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DİPLOMATİK İLİŞKİLER ve POLİTİK ARAŞTIRMALAR MERKEZİ  
CENTER for DIPLOMATIC AFFAIRS and POLITICAL STUDIES

ANALYSIS

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# ENERGY EQUATION AND GLOBAL POLICY IN THE EASTERN MEDITERRANEAN

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### ENERGY EQUATION AND GLOBAL POLICY IN THE EASTERN MEDITERRANEAN

This study examines the concept of the Exclusive Economic Zone (EEZ), which causes our country and the Greek Cypriot Administration of Southern Cyprus (GCASC) to face diplomatically in the Eastern Mediterranean region, with the EastMed project, which excludes our country, within the framework of various alliances created by the policies of our country and the GCASC towards the energy reserves in the current region and the disagreements brought about by the concept of EEZ, thus, it has been shaped around the attitudes of the Middle Eastern states of the region, which are drawing an unstable picture due to their political and internal turmoil, and the question of which direction the energy chess in the region can evolve in this context.

In the first chapter of the study, the definition of the concept of EEZ in terms of ensuring the integrity of the subject and then the examination of the concept within the scope of the region, which is the subject of the study, has progressed. In the second chapter, the policies regarding the energy reserves of our country and the GCASC in the current region and the EastMed project are written, and in the third chapter, especially after the Arab Spring, the political crises in the states that we can call energy producers in the region, the situation and attitudes of the states in the region, which seriously affect the hydrocarbon production in the region and cause the restructuring of the energy-based power balances between the states, are discussed. Finally, from this point of view, the study found shape from this point on the question of which direction the developments that can occur in the chess of these states over the region can evolve.

#### Chapter 1

The concept of EEZ, which was included in the international law literature with the United Nations Convention on the Law of the Sea (UNCLOS) dated 10 December 1982, which came into force on 16 November 1994, in the most basic expression, is a concept that refers to an area in which other states that are on the coast of the state have various economic rights, such as research, conservation or operation, as well as the sovereign right to use areas to gain energy, on living and inanimate resources that exist 200 nautical miles wide from the starting point of the territorial waters of the state. However, the necessity of publishing border maps and geographical coordinate lists of a

coastal state and declaring them to the United Nations (UN) within the scope of Article 75 of the aforementioned contract is another important point in terms of the use of the EEZ and the claiming of rights on it. In addition, declaring an EEZ in the field of fisheries is of great importance for the coastal state, and in this direction, the right to determine the fishing and fishing quotas in the declared area falls within the regulatory jurisdiction of the coastal state.

The difference between the concept of EEZ and the continental shelf is expressed in two different aspects in the literature, first of all, an appropriate announcement is needed to gain rights in the EEZ and this situation must be declared by the UN. Conversely, the continental shelf is a

natural right for coastal countries without being declared. Secondly, while the EEZ states that in addition to all continental shelf rights, it also provides the coastal state with sovereign rights that will create economic gain in the management of living natural resources in the continental shelf area such as exploration, operation and protection; continental shelf refers to the situation in which it provides rights to inanimate resources above and below the sea.<sup>1</sup>

The Eastern Mediterranean appears as region which has always been of geopolitical and geostrategic importance, and whose importance is constantly increasing, is a region that has led to the reshaping of regional dynamics in line with the energy resources that have been identified in recent years, or in other words, hydrocarbon reserves. While the changing dynamics led the states that want to show up in the energy trade to disagreements about the route of sale of the discovered reserves and to search for new markets in this direction, this environment of competition and disagreement drew an increasing momentum day by day, causing the crises in the region to deepen. So much so that the interpretation that it plays and will play a key role in the resolution of many problems, disagreements and conflicts in the region, especially the Cyprus problem, and within the framework of this interpretation, we encounter various arguments.

