa Akinci, accompanied by the Turkish Cypriot negotiator Ozdil Nami, travelled to New York where they met with UN Secretary General, Ban Ki-Moonon June 4th. After a half an hour meeting with the UNSG, Akinci stated that he was looking forward to productive negotiations leading to a settlement of the Cyprus Problem within a few months.

During the National Council meeting held on 4<sup>th</sup> of June, President Nicos Anastasiades handed a list of confidence building measures (CBMs) to the Greek Cypriot party leaders. The list which was later leaked to the media included the below proposed measures:

- The creation of a peace park, market bazaar or industrial area in the buffer zone,
- Extending the Pediaios river path to the north,
- Creating a common space for cultural activity with a crossing at Paphos gate to attract visitors,
- Opening all crossings in the walled city of Nicosia,
- Reinforcement of the technical committees,
- Conservation of religious sites,
- Establishment of a bi-communal committee for culture,
- Establishment of a bi-communal committee on gender issues,

- Reinforcement of the Committee on Missing Persons (CMP),
- Improvement of the daily life of the enclaved Greek Cypriots in the north by providing health care and renovation of the food storage building in Rizokarpazo,
- Opening crossings at Kaimakli, Dherynia, Pomos-Kato Pyrgos-Kokkina, Potamos-Kampou and Lefka,
- Reducing military forces along the ceasefire line,
- Avoiding interferences in radio frequencies,
- Solving outstanding issues relating to commercial vehicles to facilitate the Green Line Regulation while removing all barriers to trade between both sides,
- Allowing access to experts to reconstruct and preserve cultural and religious monuments in Famagusta,
- Linking the electricity grids in three stages;

In another symbolic move following the social meetings that took place in May and within the context of creating a positive climate for resolving the Cyprus Problem, Anastasiades and Akinci jointly attended a theatrical play performed by the Turkish Cypriot Municipal Theatre at the Rialto Theatre in Limassol. The play which was entitled: Saddened in Greek, Wounded in Turkish was written by Faize Ozdemirciler and directed by Yasar Ersoy. The performance was subtitled in Greek.

On June 17, the two leaders held their third official meeting at the UN Protected Area at the old Nicosia Airport. The leaders met in order to

prepare the ground for the commencement of substantive negotiations on the cores issues of the Cyprus Problem namely governance, property and territory, based on a list of convergences and differences drawn up by their negotiators, Andreas Mavroyiannis and Ozdil Nami. The two leaders jointly reviewed the work achieved so far by their negotiators to date and further tasked them to focus on a specific set of core issues across chapters and report back to them when the leaders are scheduled to meet on June 29. According to UN Special Adviser, Espen Barth Eide, the leaders agreed that substantive negotiations would be the centrepiece of their work and that they should be dealt with in a holistic and interdependent manner.

Meanwhile on June 10, the members of the European Parliament approved a resolution on the progress of reforms in Turkey for 2014. The resolution called on Ankara to start withdrawing its troops from Cyprus and reiterated its strong support for the reunification of Cyprus as a bi-communal bi-zonal federation under UN resolutions and EU norms. The report did not make any reference to the opening of any new chapters on Turkey's EU accession process. Instead, the resolution called on Turkey to ratify and sign the United Nations Convention of the Law of the Sea (UNCLOS) and underlined the right of the Republic of Cyprus (RoC) to enter into bilateral agreements concerning its Exclusive Economic Zone (EEZ). Moreover, it deplored Turkey's refusal to fulfil its obligation of non-discriminatory implementation of the Additional Protocol to the EU-Turkey Association Agreement vis-a-vis all member states, which calls on Ankara to normalise its relations with Cyprus. The Turkish government rejected the report and stressed that it will return it to the European Parliament for several reasons including the references concerning Cyprus. Moreover, a resolution adopted during a special meeting of the Committee of Ministers of the Council of Europe (CoE) on June 14, called on Turkey to give access to a greater number of military zones in the north to facilitate the search for the remains of Missing Persons. In a written statement, the Turkish Cypriot Foreign Ministry expressed its objections to the report concerned. "It is amply clear that the calls and the false allegations put forth in the Cyprus paragraphs of the Report negate the prevailing positive atmosphere on the Island," the statement said, reminding "all parties concerned that support the European Union to be part of the negotiation process must be fair and balanced for a fruitful progress". The statement also reiterated "the demand of the Turkish Cypriots for the right of representation at the European Union".

