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# TAPPED AND UNTAPPED POTENTIALS

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*European Union Support for Transregional Energy  
Infrastructure Projects and the Middle East Peace  
Process*

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**Sine Qua Non**

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# TAPPED AND UNTAPPED POTENTIALS:

## *European Union Support for Transregional Energy Infrastructure Projects and the Middle East Peace Process*

### **Executive Summary**

#### ***EU Energy Market and Regional Interstate Energy Networks***

As the European Union attempts to diversify its natural gas supply, it is aiming to benefit from the recently discovered hydrocarbon fields in the Eastern Mediterranean as a potential alternative supply source. The EU Commission therefore supports the construction of the EastMed pipeline which proposes to link Israeli and Cypriot gas fields to the EU energy market. In addition to the need to decrease its energy dependence on Russia via diversification, the EU also aims to decarbonize its energy production. In order to do so, the expansion of the interconnectivity of its electricity grid becomes necessary in order to allow a focus on renewable energy production. These two elements of decarbonization and interconnectivity are meant to be advanced through the construction of the EuroAsia Interconnector – a subsea electricity link between the EU and Israel.

As several cooperative bodies in the Middle East and North Africa (MENA) region are already busy with intra- and cross-regional energy cooperation in the field of gas and electricity, the EU should take these structures into consideration as a basis for the implementation of its own energy initiatives. Furthering regional cooperation on energy issues does not only benefit the net-energy-importer EU by creating a stable of supply in the MENA region but would be a benefit in its own right. Regional cooperation exists in the framework of the Mediterranean Transmission System Operators (Med-TSO), The Association of Mediterranean Energy Regulators (MEDREG) and has recently been boosted through the creation of the Eastern Mediterranean Gas Forum—an intraregional project for energy cooperation established by Israel, Egypt, Jordan, the PA, Italy, Greece and Cyprus.

#### ***Declared EU Policy Objectives and Initiatives***

It is crucial to note that while attempting to achieve its own energy goals, the EU does not act in a political vacuum vis-a-vis the MENA region. A number of cooperative structures—such as the Union for the Mediterranean (UfM)—have been set up within the larger framework of the European Neighbourhood Policy (ENP). The latter specifically aims to increase regional cooperation and foster stability in the Middle East. With regards to the Middle East Peace Process (MEPP) in particular, the EU has made many attempts to contribute to the resolution of the stalemate between Israelis and Palestinians. Even though this objective has been declared to be a key element of EU foreign policy and in spite of general regional cooperation being an important element of several EU initiatives, the energy infrastructure projects EastMed and EuroAsia Interconnector are devoid of political significance for both the MEPP and regional cohesion. Beyond that, the infrastructure projects are exclusively perceived in accordance with the EU's own economic needs but fail to take into consideration the inevitable economic and political side effects they will have for the emerging regional cooperation in the field of gas and electricity. Ultimately, the infrastructure projects undermine regional cooperation by singling out Israel, and are working against the motivation of regional players to pool resources and expand interconnection of their existing national energy infrastructures in order to facilitate a regional energy market. Therefore, these projects deviate from EU foreign policy goals in respect to efforts on regional cooperation in general and the MEPP in particular.

### ***Policy Recommendations***

The EU should therefore abolish the EastMed pipeline project. Were the EU to import natural gas through Egyptian gas liquefaction plants, it could not only save direct costs for the construction of the EastMed, but would follow through on its foreign policy of strengthening regional cooperation—while still importing natural gas.

With respect to the EuroAsia Interconnector, the EU should first support emerging interconnectivity in the Middle East before linking its electrical grid to the Israeli one. The potential for the EU goal of decarbonization would rise, as a larger number of solar energy producing countries in the Middle East would be accessible to the EU through expanded regional electricity networks. In addition, a welfare effect would emerge in the region, since a lack of interconnectivity is the main factor impeding direly needed intraregional electricity trade. Much like with the natural gas market, the EU could thereby fulfill its energy needs and equally support regional cooperation by altering its infrastructure projects.

Ultimately, the EU should use its market power in order to support the creation of a regional energy framework—involving intra- and interregional cooperative structures—which would then also open up the possibility for a jointly arranged development of the Gaza Marine gas field. This would benefit both energy consumers in Gaza and the West Bank, as well as create space for dialogue between Israel, Hamas and the PA within a multilateral, economically based framework. Israel could thus shed its responsibility for Palestinian energy needs and through concessions to the PA, ultimately would stand to gain additional legitimacy among countries in the region, further promoting regional cooperation.

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## Abstract

The article deals with the discord between the official EU foreign policy vis-à-vis the MENA region in general and the asymmetry between Israelis and Palestinians in particular, which is most obvious when looking at the EastMed pipeline (natural gas pipeline between the EU and Israel) and the EuroAsia Interconnector (electricity infrastructure interconnection of the EU grid with Israel). The EU made the promotion of regional cooperation and stability in its immediate neighbourhood its political goal—this first and foremost includes the resolution of the conflict ridden stagnation between Israel and the Palestinian Authority (PA). However, the aforementioned EU economic infrastructure projects do not only ignore the emerging cooperation on the regional energy market—which may introduce a stabilizing effect between Israel and its neighbours—and the therewith connected interstate forums like the Eastern Mediterranean Gas Forum, but also ignore the potential of these infrastructure projects and regional bodies as economic and political leverage respectively vis-à-vis Israel and as an impetus to reengage in the Middle East Peace Process. If the EU—which is looking to diversify and decarbonize its energy market—follows its own economic interests and goes ahead with these projects without taking into account regional dynamics, it will risk contradicting its own foreign policy goals in the MENA region. The EU would compete with the regional energy market and disrupt it, ultimately missing out on the political potential of these infrastructure projects for the region and the Israeli-Palestinian conflict. Therefore, the EU should abolish the EastMed and the EuroAsia Interconnector and rather import liquefied natural gas from Egypt. This would boost regional cooperation, create economic interdependence in the region and introduce a need for Israeli concessions towards its neighbours and the Palestinians, which could subsequently also involve the development of the Gaza Marine gas field and enable a comprehensive, regional, EU-supported, economically backed approach to the Middle East Peace Process.

## Résumé

Cet article s'intéresse aux dissonances entre d'un côté, la politique étrangère officielle de l'Union Européenne dans l'ensemble de la région MENA et, de l'autre, les inégalités qui perdurent entre les Israéliens et les Palestiniens. Ces dissonances seront ici mises en évidence par l'étude du pipeline EastMed (un pipeline de gaz naturel entre l'UE et Israël) et le projet EuroAsia Interconnector (connexion des infrastructures électriques du réseau de l'UE avec Israël). Promouvoir la coopération et la stabilité régionale dans son voisinage immédiat figure parmi les objectifs politiques de l'UE – celui-ci comprenant par dessus tout la résolution du conflit entre Israël et l'Autorité Palestinienne (AP). Cependant, par le biais de ces projets d'infrastructures économiques l'UE ignore la coopération naissante au sein du marché énergétique régionale – qui pourrait avoir des effets stabilisateurs entre Israël et ses voisins – qui se développe notamment grâce à des forums interétatiques, tel que le Eastern Gas Mediterranean Gas Forum. Elle ignore également la possibilité pour ces projets d'infrastructures de devenir un levier politique vis-à-vis d'Israël, et donc de donner un nouvel élan au processus de paix au Moyen Orient. Si l'UE, qui souhaite diversifier et décarboner son marché énergétique, résonne uniquement en fonction de ses propres intérêts économiques et poursuit la réalisation de ces projets infrastructurels sans prendre en compte les dynamiques régionales, elle risque d'entrer en contradiction directe avec ses propres objectifs de politique étrangère dans la région MENA. L'UE entrerait alors en compétition et perturberait le marché énergétique régional, en ignorant complètement les effets politiques de ces projets dans la région et vis-à-vis du conflit Israélo-Palestinien. Ainsi, l'UE devrait abandonner les projets EastMed et EuroAsia Interconnector et choisir plutôt d'importer du gaz naturel liquide depuis l'Égypte. Cela encouragerait la coopération régionale, engendrerait une interdépendance économique et contraindrait Israël à faire des concessions à ses voisins et aux Palestiniens, notamment vis-à-vis du développement du gisement gazier Gaza Marine. De manière générale, cela s'inscrirait dans une approche globale, économiquement pertinente et soutenue par l'UE du processus de paix au Moyen Orient.

## Part I: Situation on the Ground – EU Energy Market and Interstate Energy Networks

Ever since the natural gas fields *Leviathan*, *Aphrodite* and *Zohr* were discovered in the so-called “Energy Triangle” of the Eastern Mediterranean basin between Egypt, Cyprus and Israel, geopolitical conditions on the energy market in the region have shifted: the large natural gas findings have introduced the potential of an energy export industry in the Eastern Mediterranean, a development that gas-importing European Union (EU) member states hope to benefit from. After the Green Paper ‘Towards a European strategy for the security of energy supply’ was published by the EU Commission in 2000, the EU got underway to identify new ways of procuring its energy supply.<sup>1</sup> Next to general developments concerning geopolitical energy questions and market trends, the recent energy policies in the EU are affected by three overarching trends: decarbonization, diversification of energy sources, and interconnectivity of the European energy grid. These considerations have become driving factors on the EU energy market and will shape EU energy policies in the future.

In accordance with the EU’s goal to diversify natural gas import sources, the EU Commission has proposed to build the Eastern Mediterranean pipeline (EastMed) in order to import Israeli and Cypriot gas through Greece towards the rest of the EU. Parallel to linking up the natural gas market of Israel to the EU, it has been proposed to equally join the electricity grid of the EU with the Israeli one through the construction of the EuroAsia Interconnector – a high voltage subsea cable connecting Israel with Cyprus and through Crete and Greece with the larger EU electricity grid.

These major infrastructural projects—the EastMed as well as the EuroAsia Interconnector—are said to serve the EU economy by ending the energy isolation of the islands of Crete and Cyprus as well as by diversifying natural gas imports to the EU.

Additionally, the cross-regional expansion of the electricity grid would also be crucial to upgrade interconnection of the EU electricity grid which in return is a necessary condition in order to gradually switch to renewable electricity generation—the long-term goal of the EU energy strategy. The implementation of such daring visions like Desertec<sup>2</sup>—a concentration of solar power and photovoltaic systems as well as wind parks over the wide desert regions in North Africa and the Middle East—or the SuperSmart Grid—a hypothetical wide area electricity network connecting Europe with the Middle East and Africa—only becomes possible through direct electricity connections between the EU and the Mediterranean much like the EuroAsia Interconnector.

Several intrastate cooperative structures in the region are already in place and could be used as a basis to implement steps towards these energy goals outlined by the EU: among them are the Mediterranean Transmission System Operators (Med-TSO), the Association of Mediterranean Energy Regulators (MEDREG) and the Eastern Mediterranean Gas Forum (EMGF), established by Israel, Egypt, Jordan, the PA, Italy, Greece and Cyprus as an unprecedented intrastate as well as intraregional project for energy cooperation among the aforementioned countries.

However, theory and developments on the ground do not necessarily align too well in this instance. Ultimately,

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1 Policy Department of the Directorate-General for External Policies, Energy: a shaping factor for regional stability in the Eastern Mediterranean?, European Parliament, June 2017, [https://www.europarl.europa.eu/RegData/etudes/STUD/2017/578044/EXPO\\_STU\(2017\)578044\\_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/STUD/2017/578044/EXPO_STU(2017)578044_EN.pdf), p. 8, (last accessed on 01.03.2020).

2 Mokhtar Benasla, Denis Hess, Tayeb Allaoui, Mostefa Brahmi, Mouloud Denai, “The transition towards a sustainable energy system in Europe: What role can North Africa’s solar resources play?”, in: Energy Strategy Reviews, Volume 24, April 2019, pp. 1-13, <https://www.sciencedirect.com/science/article/pii/S2211467X19300069> (last accessed on 01.03.2020).

the case will be made that the purely economically designed infrastructure projects miss capitalizing on their potential to include an economical diplomacy approach. The latter could promote and support regional cooperation and give the EU an edge in getting involved in the Middle East Peace Process (MEPP).

In order to analyze the motivation behind the EU support for the EastMed Pipeline and the EuroAsia Interconnector, the existing structure of the EU energy market as well as existing transnational energy networks between the EU and the MENA region as well as supranational energy-governing bodies in the region will be outlined.

### **1.1. The Energy Market of the EU - Decarbonization, Diversification and Interconnectivity**

The European Commission's Energy Roadmap 2050 calls for increasing the use of natural gas across the bloc as a substitute for coal in the quest for energy diversification. Especially, the commitment to reduce carbon emissions until 2050 and to increase the share of renewable energy<sup>3</sup> have influenced the energy market in the EU during the last years. While the price of emission allowances continuously rose during the last years<sup>4</sup> and public support for climate action in the EU grew,<sup>5</sup> a broad campaign of coal-to-gas switching in the electricity production industry has taken place. This has led to a historically record low of coal consumption in the EU in 2019. Naturally, these developments meant that natural gas—the lowest emitter of greenhouse gases among the fossil fuels—saw increased demand, which rose by 39% in the second quarter of 2019 alone.<sup>6</sup> Total natural gas consumption in the EU stands at roughly 530 billion cubic meters (bcm) in 2019, which amounts to 18.4% of the total energy mix.<sup>7</sup> In its capacity as a “bridge fuel” it is believed that natural gas will continue to be a key source of energy as oil and coal will gradually be abandoned.

