PRIME MINISTER'S MEETING WITH PRESIDENT KYPRIANOU: 7 APRIL

CONSTITUTIONAL ARRANGEMENTS

Points to Make (for use by Secretary of State)

[Defensive]

- 1. Have you made your concerns about workability of proposed constitutional arrangements plain to UN Secretary General? My understanding was these have been relatively uncontentious since proximity talks in autumn of 1984. You risk halting entire process by raising such a fundamental objection now.
- 2. Any federal government framework needs checks and balances to ensure minority community's interests preserved. No system will work if political will to make it work is absent.

ESSENTIAL FACTS

- 1. Nicosia telno 109 (Flag A) records a new complaint in the Greek Cypriot press that the constitutional provisions in the draft proposals will be unworkable. Kyprianou may put this point to the Prime Minister. Attached at Flag B is a full analysis of the documentation showing how it differs from the versions of January and April 1985. It shows that the basic constitutional provisions have not been significantly altered since January. Indeed they have been one of the less contentious aspects of the proposals and appear to have been quickly agreed during the proximity talks in autumn 1984.
- 2. Thus any objection to them now would call into question the entire UN initiative. Greek Cypriot fears that the constitution would be unworkable are understandable given its similarity to the 1960 Constitution which broke down after three years. (In the current initiative the Turkish Cypriot veto exceeds that in the 1960 Constitution). But they have had ample time (18 months) to make their objections clear. The fact is that any system with in-built checks and balances depends on the communities in a federal system having the political will to make them work.
- 3. Greek Cypriot objections do <u>not</u> relate to the agreements made at previous high level meetings in 1977 and 1979 (attached at Flag C) or to paragraph 1.1(c) vii of the proposals which concern general human rights provisions agreed during the 1982 inter-communal talks and are based on the 1960 Constitution. These are uncontentious.

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UN SECRETARY GENERAL'S INITIATIVE: PRESS REACTIONS

SUMMARY

NO OFFICIAL COMMENT FROM EITHER SIDE SO FAR. TEXT LEAKED IN GREEK CYPRIOT PRESS. TURKISH CYPRIOT PRESS REACTION ENCOURAGING BUT LITTLE ENTHUSIASM FROM GREEK CYPRIOTS.

- 1. THE TEXTS OF THE NEW DRAFT AGREEMENT AND THE UNSG'S ACCOMPANYING LETTER WERE PUBLISHED IN SEVERAL GREEK CYPRIOT NEWSPAPERS ON 1-2 APRIL. THIS PROVOKED A MILD COMPLAINT FROM THE TURKISH CYPRIOTS, AND, ACCORDING TO HOLGER, HAS CAUSED SOME DISMAY AT THE UN SECRETARIAT. BUT HOLGER HIMSELF IS NOT DISPOSED TO TAKE IT TOO TRAGICALLY.
- 2. REACTIONS IN THE GREEK CYPRIOT PRESS HAVE RANGED FROM CALLS FOR OUTRIGHT REJECTION TO APPEALS FOR CAREFUL STUDY AND COLLECTIVE CONSIDERATION. THE EDEK NEWSPAPER ''TA NEA'' DESCRIBED THE NEW DOCUMENT AS UNACCEPTABLE, AND ACCUSED THE UNSG OF UNDERMINING RELEVANT UN RESOLUTIONS. THE GOVERNMENT NEWSPAPER ''ELEFTHEROTYPIA'' WHILE INSISITING THAT IT WAS NOT REJECTING THE DOCUMENT, ALSO CRITICISED IT FOR DEPARTING FROM UN RESOLUTIONS, AND FAVOURING THE TURKISH CYPRIOTS THE COMMUNIST ''HARAVGHI'', AND THE DEMOCRATIC RALLY'S ''ALITHIA'' BOTH WARNED AGAINST RASHLY REJECTING THE DOCUMENT, AND APPEALED FOR COOL COLLECTIVE CONSIDERATION. ALITHIA ACKNOWLEDGED THAT THE DOCUMENT CONTAINED POSITIVE AND NEGATIVE ELEMENTS FOR BOTH SIDES, AND SAID CAREFUL STUDY WAS NEEDED TO DECIDE WHETHER IT REPRESENTED A VIABLE FRAMEWORK FOR A FEDERAL GOVERNMENT. THE OTHER RALLY NEWSPAPER, ''SIMERINI, '' INITIALLY PROPOSED THAT THE ISSUE BE SUBMITTED FOR A REFERENDUM AFTER A FULL PUBLIC DEBATE, BUT RECENTLY SEEMS TO HAVE ACCEPTED THAT THE GOVERNMENT'S ATTITUDE IS LIKELY TO BE NEGATIVE AND FOCUSSED ON THE QUESTION OF WHETHER THE DOCUMENT WILL BE REJECTED NOW, OR AFTER FURTHER DISCUSSION, AND WHAT THE CONSEQUENCES WILL BE FOR THE INTERNAL SCENE. ''PHILELEFTHEROS'' (INDEPENDDENT) ALSOWARNED AGAINST HASTY REACTIONS, AND STRESSED THE MAIN ISSUE WAS WHETHER THERE WAS ANY BETTER POSSIBILITY ON OFFER.
- 3. THE TURKISH CYPRIOT PRESS HAS GENERALLY SUPPORTED THE INITIATIVE, AND WARNED KYPRIANOU THAT IF HE MISSES THE BOAT THIS TIME, NO ONE WILL BE ABLE TO HOLD PACK RECOGNITION OF THE TRNC.

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4. ACCORDING TO TODAY'S PRESS KYPRIANOU IS DUE TO RETURN TO ATHENS ON 16 APRIL, FOR FURTHER TALKS, AFTER CONSULTATIONS WITH PARTY LEADERS HERE.