On June 24, the head of the Cyprus Chamber of Commerce and Industry, Fidias Pilides, announced that as part of the CBMs agreed between Akinci and Anastasiades in May, the mobile telephone and electricity grids in the south and north of the island would be linked by the end of July.

Speaking on the public broadcaster BRT, the Turkish Cypriot Minister of Interior Teberruken Ulucay provided information on the opening of the two new crossing points in Dherynia and Lefka. "We want to open the two crossing points as soon as possible" he said adding that it was more likely that the Dherynia crossing point would be opened first due to the convenience of the landscape as well as the existence of certain roads.

On June 24, Anastasiades held a meeting in Brussels with the President of the European Council, Donald Tusk, where the latest developments on the Cyprus Problem were discussed.

Access to education in a unified Cyprus was the subject of a conference held on June 26, in Nicosia by the All Cyprus Trade Unions Forum. The speakers, mainly members of the Greek Cypriot and Turkish Cypriot teachers unions, stressed the role and importance of education in a unified Cyprus and presented their concerns and suggestions on the issue.

On June 29, Akinci and Anastasiades held their fourth official meeting where they commenced comprehensive talks across three chapters of the Cyprus Problem, i.e. governance, property and the criteria for a territorial settlement, thus entering into substantive talks as agreed during their third meeting. According to Eide, the two leaders were updated by their respective negotiators on the work carried out in these particular chapters. The leaders discussed the issues at length in a pragmatic and constructive

manner making further progress. In addition, they provided new guidance to the negotiators to carry forward further work on core issues.

The two leaders are expected to jointly participate in an event co-organized by the Chambers of Commerce on both sides on July 8. They are also expected to participate in a meeting with religious leaders. The next meeting of the two leaders is scheduled for July 10.

On another front, Takis Hadjidemetriou and Ali Tuncay, the respective Greek and Turkish Cypriot heads of the Joint Technical Committee on Cultural Heritage were awarded the European Citizen 2015 prize for their work in preserving the island's cultural heritage in addition to advancing the idea of peaceful cooperation on the island. The prizes will be awarded to the two winners in October.

On June 17, Turkish Cypriot and Greek Cypriot political party representatives visited monuments of historical importance in Famagusta to demonstrate their public support for the conservation of cultural heritage in Cyprus. The visit was organized by the Embassy of Slovakia. Speaking to the press, the Slovakian Ambassador to Oksana Tomova said that the visit was not political but a cultural visit. She called the visit 'symbolic' and added that the restoration works of the Othello tower in Famagusta funded by the EU, "is an example of an enormous contribution by relevant partners to the preservation and restoration of the cultural heritage of all communities in Cyprus".

According to the European Commission's annual report on the Green Line Regulation, trade across the Green Line reached around €3.5m in 2014, compared to €3.4m the previous year, a rise of 3.1%. "Despite this slight increase, it remained at a low level," the Commission said, adding that it was concerned by the figures. The Green Line Regulation, adopted in 2004, sets out the terms under which persons and goods can cross the dividing line. In 2014, plastic products were the most traded item across the line, followed by fresh fish, building materials and raw metal scrap material. "The overall scale of the trade remains at a low level, in part due to the specific scope of the Regulation itself. During the reporting period, certain obstacles to trade remained," the report said. Specifically, Turkish Cypriot commercial vehicles above 7.5 tonnes and processed foods continue not to be authorized by Greek Cypriot authorities. Consequently, "there seems to be no evidence that economic interdependence between the two communities has increased," the report said, adding that removing the abovementioned obstacles would help significantly. As in previous years, Turkish Cypriot traders continued to report difficulties in having their products stocked in shops and advertising their products and services in the south of the island "which hinders trade". There is also reluctance among Greek Cypriots to purchase Turkish Cypriot products.

