ELIAMEP Briefing Notes

22 /2013

October 2013

The Feasibility and Impact of the Turkish-Israeli "Rapprochement" on the Geopolitics of the Eastern Mediterranean

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The *informal* apology extended by Israeli Prime Minister Benjamin Netanyahu to his Turkish counterpart in April 2013 regarding the *Mavi Marmara* incident tends to create the erroneous impression that Turkish-Israeli relations are about to return (or are in the process of returning) to the point that they were *before* Israeli commandos stormed the abovementioned Turkish vessel in the early hours of June 1st, 2010. According to this line of thought the rapprochement between the two states is a "done deal"[1] that is already reconfiguring regional geopolitics. Some of the potential repercussions of this reconfiguration may force Israel:

(i) to partly revise Israeli relations with Cyprus and Greece, (ii) to revise or unilaterally annul the Exclusive Economic Zone (EEZ) agreement it signed with Cyprus in December 2010 and (iii) force Delek and probably Noble to withdraw from Cyprus, unless Nicosia concedes to the construction of a gas export pipeline to Turkey that would carry Cypriot *and* Israeli gas from the Aphrodite and Leviathan fields respectively.

In case Cyprus refuses such an arrangement, which is promoted by Turkey *regardless* of the talks on the resolution of the Cypriot Question, Delek would withdraw from the development of the Vassilikos LNG terminal thereby making it financially unattainable. Other proponents of this argument are viewing the construction of the Turkish-Israeli pipeline as an opportunity to resolve the Cyprus Question by committing Cypriot gas to the construction of an underwater pipeline from Leviathan to Ceyhan arguing that this would be to the benefit of Greek-Cypriots despite the obvious commercial and political deficiencies of such a project.

Before we analyze the specific geopolitical parameters that would affect the viability of a Turkish-Israeli gas pipeline we need to: (a) assess the status of Turkish-Israeli relations, and (b) estimate the range and potential significance of their aligned interests while analyzing the progress made between the two states since Netanyahu's "apology" five months ago.

The Geopolitical Context

A more accurate analysis of what has actually occurred in Turkish-Israeli relations since April is a credible indication to what may actually happen in the near future and constitutes a more accurate benchmark for measuring the actual progress of their rapprochement. Contrary to the perception of re-acquired normalcy, Turkey and Israel are only making the very first steps in an effort to start their rapprochement. *Ankara and Tel Aviv are essentially negotiating the terms of how to negotiate their rapprochement*. The end-result of this process is not a return to the strategic alliance of the 1990s or the more troubled alliance of the previous decade especially since Prime Minister Erdogan

[1] Daniela Hubner & Natalie Tocci, *Behind the Scenes of the Turkish-Israeli Breakthrough,* Instituto degli Affari Internatiozali, Working Papers #13, (April 2013), p.1.

recognized Hamas as the government of the Gaza Strip in 2006 in clear contradiction of US and EU policy who have both characterized Hamas as a terrorist organization.

What lies at the end of this process, at least from the Israeli point of view, is the full restoration of diplomatic relations at the ambassadorial level and –on an ad hoc basis- the gradual restart of arms exports. From a political point of view the Turkish-Israeli pipeline would act as a confidence building measure or at least this is the principal Israeli perspective. From the Turkish point of view the pipeline's political usefulness is far more ambitious and relates to Ankara's efforts to neutralize Cyprus' progress regarding the development of its hydrocarbon resources.

The gap in the Israeli and Turkish perception of what is the political instrumentality of the pipeline is a first indication of divergence in what should be a process of convergence. In essence Turkey is likely to demand from Israel far more than what Tel Aviv may be willing to concede in order to act as a market for Israeli gas exports. In addition to this important policy divergence there are serious disagreements on several parts of the preconditions Turkey had set in order to re-establish full diplomatic relations with Israel.