COMMENT

- 5. THE APPEALS FOR CAREFUL CONSIDERATION ARE ENCOURAGING BUT THERE HAS BEEN NO REAL ENTHUSIASM ON THE GREEK CYPRIOT SIDE FOR THE SUBSTANCE OF THE NEW DOCUMENT. BOTH AKEL AND THE RALLY SEEM WARY OF STICKING THEIR NECKS OUT. THIS MAY ENCOURAGE KYPRIANOU TO CALCULATE THAT A HARDLINE APPROACH IS LESS LIKELY TO PROVOKE THE SAME SORT OF CONCERTED DOMESTIC OPPOSITION AS LAST YEAR.
- 6. THERE IS GROWING SPECULATION HERE THAT KYPRIANOU WILL AVOID A DIRECT REJECTION BUT SEEK MEANS OF PROCRASTINATING, INCLUDING A POSSIBLE REFERENDUM.
- 7. IT IS ALSO WORTH NOTING THAT IN OUR CONTACTS WE DETECT A RELATIVELY NEW ELEMENT IN GREEK CYPRIOT RELUCTANCE TO ACCEPT THIS DOCUMENT: NAMELY, A FEAR THAT THE CONSTITUTIONAL PROVISIONS THEMSLEVES WILL PROVE UNWORKABLE AND LEAD TO FURTHER CONFLICT. IN OTHER WORDS, THE DOCUMENT IS CRITICISED NOT ONLY FOR LEAVING OPEN THE IMPORTANT QUESTIONS OF SECURITY AND THE THREE FREEDOMS, BUT FOR THE CONSTITUTIONAL PROVISIONS WHICH THE UN SECRETARY GENERAL THOUGHT WERE AGREED.

WILBERFORCE

CYPRUS

LIMITED

SED
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CCD
LEGAL ADVISERS
DEP D
CONS D
ECD(E)
CLAIMS D
WED
INFO D
NAD
NEWS D
PUSD
PLANNING STAFP
SOVIET DEPT

PS
PS/LADY YOUNG
PS/MR EGGAR
PS/MR RENTON
PS/PUS
MR DEREK THOMAS
MR GOODALL
MR DAUNT
MR RENWICK
MR RATFORD
MR MCINNES
MR BRAITHWAITE
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MR FERGUSSON
MR BUIST(ODA)
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ADDITIONAL DISTRIBUTION CYPRUS

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UN FRAMEWORK PROPOSALS FOR A SETTLEMENT IN CYPRUS

- 1. There are now three versions of the UN documentation
 - (a) <u>January 1985</u> (accepted by Denktash) consisted of:
 - (i) draft agreement
 - (ii) supplementary paper filling in blanks in draft agreement
 - (iii) some "understandings" between parties.
 - (b) April 1985 (accepted by Kyprianou) consisted of:
 - (i) draft agreement consolidating January documentation
 - (ii) draft statement to be made by the

 Secretary-General at time of agreement

 (device to gain Greek-Cypriot acceptance).
 - (c) March 1986 consists of:
 - (i) draft agreement.
- 2. The latest proposals are attached. Numbers in brackets are paragraph numbers in documentation.

Ministry (to be confirmed in working groups) (4.3)

(g) Three freedoms to be discussed in working groups (6.1)

(h) Territory to be retained by Turkish-Cypriots around

(j) Timetable on troop withdrawals to be agreed prior to

establishment of transitional Federal Government(8.1)

State and for resettlement of Greek-Cypriot displaced

(1) Confidence-building measures: (i) Varosha and 'six areas"

be reopened; (iii) Neither side to take action

prejudicial to agreement (10.1,11.1, 12.1).

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to be returned to Greek-Cypriots; (ii) Nicosia Airport to

(i) Use of "Special Status Areas" to increase trust

(k) Funds for development of Turkish-Cypriot Federal

29% (now 36%) (7.1)

between two sides (7.1)

persons (refugees) (9.1)

Main Changes in Current Documentation from Previous Sets of Documentation

International Personality

4. Wording is important, since it takes account of Greek-Cypriot demand that international personality devolve exclusively on Federal Government (which was inserted into April documentation) and (new) Turkish wish for Federated State right to negotiate certain international agreements, eg cultural. Greek-Cypriots fear what they consider loose wording opens door to confederation (1.1(i)).

Federal Powers (Defence and Security)

5. Precise reasons for haggling over wording (differed slightly in April and January documentation) obscure - seem to relate to difference of view on whether federal defence should cover anything other than Treaties of Guarantee and Alliance. Unlikely to be major stumbling block (2.1).

Turkish-Cypriot Veto on Minor Federal Matters in Upper House

6. This has been dropped (MnS January and April documentation), apparently with Turkish-Cypriot agreement (presumably quid pro quo for other Turkish-Cypriot gains). Only major matters (ie eight of ten federal powers or functions) subject to Turkish-Cypriot veto now.

Deadlock - Resolving Machinery and Constitutional Court

7. No real controversy. Some refining of wording has taken place in all versions. On Constitutional Court, Turkish-Cypriots have succeeded in their desire to retain a non-Cypriot Voting Chairman (3.2).

Territory

8. Greek-Cypriots retained from April documentation (not in January) explicit statement that criterion for determining which territory they would get back would be displaced persons (refugees). Turkish-Cypriots have gained reference to their security as another criterion in this context (7.1).

Troop Withdrawals and Guarantees

9. In April documentation, Greek-Cypriots negotiated new additional phrasing: that no timetable for troop withdrawals and no arrangements for guarantees were excluded. Turkish-Cypriots made clear they would not accept. New wording simply says each will listen to each other's views and discuss these in good faith (8.1).

Procedure for Follow-up

10. Greek-Cypriots wanted most sensitive issues of troop withdrawals and guarantees decided at high-level meetings, not in working groups as stated in January documentation. Turkish-Cypriots' preference was for working groups, but new wording lays considerable emphasis on high-level meetings (14.1).

Possible Stumbling Blocks on Greek-Cypriot Side

- 11. Given known Greek-Cypriot reluctance to agree to anything unless and until issues of troop withdrawals, guarantees and three freedoms resolved to their satisfaction, their unconditional acceptance of current documentation is unlikely. They may use various issues in the current documentation as an excuse for rejecting it. They may say:
 - (a) wording on international personality makes confederation possible;
 - (b) Turkish-Cypriot security should not be a criterion for determining new territorial boundary between communities;

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- (c) wording on troop withdrawals and guarantees and three freedoms far too weak;
- (d) new wording fails to lay down <u>specific direction</u> that most important issues should be resolved at high-level meeting.