However, parallel to the increasing demand for natural gas, EU domestic gas production fell by 7% due to the depleting Groningen gas field and decreasing gas and oil production in the UK.<sup>8</sup> The increasing natural gas need and the concurrent production shortage in Europe will have to be countered by additional gas imports. In this respect, the EU finds itself dependent on Russia, whose pipelines supply 45% of the complete gas demand for the EU.<sup>9</sup> This issue becomes rather pressing since the Russian gas transfer agreement with Ukraine expired in January 2020. Even though a new agreement was ultimately reached after five days of intensive negotiations, Gazprom will lower the amount of gas flowing through Ukraine in 2020 from the usual 90 bcm to 65 bcm instead, due ongoing tensions between Kiev and the Kremlin related to the annexation of Crimea in 2014 and the staunch Russian support for separatists in East Ukraine. The gas volume is supposed to be cut again between 2021 and 2024 (the expiry date of the new gas transfer agreement) by an additional 40 bcm, possibly creating complications with Russian gas supply to the EU in the future.<sup>10</sup> In addition to

3 European Commission, “2050 long-term strategy”, in: website of the European Commission, [https://ec.europa.eu/clima/policies/strategies/2050\\_en#tab-0-0](https://ec.europa.eu/clima/policies/strategies/2050_en#tab-0-0) (last accessed on 01.03.2020).

4 Finanzen.net, “CO2 European Emission Allowances”, in: website of finanzen.net, <https://www.finanzen.net/rohstoffe/co2-emissionsrechte> (last accessed on 01.03.2020).

5 European Commission, “Citizen support for climate action”, in: website of the European Commission, [https://ec.europa.eu/clima/citizens/support\\_en](https://ec.europa.eu/clima/citizens/support_en) (last accessed on 01.03.2020).

6 European Commission, “Quarterly report on the European Electricity Markets”, in: Market Observatory for Energy, DG Energy, Volume 12 Issue 2, 2019, [https://ec.europa.eu/energy/sites/ener/files/documents/quarterly\\_report\\_on\\_european\\_electricity\\_markets\\_q\\_2\\_2019\\_final.pdf](https://ec.europa.eu/energy/sites/ener/files/documents/quarterly_report_on_european_electricity_markets_q_2_2019_final.pdf) (last accessed on 01.03.2020).

7 Ibidem.

8 Ibidem, p. 9.

9 Chi-Kong Chyong, Louisa Slavkova, Vessela Tcherneva, “Europe’s alternatives to Russian gas”, in: European Council on Foreign Relations, 2015, [https://www.ecfr.eu/article/commentary\\_europes\\_alternatives\\_to\\_russian\\_gas311666](https://www.ecfr.eu/article/commentary_europes_alternatives_to_russian_gas311666) (last accessed on 01.03.2020).

10 Deutsche Welle, “Russia, Ukraine sign gas transit deal ahead of deadline”, in: Deutsche Welle website, 31.12.2019, <https://>

political tensions with Russia, the fact that most of the Russian natural gas finds its way to the EU via transit countries means the EU is prone to political interference on its energy security and has thus been aiming to decrease its energy dependence on Russia in general.<sup>11</sup> The option to create additional direct connections, such as the proposed North Stream 2 pipeline between Russian territory and Germany has opponents in the Baltic countries, Poland and Denmark, who have voiced concerns about potential negative effects on their own future gas imports.<sup>12</sup>

In order to ensure the security of natural gas supply to all its member states as well as to diversify its imports, the EU has therefore been searching for alternative energy suppliers for its market. It is evident that the natural gas fields in the Eastern Mediterranean—discovered during the last 10 years—have been identified as a reasonable alternative for the pressured EU energy market.

Country	Proven Natural Gas Reserves		
Cyprus	4.1	trillion cubic feet <sup>13</sup>	117 bcm <sup>14</sup>
Egypt	75.5	trillion cubic feet <sup>15</sup>	2138 bcm
Israel	14.6	trillion cubic feet <sup>16</sup>	414 bcm
Lebanon	25	trillion cubic feet (unconfirmed reserves) <sup>17</sup>	708 bcm
Palestine	1	trillion cubic feet <sup>18</sup>	28 bcm
Syria	9.5	trillion cubic feet <sup>19</sup>	269 bcm

A third element of (long-term) EU energy policy is to improve the interconnectivity of EU energy infrastructure. In the Barcelona European Council in 2002 the EU called for a 10% interconnection rate between national electricity grids in order to “boost its security of electricity supply and to integrate more

[www.dw.com/en/russia-ukraine-sign-gas-transit-deal-ahead-of-deadline/a-51841576](http://www.dw.com/en/russia-ukraine-sign-gas-transit-deal-ahead-of-deadline/a-51841576) (last accessed on 02.03.2020).

11 Policy Department of the Directorate-General for External Policies, Energy as a tool of foreign policy of authoritarian states, in particular Russia, European Parliament, April 2018, [https://www.europarl.europa.eu/RegData/etudes/STUD/2018/603868/EXPO\\_STU\(2018\)603868\\_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/STUD/2018/603868/EXPO_STU(2018)603868_EN.pdf), pp. 25 ff., (last accessed on 02.03.2020).

12 Polandin, “Russia to sue EU over Nord Stream 2”, in polandin.com website, 13.11.2019, <https://polandin.com/45304101/russia-to-sue-eu-over-nord-stream-2> (last accessed on 02.03.2020).

13 Observer Research Foundation, “Gas sector inches towards the logic of the market – Monthly Gas News Commentary: October - November 2019”, in: Energy News Monitor, Volume XVI, Issue 23, 18.11.2019, <https://www.orfonline.org/research/energy-news-monitor-57887/> (last accessed on 02.03.2020).

14 Converted by the author from tcf to bcm.

15 Export.gov, “Egypt - Oil and Gas Equipment”, in: export.gov website, 08.09.2019, <https://www.export.gov/article?id=Egypt-Oil-and-Gas-Equipment> (last accessed on 02.03.2020).

16 British Petroleum, BP Statistical Review of World Energy 2019, 68th edition, June 2019, <https://www.bp.com/content/dam/bp/business-sites/en/global/corporate/pdfs/energy-economics/statistical-review/bp-stats-review-2019-full-report.pdf>, p. 30, (last accessed on 02.03.2020).

17 Valérie Marcel and Jessica Obeid, “Is Lebanon Set for an Oil Bonanza?”, in: chathamhouse.org website, 10.01.2018, <https://www.chathamhouse.org/expert/comment/lebanon-set-oil-bonanza> (last accessed on 02.03.2020).

18 United Nations Conference on Trade and Development, The Economic Costs of the Israeli Occupation for the Palestinian People: The Unrealized Oil and Natural Gas Potential, United Nations, Geneva 2019, [https://unctad.org/en/PublicationsLibrary/gdsapp2019d1\\_en.pdf](https://unctad.org/en/PublicationsLibrary/gdsapp2019d1_en.pdf), p. 20, (last accessed on 02.03.2020).

19 British Petroleum, BP Statistical Review of World Energy 2019, 68th edition, June 2019, <https://www.bp.com/content/dam/bp/business-sites/en/global/corporate/pdfs/energy-economics/statistical-review/bp-stats-review-2019-full-report.pdf>, p. 30, (last accessed on 02.03.2020).

renewables into energy markets.”<sup>20</sup> One good example for necessary action on this field is Cyprus, which is at this point neither connected to the European pipeline system nor to the mainland electricity grid. The EastMed Pipeline as well as the EuroAsia interconnector would be a win-win situation for Cyprus, since it would gain an important link to the European mainland and could both export as well as import energy. Additionally, a transition to CO<sub>2</sub> neutral energy production through relying on a greater share of renewable energies is only feasible if supply and demand can be balanced across the EU or larger parts of the world: wind and solar energy are unreliable when it comes to a steady energy supply at demand. Due to a low demand response capability of renewable energy sources, a strong electricity network would be necessary to transfer energy quickly and without too much wastage from the place of production to the consumer.

### **1.2. Existing Interstate Energy networks: The Mediterranean Transmission System Operators (Med-TSO), The Association of Mediterranean Energy Regulators (MEDREG) and the Eastern Mediterranean Gas Forum (EMGF)**

With regard to the MENA region’s energy market, there are several international and transregional bodies in place which aim to create or increase cooperation in the field of electricity and natural gas. The three most relevant bodies are the Med-TSO, MEDREG and the EMGF.

One measure, which has been put into action on the field of electricity infrastructure is the Mediterranean Transmission System Operators (Med-TSO). It was established in 2012 as “a technical platform that, using multilateral cooperation as a strategy of regional development, [which] could facilitate the integration of the Mediterranean Power Systems and foster Security and Socio-economic Development in the Region.”<sup>21</sup> The majority of its 19 member countries are also part of the European Network of Transmission System Operators for Electricity (ENTSO-E). The non-EU members of Med-TSO are Morocco, Algeria, Tunisia, Libya, Egypt, Israel, Jordan and the Palestinian Authority.<sup>22</sup> Its members share the objective of promoting the “creation of a Mediterranean energy market through common methodologies, rules and practices for optimising the operation of the existing infrastructures and facilitating the development of new ones.”<sup>23</sup> For this end, the organization developed the “Master Plan of the Mediterranean Electricity Interconnections” in 2013 under the EU Commission project “Paving the Way for the Mediterranean Solar Plan,” which aims to expand solar electricity generation in the MENA region.<sup>24</sup> Within this plan, the EU names the optimization of existing infrastructures and the creation of new infrastructural links between the participating countries as key element for the success in the establishment of a common energy market between the EU and its southern neighbors.<sup>25</sup>

Even though the format is no interstate organization as such, it creates a forum for communication on

<sup>20</sup> European Commission, “Electricity interconnection targets”, in: website of the European Commission, <https://ec.europa.eu/energy/en/topics/infrastructure/electricity-interconnection-targets> (last accessed on 02.03.2020).

<sup>21</sup> Mediterranean Transmission System Operators, “About Med-TSO”, in: med-tso.com website, <https://www.med-tso.com/mission.aspx?f=> (last accessed on 02.03.2020).

<sup>22</sup> Commission Expert Group on electricity interconnection targets, Electricity interconnections with neighbouring countries - Second report of the Commission Expert Group on electricity interconnection targets, European Commission, 2019, [https://ec.europa.eu/energy/sites/ener/files/documents/2nd\\_report\\_ic\\_with\\_neighbouring\\_countries\\_b5.pdf](https://ec.europa.eu/energy/sites/ener/files/documents/2nd_report_ic_with_neighbouring_countries_b5.pdf), p. 22, (last accessed on 02.03.2020).

<sup>23</sup> Ibidem, p. 22.

<sup>24</sup> Mediterranean Transmission System Operators, “Paving the Way 2013 – Master plan for the Mediterranean electricity interconnections”, in: med-tso.com website, <https://www.med-tso.com/masterplan.aspx?f=> (last accessed on 02.03.2020).

<sup>25</sup> Mediterranean Transmission System Operators, Master Plan of the Mediterranean Interconnections – Addendum 2 to the Service Contract N° ENPI 2010/248-486 signed on 30/08/2010, [https://www.med-tso.com/publications/Paving\\_the\\_way\\_2013\\_-\\_Master\\_Plan\\_for\\_the\\_Mediterranean\\_Electricity\\_Interconnections.pdf](https://www.med-tso.com/publications/Paving_the_way_2013_-_Master_Plan_for_the_Mediterranean_Electricity_Interconnections.pdf) (last accessed on 02.03.2020).

electricity interconnectivity between its members.

The second existing framework in the field of energy that comprises states from the Mediterranean is MEDREG—the Association of Mediterranean Energy Regulators. The association has existed since 2007 and is co-funded by the Directorate-General for Neighbourhood and Enlargement Negotiations via the ENP. According to MEDREG, the EU Commission has “explicitly acknowledged MEDREG as one of the key institutions for regional cooperation in the energy sector.”<sup>26</sup> In this capacity it focusses on studies, ad-hoc reports, study visits, and workshops to inform members of additional energy-related synergy options.<sup>27</sup>

In comparison to Med-TSO and MEDREG, the Eastern Mediterranean Gas Forum (EMGF) is not an EU-supported instrument and stands for a more regional approach—as it is exclusively intergovernmental and comprises a smaller amount of members thus being more flexible. The EMGF was formed in January 2019 by Egypt, Jordan, Cyprus, Greece, Italy, and the Palestinian Authority, and has the goal of supporting the establishment of a common gas market in the Eastern Mediterranean through coordination of the energy policies of member countries. To this point, the EMGF members have only met three times in the official framework of the forum and did not establish any greater commitments than memoranda of understanding.<sup>28</sup> Even though the EMGF currently is a loose association that merely serves communication purposes,<sup>29</sup> it nevertheless is a promising forum. Firstly, it is intended to harmonize the expectations and objectives of the gas importers and exporters in the region; secondly, it aims to guarantee security of supply; thirdly, it will promote interdependence through price collusion and by merging infrastructure in the region.<sup>30</sup> Should all members succeed in following through with linking their energy infrastructure and thus create interdependence, the forum would bear the potential to accompany this integrative economic endeavor with a political superstructure that might enable the course to be set for greater regional cooperation.