Crossings by individuals, on the other hand, increased by 17% in 2014 compared to 2013, according to the same report. Crossings are

expected to increase this year since newlyelected Turkish Cypriot leader Mustafa Akinci abolished the 'visa' papers at the checkpoints, a reason many Greek Cypriots did not cross.

As far as illegal immigrants coming from the north were concerned, the Greek Cypriot police data showed a decline. Their number amounted in 2014 to 970, while in 2013, 2012 and 2011 it had been respectively 1,043, 1,265 and 1,311. The decline has been attributed to the economic crisis, as well as an increased number of patrols.

The President of the Turkish Cypriot Chamber of Commerce Fikri Toros and the President of the Greek Cypriot Chamber of Commerce and Industry Phidias Pilides visited Stockholm and Helsinki as guests of the Foreign Ministers of Sweden and Finland. Joint projects are planned that will promote start-ups and incubator centres. Toros and Pilides visited similar outfits, think-tanks and universities to gather information about the successful innovation and entrepreneurship projects carried out in these countries.

The two presidents also took part in a seminar entitled "Peace in Cyprus from the point of the business world" organized by the Swedish Foreign Ministry and Stockholm School of Economics. During his speech at the seminar, Pilides pointed out that Cypriots were the biggest losers as a result of the continuation of the current situation in Cyprus and said that this was unsustainable for both chambers. He also said that

the relations between Turkey, which is the biggest market of the region and the southern part of Cyprus would be normalized with a solution and added that this would reduce the defence budgets of the two countries. For his part, Toros touched upon the contributions the economic actors could make in the establishment of a federal Cyprus as well as the cooperation projects to be carried out by the two chambers towards bringing the two communities of the island closer. "I am sure that the two chambers will be active during the negotiations process. The result to emerge will involve the participation of the civil society organizations. Besides, dialogue at different levels will also be essential. This will not only motivate the negotiation process but will also help the solution to be found by the leaders to be sustainable. Both chambers will do whatever necessary to contribute to the process," Toros said.

## 2. Hydrocarbons

In a statement issued to the Tel Aviv Stock Exchange on June 1, Israeli conglomerate Delek Group revealed its intention to buy an additional 19.9% stake of the Aphrodite offshore gas field from their Texas based partner Noble Energy for about \$155 million (€141 million). Noble holds a 70% stake in the field, which is located in Block 12 and estimated to contain 4.54 trillion cubic feet of natural gas. Delek and Avner Oil hold the remaining 30%.

On June 7 the partners of Block 12, Noble Energy International Ltd, the Delek Drilling Limited Partnership and the Avner Oil Exploration Limited Partnership, declared the Aphrodite field as commercial. This was followed by the submission of a Development and Production Plan for the Aphrodite field to Cyprus's Ministry of Energy and the Tel Aviv Stock Exchange by the three companies on June 10. Commerciality signifies the existence of recoverable gas in quantities sufficient to sell and turn into profit. The Energy Ministry described the declaration of commerciality as a significant milestone to Cyprus' transition from the hydrocarbons exploration phase to that of exploitation and an important step towards the monetization of the country's natural gas reserves.

The Development and Production plan includes the companies' proposal with regard to the method and the timeline for the development and production as well as the planning for the sales and marketing of hydrocarbons.

The plan failed to mention the potential natural gas sales to Turkey, and it did not propose a linkage of Cypriot and Israeli pipelines to a common destination which is understood to be Egypt. According to daily Politis, the plan confirmed the partners' preference to utilise a Floating Production, Storage and Offloading (FPSO) vessel<sup>1</sup>. The first gas production from Aphrodite is anticipated for 2019-2020. Accord-

6

<sup>&</sup>lt;sup>1</sup>An FPSO is a platform producing and treating the gas on-site. The gas is either piped to receiving terminals or compressed and loaded onto ships.

ing to Delek's 2014 annual report upon which the proposed outline for the development of Aphrodite was based, the partners plan to establish a facility with an estimated daily capacity of 800 mmcf (million cubic feet) of natural gas and transport it via offshore pipeline to target markets, Cyprus and Egypt. The report further estimates the cost of the facility at \$3.5 to \$4.5 billion excluding the costs of constructing the pipeline to the target markets. The plan will have to be approved by the Cypriot government before the companies are granted an exploitation licence. Cypriot authorities have 90 days to comment on the Development plan.