Possible Stumbling Blocks on Turkish-Cypriot Side

- 12. Current indications are that Turkish-Cypriots will accept. Last-minute change of heart always possible. Reasons given would be current documentation went beyond January 1985 documentation. Specifically, they could object to:
 - (a) the fact that international personality is mentioned at all (was not in January documentation);
 - (b) loss of Turkish-Cypriot veto in upper house on minor matters:
 - (c) introduction of concept of regular high-level meetings to resolve sensitive outstanding issues.

Conclusions

Greek-Cypriots will delay any formal response for as long as possible before rejecting on basis that three main issues not properly addressed. At best they might accept, attaching conditions unacceptable to the Turkish-Cypriots. Nevertheless, these framework proposals offer the Greek-Cypriots a unified Cyprus with a Greek-Cypriot President, a substantial gain in territory and the chance to negotiate away the bulk of Turkish troops in northern Cyprus. If they reject them, it is difficult to imagine another similar offer in the foreseeable future.

29 March 1986

DRAFT FRAMEWORK AGREEMENT ON CYPRUS

- 3 iii. The territory of the Federal Republic shall comprise the two provinces or federated states. iv. The official languages of the Federal Republic shall be Greek and Turkish. The English language may also be used. v. The Federal Republic shall have a neutral flag and anthem to be agreed. Each province or federated state may have its own flag using mainly elements of the federal flag. The federal flag shall be flown on federal buildings and federal locations to the exclusion of any other flag. vi. The federal government shall observe the holidays of the Federal Republic. Each province or federated state shall observe the federal holidays as well as those established by it. vii. The parties reaffirm all other points that were agreed upon during the course of the intercommunal talks as contained in "revision" dated 18 May 1982 concerning general provisions, Part I, fundamental rights and liberties, Part II, as well as Parts III and IV. 2.1 The powers and functions to be vested in the federal government of the Federal Republic shall comprise: a) Foreign affairs. b) Federal financial affairs (including federal budget, taxation, customs and excise duties). c) Monetary and banking affairs. d) Federal economic affairs (including trade and tourism). e) Posts and telecommunications. f) International transport. g) Natural resources (including water supply, environment).

- 5 involved, who, with the assistance of experts as needed including from outside the Federal Republic of Cyprus, will advise the legislature on ways the deadlock could be resolved. The matter may also be submitted to a referendum among the population of the community which opposed the draft legislation. Legislation adopted by the legislature may be taken to the Consititional Court for ruling as to whether it violates the constitution or is discriminatory against either community. 4.1 The .:deral Republic will have a presidential system of government. The president and the vice-president will symbolize the unity of the country and the equal political status of the two communities. In addition, the executive will reflect the functional requirements of an effective federal government. 4.2 The president will be a Greek Cypriot and the vice president will be a Turkish Cypriot. The president and the vice president will, separately or conjointly, have the right to veto any law or decision of the legislature and the Council of Ministers in areas to be agreed upon, it being understood that the scope will exceed that covered by the 1960 constitution. The president and the vice president will have the right, separately or conjointly, to return any law or decision of the legislature or any decision of the Council of Ministers for reconsideration. 4.3 The Council of Ministers will be composed of Greek Cypriot and Turkish Cypriot ministers on a 7 to 3 ratio. One major ministry will be headed by a Turkish Cypriot, it being understood that the parties agree to discuss that the Minister for Foreign Affairs will be a Turkish Cypriot. The Council of Ministers will take decisions by weighted voting, that is a simple majority including at least one Turkish Cypriot minister. It is understood that the parties agree to discuss that weighted voting will apply to all matters of special concern to the Turkish Cypriot community to be agreed upon. 4.4 Appropriate constitutional safeguards and deadlock resolving machinery related to decisions by the Council of Ministers, including special provisions to facilitate action on matters necessary for the continued functioning of the federal government, will be incorporated in the federal constitution. In case of deadlock, the president and vice-president of the Federal Republic will, upon request, appoint on an ad hoc basis one person each, selected for their knowledge of the subject

- 6 involved, who, with the assistance of experts as needed including from outside the Federal Republic of Cyprus, will advise the Council of Ministers on ways the deadlock could be resolved. The matter may also be submitted to a referendum among the population of the community which opposed the draft decision. A decision by the Council of Ministers may be taken to the Constitutional Court for ruling as to whether it violates the constitution or is discriminatory against either community. 5.1 The Constitutional Court, when ruling on disputes relating to the distribution of powers and functions between the federal government and the provinces or federated states and on such other matters as may be assigned to it by the parties in accordance with the federal constitution, will be composed of one Greek Cypriot, one Turkish Cypriot and one non-Cypriot voting member. 6.1 As regards freedom of movement, freedom of settlement and right to property, a working group will discuss the exercise of these rights, including time frames, practical regulations and possible compensation arrangements, taking into account guideline 3 of the 1977 agreement. 7.1 Territorial adjustments, in addition to the areas already referred to in the 5 August 1981 Turkish Cypriot proposals, will be agreed upon. These territorial adjustments will result in the Turkish Cypriot province or federated state comprising in the order of 29+ per cent of the territory of the Federal Republic. It is understood that when discussing the actual territorial adjustments the two sides will have in mind the 1977 high-level agreement including "certain practical difficulties which may arise for the Turkish Cypriot community" and the questions related to resettlement. Both sides agree to suggest special status areas adjacent to each other for the purpose of enhancing trust between the sides. These areas will remain under their respective civilian jurisdictions. 8.1 A timetable for the withdrawal of non-Cypriot military troops and elements, as well as adequate guarantees, will be agreed upon prior to the establishment of a transitional federal government. In the meantime, military deconfrontation measures will be pursued by both sides, using the good offices and assistance of UNFICYP.

8.2 The two sides undertake to discuss these issues in good faith and to consider each other's concerns on them. 9.1 A Fund for Development of the Turkish Cypriot province or federated state shall be established with a view to achieving an economic equilibrium between the two provinces or federated states. A fund will also be established to facilitate the resettlement of the Greek Cypriot displaced persons, and for the Turkish Cypriots displaced as a consequence of the implementation of paragraph 7.1. The federal government shall contribute to these funds. Foreign governments and international organizations shall be invited to contribute to the funds. 10.1 The Varosha area and the six additional areas delineated in the Turkish Cypriot map of 5 August 1981 will be placed under United Nations interim administration as part of the UNFICYP buffer zone for resettlement by 11.1 Both parties agree not to take any action tending to prejudice the process outlined in this agreement, both on the international scene and internally. 12.1 The Nicosia international airport will be reopened under interim United Nations administration with free access from both sides. The United Nations will conclude the arrangements to that effect by 13.1 Adequate machinery for considering allegations of non-implementation of confidence-building measures will be agreed upon. The Secretary-General will make appropriate recommendations to both sides in this regard.