The discovery made by Israel in 1999 increased the interest of many international actors to the Cyprus problem, and the activity in the region and the subsequent increase in tension started with the 2000s in a historical perspective; chronologically, it would be appropriate to

open parenthesis to the discovery of the resources in the region in order to ensure the integrity of the subject. In this direction, we first see the Tamar field, which was discovered in 2009 in the EEZ of the state of Israel, approximately 90 kilometers off Haifa, the first major natural gas reserve in the region. The discovery of this field has brought along various political debates; a year after the discovery, the state of Israel discovered a larger reserve in the field called Leviathan, before the current debates stopped. This discovery led to a further exacerbation of the developments in the region. A year after this discovery, another area called the Aphrodite field was discovered in block 12, 160 kilometers south of Limassol and 30 kilometers west of the Leviathan field. This discovery also led to the straining of relations in Cyprus. Four years after the discovery of Aphrodite, Egypt made its biggest discovery up to that time with the Zohr field, which is 150 kilometers off the coast. Then, 3 years after its current discovery, there was another discovery made in the Nur field, which is about 50 kilometers off the north of the Sinai Peninsula. In February of the same year, the Italian ENI energy company, which was in charge of the exploration works in the region, announced that a natural gas reserve was reached by descending to a total depth of 3827 meters in the Calypso field, which has a sea depth of 2074 meters. In 2019, the partnership of Exxon and Qatar Petroleum, which continued its exploration activities in block 10, announced that they had identified a natural gas reserve in the range of 142 to 227 billion cubic meters, according to the first determinations, in the field named Glauco-1 at the end of February; the significance of this discovery was noted as the largest reserve ever found off the coast of Cyprus. As a result of these remarkable

discoveries, the region has become an area that attracts the attention of international companies. On the other hand, the issue of how these resources will be transferred to consumer states emerges as an element that increases the mobility in the region and subsequently the tension.<sup>2</sup>

There are many riparian states in the region. The fact that an EEZ agreement approved and accepted by the parties has not been signed in such an area; depending on this situation, leads to the fact that states cannot act independently from other states in matters such as hydrocarbon explorations in the region or the roads through which export routes will pass. On the other hand, the main factor that causes the waters in the region to not cool down is the EEZ agreements signed with the neighboring countries as a result of the GCASC's desire to allow exploration and operation activities in the energy fields unilaterally and to put the energy issue on the agenda of regional and international actors with a very insistent attitude. In this context, the EEZ signed with Egypt in 2003, with Lebanon in 2004, and with Israel in 2010. Based on these agreements, the state has determined hydrocarbon exploration zones in the territorial waters of the island. In fact, although the current situation under the EEZ indicates cooperation, the unilateral steps taken by the GCASC constitute an important obstacle to the search for security based on energy cooperation in the region; although this situation is a factor that cannot be ignored, it does not only cause tension between our country and the GCASC, but also complicates all energy cooperation in the aforementioned region. In other words, the hydrocarbon exploration blocks defined in the documents distributed for the two international tenders issued by the GCASC in 2007 and 2014, overlap with the

EEZ borders determined by our country in certain regions and appear as developments that cause conflict. However, when we turn our eyes to recent years, the situation that the GCASC gave permission to Italian Eni and French Total companies for exploration and drilling activities emerges as a basis for the tensions experienced.

Our country, which argues that there is no international agreement authority on the whole island, does not recognize the agreements signed by the GCASC in this sense; however, it argues that the discovered reserves belong to the entire island population and that both communities should decide together on how to develop these resources. Despite all this situation, in response to the unilateral steps taken by the GCASC, the TRNC also granted exploration permits to the Turkish Petroleum Corporation in seven different blocks in 2011.

## Chapter 2

It is an undeniable fact that, due to the location of our country, it is the safest, most stable and cheapest route in terms of transporting the energy reserves in the aforementioned region to the European energy market, and that it is the most suitable market for the gas in the region due to the increasing energy need. With these characteristics, it determines its attitude towards the energy reserves discovered in the region by focusing on the rights of the Turkish Cypriot community over the resources; it is possible to state that this attitude can lead to two different results within the framework of the policies of other states in the region. The first of these results is that our country will show an open attitude towards energy cooperation in the region if other states

determine their preferences for the operation and use of energy reserves in a way that protects the rights of the Turkish Cypriot community. Secondly, if these states make the opposite choice, our country will be able to risk a possible tension in the region in order to defend the rights of the Turkish Cypriot community.

