

**WOODROW WILSON CENTER
DIRECTOR'S FORUM**
**Speech by Her Excellency Dr. Erato Kozakou-Marcoullis,
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“Cyprus in the Eastern Mediterranean: Strategic Location, Strategic opportunities”

**Tuesday, December 20, 2011
1:00 to 2:00 p.m.
Woodrow Wilson Center,
6th Floor, Joseph H. and Claire Flom Auditorium**

Ladies and Gentlemen,

It is a great pleasure for me to be with you today at this prestigious Center where I have been graciously hosted before during my tenure as Ambassador of my country over a decade ago. I have wonderful memories from that period and I cherish many friendships and strong bonds with institutions and individuals many of whom are here today.

I would like to thank the Woodrow Wilson Center for inviting me to speak and for giving me the opportunity to share with you my thoughts and vision for my country and for our neighborhood, the Eastern Mediterranean. I chose to speak on a topic which preoccupies much of the media, academics and political analysts in our part of the world but also in this country. “Cyprus in the Eastern Mediterranean: Strategic Location, Strategic opportunities”

When Cypriots talk about politics, one often gets the feeling that they strongly hold that Cyprus is the center of the earth. Though definitely not true, hidden behind such an outlook is a trace of pride which carries with it thousands of years of history and civilization.

To be absolutely honest, I truly share this pride. Simply by looking at a map of Europe, Asia and Africa, one can clearly witness that Cyprus lies in an area of the world where influences from East and West have met and major historic events have taken place over the centuries; that it sits on a crossroad. And it is not a cliché to describe the location of Cyprus as a crossroad and of considerable strategic importance.

Throughout history, and still today, for anyone traveling north to Europe, south to Africa, east to Asia or westward, all cross through the crossroad on which Cyprus sits. As much as this crossroad is a geographic location, it is even more so a historical junction. Indeed, considering that human settlement in Cyprus dates back 9 millennia BC, one can only

imagine, and then spend a lifetime appreciating, the historical footprint that Cyprus carries – the accumulation of cultures, religions, languages, traditions and ideas that have come to pass through our land. Cyprus, the eastern-most island in the Mediterranean Sea, positioned at the crossroads of three continents, Europe, Asia and Africa, has been a junction of the world's great civilizations. From its 11,000-year history, Cyprus has woven its own distinctive history and culture.

From a political, strategic point of view, it is also easy to appreciate that almost all Major Powers that have ruled the region at any time in history, have passed near, over or on Cyprus and conquered or controlled the island in one way or another.

Cypriots have experienced this on their flesh, on their soil and on their souls. We have been raided, owned and sold; we have been ruled and occupied. Our copper mines, our forests, our grain and our salt, exploited and traded by our conquerors; our antiquities ravaged and pilfered, our heritage plundered. And yet we have persevered with the resilience that perhaps can be best characterized as stubbornness, committed to our land, or simply bound and deeply rooted to it.

However, the story of Cyprus is ultimately not a sad one but one which should give hope to humanity: because our achievements have been substantial. Since independence in 1960 we have managed to emerge from colonial rule and succeed as few other former colonies have. Even after being ravaged by the Turkish invasion in 1974, torn by the subsequent occupation, economically destroyed as a result of both, we have rebuilt, thrived and forged ahead. We have built a stable, functioning democracy; we have cherished a free, liberal society; we have welcomed foreigners, we have adapted to change, and embraced technology. We have become a full member of the European Union and the Euro-zone and are actively contributing to their evolution and functioning. As a member of the United Nations we have steadfastly held on to positions of principle, insisting on the application and primacy of international law in the conduct of nations based on the UN Charter.

Indeed, we have been a responsible international actor – a small actor – but in a neighborhood like the tumultuous region of the Middle East and the eastern Mediterranean, we have been an island of stability. Moreover, we have sustained and nurtured very good relations with all our neighbors – at least those willing to have relations with us. And our neighbors have come to know us as a reliable and constructive partner. Our policy is to broaden these relationships, contribute to the stability and prosperity of our neighbors as if it was our own. And, as a member of the European Union, the farthest member to the east and to the south, we intend to contribute to promoting and injecting the policies of the Union in our southern neighborhood, and to serving as a conduit for our neighbors in Brussels and among our European partners.