## Part II: Declared EU Policy Objectives and Initiatives

Concerning the existing network of institutional bodies for cooperation in the field of electricity and energy, one would assume that the EU will build upon this intracontinental network—the EU itself was heavily involved in setting up or supporting many of these structures. With the EMGF an authentic regional body came into existence not only bringing together potential gas producers and consumers on the basis of national interests but also entails EU Member States as well as ENP states, a fact that should not go unnoticed. To be fair, the forum does not boast a solid structure yet but presents a perfect gateway for a comprehensive energy and electricity cooperation in the Eastern Mediterranean. The aim of the EMGF is to become an international organization.<sup>31</sup> Promising signs for this endeavor to succeed are the desire of France to join the organization,

26 MEDREG, “Our Partners - Regulatory Regional Associations”, in: medreg.org website, <http://www.medreg-regulators.org/Partners.aspx> (last accessed on 02.03.2020).

27 MEDREG, “About Us – Who We Are”, in: medreg.org website, <http://www.medreg-regulators.org/Aboutus/Whoweare.aspx> (last accessed on 02.03.2020).

28 Ahmed Ismael and Amina Ismael, “France asks to join Eastern Mediterranean Gas Forum”, in: reuters.com website, 16.01.2020, <https://www.reuters.com/article/us-egypt-gas/france-asks-to-join-eastern-mediterranean-gas-forum-idUSKBN1ZF1V2> (last accessed on 02.03.2020).

29 Stasa Salacanian, “Regional partnerships may solve tensions in Eastern Mediterranean”, in: middleeastmonitor.com website, 11.02.2020, <https://www.middleeastmonitor.com/20200211-regional-partnerships-may-solve-tensions-in-eastern-mediterranean/> (last accessed on 02.03.2020).

30 Stefan Wolfrum, Israel’s contradictory gas export policy, SWP Berlin, 2019, <https://www.swp-berlin.org/en/publication/israels-contradictory-gas-export-policy/> (last accessed on 02.03.2020).

31 Simone Tagliapietra, “Eastern Mediterranean Gas: What Prospects for the New Decade?”, in: bruegel.org website, 25.02.2020, <https://www.bruegel.org/2020/02/eastern-mediterranean-gas-what-prospects-for-the-new-decade/> (last accessed on 02.03.2020).

as well as staunch US support for the forum, most recently expressed by the goal of the US Deputy Assistant Secretary of Energy to become permanent observer to the forum.<sup>32</sup>

Nonetheless, the fledgling cooperation of the Eastern Mediterranean countries in the framework of the EMGF is threatened to be undermined by the EU's economically engineered EastMed and EuroAsia Interconnector projects. The economic considerations ultimately contradict the EU's stance on the resolution of the asymmetry between Israelis and Palestinians as well as its self-imposed foreign policy goals vis-à-vis the MENA region. As these economical infrastructure projects also introduce an inherently political element, which goes beyond the economic benefits of the interconnective infrastructure projects, the paper aspires to investigate the compatibility of the economically motivated infrastructure projects and the larger EU policy objectives with regards to the MENA region.

### **2.1. The EU's political objectives vis-à-vis economic interests**

The EU itself declared the enhancement of cooperation in the Middle East as an important objective. This foreign policy goal has been formulated on many occasions and finds its manifestation in EU instruments and bodies that work with the Mediterranean countries, the most prominent of which being the Union for the Mediterranean (UfM) as main regional cooperation initiative and intergovernmental body of the EU for the Mediterranean. The UfM is meant to promote regional integration through the pursuit of practical, achievable projects in transport, energy, water, environment, education and commerce. The union—which receives over 50% of its budget from the EU—is supposed to act as “a key forum for regional exchanges”<sup>33</sup> and aims to provide “a unique platform to facilitate and promote regional dialogue and cooperation as well as concrete projects and initiatives in the fields of Energy and Climate Action.”<sup>34</sup>

The union was originally part of the “Barcelona Process” that was initiated as far back as 1995 and was relaunched in 2008 under the name UfM (also called Euro-Mediterranean Partnership)<sup>35</sup> as a forum that seeks to aid the implementation of the European Neighbourhood Policy (ENP).

Since its inception in 2004 the ENP has supported “important initiatives, particularly on the trade and economic front, which have allowed the EU and its neighbours to develop stronger relationships in virtually all policy fields, from energy to education, from transport to research”. The working principle of the ENP is most aptly described by the slogan “more funds for more reform”, as the EU conditions its support to its eastern and southern neighbours by the degree to which they implement reforms proposed by or in line with the EU.<sup>36</sup> A reform of the ENP in 2011 increased the overall budget for initiatives to 7 billion Euro and

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09.03.2020).

32 Memo – Middle East Monitor, “France and US request to join East Mediterranean Gas Forum”, in: middleeastmonitor.com website, 17.01.2020, <https://www.middleeastmonitor.com/20200117-france-and-us-request-to-join-east-mediterranean-gas-forum/> (last accessed on 09.03.2020).

33 European Union External Action Service, “Union for the Mediterranean (UfM)”, in: [eeas.europa.eu website](https://eeas.europa.eu/headquarters/headquarters-homepage/329/union-for-the-mediterranean-ufm_en), [https://eeas.europa.eu/headquarters/headquarters-homepage/329/union-for-the-mediterranean-ufm\\_en](https://eeas.europa.eu/headquarters/headquarters-homepage/329/union-for-the-mediterranean-ufm_en) (last accessed on 02.03.2020).

34 Union for the Mediterranean, “Energy & Climate Action”, in: [ufmsecretariat.org website](https://ufmsecretariat.org/what-we-do/energy-and-climate-action/), <https://ufmsecretariat.org/what-we-do/energy-and-climate-action/> (last accessed on 02.03.2020).

35 European Union External Action Service, “Union for the Mediterranean (UfM)”, in: [eeas.europa.eu website](https://eeas.europa.eu/headquarters/headquarters-homepage/329/union-for-the-mediterranean-ufm_en), [https://eeas.europa.eu/headquarters/headquarters-homepage/329/union-for-the-mediterranean-ufm\\_en](https://eeas.europa.eu/headquarters/headquarters-homepage/329/union-for-the-mediterranean-ufm_en) (last accessed on 02.03.2020).

36 The Union For Foreign Affairs And Security Policy and the European Commission, A New Response to a Changing Neighbourhood – A review of European Neighbourhood Policy, Joint Communication by the High Representative of The Union For Foreign Affairs And Security Policy and the European Commission, May 2011,

[https://www.ab.gov.tr/files/ardb/evt/1\\_avrupa\\_birligi/1\\_9\\_komsuluk\\_politikalari/A\\_review\\_of\\_European\\_Neighbourhood\\_Policy](https://www.ab.gov.tr/files/ardb/evt/1_avrupa_birligi/1_9_komsuluk_politikalari/A_review_of_European_Neighbourhood_Policy).

has determined that its main tasks will be to “consolidate healthy democracies, pursue sustainable economic growth and manage cross-border links.”

With regards to the MEPP specifically, the resolution of the disparity between Israel and the Palestinians through the creation of a Palestinian state alongside the Israeli state has long been declared as one of the basic principles of EU foreign policy.<sup>37</sup> The EU has aimed to influence the MEPP in its 1980 Venice Declaration on the Palestinian right to self-determination and additionally reaffirmed “the continuing and unqualified Palestinian right to self-determination” in the 1999 Berlin Declaration.

However, the unresolved scenario between Israel and the Palestinians has arrived at a historical impasse, with no solution in sight. There have been no negotiations between the two sides since the breakdown of the 2013-2014 peace talks under the auspices of the United States conducted by secretary of state John Kerry. In addition, after Donald Trump’s election as US president in 2017, his administration has chosen an approach that accommodates all Israeli claims (recognition of Jerusalem, of the Israeli annexation of the Western parts of the Golan Heights and of settlement construction in the West Bank) while disregarding Palestinian needs and demands. As a result, the Palestinian Authority (PA) decided to cut ties with the American administration in December 2017 and does not currently show readiness to engage in any final status negotiations.

In the current stagnant situation between the two sides—aggravated by the political stalemate in Israel after three deadlock elections (April, September 2019 and March 2020) and the bleak outlook of the Trump peace plan—the EU is searching for a suitable political stance that enables it to continue to support the seemingly neglected Palestinian cause and/or reengage with the MEPP. Earlier in mid-2018 members of the EU Commission and the European External Action Service (EEAS) met with Israeli and Palestinian representatives in order to try and upgrade their policy towards both sides while keeping the aspiration for a two-state solution alive.<sup>38</sup> Nevertheless, it is not evident that a comprehensive vision exists for the EU to move forward and take initiative in the MEPP.<sup>39</sup> Despite its intention, the EU does not currently seem to be politically prepared—or at least has not identified the right leverage point—to meet the imbalance in the Israeli-Palestinian stalemate and to propose a coherent and constructive line of action.

As political steps by the EU failed to yield success, the economic component of EU involvement in the MEPP gradually grew over the years, making financial incentives the main tool the EU has at its disposal to affect the MEPP. It engages in humanitarian and emergency responses, contributes to the Palestinian economy and supports “state-building” in Palestine.<sup>40</sup> One of the more noticeable economic measures in the framework of the MEPP was the EU implementation of a differentiation policy through a Council Conclusion in December

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[pdf](#) (last accessed 02.03.2020) and Alessio Pisanó, “The new EU external Strategy: “More funds for more reform””, in: [thenewfederalist.eu](#) website, 11.07.2011, <https://www.thenewfederalist.eu/The-new-EU-external-Strategy-More-funds-for-more-reform?lang=fr> (last accessed on 02.03.2020).

37 European Union External Action Service, „Middle East Peace process“, in: website of the European External Action Service, 15.06.2016, [https://eeas.europa.eu/diplomatic-network/middle-east-peace-process/337/middle-east-peace-process\\_en](https://eeas.europa.eu/diplomatic-network/middle-east-peace-process/337/middle-east-peace-process_en) (last accessed on 02.03.2020).

38 European Union External Actions Service, “EU consults with Israel and the Palestinian Authority on its engagement in support of the two-state solution“, in: Press releases – website of the European Union External Action Service, 02.07.2018, [https://eeas.europa.eu/diplomatic-network/middle-east-peace-process/47765/eu-consults-israel-and-palestinian-authority-its-engagement-support-two-state-solution\\_en](https://eeas.europa.eu/diplomatic-network/middle-east-peace-process/47765/eu-consults-israel-and-palestinian-authority-its-engagement-support-two-state-solution_en) (last accessed on 02.03.2020).

39 Judy Dempsey, “Europe’s Absence in the Middle East”, in: Carnegie Europe website, 26.06.2019, <https://carnegieeurope.eu/strategieurope/79382> (last accessed on 02.03.2020).

40 European Union External Action Service, „Middle East Peace process“, in: website of the European External Action Service, 15.06.2016, [https://eeas.europa.eu/diplomatic-network/middle-east-peace-process/337/middle-east-peace-process\\_en](https://eeas.europa.eu/diplomatic-network/middle-east-peace-process/337/middle-east-peace-process_en) (last accessed on 02.03.2020).

2012, excluding products from settlements from its free trade agreement with Israel.<sup>41</sup> Additionally, the EU's offer of a Special Privileged Partnership between EU-Israel and EU-Palestine respectively in 2013 (meant to support the US-brokered Peace Negotiations of the Obama administration) as well as the increased financial support by the EU for UNRWA since 2016<sup>42</sup> and the EU guarantee for the entire UNRWA budget in February 2019 when the US discontinued funding for the organization,<sup>43</sup> are signs that the EU aims to take a more substantial role in the MEPP.<sup>44</sup>

Paradoxically enough, while the EU takes measures that aim at supporting the MEPP through economic incentives on the one hand, these steps are contrasted by economically attractive agreements between the EU and Israel that are "apolitical" as they do not seek to further the MEPP and are merely economic in nature. While to "encourage regional cooperation with a view to the consolidation of peaceful coexistence and economic and political stability"<sup>45</sup> is a main goal of the Association Agreement from 2000, the actual EU Action Plan (AP) for Israel agreed upon in 2005 holds contradictions that stem from the EU's intrinsic economic interest in Israel versus its political motivation to use economic incentives as a foreign policy tool.

