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ENERGY STRATEGIES 2023
The Mediterranean: new resources and integration

BACKGROUND PAPER
A view from the region

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Traditional fossil sources for energy have been always been viewed as sources for fierce competition between concessions' seekers, sanctions' imposers and opposing rights claimers. These sources and actors are still there and remain active. But in recent years we have also witnessed the positive aspects of the energy sector on regional developments, which should be studied and leveraged beyond the energy domain.

Three examples to consider:

- Europe's reaction to the Russian invasion of Ukraine;
- the strategic decision of Europe to reduce its dependence on Russian energy resources shows political and economic resolve by citizens and leaders. It does not solve all the problems slowing down the process of Europe's unification but it strengthens the resilience and determination to push on;
- natural gas as a pacifying factor in the East Mediterranean.

Conflicts in the Middle East and specifically in the eastern part of the Mediterranean could have turned natural gas discoveries in the area from a source of economic rejuvenation into a cause for war (*casus belli*). Instead, and in spite of political hurdles, Egypt, Jordan, the Palestinian Authority and Israel teamed up with Cyprus, France, Greece and Italy to create the East Mediterranean Gas Forum. The EMGF enables discussions on energy regional cooperation, including the sales of natural gas from Israel to the PA, Jordan and Egypt.

The drastic reduction of European procurement of Russian natural gas opens up the option of increased quantities imported from the East Mediterranean. This can be done in stages, starting with an increased liquification of Israeli and Egyptian gas in Egypt's installations and later by shipping liquefied natural gas. Other technical alternatives for the delivery of gas exist and they can be carefully considered in due time.

Another positive development in this respect was the agreement reached between Lebanon and Israel (27th of October 2022) in the dispute over their relative Exclusive Economic Zones. This should unplug the development of the maritime natural gas resources in Lebanon and, in due course, allow exports to Europe and help reduce Lebanon's huge economic problems.

On the 8th of November 2022, Israel, Jordan and the United Arab Emirates signed a Memorandum of Understanding at the heart of which is the supply of desalinated Mediterranean water from Israel

to Jordan and the supply of solar energy from Jordan to Israel. This is a good example of interdependency creating a win-win situation between a country lacking fresh water resources with long distances from the sea and urban centres and another with unlimited sea water at close range to its neighbours (the PA and Jordan), but with limited space for solar farms. The project can be eventually expanded and include other regional participants.

To summarise, the European Union has in recent years slowed down its East Mediterranean activity mostly due to developments beyond its control. The situation described above calls, however, for an enhanced role of the EU in promoting greater economic cooperation, that will also serve the interests of the member states.

This can be done with:

- the expansion of the EMGF by adding new members (the EU is already an observer);
- by tasking professional entities like the World Bank (also an observer) and the European Investment Bank with proposing the best technical and financial options for conveying gas, oil and possibly solar electricity from the Middle East to Europe and, above all, for preparing the transition to the era of clean/green energy.

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Ambassador Oded Eran is currently Senior Research Fellow at the Institute for National Security Studies (INSS) in Tel Aviv, where he served as Director from July 2008 to November 2011, following a long career in Israel's Ministry of Foreign Affairs and other government positions. Before joining the INSS, Ambassador Eran served as Secretary General of the Israel branch of the World Jewish Congress. From 2002 to 2007, he was Israel's Ambassador to the European Union, covering NATO as well. Prior to that, he was also Ambassador to Jordan, and Head of Israel's negotiations team with the Palestinians. Among his previous positions: Deputy Director General of the Ministry of Foreign Affairs and Deputy Chief of the Israeli Embassy in Washington DC. Between 2007 and 2013, Ambassador Eran served as an advisor to the Knesset sub-committee on Foreign Affairs. He holds a Ph.D. from the London School of Economics.



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