- 8 -14.1 The parties agree to establish working groups to work out the detailed agreements on the matters referred to in this agreement, whose elements are inter-related and constitute an integrated whole. The working groups will carry out their work under the direction of joint high-level meetings. These joint high-level meetings will take place every three to four months, on the basis of an agenda prepared by the Secretary-General, to discuss the issues which remain to be negotiated under this agreement, to review the work and provide guidance to the working groups. The joint high-level meetings will be convened by the Secretary-General after adequate preparation. 14.2 Each working group will be composed of delegations from the two sides and will be chaired by a representative of the Secretary-General. The working groups will begin their meetings at the United Nations premises in Nicosia Each working group will prepare a programme of work and will submit it for approval and guidance to the joint high-level meeting which will take place at the United Nations premises in Nicosia on 14.3 The representative of the Secretary-General chairing each working group will every three months prepare an assessment of the progress made by the working group, which will be presented to the next joint high-level meeting together with the views of the Secretary-General. 15.1 The parties agree that, the required working groups having completed their work and having obtained the approval of the two sides, the transitional federal government of the Federal Republic of Cyprus will be set up on 16.1 The Secretary-General will remain at the disposal of the parties to assist in the elaboration of this agreement, and, if required, in its intepretation.

The Secretary-General expressed his appreciation to both sides for the constructive approach taken by their representatives during the lower-level discussions. He stated that this had proved most useful in bringing into clearer focus their respective concerns and had indicated points of convergence on the substance of the remaining differences. The Secretary-General added that this had made it possible to draft a framework agreement which preserved all that has been achieved since August 1984 and endeavoured to reconcile the outstanding differences in a manner that protected the interests of both communities.

The Secretary-General urged that both sides keep the following in mind when considering the draft framework agreement:

This framework agreement was an indispensable step in an ongoing process. Both sides had agreed on the matters that would be negotiated after the framework agreement was accepted, and to do so in good faith and with a willingness to consider each other's concerns.

These negotiations would provide each side with ample opportunities to assure itself of the good intentions of the other. While the text committed the two sides to proceed toward an overall solution within an agreed framework, its ultimate implementation would depend on both sides being able to negotiate to their mutual satisfaction the matters on which agreement had yet to be achieved.

Acceptance of the draft framework agreement would allow, for the very first time, all the outstanding issues to be tackled in earnest and in a decisive manner as an integrated whole.

The Secretary-General stressed that upon being informed of the acceptance of the draft framework agreement by both sides, he would spare no effort to maintain the momentum towards a just and lasting solution of the Cyprus problem. He added that the procedures set out in paragraphs 14.1 to 14.3 of the draft were designed towards that end.

He recalled the wishes of both sides that these negotiations should not drag on, and that therefore it was important that the meetings, whether at the high level or working level, be carefully prepared.

The Secretary-General expressed the hope that both sides would advise him soon of their acceptance of the draft framework agreement. He added that thereafter he proposed to ask senior members of his staff to visit Nicosia to finalize the dates to be inserted in the framework agreement and to prepare for an early joint high-level meeting, with his personal participation, to formalize the Parties' acceptance of the framework agreement and the steps that followed from it. He suggested that this preparatory meeting take place in Nicosia on 21 April.

The Secretary-General concluded his letter by recalling the great effort that had been expended by the two sides and by the United Nations in this joint endeavour since August 1984. The Secretary-General expressed the belief that it was of the greatest importance that this opportunity be seized to break through to a just and lasting solution of the Cyprus problem, which not only responded to the wishes of the people of Cyprus but also to the responsibility of all concerned to relax tensions and promote international peace and security in the region as a whole.

APPENDIX 35

THE GUIDELINES AGREED BETWEEN PRESIDENT DENKTAŞ AND THE LATE ARCHBISHOP MAKARIOS ON 12 FEBRUARY 1977

1. We are seeking an independent, non-aligned, bi-communal Federal Republic.

2. The territory under the administration of each community should be discussed in the light of economic viability or productivity and land ownership.

3. Questions of principles, like freedom of movement, freedom of settlement, the right of property and other specific matters, are open for discussion, taking into consideration the fundamental basis of a bi-communal federal system and certain practical difficulties which may arise for the Turkish Cypriot community.

4. The powers and functions of the central Federal Government will be such as to safeguard the unity of the country, having regard to the bi-communal character of the

APPENDIX 54 TEN-POINT AGREEMENT OF 19 MAY 1979 1. It was agreed to resume the intercommunal talks on 15 June 1979. 2. The basis for the talks will be the Makarios-Denktaş guidelines of 12 February 1977 and the United Nations resolutions relevant to the Cyprus question. 3. There should be respect for human rights and fundamental freedoms of all citizens of the Republic. 4. The talks will deal with all territorial and constitutional aspects. 5. Priority will be given to reaching agreement on the resettlement of Varosha under United Nations auspices simultaneously with the beginning of the consideration by the interlocutors of the constitutional and territorial aspects of a comprehensive settlement. After agreement on Varosha has been reached, it will be implemented without awaiting the outcome of the discussion on other aspects of the Cyprus problem. 6. It was agreed to abstain from any action which might jeopardize the outcome of the talks, and special importance will be given to initial practical measures by both sides to promote good will, mutual confidence and the return to normal conditions. 7. The demilitarization of the Republic of Cyprus is envisaged, and matters relating thereto will be discussed. 8. The independence, sovereignty, territorial integrity and non-alignment of the Republic should be adequately guaranteed against union in whole or in part with any other country and against any form of partition or secession. 9. The intercommunal talks will be carried out in a continuing and sustained manner, avoiding any delay. 10. The intercommunal talks will take place in Nicosia.