For almost three years after the Mavi Marmara incident Erdogan demanded three pre-requisites from the Israelis in order to re-normalize Turkey's bilateral relationship with its former ally: (a) that a formal apology is issued by the Israeli Prime Minister, (b) that the victims of the incident are compensated and (c) that the blockade of Gaza is lifted. From these preconditions, Tel Aviv did not agree to the third one, agreed in principle with the second and partially fulfilled the first. There has been no lifting whatsoever of the Gaza blockade. Tel Aviv is offering to pay $100,000 to the families of each victim provided that all civil and criminal charges against its soldiers and the State of Israel in Turkey's courts are dropped and the apology Mr. Erdogan got was as informal as it could have been.

In effect multiple indications suggest that Netanyahu did not call Erdogan but granted Obama's request as a gesture of goodwill in order to break the ice in his own personal relationship with the recently re-elected –at the time- U.S. President during Obama's first visit to Israel- Turkish Prime Minister. What the Israeli PM did after he talked to Erdogan speaks volumes of his decision to keep the rapprochement process going at a glacial pace, estimating that the Turkish Prime Minister would do something provocative enough to stop the process in its own tracks.

Mr. Erdogan's announcement on 27 June, 2013, that he would be visiting Gaza on July 5th, as well as the more recent statements (02/07/2013) by Turkey's Vice-Premier Bulent Arinc that the Jewish Diaspora was behind the anti-AKP demonstrations that rocked Turkey in June 2013 undercut the efforts of Turkish and Israeli diplomats who want to keep the rapprochement process alive. Most importantly though, Mr. Erdogan's sensational accusations that Israel orchestrated the coup d'état which overthrew Mohammed Morsi from the Presidency of Egypt in August 2013, seem to confirm Israel's worries that Turkey has Neo-Ottoman ambitions in the Eastern Mediterranean. *These ambitions are bringing Ankara closer to the Muslim Brotherhood parties that have sprung around the Middle East since the revolutions of 2011 and in direct confrontation with the Wahabis of Saudi Arabia and the military cast of Egypt*.

Statements like the ones by Erdogan and Arinc, or plans to break the Gaza blockade, play into Netanyahu's hands regarding his decision to block the rapprochement process without losing face in Washington. Netanyahu's tactics are essentially pragmatic if one considers the entrenched divergence of Turkish-Israeli interests throughout the Middle East with the *partial* exception of Syria and Iran. *The need to keep a united front over Syria has been the principal reason for the continued US pressure behind the Turkish-Israeli rapprochement*. Although the prospective partition of

Syria along ethnic lines and the danger of WMD proliferation as a result of Assad's collapse will bring Turkey and Israel closer together, what would the ramification of this alignment be for Cyprus and the region's energy geopolitics? How viable, how solid, and how long-term could such an alignment prove to be? *Can an anti-Assad tactical rapprochement prove to be the basis for a Turkish-Israeli rapprochement?* Can Syria actually constitute the "glue in Turkish-Israeli relations"?[2]

The short answer is that this is unlikely because Turkey's role in a post-Assad Syria cannot guarantee any vital Israeli interests in Syria. To start with, it is quite unclear what would be the operational content of an anti-Syrian alignment for Turkey and Israel. It is true that neither side wants to remain idle as Syria's ethno-religious war spreads into Lebanon and increases the likelihood that Assad's bio-chemical weapons fall into the hands of Salafist zealots which are growing more powerful as the civil war continues. Yet Tel Aviv and Ankara give different answers on the critical question of regime change. Israel would prefer stability and would not like to see Syria transformed into a battleground between Salafists, elements of the Muslim Brotherhood and whatever Shi'a/Christian coalition survives the potential fall of the Asad regime.