The AP states that the EU aims to "support Israel's objectives for further integration into European economic and social structures. It will also build solid foundations for further economic integration based on the adoption and implementation of economic and trade-related rules and regulations with the potential to enhance trade, investment and growth".<sup>46</sup> This approach in relation to Israel stems from a wrongfully interpreted situation on the ground, namely that "given the geopolitical situation in the region, [Israeli] trade can practically only take place with overseas partners, notably the EU."<sup>47</sup> Meaning that the updated EU/Israel AP thereby includes an element that excludes regional cooperation as a feasible possibility for Israel.

However, in 2009 the EU Commission stated in a press release on the importance of the resolution of the dispute between Israel and Palestine that a crucial element to solve the conflict is "strong political and economic relations with partners in the region including Israel, the Palestinian Authority, Lebanon, Egypt and Jordan."<sup>48</sup> This is a contradiction with the aforementioned estimation that Israel cannot trade with its neighbouring countries. Even the AP itself contradicts the statement about Israel's isolated economy and mentions expanding

41 Muriel Asseburg and Nimrod Goren (eds.), *Divided and Divisive – Europeans, Israel and Israeli-Palestinian Peacemaking*, Mitvim, SWP and PAX, 2019, [https://www.swp-berlin.org/fileadmin/contents/products/fachpublikationen/Asseburg\\_PAX\\_REPORT\\_Divided\\_Divisive.pdf](https://www.swp-berlin.org/fileadmin/contents/products/fachpublikationen/Asseburg_PAX_REPORT_Divided_Divisive.pdf), p. 38, (last accessed on 02.03.2020).

42 Camille Abescat, *European Union policy towards the WASH crisis of the Gaza Strip*, Sine Qua Non, September 2019, <https://www.sinequanon-eu.com/wp-content/uploads/2019/10/European-Union-Policy-Towards-the-WASH-Crisis-in-the-Gaza-Strip.pdf> (last accessed on 09.03.2020).

43 Yolande Knell, "US stops all aid to Palestinians in West Bank and Gaza", in: *bbc.com* website, 01.02.2019, <https://www.bbc.com/news/world-middle-east-47095082> (last accessed on 02.03.2020).

44 European Commission, "EU reaffirms strong commitment to support for Palestine refugees and for Palestine's socio-economic development", in: *Press release – website of the European Commission*, 20.12.2018, [https://ec.europa.eu/commission/press-corner/detail/en/IP\\_18\\_6854](https://ec.europa.eu/commission/press-corner/detail/en/IP_18_6854) (last accessed on 02.03.2020).

45 The European Community, "Euro-Mediterranean Agreement – Establishing an association between the European Communities and their Member States, of the one part, and the State of Israel, of the other part", in: *Official Journal of the European Communities*, 21.06.2000, [http://eeas.europa.eu/archives/delegations/israel/documents/eu\\_israel/asso\\_agree\\_en.pdf](http://eeas.europa.eu/archives/delegations/israel/documents/eu_israel/asso_agree_en.pdf), p. 4, (last accessed on 02.03.2020).

46 European Union, *EU/Israel Action Plan*, 2005, [https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/eu-israel\\_action\\_plan\\_2005.pdf](https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/eu-israel_action_plan_2005.pdf), p. 1, (last accessed on 02.03.2020).

47 European Commission, *Commission implementing decision on a special measure in favour of Israel for 2019*, 05.11.2019, [https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/c\\_2019\\_7875\\_israel\\_decision\\_en\\_merged.pdf](https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/c_2019_7875_israel_decision_en_merged.pdf), p. 4, (last accessed on 02.03.2020).

48 European Commission, "The EU in the Middle East Peace Process", in: *website of the European Commission*, 27.02.2009, [https://ec.europa.eu/commission/presscorner/detail/en/MEMO\\_09\\_88](https://ec.europa.eu/commission/presscorner/detail/en/MEMO_09_88)

cooperation with Israel's neighbors as a priority, as it wishes to strengthen "trade promotion between Israel and other Euro-Mediterranean partners, such as Jordan, and work towards the facilitation of Palestinian trade."<sup>49</sup> It is especially interesting to see that the AP specifically calls to cooperate on areas such as "electricity and gas; energy and renewable energy sources and networks (including Euro-Mediterranean, and co-operation pursuant to relevant agreements, e.g. Israel-EU-PA)."<sup>50</sup> The EU therefore identifies cooperation on the energy market as feasible and even important for the region—even though political difficulties in the region might impede direct trade flows of Israel with neighbouring countries. As the 2019 AP mentions that "co-operation in the energy sector remains among the priorities,"<sup>51</sup> one must conclude that the EU is applying two sets of logic to the different sectors of economy. It is at this point, where economic and political considerations interfere with each other:

Israel is an important trading partner for the EU in the Mediterranean, and the EU is Israel's biggest trading partner with total trade of around 36 billion Euro in 2017.<sup>52</sup> Even though EU member states do not generally deviate from the common EU foreign policy vis-à-vis Israel/Palestine, they might not put great effort behind achieving EU goals on the MEPP bilaterally or are visibly lenient towards Israel when furthering their economic relations with Israel, leaving the political to the EU. One example is the vote by the Czech parliament to opt-out on product labeling in the framework of the differentiation policy decided upon by the EU as a whole.<sup>53</sup>

Taking into consideration the EU's recent energy market developments (see 1.1.), it becomes clear that the economic interest in building the EastMed and the EuroAsia Interconnector seem to be prime motivator in the bilateral EU-Israel relations. Even though the AP includes conditions for the (economic) support of Israel, such as that "the level of ambition of the EU/Israel relationship will depend on the degree of commitment to common values as well as the mutual interests" and that "the pace of progress of the relationship will acknowledge fully the efforts and concrete achievements in meeting those commitments,"<sup>54</sup> there are no political demands whatsoever in regard to the MEPP.

Surely, not every economic initiative of the EU that addresses Israel has to be conditioned to its relationship with the Palestinians, but the EuroAsia Interconnector as well as the EastMed project have solely been conceived and designed due to economic considerations and EU energy needs. Thereby both projects miss out on their immense potential for economic diplomacy as they fail to promote regional cooperation as well as potentially harming the MEPP by applying preferential treatment to Israel and thereby ultimately undermining EU efforts on the MEPP via unconditioned economic rewards. In the following section, the outset of the proposed infrastructure projects as well as the prospective results of facilitating these infrastructure projects will be described and subsequently confronted with their impact on regional cooperation or rather with the fora that exist for regional cooperation.

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49 European Union, EU/Israel Action Plan, 2005, [https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/eu-israel\\_action\\_plan\\_2005.pdf](https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/eu-israel_action_plan_2005.pdf), p. 10, (last accessed on 02.03.2020).

50 European Union, EU/Israel Action Plan, 2005, [https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/eu-israel\\_action\\_plan\\_2005.pdf](https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/eu-israel_action_plan_2005.pdf), p. 19, (last accessed on 02.03.2020).

51 European Commission, Commission implementing decision on a special measure in favour of Israel for 2019, 05.11.2019, [https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/c\\_2019\\_7875\\_israel\\_decision\\_en\\_merged.pdf](https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/c_2019_7875_israel_decision_en_merged.pdf), p. 5, (last accessed on 02.03.2020).

52 European Commission, "Israel – Trade picture", in: website of the European Commission, <https://ec.europa.eu/trade/policy/countries-and-regions/countries/israel/> (last accessed on 02.03.2020).

53 Jan Lopatka, "Czech parliament rejects labelling goods from Israeli settlements", in: reuters.com website, 17.12.2015, <https://uk.reuters.com/article/uk-eu-israel-czech-idUKKBN0U02MN20151217> (last accessed on 09.03.2020).

54 European Union, EU/Israel Action Plan, 2005, [https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/eu-israel\\_action\\_plan\\_2005.pdf](https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/eu-israel_action_plan_2005.pdf), p. 1, (last accessed on 02.03.2020).

## 2.2. Infrastructure Projects and Relations with Middle East Neighbors

The EastMed Pipeline and the EuroAsia Interconnector are cost-intensive infrastructure projects put forward by the EU Commission. They are supposed to prepare the EU members for the energy market of the future by heightening interconnectivity of inner-European energy infrastructure and providing access to new energy providers while equally decreasing carbon dioxide emission and tapping into the solar electricity production capacities of the Middle East. While the EastMed Pipeline will connect Europe to the emerging natural gas market in the Eastern Mediterranean, the EuroAsia Interconnector will broaden the EU electricity grid in order to meet the infrastructural need for the shift to renewable energy production. However, the two infrastructure projects mainly take EU energy needs into consideration even though they both are major financial and technical undertakings that will largely affect the MENA region—first and foremost Israel. If implemented, the undertakings will certainly carry economic as well as political implications for the region. To ignore the political element of these major infrastructure projects is especially negligent, as structures that would support additional cooperation already exist or are being established in a concerted effort of regional actors (see 1.2.). To understand the reciprocity between the energy projects, regional cooperation and the political potential for the EU in terms of economic diplomacy, both projects will shortly be analyzed in the following paragraphs as to their meaning for the electricity market and the natural gas market in the region.

### 2.2.1. The EuroAsia Interconnector

The EuroAsia Interconnector (also called Israel-Cyprus-Crete-Attica link) aims to link the Greek, Cypriot and Israeli electricity grids via a submarine high voltage direct power interconnector cable. With around 1200 km length it would be the world's longest subsea interconnector with a bi-directional transport capacity of 2000 MV. The submarine cable would also include an optic fiber element (the Quantum cable), set to greatly increase internet speed for Europe and Israel.<sup>55</sup> Construction is said to take between 2 to 4 years, with the preliminary date of commission set to be December 2023.<sup>56</sup>

The project was originally conceived as a Cypriot-Israeli idea and in 2012 the first feasibility studies were conducted by the two countries.<sup>57</sup> After Greece joined forces on the project, it was proposed to the EU Commission, which in May 2014 included it in the list of Projects of Common Interest (PCI, project number: PCI 3.10). In order to be treated as a PCI an undertaking must have a significant impact on market integration and energy markets in at least two EU states. PCIs are considered key cross border infrastructure projects intended to help the EU achieve its energy policy and climate objectives and are eligible for funding through the Connecting Europe Facility.<sup>58</sup> In October 2014, the European Council endorsed the proposal. The Commission last updated and approved the 4<sup>th</sup> PCI list in October 2019.<sup>59</sup> As part of the strategic goal to enhance Europe's energy security and diversity, the European Commission fully supports the construction of the Electricity Highway between

55 EuroAsia Interconnector, "Quantum Cable", in: website of the EuroAsia Interconnector, <https://euroasia-interconnector.com/about-us/quantum-cable/> (last accessed on 02.03.2020).

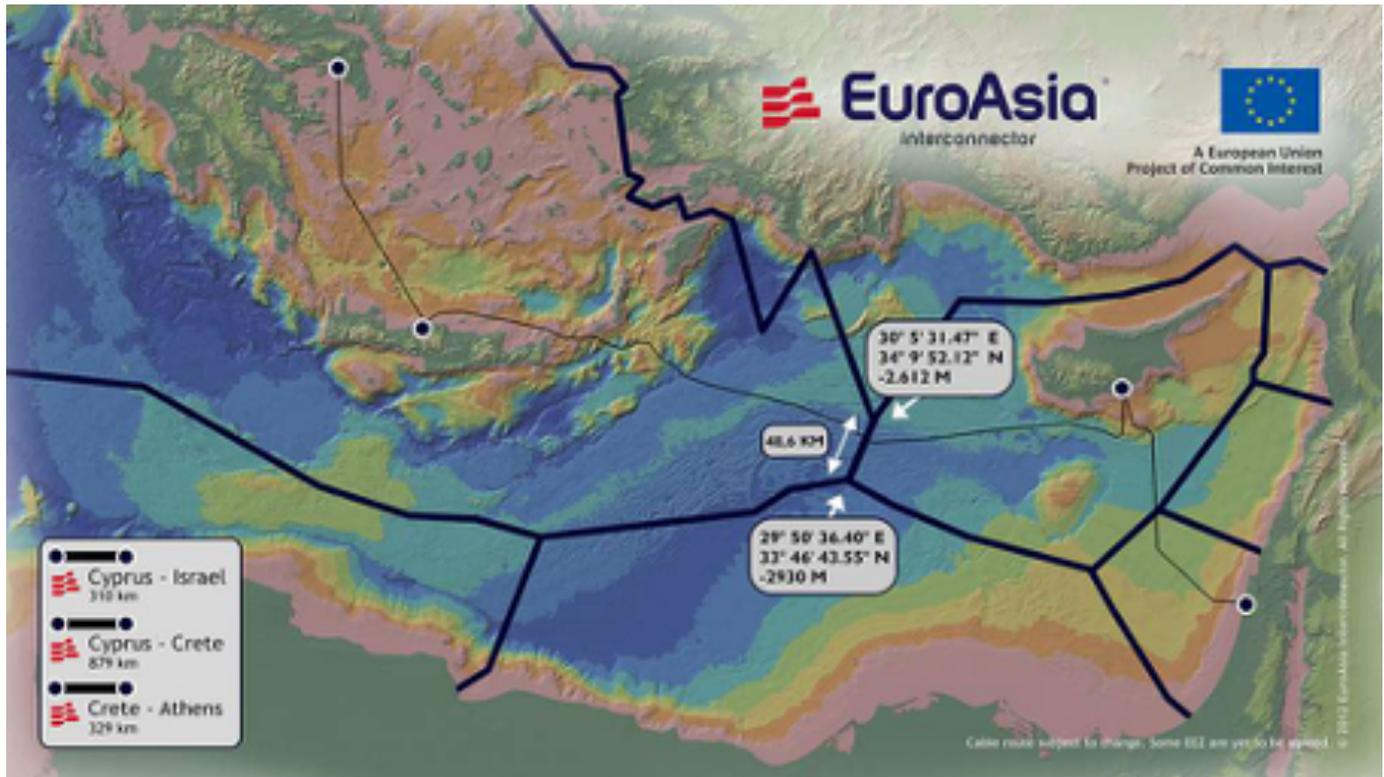
56 EuroAsia Interconnector, "EuroAsia construction", in: website of the EuroAsia Interconnector, <https://euroasia-interconnector.com/cable-construction/> and EuroAsia Interconnector, "EuroAsia project schedule", in: website of the EuroAsia Interconnector, <https://euroasia-interconnector.com/at-glance/project-timeline/> (last accessed on 02.03.2020).