Ladies and Gentlemen,

Cyprus is now at a crossroads of its own. It is at a historical moment that is both full of opportunities and challenges, but also one of threats and possible perils – definitely not of

our own doing. This means that Cyprus will have to take momentous decisions and take bold steps forward, which will potentially mark its course in history and reshape its strategic importance. It will have to engage its neighbors and its friends, but also find a way to communicate effectively with its neighbor to the north – Turkey.

It is important to state here, without hesitation: developments in Cyprus will have an effect on its neighborhood. This has historically been the case, but this time Cyprus is in an unusual position of having greater say in its future, and being in a position to effect change. Indeed, a number of important factors appear to be coming together, and if this confluence, this convergence of interests is harnessed properly, the opportunities, for Cyprus, its partners and its neighbors can have enormously positive results.

Ladies and Gentlemen,

The first major development, of which I am sure you are all aware, is the start of drilling operations by a Republic of Cyprus licensed U.S. company, Noble Energy, within our Exclusive Economic Zone, in search of natural gas deposits. Initial findings have already shown positive results ranging between 3-9 Tcf of natural gas and we are expecting official estimates by the end of the year.

Noble Energy has been operating in the Mediterranean Sea, offshore Israel, since 1998. They have a 47 percent interest in the Mari-B field, the first offshore natural gas production facility in Israel. Significant new exploration discoveries at Tamar, Dalit and Leviathan will help meet Israel's energy needs and drive new potential for natural gas in the future. Tamar was the largest deepwater natural gas discovery in the world in 2009 with gross mean resources of 9 Tcf of natural gas. Leviathan represents the largest exploration success in Noble Energy's history, with gross mean resources of 16 Tcf of natural gas. The U.S. Geological Survey estimated a mean of 1.7 billion barrels of recoverable oil and a mean of 122 trillion cubic feet of recoverable gas in the Levant Basin Province, as well as 1.8 billion barrels of recoverable oil, 223 Trillion cubic feet of recoverable gas and 6 billion barrels of natural gas liquids in the Nile Delta Basin Province in the Eastern Mediterranean.

These developments in the discovery of hydrocarbon reservoirs are significant on a number of levels. First, and I think this is obvious, the positive results of the drilling in Israel and the preliminary results in Cyprus prove beyond doubt that the geological surveys and estimates on the presence of large quantities of hydrocarbons in the Levant basin, but also in the area south of Cyprus, have merit. From an economic point of view the significance is great. At an early stage this will imply greater interest by other international companies for the second round of bidding to gain licenses for exploratory drilling in other parts of the Cypriot Exclusive Economic Zone. At the same time, this will also serve as a catalyst for financial investments in Cyprus.

Second, once natural gas, and possibly also oil are found in quantities and in quality that justifies further investments, this will lead to job creation. This will not only happen in Cyprus but will also involve directly the economies of our neighbors. Moreover, the

investment that will be required, in infrastructure, maintenance, support services, financing and banking, all these suggest that the job creation will be long term. This would be a positive and stabilizing development for the region.

Third, it is highly likely that the momentum that will be created by the sort of investment in infrastructure and financial structures for the servicing of the energy industry, will serve as a catalyst toward greater cooperation among neighbors. The Eastern Mediterranean is a crowded and most tormented place and there is a structural interrelation, not only in the geological topography of the sea floor, but also in the sensitive balances which exist on the political level. The possibility of joint exploitation between the countries of the Eastern Mediterranean and the launching of joint projects, particularly in areas where the natural gas or petroleum fields fall across the line separating Exclusive Economic Zones, not only does exist, but we are promoting this cooperation through Framework Agreements we are currently negotiating with Israel, Egypt and Lebanon concerning the Joint Development and Exploitation of Cross Median Line Hydrocarbons Reservoirs. In any case, we are of the opinion that when evidence becomes more concrete, as to the benefits that could be had, this kind of cooperation will become not only obvious, but an indispensable tool that has the potential to change the whole political and economic scene of the entire region.