29 March 1986

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DRAFT FRAMEWORK AGREEMENT ON CYPRUS

- 3 iii. The territory of the Federal Republic shall comprise the two provinces or federated states. iv. The official languages of the Federal Republic shall be Greek and Turkish. The English language may also be used. v. The Federal Republic shall have a neutral flag and anthem to be agreed. Each province or federated state may have its own flag using mainly elements of the federal flag. The federal flag shall be flown on federal buildings and federal locations to the exclusion of any other flag. vi. The federal government shall observe the holidays of the Federal Republic. Each province or federated state shall observe the federal holidays as well as those established by it. vii. The parties reaffirm all other points that were agreed upon during the course of the intercommunal talks as contained in "revision" dated 18 May 1982 concerning general provisions, Part I, fundamental rights and liberties, Part II, as well as Parts III and IV. The powers and functions to be vested in the federal government of the Federal Republic shall comprise: a) Foreign affairs. b) Federal financial affairs (including federal budget, taxation, customs and excise duties). c) Monetary and banking affairs. d) Federal economic affairs (including trade and tourism). e) Posts and telecommunications. f) International transport. g) Natural resources (including water supply, environment).

h) Federal health and veterinary affairs. i) Standard setting: weights and measures, patents, trademarks, copyrights. j) Federal judiciary. k) Appointment of federal officers. 1) Defence (to be discussed also in connection with the treaties of guarantee and of alliance); security (as it pertains to federal responsibility). 2.2 Additional powers and functions may be vested in the federal government by common agreement of both sides. Accordingly, the residual powers shall rest with the provinces or federated states. Federal legislation may be executed either by authorities of the federal government or by way of co-ordination between the competent authorities of the federal government and of the two provinces or federated states. 3.1 The legislature of the Federal Republic will be composed of two chambers: a lower chamber with a 70-30 Greek Cypriot and Turkish Cypriot representation, and an upper chamber with a 50-50 representation. Federal legislation will be enacted with regard to the matters of federal competence as referred to in paragraph 2.1 above. The adoption of legislation on major matters, as for instance on ten of the twelve functions referred to in paragraph 2.1 above, we leave the standard of the twelve functions referred to in paragraph 2.1 above, we leave the standard of the twelve functions referred to in paragraph 2.1 above, we leave the standard of the twelve functions referred to in paragraph 2.1 above. require separate majorities in both chambers. The adoption of legislation on other matters will require majorities of the membership in each chamber. 3.2 Appropriate constitutional safeguards and deadlock resolving machinery including special provisions to facilitate action on matters necessary for the continued functioning of the federal government (e.g., on budgetary questions) will be incorporated in the federal constitution. In case of deadlock in the legislature, the proposed legislation may be submitted in the first instance to a conciliation committee of the legislature composed of three Greek Cypriots and two Turkish Cypriots, whose decision will be taken on the basis of majority vote including at least one Turkish Cypriot. If the deadlock persists, the president and vice-president of the Federal Republic will, upon request, appoint on an ad hoc basis one person each, selected for their knowledge of the subject

- 5 involved, who, with the assistance of experts as needed including from outside the Federal Republic of Cyprus, will advise the legislature on ways the deadlock could be resolved. The matter may also be submitted to a referendum among the population of the community which opposed the draft legislation. Legislation adopted by the legislature may be taken to the Consititional Court for ruling as to whether it violates the constitution or is discriminatory against either community. 4.1 The ideral Republic will have a presidential system of government. The president and the vice-president will symbolize the unity of the country and the equal political status of the two communities. In addition, the executive will reflect the functional requirements of an effective federal government. 4.2 The president will be a Greek Cypriot and the vice president will be a Turkish Cypriot. The president and the vice president will, separately or conjointly, have the right to veto any law or decision of the legislature and the Council of Ministers in areas to be agreed upon, it being understood that the scope will exceed that covered by the 1960 constitution. The president and the vice president will have the right, separately or conjointly, to return any law or decision of the legislature or any decision of the Council of Ministers for reconsideration. 4.3 The Council of Ministers will be composed of Greek Cypriot and Turkish Cypriot ministers on a 7 to 3 ratio. One major ministry will be headed by a Turkish Cypriot, it being understood that the parties agree to discuss that the Minister for Foreign Affairs will be a Turkish Cypriot. The Council of Ministers will take decisions by weighted voting, that is a simple majority including at least one Turkish Cypriot minister. It is understood that the parties agree to discuss that weighted voting will apply to all matters of special concern to the Turkish Cypriot community to be agreed upon. 4.4 Appropriate constitutional safeguards and deadlock resolving machinery related to decisions by the Council of Ministers, including special provisions to facilitate action on matters necessary for the continued functioning of the federal government, will be incorporated in the federal constitution. In case of deadlock, the president and vice-president of the Federal Republic will, upon request, appoint on an ad hoc basis one person each, selected for their knowledge of the subject

- 6 involved, who, with the assistance of experts as needed including from outside the Federal Republic of Cyprus, will advise the Council of Ministers on ways the deadlock could be resolved. The matter may also be submitted to a referendum among the population of the community which opposed the draft decision. A decision by the Council of Ministers may be taken to the Constitutional Court for ruling as to whether it violates the constitution or is discriminatory against either community. 5.1 The Constitutional Court, when ruling on disputes relating to the distribution of powers and functions between the federal government and the provinces or federated states and on such other matters as may be assigned to it by the parties in accordance with the federal constitution, will be composed of one Greek Cypriot, one Turkish Cypriot and one non-Cypriot voting member. 6.1 As regards freedom of movement, freedom of settlement and right to property, a working group will discuss the exercise of these rights, including time frames, practical regulations and possible compensation arrangements, taking into account guideline 3 of the 1977 agreement. 7.1 Territorial adjustments, in addition to the areas already referred to in the 5 August 1981 Turkish Cypriot proposals, will be agreed upon. These territorial adjustments will result in the Turkish Cypriot province or federated state comprising in the order of 29+ per cent of the territory of the Federal Republic. It is understood that when discussing the actual territorial adjustments the two sides will have in mind the 1977 high-level agreement including "certain practical difficulties which may arise for the Turkish Cypriot community" and the questions related to resettlement. Both sides agree to suggest special status areas adjacent to each other for the purpose of enhancing trust between the sides. These areas will remain under their respective civilian jurisdictions. 8.1 A timetable for the withdrawal of non-Cypriot military troops and elements, as well as adequate guarantees, will be agreed upon prior to the establishment of a transitional federal government. In the meantime, military deconfrontation measures will be pursued by both sides, using the good offices and assistance of UNFICYP.

