OCCASIONAL PAPER SERIES 1: A New Equilibrium
Michael Tanchum

Peace Research Institute Oslo (PRIO)
Hausmanns gate 7
PO Box 9229 Oslo
NO-0134 OSLO, Norway
Tel. +47 22 54 77 00
Fax. +47 22 54 77 01
Web: www.prio.no

PRIO encourages its researchers and research affiliates to publish their work in peer reviewed journals and book series, as well as in PRIO's own Report, Paper and Policy Brief series. In editing these series, we undertake a basic quality control, but PRIO does not as such have any view on political issues. We encourage our researchers actively to take part in public debates and give them full freedom of opinion. The responsibility and honour for the hypotheses, theories, findings and views expressed in our publications thus rests with the authors themselves.

Friedrich-Ebert-Stiftung (Foundation)
20, Stasandrou, Apt. 401
CY 1060 Nicosia
Tel. +357 22 377336
Website: www.fescyprus.org

The views expressed in this publication are not necessarily those of the Friedrich-Ebert-Stiftung or of the organizations for which the authors work.

© Friedrich-Ebert-Stiftung and Peace Research Institute Oslo (PRIO), 2015. All rights reserved. No part of this publication may be reproduced, stored in a retrieval system or utilized in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without permission in writing from the copyright holder(s).

ISBN 978-82-7288-683-6 (online)
1. Introduction: The Shifting Dynamics among the Republic of Cyprus, Israel, and Turkey

During the course of 2015, the Eastern Mediterranean witnessed the beginning of what may prove to be a profound geopolitical and economic realignment at the center of which is the Republic of Cyprus-Israel relationship. Against the backdrop of the apparent December 2015 breakthrough in Turkey-Israel relations, the Republic of Cyprus’ relationship with Israel, while once seeming to form the cornerstone of a developing regional bloc aligned against Turkey, now seems to form the framework for regional cooperation with Turkey, providing new impetus for the resolution of the Cyprus conflict itself. This report seeks to analyze why this shift took place and what it indicates about the core dynamics that are shaping the relationship between the Republic of Cyprus and Israel as well as the strategic architecture of the Eastern Mediterranean region.

The current close relations between the Republic of Cyprus (RoC) and Israel is itself a relatively new phenomenon, assuming concrete form beginning in late 2010 and early 2011. Traditionally, the RoC maintained cautious cooperation with Israel as Nicosia prioritized its relationships with the Arab states of the region and was wary of Israel’s long-standing defense cooperation with Turkey. However, as strained political relations developed between Israel and Turkey under the government of then Prime Minister, now President, Recep Tayyip Erdoğan and his ruling Justice and Development Party (AKP), the RoC increasingly cultivated its relationship with Israel.

The deterioration of relations between Turkey and Israel began as a consequence of Israel’s military campaign “Operation Cast Lead” in the Gaza Strip conducted from 27 December 2008 to 18 January 2009. Eleven days after the close of the conflict, Erdoğan exchanged harsh words with then Israeli President Shimon Peres during a panel discussion on Gaza at the Davos World Economic Forum, culminating in the Turkish prime minister’s now famous storming off the stage. ¹ However, it was two separate and distinct events occurring in the waters of the Eastern Mediterranean in 2010 that redefined Israel's geopolitical reality in the region and firmly brought Israel and the RoC closer together. The first was the May 31 Israeli commando raid on the Turkish vessel MV Mavi Mamara that was attempting to break the naval blockade of the Gaza Strip. Resulting in the deaths of nine Turkish citizens, the incident precipitated Turkey’s severing of ambassadorial ties and suspending military cooperation with Israel. The second event was the discovery of Israel’s Leviathan natural gas field during the summer of 2010. The largest gas find in the Eastern Mediterranean up to that point, Leviathan’s 623 billion cubic meters (bcm) in natural gas reserves² transformed Israel into the lead actor in the development of Eastern Mediterranean natural gas.

In December 2010, the RoC and Israel signed a landmark agreement on the maritime boundary between the two states, demarcating their respective exclusive economic zones (EEZ) and thereby enabling each to engage international energy companies for the development of their respective potential offshore hydrocarbon resources. In 2011, the Aphrodite natural gas field was discovered off Cyprus’ southern coast about 34 km west of Israel's Leviathan field. Although the volume of Aphrodite’s reserves proved to be disappointing and the reservoir partially crossed into Israel's EEZ,³ the RoC was emboldened by the prospect of becoming an energy exporter in cooperation with Israel. In the face of Israel’s increasingly inimical relationship with Turkey, the

---

³ The Aphrodite Field holds approximately 130 billion cubic meters of natural gas reserves
RoC rapidly deepened its strategic cooperation with Jerusalem during the first half of the decade. RoC-Israel cooperation also quickly expanded into a robust trilateral strategic framework with Greece.

