

Distr.: General 24 September 2004

Original: English

Report of the Secretary-General on the United Nations operation in Cyprus

I. Introduction

1. In resolution 1548 (2004) of 11 June 2004, the Security Council welcomed my intention to conduct a review of the mandate, force levels and concept of operations of the United Nations Peacekeeping Force in Cyprus (UNFICYP), and decided to consider my recommendations for adjustments or restructuring that might be required. It also requested a report on the implementation of that resolution of the United Nations.

2. Pursuant to that resolution, review teams were established in UNFICYP, led respectively by the Chief of Mission, Zbigniew Wlosowicz, assisted by the Force Commander, Major General Hebert Figoli, and, in the Secretariat, by the Acting Director of the Europe and Latin America Division, Office of Operations, Department of Peacekeeping Operations, Wolfgang Weisbrod-Weber. The teams conducted an in-depth assessment of the developments on the ground and the evolving role of the various components of UNFICYP over the past few years. The Secretariat team visited UNFICYP from 29 August to 5 September and, jointly with the UNFICYP team, sought the views of the Greek Cypriot and Turkish Cypriot sides about the situation on the ground. In addition, the teams met with representatives of the diplomatic community and the United Nations family in Nicosia.

II. General background

3. Since the resumption of the most recent effort of my mission of good offices in late 1999, the context in which UNFICYP operated was shaped primarily by the pace of the negotiations on a comprehensive settlement. Representatives of both communities met at various levels to discuss their common future in a reunited Cyprus. These efforts came to an end with the rejection of the proposed "Comprehensive Settlement of the Cyprus Problem" by the Greek Cypriot side in the 24 April 2004 referendum (see S/2004/437). Throughout this period of intense negotiations, UNFICYP assisted in maintaining the calm along the ceasefire lines, ensuring conducive conditions for the talks.

4. Official contacts between leaders of both sides have ceased since the referenda, and signs of mutual distrust have reappeared. At present, the position of the two sides on my mission of good offices remains as reported to the Council on

04-52208 (E) 300904 * **0452208*** 28 May 2004 (S/2004/437). Accordingly, I continue to see no basis for resuming my good offices as long as the impasse described in that report continues. While that impasse remains, my views as to the way forward may also be found in that report.

5. On 1 May 2004, Cyprus joined the European Union (EU). While the accession did not, as was hoped, provide the catalyst for a comprehensive settlement, the EU framework, if used wisely by all parties, does have the potential to improve the climate between Cyprus, as an EU member State, and Turkey, as a candidate for EU membership. It also has potential to help reduce the disparities between the two communities on the island, promote confidence between them, and build and sustain constituencies on each side in favour of reconciliation and reunification. In this context, intra-island trade of certain goods began in August pursuant to an EU regulation. The EU Commission also recommended to the European Council an aid package of 259 million euros for the Turkish Cypriots and the opening of direct trade between the north of the island and the European Union.

6. However, key decisions on EU relations with Turkey and with the Turkish Cypriots have yet to be taken. This has led to considerable uncertainty on both sides of the island. The Greek Cypriot side has opposed the Commission's recommendations on direct trade and has proposed its own set of economic and confidence-building measures. These have been largely dismissed by the Turkish Cypriot side, which has also expressed disappointment with what it regards as the slow pace of EU assistance.

7. Perhaps the single recent event to have the most impact on the relationship between Greek Cypriots and Turkish Cypriots was the opening of four crossing points through the Green Line in April 2003. Despite the current absence of direct relations at the official level, contacts between ordinary Cypriots have continued to grow. Since April 2003, there have been over four million crossings of the buffer zone without major incidents. The movement of people has been further facilitated by the Greek Cypriot side's willingness to accept entry to the south by EU nationals and Cyprus visa holders who entered the island through ports in the north. For their part, the Turkish Cypriot authorities agreed that Greek Cypriots could show identity cards, rather than passports, when crossing the buffer zone to the north. People from all walks of life, from both the public and the private sector, have continued to meet with their counterparts and participate in common events. Many such encounters have taken place at United Nations premises in the buffer zone with the assistance of UNFICYP.

8. In addition, proposals for confidence-building measures were put forward by the Greek Cypriot side. In June, it proposed, through UNFICYP, the withdrawal of military equipment and the unmanning of positions around the old town of Nicosia and in the Dherynia-Famagusta area, as well as a ban on military exercises and the use of heavy equipment for two kilometres on both sides of the respective ceasefire lines. These proposals have yet to be taken up by the other side. Again in June, the Greek Cypriot side proposed, through UNFICYP, the opening of eight additional crossing points for people and goods. This proposal was welcomed in principle by the Turkish Cypriot side. UNFICYP is working with both sides to realize this objective. Crucial to this is ensuring safe passage through the buffer zone, which can only be achieved with the help of a comprehensive demining operation. UNFICYP, together with the Representation of the EU Commission in Cyprus and the United Nations Development Programme (UNDP)/United Nations Office for Project Services (UNOPS), has been working intensively with both sides to attain this goal.