8.2 The two sides undertake to discuss these issues in good faith and to consider each other's concerns on them. 9.1 A Fund for Development of the Turkish Cypriot province or federated state shall be established with a view to achieving an economic equilibrium between the two provinces or federated states. A fund will also be established to facilitate the resettlement of the Greek Cypriot displaced persons, and for the Turkish Cypriots displaced as a consequence of the implementation of paragraph 7.1. The federal government shall contribute to these funds. Foreign governments and international organizations shall be invited to contribute to the funds. 10.1 The Varosha area and the six additional areas delineated in the Turkish Cypriot map of 5 August 1981 will be placed under United Nations interim administration as part of the UNFICYP buffer zone for resettlement by 11.1 Both parties agree not to take any action tending to prejudice the process outlined in this agreement, both on the international scene and internally. 12.1 The Nicosia international airport will be reopened under interim United Nations administration with free access from both sides. The United Nations will conclude the arrangements to that effect by 13.1 Adequate machinery for considering allegations of non-implementation of confidence-building measures will be agreed upon. The Secretary-General will make appropriate recommendations to both sides in this regard.

- 8 -14.1 The parties agree to establish working groups to work out the detailed agreements on the matters referred to in this agreement, whose elements are inter-related and constitute an integrated whole. The working groups will carry out their work under the direction of joint high-level meetings. These joint high-level meetings will take place every three to four months, on the basis of an agenda prepared by the Secretary-General, to discuss the issues which remain to be negotiated under this agreement, to review the work and provide guidance to the working groups. The joint high-level meetings will be convened by the Secretary-General after adequate preparation. 14.2 Each working group will be composed of delegations from the two sides and will be chaired by a representative of the Secretary-General. The working groups will begin their meetings at the United Nations premises in Nicosia Each working group will prepare a programme of work and will submit it for approval and guidance to the joint high-level meeting which will take place at the United Nations premises in Nicosia on 14.3 The representative of the Secretary-General chairing each working group will every three months prepare an assessment of the progress made by the working group, which will be presented to the next joint high-level meeting together with the views of the Secretary-General. 15.1 The parties agree that, the required working groups having completed their work and having obtained the approval of the two sides, the transitional federal government of the Federal Republic of Cyprus will be set up on 16.1 The Secretary-General will remain at the disposal of the parties to assist in the elaboration of this agreement, and, if required, in its intepretation.

The Secretary-General expressed his appreciation to both sides for the constructive approach taken by their representatives during the lower-level discussions. He stated that this had proved most useful in bringing into clearer focus their respective concerns and had indicated points of convergence on the substance of the remaining differences. The Secretary-General added that this had made it possible to draft a framework agreement which preserved all that has been achieved since August 1984 and endeavoured to reconcile the outstanding differences in a manner that protected the interests of both communities.

The Secretary-General urged that both sides keep the following in mind when considering the draft framework agreement:

This framework agreement was an indispensable step in an ongoing process. Both sides had agreed on the matters that would be negotiated after the framework agreement was accepted, and to do so in good faith and with a willingness to consider each other's concerns.

These negotiations would provide each side with ample opportunities to assure itself of the good intentions of the other. While the text committed the two sides to proceed toward an overall solution within an agreed framework, its ultimate implementation would depend on both sides being able to negotiate to their mutual satisfaction the matters on which agreement had yet to be achieved.

Acceptance of the draft framework agreement would allow, for the very first time, all the outstanding issues to be tackled in earnest and in a decisive manner as an integrated whole.

The Secretary-General stressed that upon being informed of the acceptance of the draft framework agreement by both sides, he would spare no effort to maintain the momentum towards a just and lasting solution of the Cyprus problem. He added that the procedures set out in paragraphs 14.1 to 14.3 of the draft were designed towards that end.

He recalled the wishes of both sides that these negotiations should not drag on, and that therefore it was important that the meetings, whether at the high level or working level, be carefully prepared.

The Secretary-General expressed the hope that both sides would advise him soon of their acceptance of the draft framework agreement. He added that thereafter he proposed to ask senior members of his staff to visit Nicosia to finalize the dates to be inserted in the framework agreement and to prepare for an early joint high-level meeting, with his personal participation, to formalize the Parties' acceptance of the framework agreement and the steps that followed from it. He suggested that this preparatory meeting take place in Nicosia on 21 April.

The Secretary-General concluded his letter by recalling the great effort that had been expended by the two sides and by the United Nations in this joint endeavour since August 1984. The Secretary-General expressed the belief that it was of the greatest importance that this opportunity be seized to break through to a just and lasting solution of the Cyprus problem, which not only responded to the wishes of the people of Cyprus but also to the responsibility of all concerned to relax tensions and promote international peace and security in the region as a whole.

on

"Draft Framework Agreement on Cyprus" of 29th March, 1986".

1. Preamble:

There is a new Preamble which is based on the first paragraph of the April 1985 Draft Statement. However, the present wording differs from that of the Draft Statement, as follows:

Whereas in the April 1985 Draft Statement reference to the United Nations resolutions was connected to .

"a just and lasting settlement of the Cyprus problem", in the present document reference to the United Nations resolutions is connected to "the initiative of the Secretary-General".

2. (a) Paragraph 1.1(c)(i): (International Personality):
 The substance of the April 1985 documentation
 (Preamble (c)(i) and Draft Statement) has been
 retained with the significant addition, however, that:

"The provinces or federated states-may act in their areas of competence in accordance with the federal constitution and in a manner that would not duplicate the powers and functions of the federal government as defined in the federal constitution.".

Thus, it is envisaged that the provinces will have certain unspecified powers in what is known as "the international field" provided there is no duplication with the powers and functions of the federal government.

