Chapter V

Cyprus as Candidate for EU Membership

A. THE FACTS

1. EC-Cyprus relations under the 1972 Association Agreement

In 1962, one year after the British application for EC membership, Cyprus asked the European Community for an Association Agreement in order to counterbalance the prospect of losing its Commonwealth preferences with Britain.¹ However, in view of the French veto to the British entry, it withdrew this request a year later and renewed it only in 1972, when the British admission to the Community was certain.² The Agreement was concluded on 19 December 1972 and went into force on 1 June 1973.³ It mainly regulated trade. Two five-year phases of liberalisation should have led to the establishment of a customs union. The Agreement also established an Association Council which decides by unanimity, including on disputes.⁴

¹ Joseph, loc. cit. (page 10, note 32), p. 117.
⁴ Under Article 34 of the 1987 protocol, the dispute settlement system was strengthened. If the Association Council does not decide in a dispute, each party could designate an
After 1974, the time schedule was re-arranged. Due to a cautious Community attitude, the first phase of the Association was prolonged several times. On 24 November 1980, the Association Council decided to start negotiating the conditions and procedures for the second phase as from 1982. Following another set of interim agreements, the second phase was finally agreed upon between the Community and Cyprus with the additional protocol of 19 October 1987. In addition to further reductions in tariffs, both sides agreed to apply EC competition rules to the association (Article 27, 28 of the additional protocol).

Another aspect of EC-Cyprus relations prior to 1990 relates to financial co-operation. During the second meeting of the Association Council on 24 June 1975, the Cypriot Minister of Foreign Affairs, Christophides, asked the Community to grant technical and financial assistance in view of the Turkish intervention. In response to the specific situation in Cyprus, and in line with its Mediterranean policy, financial protocols were concluded in 1977 (30 Mio ECU), in 1984 (44 Mio ECU) and in 1989 (62 Mio ECU).

As regards the status of the Turkish Cypriot community, the EC followed the UN line. When, in November 1975, Turkey informed the Community that the founding of the Federated Turkish Cypriot State of Cyprus was not tantamount to partition as prohibited under the Treaty of Guarantee, it did not react officially. However, after the proclamation of the TRNC in 1983, the ten Foreign Ministers, including the new Member State Greece, issued a rather strong statement:

*The ten Member States of the European Community are deeply concerned by the declaration purporting to establish a 'Turkish Republic of Northern Cyprus' as an independent State. They reject this declaration which is in disregard of successive resolutions of the United Nations. The Ten reiterate their unconditional support for the independence, sovereignty, territorial integrity and unity of the Republic of Cyprus. They continue to regard the Government of President Kyprianou as the sole legitimate Government of the Republic of Cyprus. They call upon all interested parties not to recognise this act, which creates a very serious situation in the area.*

arbitrator and the Council should nominate the third (Lycorgous, loc. cit. [page 53, note 103], p. 48). The system was nevertheless “imperfect” as each side could frustrate arbitration by simply not appointing its own arbitrator or blocking the Council’s decision to nominate the third one.

7 Association Council EC-Cyprus, Decision 1/80 of 24 November 1980.
10 The first meeting took place on 26 November 1973 in Brussels.
14 Declaration of 17 November 1983, EC-Bulletin 1983/11, point 2.4.1, p. 68.