9. As a good will gesture, the Greek Cypriot side, after a gap of five years, provided land passage to the Turkish Cypriots for the annual August visit to Kokkina, which was negotiated and facilitated by UNFICYP. In the same vein, in August, the Turkish Cypriot side decided to allow the opening of a secondary school in the Karpas for Greek Cypriot children and religious services in the St. Mamas church at Morphou, both for the first time since 1974. The service was attended by hundreds of Greek Cypriots and proceeded without incident. Again in August, the Turkish Cypriot side announced that Maronites could have access to their properties and could sell a limited amount of land to buyers other than Greek Cypriots. In addition, both sides are negotiating, through UNFICYP, direct fixed and mobile telephone links with each other. Further, the Committee on Missing Persons in Cyprus resumed its meetings on 30 August 2004, following a hiatus of more than four years.

10. The number of Turkish troops on the island and the nature of their equipment remain at the same level as before, fuelling a continued perception of threat in the south. In addition, the restrictions of movement imposed in July 2000 by the Turkish forces/Turkish Cypriot security forces, notwithstanding their limited easing in May 2003, continue to hinder the operations of UNFICYP. The violation of the military status quo in Strovilia also persisted. There was also a worrying incident on 27 August when a bomb exploded at the St. Mamas church in Morphou, four days prior to the religious service attended by Greek Cypriots there (see para. 9 above).

III. The UNFICYP mandate and tasks

11. Since its inception, the mandate of UNFICYP has remained unchanged. It was provided by the Security Council in resolution 186 (1964), in paragraph 5 of which, it recommended that the function of the Force "should be, in the interest of preserving international peace and security, to use its best efforts to prevent a recurrence of fighting and, as necessary, to contribute to the maintenance and restoration of law and order and a return to normal conditions". The mandate has proven to be broad and flexible enough for the Force to adjust its tasks in response to changes on the ground, particularly in the aftermath of the events of 1974.

12. UNFICYP is composed of three substantive components — political/civil affairs, civilian police and military. The political/civil affairs unit is engaged in aiding political as well as humanitarian, economic and bi-communal contacts; the civilian police component contributes to the maintenance of law and order, in particular in the buffer zone; and the military contingents are deployed to ensure, to the extent possible, the maintenance of the military status quo along the ceasefire lines. Over the years, the specific tasks and operational emphasis of the three components have been adapted to the changed realities on the ground.

IV. Political and civil affairs

13. UNFICYP is headed by the Chief of Mission, who also acts as my Special Representative, assisted by a Senior Adviser and a Spokesperson. The civil affairs

branch of UNFICYP consists of two civil affairs officers, who are supported by a number of civil police and military personnel dedicated specifically to this task.

14. The Chief of Mission provides overall leadership to UNFICYP and serves as the prime United Nations interlocutor on the island with both sides. He and his office serve as a contact point, providing advice and assistance as needed. In the absence of a senior official dedicated to my good offices, the Chief of Mission ensures continuing contact at the highest levels with the two sides on the island.

15. Following the April referenda, the role of UNFICYP has again become particularly important, since the mission remains the only United Nations political interface on the island. The sides regard the facilitator role of UNFICYP as critical in the prevailing context.

16. The mission's political role has also grown in scope in view of the numerous confidence-building initiatives, the need to deal with the present uncertainty on key political questions and the concomitant potential for friction on the island.

17. Until 1999, the civil affairs activities of UNFICYP consisted mainly of support for farming and industry within the buffer zone and ensuring that the ceasefire lines did not disrupt the provision of utilities, such as water, electricity and sewage services, between the communities. Humanitarian assistance involved facilitating Greek Cypriot-sponsored supply convoys to the Greek Cypriots and Maronites in the north, the disbursal of social welfare payments to the Greek Cypriots in the north and assistance in securing temporary and permanent transfers of Greek Cypriots to the south. UNFICYP also regularly visited Turkish Cypriots living in the south.