Finally, on the subject of hydrocarbon resources in the Eastern Mediterranean, we believe that it will contribute toward greater energy security for Europe, a continent that is on the constant lookout for new sources of energy. As a member state of the EU we have a stake in its success. We believe that potential deposits of hydrocarbons in our Exclusive Economic Zone, will benefit Europe, its economy, and by extension its international standing. Therefore, we look forward to cooperating closely with our European partners and linking them to our partners in our immediate neighborhood, and possibly beyond, in establishing greater energy security, and by extension, broader economic security and stability.

The second development is that we have managed to cobble together a series of bilateral agreements delineating our Exclusive Economic Zones with our neighbors, based on the median-line principle and in accordance with the provisions of the 1982 United Nations Convention on the Law of the Sea, which Cyprus ratified in 1988. These agreements have introduced, in my opinion, a new stabilizing dimension to the politics of the region. Starting with Egypt we signed such an agreement in 2003, followed by the agreement with Lebanon in 2007 and with Israel in 2010.

I would like to note that the fact that Israel is not a signatory to the UN Convention on the Law of the Sea, did not prevented it from agreeing to the principles of the UN Convention or its articles when it came to signing an agreement with us. This goes to highlight the point I am trying to make: that it is possible to reach agreement and establish common ground and that Cyprus, is recognized by most of its neighbors as a reliable interlocutor and partner.

Of course, one would argue that the benefits are great and that is the reason for adhering to the rules of the Convention, which by the way it is considered as customary law and, as a result, all member states of the United Nations have an obligation to respect it. Be that as it may – the fact remains that in the turbulent Middle East, where tension and conflict remains an intractable problem, there is room for negotiation, dialogue and cooperation, within commonly agreed parameters of international law.

I will go further and offer two more examples: the first is Egypt and the other is Lebanon. In the first case, in the midst of great transition and instability, the Egyptian government has reaffirmed its commitment to the agreement it has made with the Republic of Cyprus on the delimitation of our Exclusive Economic Zones, and has agreed to proceed with talks on a joint-exploitation agreement, an accord which would allow us to work together on hydrocarbon fields that fall across our respective EEZs. This reflects both the importance which the Egyptians attribute to the developments in the offshore drilling but also their commitment to agreements and to international law.

The other is Lebanon, which recently raised a number of technical issues with us over the specific coordinates of our EEZ line. What is significant about the way the matter is being handled is that both sides have met to discuss and iron out any differences, in line with parameters set out by international law, on the one hand, but also good neighborly relations. Both Lebanon and Cyprus believe in a win-win situation. As such, we believe that with compromise and dialogue we will achieve more than with confrontation or polemics.

In short, we believe that a Cyprus which is a member state of the European Union, a responsible actor within the international system, and which has good and constructive relations with its neighbors can serve as a catalyst for cooperation on the regional level and also offer the necessary platform for greater peace, stability and prosperity in the Eastern Mediterranean.

Finally, I would like to talk about Turkey, its attitude and behavior toward Cyprus, its role in the talks between the Greek and Turkish Cypriot communities, and its EU prospects and broader effects on our region.

It is with great disappointment that we have come to witness a new hostile face of Turkey during the past six months. The start of exploratory drilling in the Cypriot EEZ, something which had been planned long in advance and which was not a secret, sparked a tirade of anger on the part of Turkish leaders, at the highest levels. I would like to reiterate what I have said earlier, that the decisions and actions of the Republic of Cyprus to explore and exploit its natural resources within its Exclusive Economic Zone is entirely legal falling within its sovereign rights as recognized by the UN Convention on the Law of the Sea, of which Cyprus is a state party and as acknowledged by all our partners in the EU and by most member-states of the United Nations, including all Permanent and Non-Permanent Members of the UN Security Council.