The risk of this development after the fall of Mubarak in Egypt is too significant for Tel Aviv to take and here lies the fundamental difference in the Turkish and Israeli perspective: *the fall of Mubarak was a strategic accident of the first degree for Tel Aviv, but from Mr. Erdogan's point of view it was an opportunity for the promotion of his Neo-Ottoman agenda who forced him to stand by Mr. Morsi even as the Egyptian military was uprooting the Muslim Brotherhood's government from power.*

Both Turkey and Israel would welcome –although for different reasons- the drastic curtailment of Iranian influence in Lebanon through the isolation of Hezbollah, a development that would make relations between Ankara and Shi'a controlled Baghdad even more hostile. Israel has already indicated twice that it would unilaterally intervene in the Syrian civil war whenever it deems it necessary for the protection of its national interest. Tel Aviv has attacked twice -in January and May 2013- convoys of Iranian weaponry that were allegedly en route to Hezbollah[3] and selectively bombed installations of Assad's Armed forces related to the regime's alleged WMD programme *even before* the Civil War started. Israel is remaining selectively neutral in the Syrian civil war without putting any real pressure against the Assad regime and without –of course- aiding the rebels in any tangible way. This is a major difference in the way Tel Aviv and Ankara view the continuing civil war in Syria. If Assad survives, Turkey looses all influence, at least for the foreseeable future. If Assad survives, Tel Aviv will be more comfortable in dealing with the "devil it knows" rather than having to face a new unstable regime that is more likely to be closer either to the Wahabis of Saudi Arabia or the Egyptian Muslim Brotherhood.

Turkey is in essence unable to guarantee any vital Israeli interest in a theoretical post-Assad regime for several years to come. The reasons are straightforward. What would succeed Asad in Syria is chaos, probably larger than Iraq's chaos in 2003 given the *de facto* partial regionalization of the war following Hezbollah's active engagement in the battle of al-Qusayr. After the chaos –if Syria is not partitioned along ethnic-religious lines- any government that would emerge is highly unlikely to be more pro-Israeli than Assad's regime. To the contrary, even if the Salafist elements of

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[2] Hubner & Tocci, ibid, p.7

[3] Yoel Guzansky, "Thin Red Lines: The Syrian and Iranian Contexts", *Perceptions,* Vol.16/Iss.2 (August 2013), The Institute for National Security Studies-INSS, p.25

the SLA (Syrian Liberation Army) are somehow sidelined, the new government, even if it is a secular one, would be prone to use the only national card able to unite the various factions and this card can only be the Golan Heights issue. Ankara is unlikely to be able to influence such a government towards a settlement with Israel even if it wanted to.

Turkey, under the leadership of Mr. Erdogan and his Foreign Minister Prof. Ahmet Davutoglou, has invested most of its diplomatic capital in the Middle East in its efforts to drive Assad from power but *it is not likely to be the most powerful foreign player in any post-Assad regime even if Assad collapses.* Although Turkey has been the principal conduit for arms and supplies to the SLA, Saudi Arabia and Qatar remain the SLA's major financiers and will vehemently oppose any efforts on the part of Mr. Erdogan to either use its military forces to drive Assad out of power or turn the post-Assad regime into a Turkish protectorate.

Consequently, whatever benefits Israel would want to secure from a post-Assad regime, such as the resolution of the Golan issue or the elimination of Hezbollah, Turkey cannot simply provide, even if it wanted to. More importantly Turkey is unlikely to provide any tangible military support to Israel if it decides to attack Iran unilaterally, a prospect that remains highly unlikely as long as Barack Obama remains the occupant of the White House, especially following the recent rapprochement efforts from Iran's newly-elected President. *As long as Turkey would continue to oppose the use of its territory as a platform for a pre-emptive strike against Iranian nuclear cites there is no real ground for a Turkish-Israeli rapprochement that would reverse the existing hostility between the region's principal U.S. allies and force Israel to make strategic concessions to Turkey vis-à-vis Greece and Cyprus like the ones described in the preface of this article.*

There is no serious indication whatsoever that Israel would be ready or willing to revise its (energy) policy vis-à-vis Cyprus or withdraw from the Republic's energy development at the behest of Turkey. As it was clearly manifested by the visit of Ministers Kassoulidis (Foreign Affairs) and Lakotrypis (Energy) to Jerusalem (April 2013) and the visit of President Anastasiadis in May 2013, Tel Aviv will continue to defend the validity of the 2010 EEZ agreement and fully support the active participation of the Delek Group in the development of the Aphrodite gas field, although it is not clear whether Israel would allow the liquefaction of Leviathan gas in Cyprus' planned Vassilikos LNG plant.