According to national gas expert Charles Ellinas, gas sales to Egypt under current circumstances seem implausible mainly for 3 reasons:

- Egypt urgently needs gas for domestic consumption within the 2018-2020 timeframe, and Cyprus will not be ready until 2020,
- The Damietta liquefied natural gas (LNG) plant in Egypt, which is a possible customer for Cyprus, is most likely to be provided by the Israeli Tamar field,
- Cypriot gas would be too expensive for Egypt's British Gas due to the cost of liquefaction, export and regasification in Europe;

On June 2, M&M Gas a unit jointly owned by Greek industrial group Mytilineos and the country's second biggest oil refiner Motor Oil, submitted a binding bid to supply natural gas to Cyprus' state gas company DEFA. M&M Gas had been short-listed by DEFA to take part in the

final bidding process for the construction of the necessary infrastructure to provide liquefied natural gas, regasify it and transfer it to power general facilities in Vasilikos.

On June 14, President Anastasiades accompanied by Foreign Minister Ioannis Kasoulides, Energy Minister, Giorgos Lakkotrypis and Government Spokesman, Nicos Christodoulides, travelled to Israel as part of a two day visit to explore avenues of cooperation with the Israeli government in energy, tourism and the economy. In relation to energy, the two sides agreed to speed up talks aimed at concluding an agreement for the joint exploitation of cross border gas reserves. Furthermore they explored ways to sell gas powered electricity from Israel to Europe via Cyprus and Greece, a project known as the EuroAsia Interconnector. According to Lakkotrypis a feasibility study for the submarine cable linking the two countries has already been approved for EU funding. The viability of the project hinges on whether the resulting electricity prices can compete with those of other European prices.

## 3. Greek Cypriots

#### **Economic Developments**

After the successful completion of the fifth, sixth and seventh progress reviews of Cyprus' economic adjustment programme the Eurogroup meeting held in Luxembourg on June 18

announced the resumption of financing to Cyprus as part of a €10 billion bailout programme agreed in 2013. The European Stability Mechanism (ESM) confirmed that it would be disbursing €100 million in July. To date Cyprus has received €5.7 billion out of the total €8.9 billion from the ESM. Furthermore on June 19, the International Monetary Fund (IMF) approved the disbursement of €278 million to Cyprus. Total disbursements from the fund under the programme so far amount to approximately €742 million. The IMF committed to a €1 billion loan arrangement for Cyprus in May 2013. Cyprus' financing had been postponed pending the successfully completion of its progress reviews by the Troika<sup>2</sup> due to delays in implementing foreclosures legislation.

The Finance Ministry revised downwards its economic growth rate forecast for this year to 0.2% from a previous 0.4% and to 1.4% from 1.6% for 2016.

On June 18, President Anastasiades announced new infrastructure projects for Nicosia worth €174 million. The 28 projects include redevelopment of the capital's main shopping area between Makarios Avenue, Evagorou and Stasikratous Streets, landscaping the old GSP stadium and upgrading various other road networks.

In relation to the decision of the Greek govern-

A senior Central Bank official, Yiangos Demetriou, claims that Greek subsidiaries in Cyprus are ring-fenced and face no risks from the instability in Greece. However, according to an analysis by Moody's Rating Agency, despite the fact that Cypriot banks hold insignificant direct exposures to Greece following the sale of their Greek operations in March 2013, a worsening of the situation in Greece poses a downward risk. The analysis further underlines that a Greek exit from the Euro could have negative consequences on the Cypriot bank asset quality and performance, because various Cypriot corporates have operations in Greece that could

8

ment to hold a referendum on the Greek bailout deal offer, the government spokesmen Nicos Christodoulides stated that Nicosia is closely monitoring developments in Greece and firmly expressed the government's position which stipulates keeping Greece in the Eurozone but providing it with an extension to its programme. According to Christodoulides, the government has taken all necessary measures to avert any possible fallout on the Cypriot economy. The first repercussions of the Greek crisis were evident on the first trading day on international markets following the Greek government's decision to hold a referendum. On June 29, the secondary market yields of Cyprus's €1billion 7-year government bond maturing in 2022 fell to 3.69% from 3.71%, while the yield of the government bond maturing in 2020 fell to 3.52% from 3.55% which is close to its historical low.