57 Financial Mirror, "Israel-Cyprus underwater power cable takes shape", in: financialmirror.com website, 05.03.2012, <https://www.financialmirror.com/2012/03/05/israel-cyprus-underwater-power-cable-takes-shape/> (last accessed on 02.03.2020).

58 European Commission, "Projects of Common Interest", in: website of the European Commission, <https://ec.europa.eu/energy/en/topics/infrastructure/projects-common-interest> (last accessed on 02.03.2020).

59 EuroAsia Interconnector, "EuroAsia EU status - The EuroAsia Interconnector as a Project of Common Interest (PCI)", in: website of the EuroAsia Interconnector, <https://euroasia-interconnector.com/at-glance/the-big-picture/euroasia-eu-status/> (last accessed on 02.03.2020).

Greece, Cyprus and Israel, as it deems it necessary for the implementation of priority corridors and energy infrastructure according to the Regulation (EU) No. 347/2013, which is binding entirely for all EU member states.<sup>60</sup> For the first stage of the EuroAsia Interconnector a budget of €2.5 billion will be granted via the “Connecting Europe Facility”, amounting to roughly 50% of the total cost.<sup>61</sup> The other half will be acquired via private investments and additional third party grants. In March 2018 the Regulatory Authority for Energy (RAE) in Greece agreed with the Cyprus Energy Regulatory Authority (CERA) on a cross-border cost allocation, defining a contribution of around 700 million euros for the Crete-Athens interconnection, while the Cyprus-Crete interconnection will be funded with 1.5 million Euro through the two countries.<sup>62</sup>



GRAPHIC 1: EUROASIA INTERCONNECTOR<sup>63</sup>

In 2017, the EuroAsia Interconnector was made an EU Priority Electricity Highway Project, since the electricity interconnection is expected to greatly contribute to welfare creation, cut carbon emissions and unlock integration of renewable power sources in isolated systems.<sup>64</sup> It is included in the TYNDP (The European Ten Year National Development Plan) of ENTSO-E2 (European Network Transmission Systems Operator – electricity) and makes up part of a project that is sometimes called the ‘European super grid’ or the (still hypothetical) SuperSmart Grid. A crucial function of interstate electricity networks is the possibility to quickly

60 Ibidem.

61 EuroAsia Interconnector, “EuroAsia project schedule”, in: website of the EuroAsia Interconnector, <https://euroasia-interconnector.com/at-glance/project-timeline/> (last accessed on 02.03.2020) and EuroAsia Interconnector, “EuroAsia EU status - EuroAsia Interconnector - Connecting Europe Facility (CEF)”, in: website of the EuroAsia Interconnector, <https://euroasia-interconnector.com/at-glance/the-big-picture/euroasia-interconnector-connecting-europe-facility/> (last accessed 02.03.2020).

62 energypress, “Greek, Cyprus interconnections for EuroAsia budgeted at €2.5bn”, in: energypress.eu website, 21.03.2018, <https://energypress.eu/budget-limit-of-e2-5bn-set-for-euroasias-greek-cyprus-interconnections/> (last accessed on 02.03.2020).

63 In-Cyprus, “EuroAsia Map”, in: in-cyprus.com website, <https://in-cyprus.com/wp-content/uploads/2018/12/EuroAsia-Map-euroconnector.jpg> (last accessed on 02.03.2020).

64 ENTSO-E, Project 219-EuroAsia Interconnector, <https://docstore.entsoe.eu/Documents/TYNDP%20documents/TYNDP%202016/projects/P219.pdf> (last accessed on 02.03.2020).

buy or sell electricity during peak hours or nighttime when consumer demand and production (especially when it comes to regenerative energy production such as wind or solar power) fluctuates. The transregional power connection will ultimately allow for efficient use of an intermittent electricity production that is based on renewable energy sources. Since electricity supply will not be constant in such systems, the proposed European super grid would allow to shift excess electricity from overproducing national electricity grids to electricity networks with temporary higher electricity demand.

Israel faces the dual challenge of having to cut carbon emissions while providing power for a population that is set to almost double by 2050 from the current 9 million to 17.6 million.<sup>65</sup> This can only be achieved when increasing the share of renewable energies in the total energy mix. In September 2019, Israel adopted an energy master plan that entails 10,000 acres of land for the construction of renewable energy plants by 2050.<sup>66</sup> “Hundreds” of wind turbines are supposed to be built.<sup>67</sup> The goal of the Israeli Energy Ministry is the completion of government targets set in 2016 to have renewables produce 10% of the country’s electricity by 2020, and 17% by 2030. However, at the end of 2019, Israel only produced around 5% of its total energy through renewable technologies.<sup>68</sup> One of the reasons for this is that Israel can generate solar and wind energy in its Negev desert and wind energy in its Northern parts, while the electricity transmission network in Israel was not constructed for transferring huge amounts of energy to the populated country center.<sup>69</sup> Integration of renewable energy sources without interconnection is limited. A possible solution is an integrated electricity grid with interconnectivity with Israel’s neighbours. Excess electricity in the South could be sold to Egypt and Jordan while the surplus in the North could be transferred to Jordan.

Unfortunately, by pursuing the EuroAsia Interconnector with Israel in its proposed form, the EU does not only miss out on an opportunity to tap into the naturally existing potential for solar power generation that exists in the whole region, it also reduces incentives for regional cooperation of MENA countries with Israel. The project singles out Israel and gives it the opportunity to avoid engaging with its immediate surroundings and the question of interconnectivity, as Israel’s need to ensure its electricity supply and break its energy isolation can be sufficiently satisfied through an electricity connection to the European main land. Therefore, approximation and cooperation with Israel’s neighbors—first and foremost Egypt and Jordan—on electricity issues will become less crucial once the EuroAsia Interconnector is in place. However, would the EU promote integration of Israel into the regional electricity grid, the scope of electricity trade between the region and the EU would be manifold.

This is even more critical, since actual formats for a regional interconnection of electricity grids were already put into place. The cooperative groundwork of MEDREG and Med-TSO (see 1.2.) could—if it were to receive the right backing—function as a facilitator for MENA cooperation in the area of electricity. In a review on Middle East energy interconnection development it was stated that the region “has one of the world’s lowest

65 Sue Surkes, “With its population set to double in 30 years, how will Israel cope?”, in: timesofisrael.com website, 26.06.2019, <https://www.timesofisrael.com/with-its-population-set-to-double-in-30-years-how-will-israel-cope/> (last accessed on 02.03.2020).

66 Sue Surkes, “Planners green-light Israel’s first master plan for energy infrastructure”, in: timesofisrael.com website, 04.09.2019, <https://www.timesofisrael.com/planners-green-light-israels-first-master-plan-for-energy-infrastructure/> (last accessed on 02.03.2020).

67 Yuval Azulai, “Gov’t to fund new Golan wind farm technology”, in: globes.co.il website, 01.01.2020, <https://en.globes.co.il/en/article-govt-to-fund-golan-wind-farm-1001313277> (last accessed on 02.03.2020).

68 Sue Surkes, “Campaign urges Israelis to put solar panels on the roof, make money...eventually”, in: timesofisrael.com website, 17.07.2019, <https://www.timesofisrael.com/campaign-encourages-israelis-to-put-solar-panels-on-their-roofs/> (last accessed on 02.03.2020).

69 Racheli Wacks, “10% green electricity for Israel in 2020?”, in: jpost.com website, 10.11.2019, <https://www.jpost.com/Israel-News/10-percent-green-electricity-for-Israel-in-2020-607404>

levels of traded electricity production despite estimates that investment costs to meet the growing electricity demand could be reduced by up to 35% with a fully integrated Middle East electricity grid.”<sup>70</sup> Therefore the effect of welfare creation would be even greater, had the EU expanded the connection of the EuroAsia Interconnector to other MENA countries or—even more preferable still—made the construction of the transregional power cable connection contingent on an interconnectivity of the Israeli electricity grid to neighbouring electricity networks.

One last critical point of the EuroAsia Interconnector project is the meaning of the interconnectivity of the Israeli and the European electricity networks when considering the generation or consumption of electricity in Israeli settlements in the oPt. While Israeli conventional power plants are situated in Israel proper, some renewable electricity is generated in occupied or annexed territory. The Golan Heights wind park by Mei Golan e.g. is built on internationally contested territory in the Golan Heights, which Israel annexed in 1981. In the West Bank Israeli commercial solar fields have allegedly taken up 285,000-300,000 square meters of land, with prospects of future expansion.<sup>71</sup> The Judean desert in the West Bank offers potential for future solar energy and lies geographically suited for wind energy.<sup>72</sup> Additionally, in 2019 Israel gave the green light for the construction of a waste-to-energy plant in the Ma’ale Adumim settlement west of Jerusalem.<sup>73</sup>

The link up of the Israeli and the EU electricity grids therefore will also have to address a problematic entanglement between the regular Israeli electricity market on the one side as well as consumers and producers that are situated on illegally occupied territory and in Israeli settlements. Complications therefore might arise when considering both the import as well as the export of electricity, since the differentiation policy of the EU cannot be applied that easily to an immaterial commodity as electricity, which does not allow for labeling of its origin.

Last but not least, while the EU already has an interconnected electricity grid which allows for exchange of overproduction and additional electricity imports, it is hardly imaginable that the EU were ever to rely on marginal Israeli electricity imports compared with total electricity consumption.

### *2.2.2. The EastMed Pipeline*

The EastMed natural gas pipeline project was proposed to the EU commission by Greece, Cyprus and Italy. In 2015 it was defined as a Project of Common Interest (PCI) by the Commission and became part of the ten year network development plan (project code: TRA-N-330). The EastMed Pipeline project is part of the bigger framework of the Southern Energy Corridor, which the European Parliament (EP) and the Council of the European Union adopted in Regulation 347/ 2013. With the support of the former Commissioner for Climate Policy and Energy, Miguel Arias Cañete, the EU Commission adapted this regulation in late 2015 by adding the pipeline project to its 2<sup>nd</sup> PCI list, to which the Council and EP agreed. Should the project stay on

70 Xiao-Ping Zhang, Mingyu Ou, Yanmin Song, Xiaolu Li, “Review of Middle East energy interconnection development”, in: *Journal of Modern Power Systems and Clean Energy*, Volume 5, 2017, pp. 917–935, <https://link.springer.com/article/10.1007/s40565-017-0335-7> (last accessed on 02.03.2020).

71 Who Profits, *Greenwashing the Occupation – The Solar Energy Industry and the Israeli Occupation, Who Profits – The Israeli Occupation Industry*, January 2017, <https://whoprofits.org/wp-content/uploads/2018/06/old/greenwashing-online.pdf>, p. 18, (last accessed on 02.03.2020).

72 Hilmi Salem, “The Potential of Wind Energy in Palestine with Healthcare and Residential Examples in the West Bank and the Gaza Strip”, in: *Journal of Nature Science and Sustainable Technology*, Volume 13, Issue 2, pp. 73–97, [https://www.researchgate.net/publication/337063292\\_The\\_Potential\\_of\\_Wind\\_Energy\\_in\\_Palestine\\_with\\_Healthcare\\_and\\_Residential\\_Examples\\_in\\_the\\_West\\_Bank\\_and\\_the\\_Gaza\\_Strip\\_Full\\_Paper](https://www.researchgate.net/publication/337063292_The_Potential_of_Wind_Energy_in_Palestine_with_Healthcare_and_Residential_Examples_in_the_West_Bank_and_the_Gaza_Strip_Full_Paper), pp. 89–90, (last accessed on 02.03.2020).