18. While the civil affairs branch of UNFICYP, supported by the police and military components of the mission, still carries out these activities, its tasks have grown qualitatively and quantitatively. Today, civil affairs officers intercede on behalf of members of one community on the other side to ease their situation, seek goodwill and concessions on issues ranging from visits and crossings to educational, cultural, religious and other rights; negotiate agreement by the sides to maximize opportunities for civil use of the buffer zone, for example by reopening roads, sports fields and economic enterprises, such as dairies, stables, workshops etc.; and mediate on humanitarian and a range of other practical issues. Civil affairs officers also mediate between the sides on economic and legal issues in the mixed village of Pyla.

19. In addition, civil affairs officers serve as a source of advice to the civilian police component in cases of arrest, detention and trial on either side; and provide analysis and reporting on political developments. Goodwill on the two sides, combined with the impartial role of UNFICYP, underpins these efforts, promoting a return to normal conditions and the well-being of the population on both sides.

20. Because the Office of the Senior Adviser has no substantive support staff, and in the absence of a political office within UNFICYP, the civil affairs branch has assumed some functions normally carried out in a political section. It has become a de facto extension of the Office of the Chief of Mission, regularly supporting that office's mediating efforts, negotiations and reporting. The Head of the civil affairs branch serves as the Senior Adviser's deputy.

21. In view of the growing workload and complexity of tasks in the area of political and civil affairs in recent times, the review team recommended a small increase in the staffing of the Office of the Chief of Mission and the civil affairs branch.

V. The civilian police

22. The UNFICYP civilian police officers, who live among the local community, are the first point of contact for the civilian population within the buffer zone. While the mandated strength of the UNFICYP civilian police component is 69 personnel, the actual strength is 44 personnel (see annex), deployed in seven stations, including major offices in Pyla and Nicosia and smaller offices in or near the buffer zone.

23. The UNFICYP civilian police perform a range of community and humanitarian tasks. These include contributing to the maintenance and restoration of law and order in the buffer zone; preserving its integrity from unauthorized entry or activities of civilians; and facilitating and monitoring investigations in the buffer zone by the Cyprus Police and the Turkish Cypriot Police Element. The UNFICYP civilian police are the only conduit for contacts between the two police forces on the island and they provide essential impartial liaison between the police in the north and the south in matters that cross community boundaries. The UNFICYP civilian police also play a major role in support of the civil affairs branch in their humanitarian activities, and in support of the military component in detecting intruders and dealing with hunters and demonstrations in the buffer zone. In addition, civilian police officers work closely with the military sector civil affairs teams in the three sectors.

24. The UNFICYP police role in the mixed village of Pyla is especially significant, since it is directly responsible for the conduct of law enforcement by the two sides. Its presence has helped to reduce tensions and resolve disputes in the village on a number of sensitive issues.

25. Since April 2003, the UNFICYP civilian police have been increasingly involved in monitoring the crossing points, as well as incidents on one side involving Cypriots from the other. Such incidents have been relatively few, compared to the number of crossings. Since the accession of Cyprus to the EU, there has been a substantial increase in the number of refugees or illegal immigrants crossing the buffer zone. This is expected to continue and will have an impact on the workload of the UNFICYP civilian police. In addition, with the commencement of demining activities in the buffer zone scheduled for later this year, there will be a significant rise in the requirement for community liaison. It is also envisaged that civilian police officers will take over regulating various civilian activities in the buffer zone from the military sector civil affairs teams.

26. The review team recommended that the present ceiling for the UNFICYP civilian police component be maintained at the level of 69, which is deemed sufficient for the time being to cover any additional tasks, since the current deployment is only 45.

VI. The military

27. The current authorized strength of the UNFICYP military component is 1,230 all ranks (see annex), deployed in three sectors, which cover the 180 km-long buffer zone. The Force maintains 12 camps, 17 permanent observation posts and 21 patrol bases.

28. The Force continues to perform its primary function of maintaining the military status quo and preventing a recurrence of fighting. To this end, it maintains

constant surveillance, using a combination of static observation posts and mobile patrols, in vehicles, on foot and by helicopter. It also investigates and acts upon violations of the ceasefire, with the aim of restoring the status quo; defuses cases of tension, including through the deployment of troops; and maintains regular liaison and communications with the command level of the military forces on both sides.

29. The review team found that the security situation on the island has become increasingly benign over the past few years. There has been a steady reduction in the number of incidents and violations of the ceasefire by the opposing forces, which this year, based on the figures for the first eight months of the year, are projected to be at a quarter of the level for 1999. Where the opposing forces are separated, the situation is usually quiet. The majority of incidents occur where the opposing forces are in close proximity, which is the case for about 11 kilometres of the ceasefire line, in particular in the city of Nicosia. Even there, the nature of the incidents remains minor. There have also been fewer and smaller demonstrations. The last major incident involving loss of life occurred in 1996.