<sup>&</sup>lt;sup>2</sup> The Troika is comprised by the European Commission, the European Central Bank (ECB) and the International Monetary Fund (IMF).

undermine the banks' efforts to improve their asset quality. Cypriot Banks had suffered a \$4.5 billion loss as a result of the Greek debt writedown in 2011 an amount which was eventually paid by bank depositors in 2013.

Another fall-out from the economic insecurity in Greece is that many Greek shipping companies are looking into the possibility of moving part of their operations to Cyprus. Currently, Cyprus has the 10th largest merchant fleet in the world and the 3rd in the European Union with approximately 1000 ocean-going vessels of a gross tonnage exceeding 19 million, according to the Cyprus Shipping Chamber. Around four per cent of the world's fleet is managed from Cyprus and 87 per cent of the companies are controlled by EU interests.

#### **Domestic Developments**

Deputy Attorney General Rikkos Erotokritou apologised to Attorney General Costas Clerides for what he had said at a news conference he held on April 14, shortly after the AG had made public the findings of a criminal investigation which allegedly found damning evidence against his subordinate. In April, Erotokritou claimed that he had been a victim of converging malices and that in the same way that he had been suspected for his involvement in a case of disputed ownership of a Cyprus-based Russian trust fund, Providencia Holdings Ltd, Clerides himself should have been treated as a suspect.

On June 18, EDEK MP Giorgos Varnava announced his resignation as party deputy citing disagreements with the party leader Marinos Sizopoulos. His resignation follows that of previous party leader, Yiannakis Omirou, in January.

The issue of sexism gained momentum last month when DISY MP Andreas Kyprianou reportedly tried to take an up-skirt photo of AKEL MP Irini Charalambidou as a reaction to her complaint that Kyprianou was smoking in a designated non-smoking area in Parliament. The incident highlights a more common problem, which DISY MP Stella Kyriakidou pointed out when she stated that there had been several incidents of sexist behaviour, comments, and innuendos recently which in turn reflects a wider phenomenon of harassment and sexual abuse in Cypriot society. Such cases also includes foreign domestic employees with an increasing number of victims coming forward through the support of the European Network of Migrant Women (ENoMW) which represents the concerns, needs of women migrant workers in the EU. This led amongst others to a bill, which aims at putting stricter penalties on perpetrators. The bill was only recently brought to the government. House Legal Affairs had been discussing a separate bill regarding the sexual abuse of minors, introduced by AKEL MP Irene Charalambidou, for the last 18 months. AKEL accused the government of jumping into action only after a sex scandal broke last month. The bill is expected to be passed by Parliament

unanimously, including the votes of all DISY MPs.

In June, Parliament discussed a new bill regarding civil partnerships. The debate has been ongoing covering issues such as the right to adopt children. NGO Accept-LGBT Cyprus accused some MPs of deliberately delaying the passing of the bill so that it would not be passed before the summer recess. The Church of Cyprus vehemently opposes the concept of civil partnership as 'a concept alien to Cypriot mores'. The government's stance was clarified when acting permanent secretary of the interior ministry Constantinos Nicolaides said the bill concerns exclusively the relations between the state and its citizens. It concerns, he said, an agreement entered into by two individuals, as well as the terms of cohabitation and its legal effects, which correspond to those stipulated in the marriage law. Furthermore, the Anti-Discrimination Body, which operates within the framework of the Ombudsman, said in a note that the European Court of Human Rights case law has de-linked the concept of marriage from the purpose of childbearing. It said also that the European Convention on Human Rights affords family life protections not just to families formed through a marriage, but likewise to de facto relationships.