73 B’Tselem, “Israel to establish waste-to-energy plant in the settlement of Ma’ale Adumim, unlawfully exploiting Palestinian territory for its own needs”, in: *btselem.org* website, 30.10.2019, [https://www.btselem.org/settlements/20191030\\_israeli\\_waste-to\\_energy\\_plant\\_to\\_be\\_established\\_unlawfully\\_in\\_west\\_bank](https://www.btselem.org/settlements/20191030_israeli_waste-to_energy_plant_to_be_established_unlawfully_in_west_bank) (last accessed on 02.03.2020).

the PCI list, it would be built by IGI Poseidon—a subsidiary of the Greek DEPA and the Italian Edison—which already conducted the feasibility study of 2016, stating that the project could be successfully implemented as it is technically feasible and economically viable. In April 2017, the Energy Ministers of Greece, Cyprus, Italy and Israel went ahead and—in the presence of the EU Commissioner for Climate Action & Energy—signed a joint declaration to aid the implementation of the project.<sup>74</sup> Production costs—around 7 billion Euro—would be shared equally between the EU and IGI Poseidon, after the Commission would give its final approval for the financing of the project. Construction is said to take between four to five years.<sup>75</sup> The East Med pipeline presents an opportunity for the EU to further develop its Southern Gas Corridor and diversify away from its heavy reliance on Russian gas (see 1.1.) and is therefore being supported by the Commission, other EU institutions and EU member states.

Much like with the considerations around the EuroAsia Interconnector (see 2.2.1.), Israel also seeks to overcome its isolation in terms of natural gas and hopes for the EastMed pipeline to present it with a standing connection to the European pipeline infrastructure and thereby a steady sales market. In contrast to its electricity network, Israel already has three pipeline connections to its neighbouring countries—two to Jordan (at Sodom and Beit Shean) and one to Egypt (Arish-Ashkelon pipeline). Even though export of natural gas to Jordan has been done in small quantities since 2017 after the completion of the new export pipeline to Jordan, the 10 year contract can now be fulfilled. Equally, Israel has finished converting the flow direction of the Arish-Ashkelon pipeline and has started to export natural gas to Egypt since January 2020.<sup>76</sup> The agreed upon amount is 7 bcm yearly for the course of 10 years. Jordan will receive around 3 bcm yearly for the next 15 years.<sup>77</sup>

Altogether it may seem that national interests of Egypt, Jordan and Israel do align in the area of natural gas and that the foundation for regional integration seems to be a given. However, the the Islamic State already attempted to attack the Arish-Ashkelon pipeline in the Sinai Peninsula (formerly Ansar Bait al-Maqdis) in the beginning of 2020.<sup>78</sup> The terror group have already carried out several sabotage acts against the pipeline infrastructure since 2011.<sup>79</sup>

But, a far bigger problem for the respective gas deals with Egypt and Jordan is popular opinion in both countries. Since many Jordanians regard cooperation with Israel as treason against the Palestinians, there is resistance among the population against the gas deal. Jordanian parliamentarians are threatening to terminate the import treaty or are calling for sabotage of the pipeline.<sup>80</sup>

74 MEP Dimitrios Papadimoulis, “EastMed: Energy security and source diversification for the EU” in: Parliamentary Questions - Question for written answer E-003056-17 to the Commission, 02.05.2017, [http://www.europarl.europa.eu/doceo/document/E-8-2017-003056\\_EN.html](http://www.europarl.europa.eu/doceo/document/E-8-2017-003056_EN.html) (last accessed on 02.03.2020).

75 Stefan Wolfrum, Israel’s contradictory gas export policy, SWP Berlin, 2019, <https://www.swp-berlin.org/en/publication/israels-contradictory-gas-export-policy/> (last accessed on 02.03.2020).

76 Aljazeera, “Israel begins exporting natural gas to Egypt”, in: aljazeera.com website, 15.01.2020, <https://www.aljazeera.com/ajimpact/israel-begins-exporting-natural-gas-egypt-200115143113330.html> (last accessed on 02.03.2020).

77 Stefan Wolfrum, Israel’s contradictory gas export policy, SWP Berlin, 2019, <https://www.swp-berlin.org/en/publication/israels-contradictory-gas-export-policy/> (last accessed on 02.03.2020).

78 AFP, “Islamic State claims purported attack on Egypt-Israel gas pipeline in Sinai”, in: timesofisrael.com website, <https://www.timesofisrael.com/islamic-state-claims-purported-attack-on-egypt-israel-gas-pipeline-in-sinai/> (last accessed on 02.03.2020).

79 Connor Molloy, ““Supporters of Jerusalem” claim responsibility for latest pipeline bombing”, in: dailynewsegyp.com website, 26.07.2012, <https://www.dailynewssegyp.com/2012/07/26/supporters-of-jerusalem-claim-responsibility-for-latest-pipeline-bombing/> (last accessed on 02.03.2020).

80 Memri, “Jordanian MP’s Call To Bomb Israel-Jordan Gas Pipeline Sparks Angry Responses In Kingdom: ‘This Is The Language Of Militias, Not Of Political Action’”, in: memri.org website, Special Dispatch No. 8182, 18.07.2019, <https://www.memri.org>

Further geopolitical calculations have to be taken into account: while Greece, Cyprus and to some extent Italy are in favor of the project, many countries of the Middle East are critical of the proposed pipeline. As is the case with the EuroAsia Interconnector, out of all MENA countries only Israel is included in the approach—a constellation that is prone to increase regional friction.

Egypt—with its 2138 bcm (75.5 trillion cubic feet) of proven natural gas resources—fears for its position as an energy hub in the Mediterranean due to the competition of the EastMed. Having its own liquefaction plants enables Egypt to export its hydrocarbons as Liquefied Natural Gas (LNG). Egypt currently exports around 28.3 million cubic meters (1 billion cubic feet) of gas yearly and aims to reach 56.6 million cubic meters (2 billion cubic feet) by the end of 2020.<sup>81</sup> As Egyptian President al-Sisi put it, he has been “dreaming about it for four years, that we become a regional hub for energy”.<sup>82</sup> Egypt calculates that Israeli gas and also Cypriot gas would be transported to Egypt in order to be liquefied and exported to Europe. For this goal, Egypt plans to build a direct pipeline from Cyprus to its coast, in order to export Cypriot gas after liquefaction. The EastMed pipeline undermines this endeavor, as it would enable direct export of Israeli and Cypriot gas to the European market.<sup>83</sup>

Additionally for Turkey, the planned EastMed pipeline creates pressure to exert itself on the energy market. Turkey and the EU have already clashed over Turkish drilling vessels searching for natural gas reserves within Cypriot territorial waters in summer 2019. Turkey has overlapping maritime border claims with Greece and Cyprus. The EU Council has subsequently adopted sanctions against Turkey.<sup>84</sup> It is also said that the recent Turkish involvement in the Libyan civil war is related to the pressure Turkey feels from being left out of the Eastern Mediterranean energy market. In order to break this isolation, Turkey allegedly aims for a stake in the Libyan gas fields.<sup>85</sup> In November 2019, it defined its maritime boundaries with Libya<sup>86</sup> and since January 2020 has a military presence in Northern Libya.<sup>87</sup>

Next to Egypt and Turkey, the last country to be negatively affected by the EastMed project is Lebanon.

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[ri.org/reports/jordanian-mps-call-bomb-israel-jordan-gas-pipeline-sparks-angry-responses-kingdom-language](https://www.al-monitor.com/pulse/originals/2020/01/jordan-parliament-end-israel-gas-agreement-opposition.html) (last accessed on 02.03.2020) and Mohammad Ersan, “Jordanians press case against importing Israeli gas”, in: Jordan Pulse – al-monitor.com website, 17.01.2020, <https://www.al-monitor.com/pulse/originals/2020/01/jordan-parliament-end-israel-gas-agreement-opposition.html> (last accessed on 02.03.2020).

81 Massoud A. Derhally and Jennifer Gnana, “Egypt to double LNG export capacity in 2019”, in: thenational.ae website, 07.04.2019, <https://www.thenational.ae/business/energy/egypt-to-double-lng-export-capacity-in-2019-1.845955> (last accessed on 02.03.2020).

82 Tarek el-Tablawy and Salma el-Wardany, “As Israeli Gas Raises Frowns, El-Sisi Says Egypt Scored ‘Goal’”, in: bloomberg.com website, 21.02.2018, <https://www.bloomberg.com/news/articles/2018-02-21/as-israeli-gas-raises-frowns-el-sisi-says-egypt-scored-goal> (last accessed on 02.03.2020).

83 Yousef Saba, “Factbox: Egypt’s push to be east Mediterranean gas hub”, in: reuters.com website, 15.01.2020, <https://www.reuters.com/article/us-egypt-israel-gas-factbox/factbox-egypts-push-to-be-east-mediterranean-gas-hub-idUSKBN1ZE1ON> (last accessed on 02.03.2020).

84 Council of the European Union, “Turkey’s illegal drilling activities in the Eastern Mediterranean: Council adopts framework for sanctions”, in: Press releases – website of the European Council, 11.11.2019, <https://www.consilium.europa.eu/en/press/press-releases/2019/11/11/turkey-s-illegal-drilling-activities-in-the-eastern-mediterranean-council-adopts-framework-for-sanctions/> (last accessed on 02.03.2020).

85 Daniel Bellut, “Turkey’s operation in Libya: Targeting gas reserves”, in: dw.com website, 04.01.2020, <https://www.dw.com/en/turkeys-operation-in-libya-targeting-gas-reserves/a-51883874> (last accessed on 02.03.2020).

86 Daren Butler and Tuvan Gumrukcu, “Turkey signs maritime boundaries deal with Libya amid exploration row”, in: reuters.com website, 28.11.2020, <https://www.reuters.com/article/us-turkey-libya/turkey-signs-maritime-boundaries-deal-with-libya-amid-exploration-row-idUSKBN1Y213I> (last accessed on 06.03.2020).

87 Gerald Butt, “Turkey’s dual Libya objectives”, in: petroleum-economist.com website, 14.01.2020, <https://www.petroleum-economist.com/articles/politics-economics/middle-east/2020/turkey-s-dual-libya-objectives> (last accessed on 02.03.2020).

The country has approached the UN and the EU to voice its doubts on the project, since the pipeline might infringe on the disputed maritime borders between Israel and Lebanon.<sup>88</sup> Additionally, Lebanon—which is considered a “new comer” in the Eastern Mediterranean energy market—will itself start drilling marketable gas resources eventually. The setup of Israel-Cyprus-Greece through the EastMed will most likely distance Lebanon from cooperating on a regional level once it starts producing natural gas.

Thus the potential of a common gas market is likely to be undermined from the start by how the EU perceives to build up its energy infrastructure with Israel alone, as the logic of the demand for energy does not necessarily provide the right guidance for the formulation of a coherent foreign policy in respect to the EU’s southern neighbors.

Furthermore, the economic benefit of the EastMed project is doubtful to say the least, since imports from the Israeli gas fields supplies to the EU would initially only amount to 10 bcm per year. Total natural gas consumption in 2018 in the EU stood at 474 bcm.<sup>89</sup> The import through EastMed would thus only cover a fraction of the EU’s gas needs. When taking into account that Israel’s own reserves are estimated to supply the country only for the next 25 years (due to an export cap of 40% of total gas reserves)<sup>90</sup> the prospective gas deal doesn’t seem too stable. At the end of January 2020, Luigi Di Maio, Italian Minister of Foreign Affairs, expressed concerns over the long-term feasibility of the pipeline project.<sup>91</sup>

This is especially dire, since the market weight of Italian consumers would be crucial to make the project profitable.<sup>92</sup> Although the feasibility study has greenlighted the construction of the pipeline, one must keep in mind that the study was conducted by IGI Poseidon—the same company that will ultimately construct the pipeline. Additionally, said economic feasibility was calculated with current gas prices. Only at a price of \$8 per mmBtu the gas pipeline would become attractive for investors—a price that is already above price prediction averages for the next 10 years.<sup>93</sup> Should the price of natural gas continue to drop further, as it is currently, Israeli gas would become too expensive for the European market.<sup>94</sup> It would be cheaper to buy Russian and Azerbaijani gas.<sup>95</sup> The economic feasibility of the EastMed project therefore hinges on the future demand for natural gas. It is therefore advisable not to engage in such a costly project as the EastMed pipeline if economic revenues are not predictable.

88 Lisa Barrington and Laila Bassam, “Lebanon warns neighbors against using disputed territory for EastMed gas pipeline”, in: reuters.com website, <https://www.reuters.com/article/us-natgas-lebanon-israel/lebanon-warns-neighbors-against-using-disputed-territory-for-eastmed-gas-pipeline-idUSKCN1QO1H7> (last accessed on 02.03.2020).

89 European Commission, “Quarterly report on the European Gas Markets”, in: Market Observatory for Energy, DG Energy, Volume 11 Issue 4, 2018, [https://ec.europa.eu/energy/sites/ener/files/quarterly\\_report\\_on\\_european\\_gas\\_markets\\_q4\\_2018.pdf](https://ec.europa.eu/energy/sites/ener/files/quarterly_report_on_european_gas_markets_q4_2018.pdf), p. 2, (last accessed on 02.03.2020)

90 U.S. Energy Information Administration, “Israel”, in: eia.gov website, <https://www.eia.gov/international/analysis/country/ISR> (last accessed on 02.03.2020).