30. Despite the absence of a formal agreement on the delineation of the ceasefire lines, the two sides have now implicitly accepted the UNFICYP definition of the lines, with very few exceptions. The reduction in moves forward across the ceasefire lines into the buffer zone in 2004 is in line with a downward trend in incidents. Indeed, since the redeployment of UNFICYP following the events of 1974, no incursions, raids or patrols from one side to the other across the buffer zone have occurred.

31. Since 2001, no major military exercises have been undertaken by either side and it is hoped that none will be held in 2004. There have been no deployments of forces from the Greek or Turkish mainland for exercises in Cyprus in recent years. Training activity on both sides remains at routine peacetime levels. There has been a noticeable reduction in the size and profile of military parades in both the north and south. In August 2003, the Greek Cypriot side announced a significant cut in defence spending. Last July, the Turkish Cypriot side made serious efforts to avoid air violations of the buffer zone in their annual parades. There have been rotations of troops and equipment in the north recently but it was assessed that they did not imply a reinforcement.

32. The opening of crossing points in 2003 has also led to a reduction in the military presence in the vicinity of the crossing points. The demining project also constitutes an important military confidence-building measure. And while the referenda in April 2004 did not result in a settlement, the military situation has remained remarkably calm throughout the process.

33. Taking into account these positive trends, while noting that at the same time considerable military capability still remains on the island, the review team assessed that a recurrence of fighting in Cyprus is increasingly unlikely, but that the potential for minor local violence and challenges to the ceasefire regime still exists. The UNFICYP military component still needs to carry out the whole range of tasks entrusted to it, but the emphasis is moving towards liaison, observation and mediation, rather than the deployment of forces to prevent the recurrence of fighting and to maintain the status quo. In addition, some of the tasks performed by the military, such as police assistance and civil affairs responsibilities, may be carried out more efficiently by other components of the mission.

34. In the light of this assessment, the review team concluded that adjustments could be made to the military concept of operations. Since 1990, the Force has been configured for operations in a patrol base concept. Battalion-size sectors have been subdivided into company areas of responsibility, which in turn have been divided into smaller platoon areas. The Force has been dispersed in a framework of several camps and small patrol bases throughout the buffer zone. Each patrol base has its own operations room and in many cases its own quick reaction force. This concept was appropriate when the frequency and quantity of incidents warranted a permanent reactive presence everywhere. But as activity levels have declined, such a permanent presence is no longer required in all areas. By concentrating the force elements in fewer sector camps, operational efficiency could be improved and force protection could be enhanced. There could also be savings in personnel, logistics and administrative tasks. Fewer troops would be required to administer and guard camps, and to staff operations rooms. Reaction forces could be centralized. Command and control of the Force would be streamlined and the logistic resupply of patrol bases, often in difficult terrain, could be reduced.

35. The Force could also adjust its concept of observation and surveillance. In the early years of the mission, the force surveillance plan was based upon static observation posts. As the situation settled, more mobile surveillance was conducted to allow more flexibility. The review team concluded that a further shift in emphasis from static to mobile surveillance would be appropriate at this stage, resulting in savings of personnel and resources. Better use of technology could also improve the Force's effectiveness, including closed circuit television and improvement in information technology. Additional helicopter hours would also be required.

36. This new concept of operation — which might be titled "concentration with mobility" — is intended to maintain the same level of mandate implementation, with a more efficient use of resources.

37. In the light of the foregoing, the review team recommended an adjustment of the military force. By adopting a more mobile concept of operations, combined with a rationalization of infrastructure and command and control, the Force could be reduced by about 30 per cent to an overall strength of 860 military personnel, including a small military observer and liaison group (see para. 39 below). This would be achieved by troop reductions in all three sectors. A mobile force reserve, a small military helicopter unit, a platoon of force engineers and the military police unit would still be required in approximately current numbers. There would also be little change to the Headquarters military staff. It is to be noted that any adjustment to the concept of operations and force levels implies some operational risk, but that this risk is assessed to be low.

38. The review team also considered thoroughly the option of transforming the UNFICYP military component into a military observer group. It came to the conclusion that further conditions would need to be met in order to proceed with this option, most importantly troop withdrawals and the disengagement of opposing forces in areas where they are in close proximity. The review team, therefore, considered this option as inappropriate at this stage. However, should the current trends continue and the situation on the island remain calm, this option should be revisited.

