

Thinking Beyond the EastMed Pipeline

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EXECUTIVE SUMMARY: While the construction of the EastMed pipeline remains a key goal of the Israeli-Greek-Cypriot cooperation during the COVID-19 period, economic adjustments will have to be made. The US has yet to actively support the project, making its implementation difficult. In the interim, the three countries can expand their cooperation by concentrating on other areas such as the fight against the virus, the relaunching of their economies, the battle against antisemitism, and synergies in the defense sector and cybersecurity.

On May 14, 2020, the Greek Parliament <u>ratified</u> a memorandum of understanding for the construction of the EastMed pipeline. The governing New Democracy party, the main opposition party SYRIZA, and two other parties, the Movement of Change and the Greek Solution, voted in favor, with only the Communist party and DiEM25 rejecting the plan. MP Dimitris Keridis, head of the Greece-Israel Friendship parliamentary group, <u>said</u> a final decision about the EastMed pipeline will be reached in 2021, and that decision will be significantly shaped by economic considerations.

The EastMed is an important component of the trilateral Israeli-Greek-Cypriot cooperation. In the first days of 2020, PMs Benjamin Netanyahu and Kyriakos Mitsotakis, together with President Nikos Anastasiadis, <u>signed</u> an intergovernmental energy agreement. But the impact of COVID-19 on the energy landscape renders the project significantly more difficult. Although a joint venture between Greek utility DEPA and Italy's Edison is seeking to <u>shortlist</u> two contractors to build part of a pipeline, it will not be a priority for international energy companies to make such decisions until the public health crisis subsides. Three of them, ExxonMobil, Total, and ENI, have already

<u>suspended</u> their planned drilling activities in Cyprus's exclusive economic zone this year. They might make a dynamic comeback in the future, but such speculation will not suffice to guarantee financing for the EastMed pipeline.

The virtues of the EastMed project cannot be completely understood if geopolitics are not taken into account. The eventual contribution of the pipeline to regional security remains its principal advantage. It is here where a US role is critical. While Washington has participated in two trilateral meetings of Israel, Greece, and Cyprus, it has refrained from actively supporting the pipeline. The Eastern Mediterranean Security and Energy Partnership Act opens the door for more support, but restraints are evident.

The US does not want to lose Turkey despite remarkable improvement in its relations with Greece and Cyprus. In a <u>piece</u> in *The National Interest*, Ambassador Eric Edelman and General Charles Wald argued that Greece could be an attractive option for relocating American military assets from Turkey and said this could also happen with Cyprus, depending on developments with Ankara. We are not there yet.

American concerns about the ongoing cooperation between Turkey and Russia could arguably lead to some diplomatic maneuvering. Ankara has never hidden its frustration over the strengthening of the trilateral partnership in the Eastern Mediterranean and its exclusion from natural gas discoveries. Washington is concentrating its efforts on restraining China in parallel with Russia, and the Turkish-Russian rapprochement is only causing additional problems.

At this writing, it appears that Ankara is <u>delaying the activation</u> of the S-400 missiles it purchased from Russia because of COVID-19. Its stance prompts speculation about the future implementation of American sanctions against it. Former Supreme Allied Commander of NATO Admiral James Stavridis called Turkey's impending deployment of the S-400 defense system a "<u>disagreement</u> between friends."

Israel, Greece, and Cyprus are monitoring developments. In the meantime, their collaboration goes beyond the energy sector and the EastMed pipeline. Defense is one example. In mid-January, Greek DM Nikos Panagiotopoulos travelled to Israel and <u>visited</u> facilities of the Israeli aerospace industry, where he learned about the Heron unmanned vehicle. During that visit Panagiotopoulos and his Israeli counterpart, Naftali Bennett, confirmed their joint interest in defense synergies.

On May 6, 2020, the Israel Ministry of Defense announced it would <u>lease</u> the Heron system in its maritime configuration to Greece over three years, with an option to purchase the system upon completion of the leasing period. The drones will be used primarily for border defense.

The recent formation of a government in Israel should allow important discussions to take place soon as the relevant parliamentary committees return to normal work, probably online.

International cooperation on handling the pandemic is vitally important now. Israel responded to the invitation of EU Commission President Ursula von der Leyen and pledged to invest \$60 million in research and development for drugs and a vaccine. Also, the Israel Innovation Authority recently signed an agreement with the European Investment Bank to jointly pursue investment opportunities in the bio-convergence industry. The Israeli Defense Ministry further announced that the country's national institute for biological research has completed the development phase of a COVID-19 antibody that neutralizes the virus, creating new opportunities.

Netanyahu and Mitsotakis <u>participated in two videoconferences</u> organized by Chancellor of Austria Sebastian Kurz in April and May. Leaders of Australia, Denmark, the Czech Republic, and New Zealand also took part. The purpose was to find ways to revive national economies through tourism and trade. Jerusalem, Athens, and Nicosia are <u>already examining a safe tourism zone</u>.

Collaboration opportunities do not stop there. At the fifth trilateral summit, which took place in Beersheba in December 2018, the three countries expanded their agenda to encompass cybersecurity, smart cities, and innovation. At the end of January, Greek minister of digital governance Kyriakos Pierrakakis spoke at the Tel Aviv Cyber Tech Forum and held discussions with Israeli communication minister David Amsalem. An intensification of such talks would be all to the good.

Last but not least, Greece and Cyprus can play a leading role in keeping the fight against antisemitism high on the European agenda. The current phase of uncertainty might sideline this European effort. Athens and Nicosia need to raise the issue at virtual European summits. The Aalst carnival parade took place only a few days before the outbreak of COVID-19 in Europe. Since the beginning of the crisis, online antisemitic hate speech online has spiked with the proliferation of conspiracy theories. This is a serious issue, and Israel expects help from its friends in the EU.

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