Then came the blatant threats of violence and saber rattling which involved Turkish warships and aircraft, air and naval exercises in the sea south of Cyprus, and illegal seismic surveying and seabed mapping, carried out by ships on behalf of Turkey inside our Exclusive Economic Zone in blatant violation of Cypriot sovereign rights. The next step was the signing by Turkey of an agreement with its proxy in the occupied part of Cyprus, an agreement which seeks to create the semblance of legality in what cannot possibly be legal. I do not need to remind you that the Security Council in its 1983 and 1984 resolutions rejected the unilateral declaration of a so-called independent state in the occupied part of Cyprus and instructed the international community not to recognize, not to cooperate and not to support in any way the secessionist entity. Turkey, being the only country member of the UN that has recognized this illegal entity, continues to violate international law to this day in this respect.

But Turkey does not stop there. Its newfound confidence, based on real or imagined successes, its economic growth, and, I am sorry to say, the unbridled support it receives in some countries, has given rise to a neighborhood bully. A Turkey whose Foreign Minister promoted a policy of “zero problems” with its neighbors, is now asserting a policy of “only problems.” The tensions with Israel were just the beginning of a concerted effort by Ankara to delegitimize others in order to legitimize its actions. For example, Mr. Erdogan sees no contradiction in pontificating from the UN General Assembly podium on the failure of Israel to abide by UN resolutions, while Turkey is in violation of numerous mandatory UN Security Council resolutions in Cyprus.

In the case of Cyprus and its Exclusive Economic Zone, Turkey is arguing, first that islands have no continental shelf or the right for an EEZ, and then, that its actions are meant to safeguard the rights of Turkish Cypriots. Unfortunately, the bottom line is that Turkey cares very little about the Turkish Cypriots and a great deal about its own selfish interests. It is even making claims for an imagined EEZ of its own which in some places borders on the EEZ of Egypt! It would be no exaggeration to say that Turkey is not just violating international law; it is following a conduct in international relations which belongs to another century, before international law was put in place to guide relations between states.

My intention is by no means to use this forum for Turkey-bashing. My intention is to highlight our full disappointment with Turkey and its leadership. When we decided to seek and work toward accession to the European Union in the late 1990s, our aim was to create conditions on the island which would be seen by the Turkish Cypriots as an expression of our genuine desire to reunify our country in a democratic, peaceful, prosperous state which respects the other, and safeguards the individual. Our support for Turkey’s European aspirations was equally driven by the belief that a Turkey which is harmonized with European rules and norms, which respects human rights and is democratic, a transformed Turkey can only benefit Cyprus. We are, after all, bound to live in this very close geographical proximity form each other forever.

We are therefore deeply disappointed when we see Turkey failing to progress along its European path. We are disturbed to see Turkey foiling, stubbornly, its own accession

process. The negotiation process is not progressing, in fact it has remained frozen, because Turkey is failing to meet the European standards and its commitments to the European Union. It is failing because, like in international law, Turkey wants to dictate its own terms to the European Union. The statements by its leadership have left no question that they believe that Europe needs Turkey at any cost; that Europe without Turkey is a “miserable” Europe, as President Abdullah Gül recently said in London.

We are hopeful, that the Turkey which aspires to be recognized as a regional if not a global leader, will rise to the occasion. We are hopeful that the Turkish leadership will put aside polemics, diatribes, threats, and adopt a more mild and statesmanlike tone and attitude. We believe that there is room for Turkey to cooperate with its neighbors, out of genuine desire toward common ground and mutual benefit. To do that, Turkey must meet its obligations vis a vis the European Union. It must meet its obligations in terms of international law.