91 Times of Israel, “Italy’s foreign minister expresses doubts over feasibility of EastMed pipeline”, in: timesofisrael.com website, 18.01.2020, <https://www.timesofisrael.com/italys-foreign-minister-expresses-doubts-over-feasibility-of-eastmed-pipeline/> (last accessed on 02.03.2020).

92 Nikos Tsafos, “Can the East Med Pipeline Work?”, in: Center for Strategic & International Studies website, 22.01.2019, <https://www.csis.org/analysis/can-east-med-pipeline-work> (last accessed on 02.03.2020).

93 Charles Ellinas, “Israeli Energy Exports Won’t Make Europe More Pro-Israel”, in: Foreign Policy website, 28.08.2019, <https://foreignpolicy.com/2019/08/28/israeli-energy-exports-wont-make-europe-more-pro-israel-east-med-gas-lng-exports-europe-egypt-cyprus/> (last accessed on 02.03.2020).

94 Ibidem.

95 Pavlos Koktsidis and Tal Rippa, Eastern Mediterranean Regional Training Partnership, 2018, [https://www.academia.edu/40797247/Energy\\_Security\\_in\\_the\\_Eastern\\_Mediterranean\\_Implications\\_and\\_Recommendations\\_for\\_the\\_European\\_Union](https://www.academia.edu/40797247/Energy_Security_in_the_Eastern_Mediterranean_Implications_and_Recommendations_for_the_European_Union) (last accessed on 02.03.2020).

Having analyzed that both infrastructure projects—EastMed and EuroAsia Interconnector—were being conceived and continue to be supported by the EU mainly due to economic considerations, it can be concluded that important geopolitical dynamics and even some economic considerations connected to these projects were not taken into account. Energy imports and diversification needs seem to override the political ambitions and goals set out by the EU (see 2.1.). However, these purely economically motivated considerations do not make for a good yard stick for formulating politically relevant infrastructure projects.

Ultimately the planned energy infrastructure projects forgo an overarching political element that contributes to the MENA region at large and are therefore counterproductive to the idea of effective EU foreign policy vis-à-vis Israel. Both projects would give Israel preferential treatment in the field of energy, without taking into account regional dynamics. The projects would enable Israel to refrain from dealing with its neighbors and the Palestinian question. This is neither in coherence with the EU belief of how to approach the Arab-Israeli conflict, nor does it introduce a balanced relationship with the MENA region.

## Part III: Policy Recommendations

The EastMed pipeline as well as the EuroAsia Interconnector projects would mean that Israel's Arab neighbours are *a priori* being marginalized on the emerging natural gas and electricity market by the projects. The selective approach of the EastMed pipeline and the EuroAsia Interconnector have thus the potential to impede regional cooperation and to even create tension and heighten competition in the region.

While the EU generally seeks to politically engage with its southern neighbours in the MENA region through Association Agreements based on the incentive of access to the EU market for these countries, it fails to upgrade these economic infrastructure projects with a political framework. Without a clear political vision and diplomatic elements, the planned energy projects of the EastMed Pipeline and the EuroAsia Interconnector are missing out on a potential political and diplomatic impact. Even beyond that, in the current set up they are decreasing the likelihood that Israel will be ready to enter into compromises or make concessions with regard to its neighbors and the Palestinian question. Therefore, it is imperative that this additional leverage is taken into consideration when drawing up plans of seemingly only economic interest. While financial incentives were used by the EU in the past to further regional cooperation and to steer politically, the EastMed and the EuroAsia Interconnector projects present a perfect possibility to make political impact in the Middle East.

Instead of proposing these massive and expansive infrastructure projects for its own economic needs, the EU should apply a more regional approach in line with its own foreign policy declarations (see Part II) and further existing regional gas and electricity networks to establish regional energy interdependence.

EU bodies might not be all-powerful and may not succeed to instrumentalize the EastMed pipeline and the EuroAsia Interconnector in order to further regional cooperation in the whole MENA region. However, the main tool the EU has at its disposal to take action are normative effects conveyed through diplomatic means and backed up by financial incentives. The EU has a lot of experience in “upgrading” economic cooperation towards broader political collaboration. EU support for already existing regional institutions—similar to the economically based beginnings of the EU itself—will increase regional interdependence and thus create a long-term incentive for the countries of the region to cooperate.

### 3.1. Potential for Regional Cooperation - Follow through on EU Principles

The proposed EastMed pipeline undermines the cooperative approach of the EMGF by asymmetrically upgrading Israel, Cyprus and Greece with a direct infrastructural link for gas exports. It thereby makes coordination through the EMGF difficult if not redundant and therewith also challenges current cooperation

on the regional gas market. Israel hopes to make 15 million USD in revenues through its gas deal with Egypt. However, they are supposed to be earned by Egypt through subsequent exports of Israeli gas to Europe.<sup>96</sup> As soon as the EastMed pipeline would come online it would therefore infringe on Egypt's plan to import Israeli natural gas in order to export it afterwards, as the EU would purchase Israeli gas directly through the pipeline. Regional trade—already at a low level due to political differences between Israel and the Arab world—would be at a further disadvantage.

That being said, the EastMed pipeline would not need to be constructed in order to fulfill the EU's economic need of energy import diversification: Liquefied Natural Gas (LNG) exports from the MENA region to the EU would be more flexible, less cost intensive and less prone to terrorist attacks than the static pipeline. The use of Egypt's already existing natural gas liquefaction plants cuts costs and allows for purchases of Israeli and Cypriot gas and additionally enables the purchase of Egyptian gas. Should Israel's natural gas reserves run dry in the future, a central energy hub in Egypt could still supply LNG to Europe, while the EastMed pipeline would then lie dormant until gas imports from the region would find their way to Israel.

LNG would surely be a preferable mode of conducting energy imports to the EU, as it is also in trend with the European consumption. In 2019 LNG supply has doubled as compared to 2018.<sup>97</sup> In April and May 2019 LNG temporarily overtook the pipeline gas imports from Norway and became the second import source for the EU. In regard to this trend, the EU is making efforts to upgrade its LNG terminals to receive LNG deliveries all over the continent. For example, Connecting Europe Facility (CEF) supports the construction of an off-shore LNG terminal on the Croatian island of Krk (EU support 102 million Euro) which will bring diversification in the region mostly dominated by one single source of supply.<sup>98</sup> The LNG approach is also in line with a study by the EU's Directorate-General for External Policies, which in 2017 stressed Egypt's key role in the gas market of the Eastern Mediterranean and recommended building on existing Egyptian infrastructure for the sake of flexibly supplying the European market with natural gas. According to the study, investments in additional infrastructure would only make sense once regional cooperation was functioning.

Ultimately this strategy would also motivate Israel and Egypt to work together and align their energy policies; the market power of the EU would be put to good use as it stands to create a compelling sales market for the gas exporting countries of the Eastern Mediterranean. With the EMGF a first foundation for a regional approach on energy issues is already in place that could promote interdependence between its members through price collusion and by merging national infrastructures between Israel, Jordan and Egypt.

The EMGF could also act as a forum that contributes to resolving energy and inter-state conflicts, such as allocation of the Aphrodite gas field between Israel and Cyprus. The fledgling energy cooperation has also already led to talks between Lebanon and Israel in order to work out an agreement on how to align their maritime borders. Even if the talks failed until now, the sheer fact that this unprecedented step was taken indicates the potential of political openings in relation to the gas market.<sup>99</sup>

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96 Memo – Middle East Monitor, “Egypt reveals reason for importing Israel gas”, in: [middleeastmonitor.com](https://www.middleeastmonitor.com), 25.01.2020, <https://www.middleeastmonitor.com/20200125-egypt-reveals-reason-for-importing-israel-gas/> (last accessed on 25.01.2020). See also Reuters, “Israel's gas exports to Egypt might get re-exports -Israeli minister”, in: [reuters.com](https://www.reuters.com) website, 15.01.2020, <https://www.reuters.com/article/israel-egypt-natgas-exports/israels-gas-exports-to-egypt-might-get-re-exports-israeli-minister-idUSL8N29K536> (last accessed on 02.03.2020).

97 European Commission, “Quarterly report on the European Gas Markets”, in: Market Observatory for Energy, DG Energy, Volume 12 Issue 2, 2019, [https://ec.europa.eu/energy/sites/ener/files/documents/quarterly\\_report\\_on\\_european\\_gas\\_markets\\_q2\\_2019\\_final\\_v1.pdf](https://ec.europa.eu/energy/sites/ener/files/documents/quarterly_report_on_european_gas_markets_q2_2019_final_v1.pdf)

98 European Commission - Innovation and Networks Executive Agency INEA, “EU invests €444 million in key energy infrastructure”, in: website of the European Commission, 17.02.2017, <https://ec.europa.eu/inea/en/news-events/newsroom/eu-invests-%E2%82%AC444-million-key-energy-infrastructure> (last accessed on 02.03.2020).

99 Joseph Haboush, “Resolving the Lebanese-Israeli border dispute: What's in it for Washington?”, in: Middle East Insti-

It would therefore be advisable for the EU to reinforce the EMGF's attempt to unify and coordinate the energy market in the Eastern Mediterranean. The forum especially deserves support as this is the first body of its kind which overtly promotes economic cooperation between Egypt, Jordan and Israel. This is all the more remarkable since it includes the Palestinians as well. The developing economic interdependence would not be easily reversed and could lead to an expansion of relations in the region which are now mostly confined to the realm of security cooperation.

Also in the area of electricity, potential for regional cooperation is evident through Med-TSO for example. An integrated electricity grid with Israel's neighbours (see paragraph on the EuroAsia Interconnector) would enhance not only Israel's own possibilities to focus more on including renewable energy sources into its energy mix but would benefit the whole area. Until this day, "due to political unrest and turmoil in the region, the electricity trade is barely implemented". But "distributed generation is suggested to improve the installation and operation of renewable energy."<sup>100</sup> Cooperation in the field of renewable energy is thus best done in concert. The huge potential in solar energy could be best used by the MENA countries if interconnectivity of electricity grids was to be upgraded among each other. The interconnection of MENA electricity grids creates even more welfare than the connection of single countries like Israel or Tunisia (Elmed) to the EU grid. This becomes especially interesting, since investments in the renewable energy market are on the rise also in Arab countries.<sup>101</sup> In the middle of 2013, most Middle East countries had set renewable energy policy targets, with 18 countries having introduced renewable energy promotion policies.<sup>102</sup>

Therefore, the paper suggests abandoning the EastMed Pipeline project altogether and to delay the EuroAsia Interconnector as long as the national electricity networks in the Middle East are not interconnected first. Only by integrating the EastMed Pipeline and the EuroAsia Interconnector into a broad geostrategic energy concept, the EU could simultaneously enhance its own goal of energy diversification and equally support regional cooperation in the Eastern Mediterranean. Ultimately such an approach could furnish the EU with a new approach to the Middle East and maybe even equip it with a new tool that enables it to take in a new role in the MEPP. An economic incentive of such a scale—using the EU's market power as energy consumer in order to support Israel's integration into the regional natural gas and eventually even electricity market—necessarily creates political leverage. Without this political element clearly lined out before commencement of construction, it would be preferential not to engage in the EastMed and the EuroAsia Interconnector projects at all.

### **3.2. Opportunities for Israel-Palestine Relations**

One of the most promising leverage points for the EU to reengage with the MEPP—beyond general regional cooperation in the energy field—might lie in development of the Gaza Marine field on the coast of the Gaza Strip. Considering that with the EastMed and the EuroAsia Interconnector the EU seeks to dabble in natural gas as well as electricity production in the Eastern Mediterranean and specifically wishes to include Israel in this framework, the Gaza Marine gas field and its potential for direly needed electricity generation for the Gaza Strip and the West Bank cannot be ignored. As the PA is a member of the EMGF, it is almost inconceivable how gas fields in the Eastern Mediterranean would be developed while the Gaza Marine field lies unused.

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tute website, 24.10.2019, <https://www.mei.edu/publications/resolving-lebanese-israeli-border-dispute-whats-it-washington> (last accessed on 02.03.2020).

100 Ibidem.

101 Kerry Boyd Anderson, "Renewable energy on the rise in the Middle East", in: arabnews.com website, 06.02.2019, <https://www.arabnews.com/node/1448021> (last accessed on 02.03.2020).

102 Xiao-Ping Zhang, Mingyu Ou, Yanmin Song, Xiaolu Li, "Review of Middle East energy interconnection development", in: *Journal of Modern Power Systems and Clean Energy*, Volume 5, 2017, pp. 917–935, <https://link.springer.com/article/10.1007/s40565-017-0335-7> (last accessed on 02.03.2020).

Instead of building the EastMed pipeline, the EU should put its weight behind making Palestinian gas a part of the regional energy market. A comprehensive EU energy policy in this direction, based on involving the EMGF, will have the possibility to both enhance emerging energy cooperation in the region and create a new leverage point in the MEPP.