It should here be noted that paragraph 1.1(c)
"reaffirms" the parties' "acceptance of those
introductory constitutional provisions agreed upon
at the intercommunal talks in 1981-82". The above,
however, is a new addition which was not agreed upon in
1981-82. Similarly, the sentence "The attributes of
international personality shall be exercised by the
federal government in accordance with the federal
constitution" has also now been added to paragraph 1.1(c).
(A similar formulation was included in the April 1985
Draft Statement, as follows: "Accordingly, the federal
republic of Cyprus shall have international personality
whose attributes shall devolve upon the federal
government").

(b) Paragraph 1.1.(c)(iii): (Territory to comprise the two provinces or federated states):

This is as in the April 1985 documentation (Preamble (c)(iii)) and is the same as in the Evaluation Revision of 18.5.1982.

(Note: The Evaluation Revision of 18.5.1982

included a clause excluding union of Cyprus
with any other State, separatist independence
or secession: this has, however, been
omitted from all documentations, possibly due
to the fact that there was difference
between the two sides as to whether any act aiming
at such objectives would constitute a criminal offence.

3. Paragraph 2.1: (Powers and Functions of Federal Government):

The specific powers and functions have remained the same as in previous formulations, except that "Defence" will now "be discussed also in connection with the treaties of guarantee and of alliance" instead of "in connection with international guarantees" (Jan. 1985 formulation(Article 1(1)) or "in connection with international treaties on Cyprus" (April 1985 formulation (Article 1.1.(1)).

The brackets enclosing the phrase "(as it pertains after the word "security", to federal responsibility)", omitted from the April 1985 documentation (Article 1.1(1)), have been reinstated as in the January 1985 documentation (Article 1(1)).

4. Paragraph 2.2: (Residual Powers):

It is now expressly provided that "the residual powers shall rest with the provinces or federated states".

In the draft Statement of April 1985 it was stated that "Article 1.2 of the agreement" (which corresponded with the present paragraph 2.2.) "implies that the residual powers shall rest with the two provinces or federated states".

5. Paragraph 3.1 (Legislature):

There is a difference from the wording of the April 1985 formulation (Article 2.1):

The words "as for instance on ten of the twelve functions referred to in paragraph 2.1 above" occurred in the last sentence of Article 2.1 of the April 1985 documentation, which read as follows: "A working group will consider the issues which are major matters, as for instance on ten of the twelve functions referred to in (1) above". In the present formulation, the said sentence has been omitted and the words "as for instance", have been inserted in the main provision: "The adoption of legislation on major matters, as for instance on ten of the twelve functions referred to in paragraph 2.1 above, will require separate majorities in both chambers". The present wording follows that of the January 1985 formulation (Non-Paper 1), in which, however, the words "(as for instance 10 out of the 12 of the Federal List)" were enclosed in brackets.

The sentence "The adoption of legislation on other matters will require simple majorities in both chambers" (April 1985 formulation,

Article 2.1) has been changed to "The adoption of legislation on other matters will require majorities of the membership in each chamber".

6. Paragraph 3.2 (Deadlock-resolving mcahinery):

This follows the pattern of the April 1985 formulation (Article 2.2) except that there is now provision for an additional deadlock-resolving mechanism, as follows:

"If the deadlock persists, the president and vice-president of the Federal Republic will, upon request, appoint on an ad hoc basis one person each, selected for their knowledge of the subject involved, who, with the assistance of experts as needed including from outside the Federal Republic of Cyprus, will advise the legislature on ways the deadlock could be resolved.".

Also, the provision in Article 2.2 of the April 1985 formulation for reference to the Constitutional Court of proposed legislation, in addition to legislation already adopted, has been omitted.

7. Executive:

(a) Paragraph 4.1: The words "in addition" (in the 4th line) which had appeared in the January 1985 documentation (Article 3), but were omitted from the April 1985 documentation (Article 3.1), have been reinstated.

- (b) Paragraph 4.2: The veto of the President and Vice-President is extended to decisions of the Council of Ministers, in (Article 3.2) contrast to the April 1985 formulation/but in line with the 1960 constitution and the Adams 1985 formulation (Non-Paper 1).
- (c) Paragraph 4.3: The formulation regarding the allocation of the Foreign Ministry to a Turkish Cypriot is essentially (Non-Paper 2) the same as in the January 1985/and April 1985 (Article 3.3) documentations.

With regard to the taking of decisions by the Council of Ministers there is a major difference both with the January 1985 (Second Non-Paper) and the April 1985 (Article 3.3) documentation. It is now provided that:

"The Council of Ministers
will take decisions by weighted voting,
that is a simple majority including at
least one Turkish Cypriot minister.

It is understood that the parties
agree to discuss that weighted voting
will apply to all matters of special
concern to the Turkish Cypriot community
be
to/agreed upon."

In contrast to/previous documentations, the present forumulation envisages positively that the affirmative vote of a Turkish Cypriot Minister will be required with regard to all matters, and not only those of special concern to the Turkish Cypriot community. The last sentence ("It is understood that the parties agree to discuss that weighted voting will apply to all matters of special concern to the Turkish Cypriot community to be agreed upon") does not really weaken the effect of the main proposition contained in the first sentence.

- (d) Paragraph 4.4: This paragraph is an expansion of the previous formulation in the (Article 4.4.), April 1985 formulation, and adopts, with regard to deadlocks in the Council of Ministers, essentially the same deadlock-resolving machinery as with regard to deadlocks in the Legislature, except that there is no reference to a "conciliation committee".
- 8. Paragraph 5.1 (Constitutional Court/Tripartite Body):

All previous references (Article 4 in Jan. 1985 documentation and Article 4.1 in April 1985 documentation) to a Tripartite Body have been omitted. The functions previously assigned to that body will now be exercised by "the Constitutional Court" "composed of one Greek Cypriot, one Turkish Cypriot and one non-Cypriot voting member".

It seems that this composition is intended to apply only with regard to the matters specified in paragraph 5.1 and previously assigned to the Tripartite Body, namely, "disputes relating to the distribution of powers and functions between the federal government and the provinces or federated states and on such other matters as may be assigned to it by the parties in accordance with the federal constitution".

9. Paragraph 6.1 (Three Fredoms):

There are only linguistic differences
between the present formulation and the January

(Article 5)
and April 1985/formulations.