In the military level, Israel did not neutralize or annul its cooperation agreement with Cyprus that allows it to deploy *Apache* helicopters in Cypriot military bases. On 20-21 March 2013, U.S., Israeli and Greek naval assets conducted for a third consecutive year the combined *Noble Dina* exercises in the international waters within Cyprus' EEZ. There is also no indication from the Knesset or the Israeli cabinet regarding the lifting of the arms embargo which was imposed on Turkey in 2010, while on 22-25 April 2013 Israel sent five ships including a gun ship to Larnaca in order to conduct joint anti-terrorist exercises with the limited assets of Cyprus' navy. Israel is also in the process of planning joint Search & Rescue exercises with Greece and Cyprus in October 2013.[4] *Israel may also be willing to take a larger share of the responsibility for the protection of the Vassilikos LNG terminal as long as there is a stronger show of support and commitment from Greece, Italy and France*, which is increasing its naval military presence in the region in view of the possibility of western military action against Assad.

The potential sale of two *L'Adroit* type corvettes to the Cypriot Navy along the leasing of two OPV-class heavy patrol boats from the Israeli navy, as announced by Cypriot Defense Minister Fotiou in May 2013, would constitute a

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[4] http://famagusta-gazette.com/cyprus-greece-and-israel-to-conduct-search-and-rescue-exercises-p19636-69.htm (accessed on 23/8/2013)

clear indication that a tripartite alignment is under formation in order to protect Cypriot Hydrocarbon resources and their respective production/export infrastructure against asymmetric threats such as terrorism and strategic sabotage. This alignment is not of course directed against Turkey or the Turkish-Cypriots but it is necessary to guarantee the emergence of Vassilikos as a regional LNG export hub that could eventually export gas to Turkey via a pipeline following the comprehensive resolution of the Cypriot Question.

The cumulative result of these developments was manifested by two major developments which attest to the deepening of Israel's energy relations with both Cyprus and Greece to the potential political detriment of the Turkish-Israeli pipeline (as long as this pipeline is planned to cross through Cyprus' EEZ):

(1) On 26 June 2013, Delek Drilling and Avner Oil & Gas signed a MoU with the government of Cyprus regarding the construction of the Vassilikos LNG terminal, almost 48 hours after the Israeli cabinet confirmed the decision of Prime Minister Netanyahu to export 40% of Israel's cumulative gas reserves equal to almost 380 bcm. The fact that the two Delek Group companies were the leading interlocutors and business proponents of the Turkish-Israeli pipeline on the Israeli side is indicative of the progress made so far by the champions of the Turkish-Israeli rapprochement.[5]

(2) On 8 August 2013, Israel signed with Cyprus and Greece a tripartite Memorandum of Understanding that committed all three sides to work together in all sectors of the hydrocarbons industry including the development and transportation of oil & natural gas. Although no specific gas export project was mentioned in the MoU, the agreement was characterized as historic by all sides. At the very least its signing attests to the deepening cooperation of the three East Mediterranean states. The apparent commitment of Delek to the Vassilikos terminal essentially excludes Cyprus (and its EEZ) as a potential route for the Turkish-Israeli gas pipeline and increases the pressure on the Israeli government to send the majority of Leviathan's exports for liquefaction in Cyprus.

Delek's decision does not exclude the construction of a pipeline to Turkey. It excludes the possibility that such a pipeline would cross via Cyprus' EEZ as long as the Cyprus problem is not resolved. Nevertheless it is important to note that what Delek does not seem to have fully understood is that *any* export option to Turkey would exclude it from the development of Aphrodite at essentially Ankara's behest. *From a political point of view it would be impossible for Delek (and Noble) to export gas to Turkey and simultaneously participate in the development of Aphrodite, given Ankara's decision to block any commercial cooperation with any IOCs (International Oil Companies) that operate in Cyprus' upstream sector*.