The Gaza Marine gas field was discovered as early as 1999 and is situated 36 km off the shore of the Gaza Strip. However, it has not been developed during the last 20 years due to several complications; in November 1999 the British Gas Group received a 25 year exploitation license from the PA and got together with Consolidated Contractors Limited and the Palestine Investment Fund to develop and commercialize the Gaza fields. Even though under the Oslo accords<sup>103</sup> and the Gaza-Jericho agreement the gas field belongs exclusively to the Palestinians in the Gaza Strip<sup>104</sup> and drilling did commence in 2000, access to the gas field has been limited several times by Israel ever since the start of the second Intifada in 2000. Initially, Israel was said to be able to buy the surplus gas that would not be used in the Gaza Strip itself<sup>105</sup> but later demanded, that all exploited natural gas would be processed on its territory.<sup>106</sup> Israel's interventions aimed at preventing revenues of the gas market in the Gaza Strip to be used for funding terror. Eventually Israel pulled out of the gas deal altogether. No further actions have commenced on the Marine gas field since. After the Hamas takeover of the Strip in 2007, the BG Group discontinued its efforts and sold its shares. Access to the gas field has effectively been denied since 2009 due to Israeli security concerns vis-à-vis Hamas.<sup>107</sup> In 2018 the Royal Dutch Shell Company—as an affiliate of the British Gas Group—sold all of its shares in 2018, leaving the Palestine Investment Fund to be the sole stakeholder of the gas field.<sup>108</sup>

The Gaza Marine gas field could, once exploited, greatly benefit the Palestinian population in the Gaza Strip and the West Bank who are almost entirely dependent on Israel as an electricity supplier.<sup>109</sup> The Gaza power plant, which has been damaged in Israeli military operations in 2006 and 2014,<sup>110</sup> does currently only allow for electricity production through diesel imports from Israel. Together with direct electricity imports via cable from Israel and—to a small extent—from Egypt, it is the only source of electricity production for Gaza's population of 1.9 million.<sup>111</sup> It has been calculated that updating the Gaza power plant from diesel to

103 Jo Harper, „Israel-Hamas undersea gas spat in full swing“, in: dw.com website, 12.07.2019, <https://www.dw.com/en/israel-hamas-undersea-gas-spat-in-full-swing/a-49442656> (last accessed on 02.03.2020).

104 Ibidem.

105 Ibidem.

106 Nafeez Mosaddeq Ahmed, „Israel's War for Gaza's Gas“, in: Le Monde diplomatique website, 28.11.2012, <https://mondediplo.com/outsidein/israel-s-war-for-gaza-s-gas> (last accessed on 02.03.2020).

107 Gili Cohen, „Israel Expands Territorial Limit for Fishing Off Gaza Coast“, in: haaretz.com website, 21.05.2020, <https://www.haaretz.com/.premium-gaza-fishermen-net-more-workspace-1.5267805?=&ts=1576166366065> (last accessed on 02.03.2020).

108 Aljazeera, „PA: Shell pulls out of Gaza's gas field“, in: Aljazeera.com website, <https://www.aljazeera.com/news/2018/03/pa-shell-pulls-gaza-gas-field-180306124715796.html> (last accessed on 02.03.2020).

109 Victor Kattan, „The gas fields off Gaza: a gift or a curse?“, in: mondoweiss.net website, 22.10.2019, <https://mondoweiss.net/2019/10/the-gas-fields-off-gaza-a-gift-or-a-curse/> (last accessed on 02.03.2020).

110 Harriet Sherwood, „Gaza's only power plant destroyed in Israel's most intense air strike yet“, in: theguardian.com website, 30.07.2014, <https://www.theguardian.com/world/2014/jul/29/gaza-power-plant-destroyed-israeli-airstrike-100-palestinians-dead> (last accessed on 02.03.2020).

111 Reliefweb, „Gaza residents receiving more electricity, but Gaza's energy crisis is far from being solved“, in: reliefweb.int website, 01.11.2018, <https://reliefweb.int/report/occupied-palestinian-territory/gaza-residents-receiving-more-electricity-gaza-s-energy-crisis> (last accessed on 02.03.2020).

gas would save one third of current costs<sup>112</sup> and provide 8 billion USD in income.<sup>113</sup>

This also aligns with the Israeli wish to change the complex electricity supply situation vis-à-vis the Palestinians. In April 2017 e.g. the PA withheld its payments for electricity supply of the Gaza Strip due to inner-Palestinian conflicts and asked the IEC to stop its electricity supply to the Gaza Strip.<sup>114</sup> In 2018 Israel thus agreed to shift electricity production to the PA<sup>115</sup> in order not to be responsible for power generation any longer. Electricity production is mainly supposed to be realized through gas-powered plants. Corresponding power plants are being constructed in the West Bank.<sup>116</sup>

Currently, both Israelis and Palestinians therefore have an interest in developing the gas field and even though the PA has announced a reluctance to develop Gaza Marine with an Israeli partner firm<sup>117</sup> there are talks under way (confirmed by both sides) concerning gas exploitation as well as electricity generation and are trying to find common ground for providing gas supplies to the Gaza Strip and the West Bank.<sup>118</sup>

Even though third-party contractors will be involved in the exploitation, the endeavor to exploit the Gaza Marine field introduces a concrete economic incentive for cooperation on both sides and therefore should be perceived as a chance for the EU to restart talks and stabilize relations between Israel, Hamas and the PA. A tangible reward in the form of autonomous electricity production for the PA might be a valuable bargaining chip to bring the sides back to the negotiation table. Development of the Gaza Marine gas field would mean that Israel would be lifted of the responsibility of taking care of Gaza's energy needs.

Economic possibilities are even greater when taking into account that Israel signed an agreement with the PA which enables the latter to take charge of their own electricity grid.<sup>119</sup> This makes expansion and investments in a modern electrical transmission grid possible and ultimately allows further interconnection of the Palestinian electricity grids with neighboring Arab countries, as well as with Israel. Since 2008, the PA has a power connection with Jordan and in 2015 the PA started considering expanding its own

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112 The World Bank, "Securing Energy for Development in West Bank and Gaza- Brief", in: [worldbank.org](https://www.worldbank.org/en/country/westbankandgaza/brief/securing-energy-for-development-in-west-bank-and-gaza-brief) website, 14.11.2017, <https://www.worldbank.org/en/country/westbankandgaza/brief/securing-energy-for-development-in-west-bank-and-gaza-brief> (last accessed on 02.03.2020).

113 Victor Kattan, "The gas fields off Gaza: a gift or a curse?", in: [mondoweiss.net](https://mondoweiss.net/2019/10/the-gas-fields-off-gaza-a-gift-or-a-curse/) website, 22.10.2019, <https://mondoweiss.net/2019/10/the-gas-fields-off-gaza-a-gift-or-a-curse/> (last accessed on 02.03.2020).

114 United Nations Office for the Coordination of Humanitarian Affairs, "Improvements to Gaza electricity supply", in: *Monthly Humanitarian Bulletin*, OCHA website, 16.07.2019, <https://www.ochaopt.org/content/improvements-gaza-electricity-supply> (last accessed on 02.03.2020).

115 Steven Sheer, Ali Sawafta and Nidal al-Mughrabi, "Israel to shift West Bank power supply to Palestinian Authority in \$775 million deal", in: [reuters.com](https://www.reuters.com/article/us-israeli-palestinians-electricity/israel-to-shift-west-bank-power-supply-to-palestinian-authority-in-775-million-deal-idUSKBN1I23QP) website, 01.05.2018, <https://www.reuters.com/article/us-israeli-palestinians-electricity/israel-to-shift-west-bank-power-supply-to-palestinian-authority-in-775-million-deal-idUSKBN1I23QP> (last accessed on 02.03.2020).

116 US Department of Commerce, "West Bank – Energy", in: website of the US Department of Commerce, 13.10.2019, <https://www.trade.gov/knowledge-product/west-bank-energy> (last accessed on 09.03.2020) and Jack Khoury, "West Bank Set to Get Its First Power Plant Using Natural Gas", in: [haaretz.com](https://www.haaretz.com/middle-east-news/premium-west-bank-set-to-get-its-first-power-plant-using-natural-gas-1.5430967) website, 13.04.2016, <https://www.haaretz.com/middle-east-news/premium-west-bank-set-to-get-its-first-power-plant-using-natural-gas-1.5430967> (last accessed on 09.03.2020).

117 Memo - Middle East Monitor, "PA does not want Israeli partner to develop gas field off Gaza coast", in: [middleeastmonitor.com](https://www.middleeastmonitor.com/20200212-pa-does-not-want-israeli-partner-to-develop-gas-field-off-gaza-coast/) website, 12.02.2020, <https://www.middleeastmonitor.com/20200212-pa-does-not-want-israeli-partner-to-develop-gas-field-off-gaza-coast/> (last accessed on 02.03.2020).

118 Ahmed Melhem, "Will Israel go through with plan to develop Gaza gas field?", in: [al-monitor.com](https://www.al-monitor.com/pulse/originals/2020/01/palestinian-authority-israel-import-gas-gaza-field-power.html) website, 31.01.2020, <https://www.al-monitor.com/pulse/originals/2020/01/palestinian-authority-israel-import-gas-gaza-field-power.html> (last accessed on 02.03.2020).

119 Steven Sheer, Ali Sawafta and Nidal al-Mughrabi, "Israel to shift West Bank power supply to Palestinian Authority in \$775 million deal", in: [reuters.com](https://www.reuters.com/article/us-israeli-palestinians-electricity/israel-to-shift-west-bank-power-supply-to-palestinian-authority-in-775-million-deal-idUSKBN1I23QP) website, 01.05.2018, <https://www.reuters.com/article/us-israeli-palestinians-electricity/israel-to-shift-west-bank-power-supply-to-palestinian-authority-in-775-million-deal-idUSKBN1I23QP> (last accessed on 02.03.2020).

power lines to connect to the Jordanian power network.<sup>120</sup> Plans to further connect the Palestinian power grid to the Jordanian and the Egyptian electricity networks (as well as interlinking other Arab national grids) are already being promoted by the Arab Fund for Economic and Social Development.<sup>121</sup> Ultimately this interconnection potential would allow the Palestinian Electricity Transmission Company to indirectly connect the Israeli with the Jordanian and the Egyptian power grids.<sup>122</sup> Next to the joining of pipeline infrastructure in the region, the linking of electricity grids has long-term potential that involves Israel, the PA and the region.

In the recent political climate, regional cooperation is not an optional approach but imperative. The concessions by the US President Donald Trump and his administration are one-sidedly bolstering the political position of Israel in future (but currently increasingly unlikely) negotiations with the Palestinians. Support for a (seemingly) unpolitical transregional format that focusses on “solvable” questions such as electricity and gas infrastructure in a common market will generate space for direct continued dialogue between Israel and the Palestinians. Furthermore, this dialogue will not take place in the opposing space of bilateral negotiations with the backing of external powers such as the US but rather be embedded within a multilateral, regional and economically driven framework. In this framework, rewards for Israeli concessions towards the Palestinians are not conditioned by arranging an end status agreement with the PA and are not exclusively political but include economic gains and greater legitimacy in the broader region with Israel’s neighbors. Clearing the path for the development of the Gaza Marine gas field will enable the incorporation of the PA as a gas supplier into the framework of the EMGF. This would grant Israel additional legitimacy in the regional energy market in addition to the above-mentioned economic gains.

Therefore, a comprehensive and coherent energy component vis-à-vis Palestine and Israel should become part of an EU approach to the MEPP. The need for greater regional cooperation is an integral part in the EU/Israel Action Plan, as the plan strives to “promote co-operation between Israel and the EU at international fora, as a way to promote effective multilateralism.”<sup>123</sup> Israel would—after the establishment of a solid regional energy and electricity network—find itself in a framework wherein national interests are not the sole motivation for political action, but economic interests and commitments to regional cooperation bear influence. EU attempts to support Israeli concessions to the Palestinians would then not only be backed by political EU influence but by economic incentives embedded in a regional framework, wherein economic short term rewards are interlinked with potential long-term political upgrades of economic cooperation.

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120 Elad Benari, “PA’s Electricity Grid to be Connected to Jordan”, in: Arutz Sheva website, 15.05.2015, <http://www.israelnationalnews.com/News/News.aspx/195396> (last accessed on 02.03.2020).

121 Arab Fund for Economic & Social Development, “Electricity”, in: website for the Arab Fund for Economic & Social Development, <http://www.arabfund.org/default.aspx?pageId=454> (last accessed on 02.03.2020).

122 Ahmed Melhem, “PA wants to break free from reliance on Israeli electricity”, in: al-monitor.com website, 13.05.2019, <https://www.al-monitor.com/pulse/originals/2019/05/palestinian-authority-jordan-supply-electricity-israel.html> (last accessed on 02.03.2020).

123 European Union, EU/Israel Action Plan, 2005, [https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/eu-israel\\_action\\_plan\\_2005.pdf](https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/eu-israel_action_plan_2005.pdf), p. 8, (last accessed on 02.03.2020).

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