39. The review team also concluded that a small observer and liaison group within UNFICYP could add a valuable capability, given the increased importance of the

military component's liaison and mediation tasks. This military observer and liaison group would be specifically structured for UNFICYP. The officers would be part of the military contingents — as opposed to military observers being recruited in the traditional way — and drawn, to the extent possible, from the existing troop contributors. They would liaise with the military forces from both sides, to investigate major incidents and to solve problems through mediation and negotiation. The military observer and liaison group would be fully integrated into the existing chain of command. The review team believed that, at this stage, it would be appropriate to include in the overall strength of 860 troops up to 40 such military observers and liaison officers.

VII. Financial aspects

40. The General Assembly, in its resolution 58/301 of 18 June 2004, appropriated for UNFICYP an amount of \$51.9 million for the period from 1 July 2004 to 30 June 2005, including \$2.2 million for strengthening the security and safety of the staff and premises of the Force. In this regard, I am grateful for the voluntary contribution of one third of the cost of the Force, equivalent to \$16.4 million, from the Government of Cyprus and the voluntary contribution of \$6.5 million from the Government of Greece. Other countries and organizations might wish to do likewise, in order to lower the portion of the cost of UNFICYP covered by assessed contributions.

41. Financial resources approved by the General Assembly for the 2004/05 financial period provide for the maintenance of the Force at its currently authorized military strength of 1,230 (all ranks). While savings arising from the proposed amended concept of operations are to be expected, their magnitude will be determined at a later stage when a logistical support plan relating to the reconfiguration of the military force is finalized. Such savings will be reported to the General Assembly in the context of the Force's budget performance report for the 2004/05 period.

42. As at 31 August 2004, unpaid assessed contributions to the special account for UNFICYP for the period from 16 June 1993 to 15 December 2004 amounted to \$24.7 million. As at the same date, the total outstanding assessed contributions for all peacekeeping operations amounted to \$2,346.9 million.

VIII. Observations

43. As stated in my previous report on UNFICYP (S/2004/427, para. 18), I continue to believe that in the absence of a comprehensive settlement, the presence of UNFICYP on the island remains necessary for the maintenance of the ceasefire and to foster conditions conducive to a comprehensive settlement of the Cyprus problem. The review conducted in pursuance of resolution 1548 (2004) found that this view is shared by both sides on the island, as well as by the guarantor Powers and other interested parties. Nevertheless, in view of the developments on the ground, and given that the last comprehensive review of UNFICYP took place in 1993 (see S/26777 of 22 November 1993), a comprehensive review of the mandate, concept of operations and force levels of UNFICYP had become necessary.

44. I concur with the findings of the review and I therefore recommend a reduction of the strength of the UNFICYP military component to 860 all ranks, including up to 40 military observers/liaison officers. The civilian police deployment would be increased, while remaining within the current authorized strength. In addition, the mission's political and civil affairs component would be strengthened, as envisaged in paragraph 21 above. These practical measures will allow UNFICYP to continue to carry out the whole range of its mandated tasks, while taking into account the changed environment and achieving a more efficient utilization of resources. They will also provide the basis for a further transformation of the mission, as warranted by developments on the ground, after a further review, which should take place before the end of the next mandate period, in mid-2005.

45. While the political developments may require the appointment of a full-time Special Adviser at some stage, I do not intend to make such an appointment now. Therefore, the Chief of Mission of UNFICYP will act as my Special Representative on the ground for continuous contact at the highest level with the two sides and other key players on the Cyprus question. In support of this expanded function, the capacity of UNFICYP for political analysis and reporting needs to be strengthened. In addition, I may consider designating, on an ad hoc basis, senior officials of the Secretariat to deal with any particular aspects of my good offices that might require special attention.

46. I would therefore recommend that the Council approve the amended concept of operations and force level of UNFICYP and extend the mandate of UNFICYP for a further six-month period, starting on 15 December 2004 and ending on 15 June 2005. This would allow the restructuring to be implemented in a systematic fashion and provide sufficient time for experience to be gained with the new structure before a further review.

Annex

Countries providing military and civilian police personnel (as at September 2004)

| | Military personnel |
|----------------|--------------------|
| Argentina* | 403 |
| Austria | 7 |
| Canada | 1 |
| Finland | 3 |
| Hungary | 121 |
| Ireland | 2 |
| Slovakia | 275 |
| United Kingdom | 412 |
| Total | 1 224 |
| | Civilian police |
| Australia | 15 |
| India | 6 |
| Ireland | 19 |
| Netherlands | 4 |
| Total | 44 |

* The Argentinean contingent includes soldiers from Bolivia (2), Brazil (2), Chile (32), Paraguay (32), Uruguay (3) and Peru (2).

S/2004/756