Eyeing the possibility of selling natural gas to Egypt for its domestic market as well as for re-export via Egypt's under-utilized natural gas liquefaction plants, both Cyprus and Israel entered into economic understandings with Cairo. Under President Abdel Fattah el-Sisi, Egypt developed strong trilateral ties with the RoC and Greece in opposition to Turkey, with whom Egypt severed its diplomatic relations in 2013. Sisi, the former chief of Egypt's armed forces, was instrumental in deposing Egyptian President and Muslim Brotherhood leader Muhammad Morsi, who was strongly supported Erdoğan.

Given Egypt's longstanding security cooperation with Israel, the RoC-Israel relationship seemed to form the linchpin of a new regional bloc in the Eastern Mediterranean consisting of Egypt, Israel, the Republic of Cyprus, and Greece, based on a common alignment against Turkey and a common interest in the marketing of Israeli and Cypriot natural gas. Thus, the mid-December 2015 announcement of a diplomatic breakthrough between Turkey and Israel leading to a possible normalization of relations between the two states in 2016 caught casual observers of the Eastern Mediterranean by surprise, seeming to run against the grain of regional trends for the past five years.

This report contends that the rapprochement between Turkey and Israel has a structural basis in the broader Middle Eastern strategic architecture, of which the Eastern Mediterranean is a part. The need to restore a balance of power in the face of the expanding influence of Iran has brought Turkey and Israel together, wishing to shape a regional architecture that reflects their fundamental and shared strategic and commercial interests. Whereas Eastern Mediterranean geopolitics, including energy geopolitics, were shaping the agenda between Turkey and Israel, it is Ankara and Jerusalem's shared geopolitical agenda that is now shaping the geopolitics, including the energy geopolitics, of the Eastern Mediterranean.

Despite the deterioration in political relations between Turkey and Israel from 2009 to 2015, commercial relations between the two nations continued to expand at a rapid rate. Israeli ports continued to function as the sole conduit for Turkey’s seaborne exports to the Middle East and the bulk of Israel’s oil supply continued to arrive via the Turkish port of Ceyhan. In 2014, the volume of Turkey-Israel bilateral trade stood $5.62 billion dollars, more than doubling their 2009 trade volume of $2.6 billion. Although RoC-Israel strategic cooperation deepened over the same period, the volume of the RoC and Israel’s 2014 bilateral trade was approximately 12 percent the size of Turkey and Israel’s bilateral trade volume during the same year.

Nonetheless, the Eastern Mediterranean will not simply "snap-back" to its pre-2010 pattern of geopolitics upon normalization of Turkey-Israel relations. The report also contends that the defense relationship between the RoC and Israel, along with trilateral RoC-Greece-Israel

---

4 According to the Turkish Statistics Institute (Türkiye İstatistik Kurumu, TÜİK) Turkish exports to Israel increased over the period from $1.5 billion to $2.92 billion while Israeli exports to Turkey grew from $1.1 billion to $2.7 billion. See S. Avci, “Turkish-Israeli trade booms despite bitter rhetoric against Israel”, Today’s Zaman, 7 February 2015, http://www.todayzaman.com/anasayfa_turkish-israeli-trade-booms-despite-bitter-rhetoric-against-israel-372021.html

cooperation, grounded in the deeper defense relationship between Greece and Israel, has redefined the parameters of the maritime domain in the Eastern Mediterranean. Collectively, the RoC, Israel, and Greece constitute a new security formation in the Eastern Mediterranean. While the Turkey-Israel relationship will likely drive the overall geopolitical and energy agenda in the Eastern Mediterranean, the RoC-Israel-Greece security formation will contribute to a new equilibrium, as each of the three states is in a more favorable position in its bilateral relations with Turkey, because of this collective relationship. Turkey and Israel’s overarching geopolitical and energy interests are aligned in favor of a solution to the Cyprus issue which would facilitate the export of Israeli natural gas to Turkey via, for instance, an underwater pipeline. At the same time, the RoC-Israel-Greece security relationship may provide further assurance to the RoC and Greece towards reaching an accommodation with Turkey.

To understand how these two dynamics are concurrently shaping a new strategic architecture in the Eastern Mediterranean, the remainder of this report analyzes Israel’s strategic orientation and its underlying structural alignment with Turkey’s strategic interests (Section 2); the congruence between Israel and Turkey’s commercial and strategic interests concerning the export of Israeli natural gas to Turkey (Section 3); and the Republic of Cyprus-Israel defense relationship as a new balancing force in the Eastern Mediterranean strategic architecture (Section 4). The report then concludes with a suggestion regarding how the twin dynamics of Turkey-Israel rapprochement and the Republic of Cyprus-Israel defense relationship will impact the future in the Eastern Mediterranean region, including Cyprus.

2. The Ideal Alignment Arc: Israel’s Strategic Orientation and the Regional Architecture

During its first decade of existence, the modern state of Israel developed a foreign policy orientation of maintaining informal relationships of strategic cooperation based on alignments of strategic interests with non-Arab Muslim and non-Muslim states and ethnic minorities in the region. The policy, known as the “Periphery Doctrine” developed out of geopolitical necessity arising from Israel’s Arab neighbors choosing to maintain a formal state of hostility. Seeking ties with the nations situated in the geographic ring around Israel’s Arab adversaries (hence, the “periphery”), Israel developed informal cooperation with Turkey, Iran, and Ethiopia. Filling out the ring, Israel also engaged in certain forms of cooperation with minority groups – the Kurds of Iraq, the Christians of Sudan, and the Maronites of Lebanon.