It should be noted though that if Nicosia succeeds in getting Woodside on board the Vassilikos LNG consortium, then the commercial case for the Israeli government may prove too difficult to overlook, especially if Greece, Italy and France would increase their naval presence within Cyprus' EEZ and fully utilize the Republic's military installations which were constructed during the 1990s within the framework of Greece's United Defense Doctrine with Cyprus. *Should this be the case, Netanyahu may overrule the recommendation of the Zemach Committee to not build any gas export infrastructure outside Israeli sovereign territory (including its EEZ).*

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[5] The main champion of the Turkish-Israeli pipeline on the Turkish side is the TURCAS energy company.

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The Geopolitical Parameters: Structural Obstacles along all possible Routes

An Israeli export pipeline to Turkey, regardless of its size and route, will also need to overcome a series of major geopolitical impediments that relate not only to the region's increasing volatility but also to the political preconditions necessary to construct a multibillion USD investment which will need to operate for decades. Moreover there are commercial considerations that need to be taken into account regarding the size of the exported volumes. Any meaningful long-term contract of Israeli exports to Turkey would represent *a minimal* volume of 10 bcm/y for a period of 15-20 years equal to around 40%-50% of Israel's entire export potential.

Would Israel accept to commit over a period of 15-20 years such a large portion of its current export potential towards a country with which it has no practical diplomatic relations since 2010? *If Turkish-Israeli relations would return to a status of hostility within the life expectancy of the Leviathan-Ceyhan pipeline, can Israel find readily available alternative export destinations in case Turkey cancels its own imports or stops the transit of Israeli gas through its territory even if such a transit were economically viable?*

The answer is probably no.

Gas pipelines do not get build in a matter of months. LNG liquefaction capacities are not constructed in a matter of months and cost a lot of money to remain iddle. The structure of the international gas market is too inflexible to allow an exporter to find alternative clients in case its principal market destination is lost, especially if this market was serviced through pipelines and represented such a large portion of its entire export capacity.

Let us now examine the alternative export routes for a Leviathan-Ceyhan gas pipeline from a geopolitical point of view.

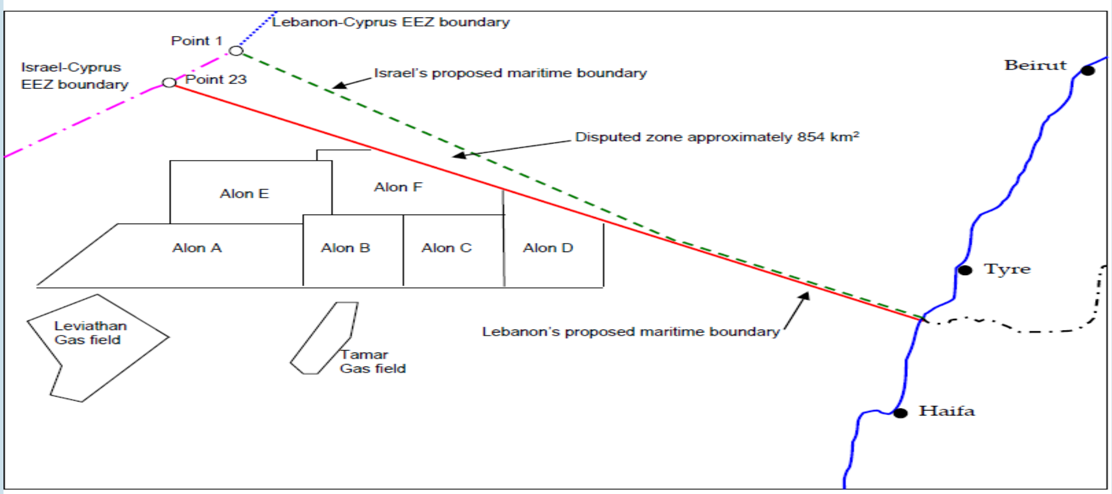
Onshore via Syria/Lebanon: The first theoretical route of such a pipeline would essentially bypass both Cyprus and Lebanon by crossing to Turkey via Syria probably along the route of the Trans-Arab Gas pipeline. Turkey and Syria were months away from completing the construction of a smaller capacity (3-5 bcm/y) gas interconnector before the civil war of 2011 errupted.