A contentious bill regarding the appointment of teachers is to be passed, which will effectively end the current system of teachers' appointments. Until now, prospective teachers are on a

waiting list and are appointed when their turn comes. Education Minister Kadis announced that the system, which favours seniority would end in 2018. From then on successful candidates will be chosen according to teaching experience and qualifications. The majority of substitute teachers are to be appointed within the next three years and after that, educators will be hired based on merit with exams. The proposal was accepted by secondary school teachers, but primary teachers' union POED has asked that the ministry waits until all substitute teachers are appointed before the new system is implemented. Critics point out that the phasing out of the current system is too long. The debate takes place amidst a vivid discussion regarding teaching standards in general. In the last PISA assessment organized by the OECD, Cypriot students scored again very low. Cyprus ranked 46 out of 76 countries worldwide, and bottom among all EU member states. In this context, the Ministry of Education introduced curriculum reforms, but also aims to change the hiring policy.

#### **Labour Relations and Trade Unions**

PEO (the biggest trade union in Cyprus affiliated with AKEL), has renewed its protest against the Minimum Guaranteed Income (MGI), instituted last year by the government in the context of a reform in the welfare benefit system. Addressing the labour parliamentary committee, PEO claimed that the MGI is insufficient in its scope, problematic in its logic and badly administered

resulting in non-protecting the people in need, redistributing poverty and humiliating the claimants. Furthermore it accused the government of shrinking social policy and of unwillingness to acknowledge and discuss the problem and turning charity into official policy. PEO called for a comprehensive discussion about the new needs for an effective social policy.

The trade unions in the Cyprus Electricity Authority (CEA) protested against the government's privatisation policy by calling for a period of strike measures beginning on the 24<sup>th</sup> of June. On the 25<sup>th</sup> of June the workers of the CEA proceeded to a two hour strike as a warning, while for the duration of the measures period, while workers decided to abstain from over-time work in the absence of an explicit consent from the strike committee and to refrain from cutting the electricity to households with undue payments. There were no cuts in electricity provision as a result of the strike. The unions protest that the bills were drafted unilaterally by the government and that privatisation will lead to a sell-out of public wealth, more expensive electricity and uncertainty in the sufficiency of its provision. The unions in the Cyprus Telecommunications Authority (CTA) expressed their opposition against the government's privatisation policy by holding a public protest on the June 24. The workers of the Cyprus Ports Authority (CPA), the third public service due to be privatised begun abstaining from overtime work as of July 1 and have called for a 24-hour strike on July 17.

Labour exploitation remains high in Cyprus according to a survey of the EU Fundamental Rights Agency. This is a result of linking work permit to specific employer for third country workers, insufficient labour inspection, the absence of collective agreements, the inadequate supervision of agents, the fear of deportation by workers who complain about their mistreatment, the insensitivity of public services and the delays of the court procedures. These conditions also affect EU workers and exist in a series of sectors such as agriculture, domestic work, manufacturing, tourism and construction and the Ombudsman commented that serious measures need to be taken by the state to monitor labour conditions so as to prevent labour exploitation and inculcate a culture of no tolerance to labour exploitation

On Jun 22, FES organised a bi-communal conference entitled Trade Unions in Cyprus: Their Current State and the Challenges Ahead where the FES Study (http://library.fes.de/pdf-files/idmoe/11143.pdf) was presented by its authors and discussed by the leaders of the main trade unions from both sides of the dividing line in two separate panels. In the third panel Torsten Müller, Senior Researcher of the European Trade Union Institute (ETUI) gave a lecture on labour relations and trade unionism at the European level followed by a joint discussion of the Greek Cypriot and the Turkish Cypriot trade union leaders. This event was the first of its kind for FES Cyprus and is expected to open up prospects for further collaboration with the Greek Cypriot and Turkish Cypriot trade unions.

## 4. Turkish Cypriots

#### **Economic Developments**

The Ministries of Economy, and Agriculture have announced their 2015 financial grant program. A total of 13million TL (€4,35 million) in financial assistance and grants will be distributed to various tourism, industrial and agricultural projects carried out within the framework of a protocol signed with the Turkish government in 2010, and technical support provided by the Cukurova Development Agency based in Turkey. Agricultural and rural development, and tourism projects will receive 4 million TL each, while remaining 5 million TL will be given to boost the competitiveness of the "TRNC"<sup>3</sup> economy. So far, some 32 million TL (€10,7 million) in financial assistance and grants were provided for 206 different projects in the period between 2012 and 2014.