The dynamics of these informal partnerships, often ad hoc, differed markedly from classic alliances in which the two parties are compelled to support one another in the instance of an inimical action taken by a third actor. The example of Israel’s relationship with pre-revolutionary Iran is a paradigmatic example of the dynamics of these informal partnerships. “Unhidden but unofficial friendly relations,” was how then Prime Minister Ben-Gurion pithily summarized the Israel-Iran relationship in a 1960 briefing the Knesset. Despite close cooperation, each of the three anchor nation-states of Israel’s periphery almost always formally supported the Arab position in international forums involving disputes between Israel and its Arab neighbors. Israel never publically criticized its informal partners for their stances and the partners continued their cooperation with Israel. Thus, while criticizing Israel, Iran continued to supply Israel with oil in 1973, despite the Arab declaration of an oil embargo.

---

While the original geopolitical conditions of ‘core’ and ‘periphery’ no longer exist for Israel, the long-standing pattern of informal and ad hoc mechanisms for strategic cooperation continues to shape Israel’s current approach to developing strategic relationships, including in the Eastern Mediterranean. Moreover, Israel’s approach to Eastern Mediterranean is conditioned by the new strategic landscape that began to take form in 1979. The advent of the Islamic Republic of Iran in February 1979 removed most of the northern arc of Israel’s periphery. Iran assumed the role of an active and implacable opponent of Israel. Without Iran as tacit partner and conduit to Iraqi Kurdistan, Israeli cooperation with the Kurds functionally ceased. The 1982 Lebanon War witnessed the end of Israel-Maronite cooperation and the rise of Hezbollah in Lebanon, with Iranian support, as one of Israel’s most formidable foes.

However, concurrently in 1979, the Arab ‘core’ ceased to be entirely hostile to Israel. With the signing of the 1979 peace treaty with Egypt, Israel began to develop strong security cooperation with Cairo. Israel’s relationship with Jordan similarly evolved, ultimately resulting in a formal peace treaty in 1994. Outside of the Arab world, Israel also developed strong economic and security cooperation with Azerbaijan, newly independent following the break-up of the Soviet Union and strategically located on Iran’s northern border. Thus, Israel stood at the center of an alignment of countries that formed a north-south arc (Azerbaijan, Turkey, Egypt, and Ethiopia) that served to contain the westward and southward expansion of Iran’s sphere of influence.

Anchored in strategic cooperation with both Turkey and Egypt, this configuration of relationships constitutes Israel’s ideal alignment arc. The cessation of strategic cooperation with Turkey resulted in a breach in this arc. Israel’s new security cooperation with the RoC and Greece, despite its benefits, does not compensate for the loss in capability against Iran and its proxies that strategic cooperation with Turkey had provided. Further, the RoC and Greece’s cultivation of strategic relations with Egypt in opposition to Turkey further diminished Israel’s strategic interests in providing a collective deterrent to the expansion of Iranian influence in the Middle East. The RoC-Israel relationship is structurally conditioned by Israel’s fundamental need to concurrently maintain security cooperation with both Turkey and Egypt as Israel seeks a check on Iranian influence across the Mesopotamian plain spanning Iraq and Syria and well as the vital sea lane of the Red Sea. Accordingly, Israel will deepen its strategic cooperation with the RoC, but will not take any measures that would preclude a rapprochement with Turkey.

The situation for Israel became more acute with the strategic gains made by Iranian proxies in the civil wars in Syria and Yemen. The triumph of Iranian-supported forces in Yemen combined with the Iranian presence on the coast of Sudan threatens Israel’s vital commercial and security interests in the Red Sea. Thus, Israel shares strong common interests with Egypt and Saudi Arabia in containing Iranian maritime influence in the Red Sea and Gulf of Aden. The westward advance of Tehran’s influence through the success of Iranian managed Shi’i militia forces in Iraq in combination with the success of Hezbollah and other Iranian-backed forces in Syria creates an urgent strategic imperative for resumed strategic cooperation between Israel and Turkey. After four years of failing to advance its interests in Syria, Turkey has recognized the geopolitical necessity of resuming strategic cooperation with Israel.

The agreement between Iran and the permanent members of the United Nations’ Security Council plus Germany (P5+1) to a Joint Comprehensive Plan of Action (JCPOA) that would exchange limits on certain aspects of Iran’s nuclear program for the lifting of international sanctions, created even greater urgency for Turkey to restore cooperation with Israel. The enhanced financial resources that will accrue to Iran as a result of the termination of international sanctions will further
advantage Tehran over Ankara in their geopolitical rivalry in the Arab Middle East. On March 26, 2015, days before Iran and the P5+1 nations announced the conclusion of a Comprehensive Framework Agreement, Turkey’s President Erdoğan put the world on notice about Ankara’s opposition to Tehran’s interventions in the Middle East. "Iran is trying to dominate the region," Erdoğan told the international news channel France 24, "Could this be allowed? This has begun annoying us, Saudi Arabia and the Gulf countries. This is really not tolerable and Iran has to see this." While Erdoğan’s remarks focused on the Arab countries located opposite Iran on the Persian Gulf, his statement also revealed Turkey’s congruence of interests with Israel’s ideal alignment arc.