10. Paragraph 7.1 (territory):

There are significant differences between the present forumulation and the January 1985 and April 1985 documentations:

- (a) The area of the Turkish Cypriot province is intended to be "in the order of 29 + per cent of the territory of the Federal Republic", in contrast to "29% and 71%" in the January 1985 documentation (Non-Paper 1) and "in the order of 29% of the teritory of the federal republic" in the April 1985 documentation (Article 6.1);
- (b) There is no reference to the number of Greek Cypriot displaced persons to be resettled in contrast to both previous documentations ("The size of that adjustment will be expressed in the high-level agreement in a measurable form and will also be reflected in the number of Greek Cypriot displaced persons to be resettled" (Article 6) (January 1985 documentation) and "I am

aware that the number of displaced persons
to be resettled is an important factor
in this connection (territorial adjustments)".

(April 1985, Draft Statement)).

The only relevant reference in the present document is that, in discussing the actual territorial adjustments, the two sides will have in mind "the questions related to resettlement".

- (c) Also, the present documentation provides that when discussing the actual territorial adjustments the two sides will have in mind the 1977 high-level agreement including certain practical difficulties which may arise for the Turkish Cypriot the fact that community. Apart from the words including certain practical difficulties which may arise for the Turkish Cypriot community did not in any previous documentation, appear these words, in the 1977 High-Level Agreement, refer to the discussion of the three freedoms and not to the matter of territory.
- (d) The following sentence, which had appeared in the April 1985 documentation (Article 6.1); has now been omitted.

"A working group will consider the specific areas of the territorial adjustments as well as the specific areas and characteristics of the special status areas.". 11. Paragraphs 8.1 and 8.2: (Withdrawal of non-Cypriot military troops and elements and guarantees):

The formulation of this paragraph is the same as in the January 1985 (Article 7) and April 1985 (Articles 7.1 and 7.2) documentations. However, the following has been omitted from the April 1985 Draft Statement:

"Furthermore, with regard to article 7.1" (which corresponded with the present paragraph 8.1), "I understand that the Turkish Cypriot side does not a priori exclude any time-table for the withdrawal of non-Cypriot troops and that the Greek Cypriot side does not a priori exclude any country as guarantor.".

Instead of the above statement, there is now the following new sub-paragraph:

"8.2 The two sides undertake to discuss these issues in good faith and to consider each other's concerns on them.".

12. Paragraph 9.1 (Development and Resettlement Funds):

The word "for" (6th line), which occurred in the January 1985 formulation (Article 8), has been reinstated instead of the word "of" as in the April 1985 formulation (Article 8.1).

13. Paragraph 10.1 (Varosha)

and
Paragraph 12.1 (Nicosia Airport):

There is reinstatement of the January 1985 formulation (Article 9), which means that specific dates must be inserted, instead of leaving the dates "to be agreed upon at a future joint high-level meeting", as in the April 1985 formulation (Article 9.1).

Furthermore, with regard to the Varosha area, the present document does not include the understanding contained in Non-Paper 2 of the January 1985 documentation, that the line on Varosha, as per the Turkish Cypriot map of 1981, does not represent the last word.

14. Paragraph 13.1 (Machinery for considering allegations of non-implementation of Confidence Building Measures):

The wording of the January 1985 (Article 12) documentation has been reinstated with the addition: "The Secretary-General will make appropriate recommendations to both sides in this regard". The April 1985 (Article 12) documentation specified the establishment of a committee and its composition.

15. Procedure and Working Groups:

(a) Paragraph 14.1:

(i) The April 1985 (Draft Statement) contained the following:

"The agreement, attached hereto, which is to be viewed as an integrated whole, contains the elements for an overall solution of the Cyprus question. The parties accept the agreement, and are expected to negotiate all outstanding issues in good faith and without any circumscriptions beyond those contained in the agreement and in this statement. They may jointly decide, in the course of the negotiations, on one or another adjustment in the agreement. The overall settlement will be submitted for approval when the working groups have completed their work, with the assistance, as necessary, of substantive guidance from subsequent joint high-level meetings.".

"It is understood that, while the agreement represents a clear step for arriving at a just and lasting solution of the Cyprus question, in the months to come, a number of issues remain to be negotiated within that context, and keeping in mind the interelationship among elements in an integrated whole approach.

These issues include: matters subject to separate majority vote in the two chambers of the legislature, the scope of issues subject to veto by the president and vice president, the determination of areas of territorial adjustments, the special status areas and their characteristics, and further

matters concerning the 'three freedoms' . ".

Instead of the above, the wording of paragraph 14.1 is as follows:

"The parties agree to establish working groups to work out the detailed agreements on the matters referred to in this agreement, whose elements are inter-related and constitute an integrated whole.".

The new formulation creates the impression that the Framework Agreement, when agreed to, is essentially unalterable.

(ii) There is now no provision, as in the April 1985 documentation (braft Statement), that "the time-table for the withdrawal of non-Cypriot forces and international guarantees"

periodic high-level meetings to "take place every three to four months, on the basis, of an agenda prepared by the Secretary-General, the work and provide guidance to the working groups". Even so, and though the matter is is that, in the first instance, all matters outstanding in the Framework Agreement will be referred to Working Groups.

Paragraph 14.2 (Composition and work of Working (b) Groups):

> The wording of this paragraph is substantially the same as/the corresponding part of the April 1985 Draft Statement.

Paragraph 14.3 (Progress of work of Working (c) Groups):

> The difference between the wording of this paragraph and that of the corresponding part of the April 1985 Draft Statement is consequential on the procedure envisaged in paragraph 14.1.

However, whereas the Draft Statement provided that Joint High-Level Meetings would be convened in consultation with the parties, this is now omitted. On the other hand, paragraphs 14.1 and 14.2 envisage the holding of regular High-Level Meetings.

16. Paragraph 15.1 (Transitional Federal Government):

There is reinstatement of the January 1985 formulation, which means that a specific date must be inserted for the setting up of the transitional federal government, instead of leaving the dateto be agreed upon "at a future joint high-level meeting".

17. Paragraph 16.1 (Secretary-General ready to assist in elaboration and interpretation of agreement):

This paragraph follows the wording of the third paragraph 3 of the April 1985 Draft Statement.