The Turkish Cypriot Hoteliers Union announced the hotel occupancy rate for May as 61%. The

<sup>3</sup> 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 pending a political settlement to the Cyprus problem (see Protocol no. 10 of the Accession Treaty).

union stated that 5-star hotels reported an occupancy rate of 70% while smaller hotels' occupancy stood at 52%.

### **Domestic Developments**

At an extraordinary congress held on June 14, the former President and Prime Minister Mehmet Ali Talat has been elected as the leader of the Republican Turkish Party-United Forces (CTP-BG). Mehmet Ali Talat received 727 of the votes cast, while Yasar Oduncuoglu received 93. The delegates also elected 40 members, who will join the 37 ex officio party assembly members.

In its first meeting, the CTP-BG party assembly unanimously elected the Nicosia deputy Tufan Erhurman as the Secretary General of the party, and Urun Solyalı, Cemil Saricizmeli, Muhittin Ozsaglam, Ali Karavezirler, Emel Kisi, Ahmet Barcin, Pembe Avsaroglu, Erdogan Sorakin and Fazilet Ozdenefe as the Central Executive Committee members.

As the new party leader Talat is not a member of the parliament, and thus cannot become the Prime Minister. For this reason the CTP-BG party assembly decided to ask president Akinci to give the duty to form the new government to the CTP-BG Kyrenia deputy Omer Kalyoncu. The current Prime Minister Ozkan Yorgancioglu had decided to step down as the Prime Minister and party leader following the defeat of the party's candidate Sibel Siber in the presidential election in April.

On June 22, the Assembly amended the law governing political parties. The new law, which was unanimously approved, includes substantial changes. Among other things, it introduces a 30% gender quota on the parties' candidate lists. Furthermore, the minimum vote required to receive financial contribution from the state has been reduced from 5% to 3%. Last but not least, according to the new law, deputies resigning from their party will not be able to become a minister; a provision, which aims to prevent deputies from switching parties to become a minister.

Meanwhile, the Assembly also approved the Amendment Law on Family, Divorce and Marriage. Reportedly, in the making of the amendments international agreements protecting children's and women's rights were taken into consideration.

The Social Democratic Party (TDP) announced that a delegation headed by the party leader Cemal Ozyigit would go to New York in early July to attend the meeting of the Socialist International where the party's membership to the organization will be discussed. The CTP-BG and the Greek Cypriot EDEK are members of the Socialist International.

National Unity Party (UBP) Nicosia deputy Ersin Tatar announced that he would run for the leadership of his party in the upcoming party congress, which will take place in October this year. President Mustafa Akinci has appointed High Court Judge Emine Dizdarli as the new Ombudswoman. The post has been vacant since 2012 following the retirement of former Ombudsman Feridun Onsav. The appointment is subject to the approval of parliament, which is expected to complete the procedure following the summer recess.

A fire which broke out in Dherynia located in the south of the fenced-off town of Varosha was put under control with the help of two water-dropping helicopters and engines from the British military bases as well as a firefighting plane from Turkey. According to a statement released by the Turkish Cypriot Ministry of Interior, one thousand meter long and 600 meter wide area was badly affected by the fire leading to dried grass, shrubbery and trees being burnt to the ground. 28 houses, 5 apartment buildings and 2 uncompleted buildings in the area were not seriously affected by the fire said the Ministry. According to a police statement, the fire broke out while a serving soldier was playing with a cigarette lighter.

## 5. FES Cyprus Events

# <u>July</u>

Monday 19.-31.07.2015

ECPR / IAPCS / FES Workshop

International Summer School in Peace & Conflict Studies: State Fragmentation, Regional Crises & War Endings

University of Cyprus & Home for Cooperation, Nicosia, Cyprus

Not open to the public

## **August**

Thursday 13.-24.08.2015

IKME / FES Workshop

**German-Cypriot Youth Exchange Program** 

Nicosia & Lapta, Cyprus

Not open to the public



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