Indeed, late March 2015 marked the turning point in Turkey’s public diplomacy toward Israel, after which Turkey consistently and increasingly signaled through a series of public overtures its desire for improved relations with Israel. The first indication of Turkey’s new policy orientation toward Israel was Ankara’s non-hostile and cordial response to the landslide re-election victory of Israeli Prime Minister Binyamin Netanyahu on March 17, 2015. Just two months prior to that, President Erdoğan vilified the Israeli Prime Minister for ‘daring’ to participate with other world leaders in an international rally against terrorism held in Paris. The rally was organized following a string of attacks in Paris that included the massacre at the offices of the French satirical newspaper Charlie Hebdo and a hostage-taking at a kosher supermarket in which four Jews were killed. In his incendiary remarks, Erdoğan characterized Netanyahu as a leader who “carries out state terrorism.”

However, from late March 2015, all such rhetoric disappeared from President Erdoğan’s discourse and that of other leading members of the AKP government. In June 2015, secret negotiations were conducted in Rome between the director-general of Israel’s Foreign Ministry and Turkey’s Minister of Foreign Affairs. With Turkey’s June 7 parliamentary elections failing to produce a government, the caretaker AKP government under Prime Minister Ahmet Davutoğlu was primarily focused on the November 1 re-run of the parliamentary elections. Those elections returned the AKP to power with a convincing majority and a month and a half later the diplomatic breakthrough between Turkey and Israel was announced to the public. In sharp contrast to Erdoğan’s statements in January, the spokesperson of AKP Ömer Çelik declared at a press conference on December 21, 2015, that, “The Israeli state and Israeli nation is a friend of Turkey.”

Turkey’s engagement with Israel should be seen as part of Ankara’s wider diplomatic initiative to improve its strategic position in the Middle East. Erdoğan, who first signaled the breakthrough with Israel during his December 13, 2015 comments to the Turkish press, alluded to the regional dimension. Speaking to reporters who were traveling with him as he returned to Turkey from a state visit, Erdoğan said, “[The] normalization process would be good for us, Israel, Palestine and the entire region. The region definitely needs this.” Three days later Turkey announced that it would be establishing a military base in Qatar, Turkey’s first overseas base in the Middle East, consisting of 3,000 ground troops along with Air Force, Navy, and Special Operations units.

weeks later, the Turkish President met with Saudi Arabia's King Salman in Riyadh and announced that Turkey and Saudi Arabia are establishing a “strategic cooperation council” to strengthen military cooperation between the two states.\(^\text{13}\) Taken in this context, it becomes clear that the normalization of relations between Turkey and Israel is part of a broader trend in the strategic architecture of the Middle East to consolidate an effective bloc to counter-balance the expansion of Iranian hegemony.

3. Congruence of Turkey and Israel's Commercial and Strategic Imperatives for Natural Gas Exports

Similar to its overall strategic imperative to maintain close cooperation concurrently with Egypt and Turkey, Israel possesses commercial and strategic imperatives to export natural gas to both Turkey and Egypt. With Israel’s Leviathan field located equidistantly from Egypt and Turkey, each country had been a contender as Israel’s primary export market. The shallower crossing to Egypt, Egypt's prior relationship with energy majors, the absence of the Cyprus EEZ issue, Egypt’s more cordial diplomatic relationship with Israel, and ongoing Israeli-Egyptian strategic cooperation were all factors that placed Egypt in the lead to become the market outlet for Israel’s natural gas. Although Egypt had represented both a robust domestic market for Israeli natural gas exports in addition to the possibility of re-exporting Israeli gas as liquefied natural gas (LNG) to other markets via Egypt’s liquefaction plants, reliance on the Egyptian market to the exclusion of Turkey was ultimately never in Israel’s commercial interests, as it would create a dangerous dependency on a single export outlet.

The export of natural gas for liquefaction is important for Israel as it would bring Israel into relationship with international energy companies. In May 2014, the partners in Israel’s Tamar field signed a non-binding letter of intent with Union Fenosa for the annual supply of 4.5 bcm of natural gas to its Damietta, Egypt liquefaction plant for 15 years. The agreement was followed in late June by a non-binding letter of intent between the partners in the Leviathan field and BG (since acquired by Shell) for the annual supply of 7 bcm of natural gas to BG’s liquefaction plant at Idku. At the time of writing, both negotiations are progressing toward final contracts.\(^\text{14}\)

On August 30, 2015, the Italian international energy major ENI announced that it made a massive natural gas discovery in the Zohr field off the coast of Egypt.\(^\text{15}\) Holding 850 bcm of natural gas, the Zohr field is 36 percent larger than Israel’s Leviathan field and the largest natural gas find in the Eastern Mediterranean. Requiring three years to come on stream for domestic production, the Zohr field will be able to satisfy Egypt’s entire domestic natural gas demand. With the Egyptian domestic market out of consideration for Israeli natural gas exports, Israel will need to turn to Turkey as an export market for its natural gas.