Apart from the evident problems of stabilizing and reconstructing Syria, the post-Assad regime is likely to have higher priorities than to facilitate the transit of Israeli gas especially as long as the Golan issue remains unresolved. *It may prove a rather impossible exercise to convince Noble, Delek and more importantly Woodside to invest billions of USD in the construction of a 10-15 bcm/y pipeline through so volatile a place as post-Assad Syria*.

Offshore Bypassing Lebanon via Cypriot EEZ: the second theoretical route of such a pipeline would essentially bypass Lebanon by crossing through Cyprus' EEZ and in particular Blocks 12, 9, 13 and 3 before it enters Turkish and "Turkish-Cypriot" territorial waters either via Syria's undetermined EEZ or via the arbitrarily defined EEZ of the occupied northern parts of Cyprus which is solely recognized by Turkey as the TRNC (Turkish Republic of Northern Cyprus). Such a solution would be impossible in the absence of a comprehensive resolution of the Cypriot Problem and Nicosia has said that it would not link its gas export options with the inter-communal talks which are set to begin in October.

Israel is unlikely to proceed with the *de facto* recognition of the TRNC a possibility it refused to consider even at the apex of its strategic alliance with Turkey during the second half of the 1990s. *Noble and Delek are currently committed to the development of Aphrodite and the Vassilikos LNG terminal and are highly unlikely to jeopradise their investments in Cyprus for any Turkish Pipeline that would especially violate Cypriot sovereignty*.

Cyprus-Lebanon-Israel Maritime Boundary Proposals



Source: *The Daily Star*.

Offshore Bypassing Cyprus via Lebanese EEZ: The third and most likely alternative from a political point of view would essentially bypass Cyprus but would have to go through Lebenase territorial waters or Lebanon's EEZ. The difference would be very significant in terms of cost since it could increase the cost by a factor of 2,5 times. Given the existing state of war between Israel and Lebanon and their more recent friction over an area of 854km^2 that has frozen the development of the Alon F & Alon C blocks, *it is unlikely that the Israelis can bypass both Cyprus and Lebanon when considering an underwater pipeline connection to Turkey*.

For reasons of geography the pipeline would pass either through Cyprus' EEZ or through the area of the Lebanese EEZ, which is adjacent to the area of Israel's EEZ that is contested by Beirut. *Moreover, a serious consideration of a Turkish-Israeli pipeline would make the ratification of the 2007 Cyprus-Lebanon EEZ agreement much more likely*. In that case the construction of a Turkish-Israeli pipeline would become even more difficult. Even in the highly unlikely case that Turkey and Israel could reach an accomodation with Lebanon they would have to cross either Syrian territorial waters or Syria's EEZ which are undefined with *both* Lebanon *and* Turkey.

Conclusion

Despite U.S. efforts to force an improvement of Turkish-Israeli relations, in view of the spill-over dangers of Syria's Civil War, the strategic divergence in the policy priorities of Turkey and Israel has increased since March 2013. The potential rapprochement between Iran and the U.S. as well as the destruction of Assad's chemichal arsenal under the U.N. process could reduce the incentives of an Israeli-Turkish rapprochement, even from the U.S. perspective. It is difficult not to foresee the eventual yet partial re-normalization of Turkish-Israeli relations, but the benefits of such a renormalization for Israel do not justify a drastic change in Israeli policies vis-à-vis Cyprus and Greece that would effectively ledd to the *de facto* recognition of the TRNC from Israel.