Finally, let me conclude by saying a few words about the longstanding Cyprus problem which has produced so much suffering to the people of Cyprus as a whole. A Cyprus settlement for the reunification of Cyprus, its people, its economy and society, that have remained forcibly divided since the Turkish invasion of 1974 and the subsequent occupation of 37% of its territory, has eluded us for over 37 years. I shall not go into any detail on the exact form of such a settlement, except to reiterate the framework that has already been endorsed by the United Nations:

“A Cyprus settlement must be based on a state of Cyprus with a single sovereignty and international personality and a single citizenship, with its independence and territorial integrity safeguarded, and comprising two politically equal communities, as defined in the relevant Security Council resolutions in a bi-communal and bi-zonal federation and that such a settlement must exclude union in whole or in part with any other country or any form of partition or secession”

Certainly, this is a very general framework. There are many pieces that have to be put together and agreed upon in order to reach a workable comprehensive settlement. Such a settlement should encompass all legal and other instruments and other agreements required to arrive at a functioning federation, which would guarantee a secure, peaceful and prosperous environment for all the people of Cyprus, of all creeds, ethnic backgrounds and language groups.

What is needed is political will to engage in a productive and substantive negotiation that would identify the required elements on all core issues and put them together as part of a fair and viable federal solution.

Although a new effort has started already more than three years ago and more than 120 direct meetings have taken place so far between the two leaders, under the auspices of the Secretary General of the United Nations, we are still not near making any substantive progress on the most crucial issues of the executive powers in the governance chapter, as well as in the refugees, property, territory and citizenship chapters.

The main stumbling block has all along been the position maintained by the Turkish Cypriot side, fully supported by the Turkish Government, that the goal should not be a federation, in the form of one unbreakable federal state, with a single sovereignty, single international personality and single citizenship, as has been agreed and endorsed by the international community, but a confederal arrangement between two separate states with separate sovereignties. This position is still maintained by the Turkish side and it is manifested in the nature and content of the proposals submitted on a number of the core issues, with the full encouragement, support and indeed guidance of the entire leadership of the Turkish Republic, at both the political and the military level.

Despite the difficulties and obstacles on the way, we continue to persist in our efforts to reunify our country in the form of a bizonal, bicomunal federation. We shall continue to spare no effort towards the direction of Cyprus' reunification, because we strongly hold that such a development would be a win-win situation for all parties concerned, primarily Cyprus and the Cypriots, Greek Cypriots and Turkish Cypriots, for Greece and Turkey, for the European Union and for the international community at large. We are determined to make this vision, however difficult and elusive it seems right now, a reality. We owe its fulfillment to our children and to the future generations of Cypriots, but primarily we owe it to our country, which must survive as a single international personality, a peaceful, democratic and prosperous place for all its citizens, Greek, Turkish, Armenian, Maronite and Latin Cypriots alike and as an integral part of the European Union.

Especially, taking into account the developments from the hydrocarbon discoveries in Cyprus' EEZ, the prospects for prosperity for all Cypriots once reunification is achieved appear tremendous and should work as a catalyst in the direction of moving forward the talks towards reaching an agreement. We sincerely hope that Turkey, which could significantly benefit from a likely cooperation with a reunited Cyprus in all sectors, but primarily in the energy field, will grasp the message of peace, stability and prosperity inherent in this new development and rise to the required level of leadership, responsibility and wisdom. Even at a much broader scale, the whole area of the Eastern Mediterranean has the potential of developing into a success story, into a win-win situation for the benefit peace, stability and prosperity of the countries of the region and their respective peoples.

Let me conclude by a quotation from a speech of former US Senator and Majority Leader and architect of the Northern Island peace agreement, George Mitchell, whom I truly admired for his diplomatic skills and his vision:

“ There is no such thing as a conflict that cannot be ended. They are created by human beings and sustained by human beings. They can be ended by human beings. No matter how ancient the conflict, no matter how much harm has been done, Peace can prevail”

I fully subscribe to such words of wisdom. And if this has been proven true, in Europe, if it has been proven true in Northern Island, it can also be proven true for Cyprus. I am convinced that the majority of the people of Cyprus of every creed, language and ethnic background share the vision of ending this unacceptable division that has caused so much pain and anguish for far too long. This is a vision we should spare no effort to make a reality.

Thank you for being here and thank you for listening to my talk.