The potential presented by Turkey as – perhaps the most – commercially viable export market and the realization of this prospect on the part of Israel and the Republic of Cyprus, after the solution of the Cyprus issue, largely reflects the sober and realistic understanding of the global natural gas market that each country developed between 2011 and 2015. The RoC entered into its new energy relationship with Israel during a period of artificially inflated natural gas prices leading to


grandiose expectations on both sides of their potential export markets. Although both governments were woefully inexperienced in matters relating to the exploration and production of natural gas, the exaggerated exuberance in the RoC and Israel over the prospect of becoming natural gas exporters was also the result of an additional maritime event in 2011, a tragic event occurring far from the waters of the Eastern Mediterranean. On March 11, 2011 an earthquake measuring 9.0 on the Richter scale occurred off the coast of Japan. The fourth largest seismic event ever recorded, the earthquake triggered a tsunami, with waves that reached twice as high as the protective flood walls of Japan’s Fukushima nuclear plant, causing a “Level 7” event disaster of similar magnitude to the 1986 Chernobyl nuclear disaster. As a result, Japan closed down all its nuclear power plants and turned to LNG to make up the shortfall in power generation. As a result, the price of Asian LNG skyrocketed to over $20 per million British thermal units (MMBtu) or the equivalent of over $110 per barrel of oil.

In this artificially inflated price environment, the developers of Israel’s gas fields, two of which were also involved in the development of Cyprus’s Aphrodite field (the American firm Noble Energy and the Israeli firm Delek), signed an MOU with Cyprus in June 2013, to build a Liquid Natural Gas (LNG) terminal at Vassilikos on the southern Cypriot coast. Because Cyprus’s Aphrodite gas field is too small to attract sufficient investment to finance a gas liquefaction plant, Cyprus sought Israeli gas exports for a viable LNG terminal. Nicosia, Jerusalem, and Athens believed they could export LNG produced at Vassilikos to European Union markets via Greece. At the time of the signing of the MOU, the average monthly price for crude oil, to which natural gas prices are often pegged, was $99.74 per barrel. By November 2015, the average monthly price for crude oil fell by more than half, to $43.13 per barrel. Similarly, Japanese spot price for LNG in November 2015 dropped to 7.4 MMBtu or approximately $42.92 per barrel of oil equivalent. With the advent of the United States and Australia becoming major LNG exporters in 2016, global LNG prices are likely to remain low for the foreseeable future.

During the period from 2011 to 2015, Israel struggled to create a legal and regulatory framework that would sufficiently accommodate the commercial needs of American-based Noble Energy and its Israeli partners to develop the Leviathan field. According to the current arrangements, approximately 40 percent of Leviathan’s natural gas reserves, 249.2 bcm, will be available for export. Having failed to secure supply contracts with Egypt before the Zohr discovery, Israel faces the commercial necessity of exporting its natural gas to Turkey. The various plans for an undersea pipeline that have been proposed call for Israel initially to export 8-10 billion cubic meters annually. Depending on the route between the Leviathan field and southern Turkey, the pipeline would extend 450-500 km and cost $2 billion to $2.5 billion. With

17 Ibid.
20The Israeli settlement on a legal and regulatory framework also increases the likelihood that Israel and the RoC will arrive at a utilization agreement in 2016: J. Reed, “Anger grows over Israeli government’s Leviathan gasfield deal”, 30 June 2015, https://next.ft.com/content/5c26d3bc-1f14-11e5-ab0f-6bb997425d0
the advent of the Southern Gas corridor comprising the Trans-Anatolian Natural Gas Pipeline (TANAP) that will transport natural gas across the length of Turkey to the Greek border and the Trans-Adriatic Pipeline (TAP) that will then transport the gas across Greece and Albania to Italy, Israeli natural gas exports to Turkey have the potential to be sold in EU markets as well.

For Turkey, the import of Israeli natural gas has equally become a strategic and commercial imperative. Turkey suffers from the strategic paradox that over 75 percent of its natural gas supply comes from its two principal geopolitical rivals: Russia and Iran. Thus, Israeli natural gas, as one of the most commercially affordable alternatives, has always held an attraction for Turkey and constituted one of the principal incentives for the normalization of relations. However, the matter has taken on critical urgency, since Russia’s September 30 direct military intervention in the Syrian conflict, and especially Turkey's November 24 downing of a Su-24 Russian fighter jet, and have called into question the reliability of the 56.7 percent of Turkey’s natural gas imports supplied by Russia. Israeli natural gas would make a significant contribution to Turkey’s effort to diversify its imported natural gas supply mix. The proposed initial volume of Israeli natural gas to be exported to Turkey is equivalent to 29-37 percent of the total volume that Turkey imported from Russia in 2014.

Thus, it could be argued that both Israel and Turkey share commercial and strategic interests that could be furthered through a solution of the Cyprus issue, which would allow the construction of an underwater pipeline crossing Cyprus’ EEZ. Accordingly, this could also be understood as an incentive for them to work in the way of such a solution.


The rupture in relations between Turkey and Israel set into motion the development of a deepening security cooperation between the RoC and Israel that profoundly altered the strategic architecture of the Eastern Mediterranean. In response to their shared perception of Turkey’s threat to the Eastern Mediterranean maritime commons, the RoC, Israel and Greece developed a series of joint measures between 2011 and 2015 that constitute a new security formation in the Eastern Mediterranean. While not obviating regional reconciliation with Turkey, this new security formation will contribute to a new equilibrium as the tripartite defense cooperation places each of the three nations are in a stronger position in its respective bilateral relations with Turkey.

Beginning in 2011, Turkey withdrew its participation in the annual Reliant Mermaid trilateral search-and-rescue naval exercise with Israel and the United States. Reliant Mermaid was then supplanted by the more expansive Noble Dina annual trilateral naval exercise jointly conducted in the Eastern Mediterranean Sea by the navies of Israel, Greece and the United States. Upon withdrawing from Reliant Mermaid, Turkey began to promulgate a more assertive naval doctrine in the Eastern Mediterranean.
Mediterranean.\textsuperscript{25} In 2004, Turkey began implementation of its US$3 billion “National Warship” program, known by its Turkish acronym MILGEM, to expand Turkey’s capability to deploy naval forces far from its coastal waters. On the occasion of the commissioning of MILGEM’s first surface combatant, TCG \textit{Heybeliada}, in September 2011, then Prime Minister Erdoğan declared Turkey’s national interests as “residing in the Suez Canal, the adjacent seas, and from there extending to the Indian Ocean.”\textsuperscript{26} In response to the perceived threat from Turkey’s blue-water ambitions, the RoC and Israel formalized a deeper level of military cooperation in early 2012.

In January 2012, then RoC Minister of Defense Demetris Eliades became the first Cypriot defense minister to visit Israel, where he signed an agreement on security cooperation with his Israeli counterpart.\textsuperscript{27} The agreement was followed, in February 2012, by the landmark visit of Israeli Prime Minister Binyamin Netanyahu to Cyprus, the first state visit by an Israeli Prime Minister. During the visit Netanyah and then Cypriot President Demetris Christofias signed an agreement for Israel to be able to operate in Cypriot airspace and territorial waters for search and rescue operations.\textsuperscript{28} While not a status of forces agreement, some observers perceive the agreement as a broader mandate for Israeli Air Force and Navy surveillance operations to protect both countries’ offshore hydrocarbon facilities.\textsuperscript{29}

In March 2012, following the RoC-Israel defense agreement, then Commander of the Turkish Navy, Admiral Murat Bilgel, outlined Turkey’s strategic objective “to operate not only in the littorals but also on the high seas,” with “high seas” referring to the Eastern Mediterranean. Bilgel identified the Turkish Navy’s intermediate goals for the coming decade as “enhancing sea denial, forward presence, and limited power projection capacity.”\textsuperscript{30} Tensions between Turkey and Israel followed in mid-May, when two Turkish F-16 fighter craft scrambled out of Turkey’s Incirlik air base to force an Israeli aircraft to leave the “Turkey-only recognized airspace of the unilaterally declared Turkish Republic of North Cyprus.”\textsuperscript{31} According to Turkish claims, the incident was but one of several Israeli violations of this airspace. Maritime tensions continued into 2013 as the RoC and Israel cooperation in offshore natural gas development progressed. In September 2013, Turkey’s new naval commander, Admiral Bülent Bostanoğlu asserted in a national speech related to the MILGEM project that Turkey’s maritime threat perception is “energy-based” and identified defending Turkey’s interests in the Eastern Mediterranean as the navy’s “highest priority.”\textsuperscript{32}

\textsuperscript{25} Already in 2010, then Prime Minister Erdoğan famously promised that the “Eastern Mediterranean will see Turkish battleships frequently.”; S. Öztürk, “Israel, Greece, Greek Cyprus alarmed by Turkey’s ‘game-changer’ landing platform dock”, \textit{Daily Sabah}, 9 May 2015, http://www.dailysabah.com/money/2015/05/09/israel-greece-greek-cyprus-alarmed-by-turkeys-gamechanger-landing-platform-dock


\textsuperscript{27} The agreement was ratified in July 2012: “Greek Cyprus ratifies military cooperation deal with Israel”, \textit{Today’s Zaman}, 3 July 2012, http://www.todayzaman.com/diplomacy_greek-cyprus-ratifies-military-cooperation-deal-with-israel_285431.html


\textsuperscript{32} Tanchum, “Turkey’s New Carrier”, supra n. 30.
Following Bostanoğlu’s speech, Turkey took a major step in December 2013 to alter the naval balance in the Eastern Mediterranean by contracting the construction of Landing Helicopter Dock (LHD), a multi-purpose amphibious assault ship that can function as an aircraft carrier. As Turkey's first aircraft carrier, the LHD will be capable of sailing non-stop for thirty days with a range of 1,700 nautical miles (3,148km). In combination with Turkey’s existing naval assets, the LHD will potentially provide Ankara with an unprecedented measure of power projection in the areas of Cyprus and Israel’s offshore natural gas facilities, providing additional motivation for defense cooperation between the RoC and Israel.33

In the midst of the tension, Greece, Israel, and the United States held the annual Eastern Mediterranean trilateral naval exercise Noble Dina in March-April 2014.34 In the two months following Nobel Dina 2014, the partners of Israel’s Tamar and Leviathan fields signed memoranda of understanding to supply natural gas to LNG plants in Egypt, increasing the likelihood of the Aphrodite field also supplying natural gas to Egypt.35 Beyond Turkey’s ambitions for a blue-water navy and to exercise a hegemonic presence in the Eastern Mediterranean, Ankara’s actions in the maritime domain are also motivated by its concern to ensure that Turkish Cypriots are not precluded from benefitting from the exploitation of Cyprus’ offshore hydrocarbon resources.

With the exploration of a new potential field off the southern coast of Cyprus in 2014, Turkey chose to assert the Turkish Cypriots’ claims through a show of naval force. On September 26, 2014, a joint venture between ENI and the South Korean state-owned gas company KOGAS began exploratory drilling in the “Onassagoras” field due south of the Cypriot southern coastal city of Larnaca. The Turkish Cypriot authorities issued a statement a week later declaring the ENI-KOGAS’s drilling in the ROC’s block 9 as “illegal.” Turkish Cypriots regard the ROC’s licensing of exploration blocks as an illegal usurpation of a sovereign right which they claim to possess jointly with the Greek Cypriots, based on the 1960 constitution, which had treated Turkish Cypriots and Greek Cypriots as equal constituent communities of the 1960 Republic. The Turkish Cypriots stated that they would respond to the provocation of “unilateral activities of the Greek Cypriot side” by cooperating with Turkey to send a seismic exploration vessel to search for natural gas deposits “on behalf of the Turkish Cypriot people.” Authorities in the north declared a second exclusive economic zone of their own, which extends well into the offshore areas south of the ROC’s coastline, including block 9. Turkey’s Ministry of Foreign Affairs issued its own denunciation of the ROC’s drilling and promised “all kinds of support to the TRNC’s future steps of conducting seismic research activities, acquiring a drilling platform and dispatching it to an area to be determined, which are necessary to protect its inherent rights over these resources.”36

Turkey issued a NavTex (Navigational Telex) for the period of October 20-December 30 as notification of its intent to send the seismic research ship Barbaros Hayrettin Paşa and its escorting vessels M/V Deep Supporter and M/V Bravo Supporter into areas off the coast of the Republic of Cyprus. The Turkish Cypriots had granted an exploration license to Turkey’s national Oil and

33 Ibid.
35 A declaration of commerciality has been filed for the Aphrodite field and pipeline connection to Egypt is likely to occur via a Floating Production Storage and Offloading (FPSO) facility. E. Hazou, “Aphrodite plan probably a floating unit”, Cyprus Mail, 12 June 2015, http://cyprus-mail.com/2015/06/12/aphrodite-plan-probably-a-floating-unit/; “Development and Production Plan for Block 12 submitted”, Cyprus Mail, 10 June 2015, http://cyprus-mail.com/2015/06/10/development-and-production-plan-for-block-12-submitted/
36 Tanchum, “Turkey Temporarily Stands Down”, supra n. 26
Natural Gas Company (TPAO) in their proclaimed block G, which overlaps with the ROC’s block 9, bordering the ENI-KOGAS exploration site. The Turkish Navy also announced that its guided-missile frigate TCG *Gelibolu* would continue to monitor ENI’s drilling vessel in block 9. On October 20, the *Barbaros* and its escort vessels began seismic surveys within the ROC’s block 9 adjacent to ENI-KOGAS’s drilling operations.

Concurrent with the Turkish one, the RoC and Israel conducted their scheduled *Onisilos-Gideon* joint military drill off the RoC’s southern coast, involving the Israeli air force. In November 2014, the RoC, Greece, and Egypt held two separate trilateral summits. Dedicated to strengthening Egypt’s economic and security ties with the two EU members, the second summit included a condemnation of Turkey’s seismic explorations off the coast of southern Cyprus and Egyptian expression of interest in expediting the export of natural gas from the RoC to Egypt. Turkey’s actions also faced condemnation by the United States and the members of the European Union. In late December 2014, the U.S. Congress passed a revised version of its 2012 Naval Transfer Act to exclude Turkey from receiving the two guided missile frigates decommissioned by the US Navy, as had been originally provided under the terms of the 2012 bill. Congressional members cited Turkey’s provocations against its Eastern Mediterranean neighbors as the reason.

In January 2015, seemingly realizing that its actions in the Eastern Mediterranean were potentially undermining its overall strategic position, Turkey made a significant move to reduce regional tensions. Although Ankara issued a new NAVTEX six days after the then current one expired, Turkey choose not to send the *Barbaros* back into southern Cypriot waters. Thus, Turkey’s efforts to push toward a regional reconciliation can be seen to have started even prior to March 2015. The action was also in Turkey’s interest not to diminish the victory of the leftist Syriza party in Greece’s January 25 elections, which promised to herald the beginning of a historic reset for Greek-Turkish relations.

Nevertheless, the RoC, Israel and Greece continued to deepen their cooperation and build their deterrent capability in the maritime domain. *Noble Dina 2015*, conducted between April 29 and May 14, was the largest and most complex multi-service exercise to date and clearly demonstrated its mission to protect the Eastern Mediterranean maritime commons. Involving an unprecedented degree of interoperability, the exercise was also evidence of a new level of defense cooperation between Greece and Israel. On July 19, Greece’s Defense Minister Panos Kammenos visited Israel to sign a status of forces agreement (SOFA) between the two nations. The signing of a SOFA between Israel and Greece was a strategic milestone in the Eastern Mediterranean, as Israel has not entered into such an agreement with any other state aside from the United States. One week later, Prime Minister Netanyahu paid a state visit to the Republic of Cyprus. Although the visit was reciprocating President Nicos Anastasiades’ June 15 visit to Israel, Netanyahu’s visit to Cyprus one week after Israel’s signing of a SOFA with Greece, highlighted Israel’s emphasis on its trilateral

---

cooperation with the RoC and Greece, as it was the Prime Minister’s first foreign visit after his re-election.

Following advancements in Israel-Greece defense cooperation, the RoC followed suit with the August 4, 2015 visit by RoC Minister of Defense Christoforos Fokaides to Israel. Meeting with Israeli Minister of Defense Moshe Ya’alon, Fokaides agreed to form a special cooperation committee to oversee the implementation of upgrading defense cooperation between the two states, including the determination of the status of forces.40 Thus, when President Anastasiades spoke to an American audience in September 2015 and characterized “the exchange of high level meetings” between himself and Prime Minister Netanyahu in June and July as “merely the tip of the iceberg,” the RoC’s head of state was speaking without exaggeration.41 Accurately reflecting upon the new role of the RoC-Israel relationship, Anastasiades continued by stating, “[w]e are two countries in a turbulent yet important neighbourhood that faces many common challenges. For Israel, Cyprus is a stable, predictable and reliable partner and vice-versa,” presciently adding, “[e]nergy can serve as a catalyst for stability and co-operation in our volatile region.”42

6. Conclusions: A Way Forward

In a sign of the sustained change in the Eastern Mediterranean strategic architecture, the RoC and Israel completed the final phase of the 2015 Onisilos-Gideon joint military exercise on November 10, 2015. Two weeks later, Turkey downed a Russian SU-24 fighter jet and approximately three weeks after that Turkey and Israel publically announced a breakthrough in their restoration of relations. At the start of 2016, the Eastern Mediterranean seems poised on the threshold of a new comprehensive regional arrangement. The strategic realism that seems to now dominate the region may also reflect the fact that Turkey, Israel, Greece, the RoC as well as the Turkish Cypriots have each passed through tumultuous elections cycles leaving the respective leaders with sufficient political capital to exercise flexibility in foreign policy.

The emerging strategic architecture in the Eastern Mediterranean will be shaped by two fundamental dynamics. First, Turkey and Israel will define their relationship based on their overarching strategic need to cooperate to contain the expansion of Iran’s sphere of influence in the Middle East. Thus, the Turkey-Israel relationship will be characterized by a fundamental structural alignment of interests in the larger Middle Eastern strategic architecture.

From 2010-2015, Eastern Mediterranean geopolitics, including energy geopolitics, shaped the agenda between Turkey and Israel. From 2016 into the foreseeable future, Turkey and Israel’s shared geopolitical agenda will be shaping the parameters of geopolitics, including the energy geopolitics, of the Eastern Mediterranean.

Within this overarching context, the second dynamic is grounded on the new defense relationship between the RoC and Israel, along with the trilateral RoC-Greece-Israel cooperation, rooted in deeper defense relationship between Greece and Israel. This will create a new equilibrium in the Eastern Mediterranean. Each of the three states of the RoC-Israel-Greece security formation will be in a more favorable position in their bilateral relations with Turkey because of their collective

relationship. Turkey already constitutes Greece’s largest export market. The security benefit of the trilateral relation means that Greece can deepen its economic ties with Turkey with less concern regarding Turkey’s relative strength. Similarly, the RoC can act with greater flexibility toward Turkey and the negotiations with the Turkish Cypriots, as the RoC-Israel-Greece security formation provides the RoC an enhanced security guarantee.

Since the April 2015 election of Mustafa Akıncı, there has been marked progress in the process of reunification in Cyprus, including some very significant confidence building measures. The new equilibrium in the Eastern Mediterranean strategic architecture arising from Turkish-Israeli rapprochement, in conjunction with the regional parity created vis-à-vis Turkey by the RoC-Israel-Greece security formation, is an unprecedented development which also provides a unique balance of incentives and guarantees for the two sides in Cyprus to achieve a breakthrough leading to a lasting solution.

Dr. Michael Tanchum is currently a fellow at the Hebrew University of Jerusalem’s Truman Research Institute for the Advancement of Peace.