After the Cyprus negotiations, which ended in failure in July 2017, the GCASC has also accelerated its natural gas exploration activities; the natural gas exploration permit it has given to the energy companies it works with has also been the main reason for the tension in the region recently. Again, in this direction, our country has also revealed that it will carry out more exploration activities in the region, and it has even been announced that seismic surveys will be carried out in Güzelyurt Bay and that the first deep drilling of our country will be carried out in the study area.

Parallel to all these developments, when we continue within the scope of the EEZ, the fact that a certain part of the 6th parcel determined by the GCASC is located within the EEZ of our country has revealed the result that our country sees this situation as a violation of our sovereign rights. In this direction, it stated that it would not allow work to be carried out in this area, and on February 9, 2018, the drilling ship Saipem 12000 of the Italian company Eni was stopped by Turkish warships and was not allowed to continue its activities.

Since the EEZ agreement signed with Egypt in 2003, GCASC has been continuing its energy activities in the region unilaterally. In this respect, on the one hand, it ignores the rights of the Turkish society, which can be expressed as the founding element of the island; on the other hand, it acts in

order to create a regional and international agenda through energy resources from its own perspective. In 2007, the GCASC divided the area it had designated as its EEZ into 13 parcels and allowed international companies to search for energy on behalf of the Republic of Cyprus. In this direction, Noble Energy from the USA started various studies in this sense in 2011. These studies were followed by the activities carried out by companies such as Italian Eni and French Total in various parcels. And even after the Cyprus negotiations, which ended in failure in Crans Montana, it continued its initiatives in European countries on energy. In addition to these developments, it has also improved its cooperation in the field of energy with various countries, especially Egypt and Israel, and expanded it to military fields. GCASC, which is also working on transporting natural gas reserves with Israel, first to Greece and then to Italy; with the financial support of the EU, it also aims to implement the Eastern Mediterranean Pipeline Project (EasteMed), which is the longest and costliest natural gas pipeline in the world. However, the high cost, limited volume compared to other options, low levels of natural gas prices and European demand, which is not expected to increase in the medium and long term, reveal the interpretation that this project is not very feasible. In addition to all these, it is based on the fact that a pipeline from Israel will reach Cyprus via the Egyptian EEZ, and from Cyprus to the island of Crete by bypassing Turkey; the project, which is designed to connect the island of Crete directly to Greece, arguing that it is outside the EEZ between Turkey and Greece, causes the waters to heat up seriously in diplomatic relations, as it will pass through the EEZ of our country in terms of the EEZ concept, and it reveals Turkey's

disagreement with the GCASC and Greece at the point of EEZ. <sup>3</sup>

### Chapter 3

As a result of the developments experienced, the production in the region, especially in Egypt and Syria, decreased significantly; it can even be said that it has come to a standstill. This situation has caused Israel, which is the leader of the natural gas discoveries in the region, to become an energy exporting country from being an energy-dependent country. And it should be stated that this position both opened a new dimension in bilateral relations with Egypt and caused the regional energy balances to change. When the Eastern Mediterranean and Israel are mentioned together, the Tamar fields, which are still in production, and the Leviathan fields, which are planned to be developed for export purposes and are awaiting a final investment decision, stand out; however, apart from these two main fields, there are two more new fields in the region. At this point, it turns out that all these resources have the potential to meet the gas needs of the state of Israel for approximately 200 years. In addition to this, it should be stated that these resources also offer the opportunity to export to the state, and that they even have various goals for the export of gas to the European market, not only to Egypt and Lebanon, but also to the GCASC and Greece, and that they want to draw a road map in this direction. So much so that there are three different roadmaps for this aforementioned goal; transporting natural gas to the European market via the Israel-Haifa-Ceyhan pipeline over our country is considered the most reasonable option. While the second roadmap was drawn over the Liquefied Natural Gas (LNG) facilities in Egypt; the third roadmap is planned to

reach the European market via Greece with the EastMed project mentioned in the previous chapter.

It is obvious that the Egyptian state, which came to the fore with the coups and internal turmoil it faced in the Arab Spring, was the player of the chessboard making various moves with its rights and authority over the energy resources in the region and policies such as the EEZ issue. The state has made agreements with the GCASC and Israel to export the resources to Europe after extracting the energy resources in the region and meeting its domestic needs accordingly. And within the framework of the negotiations with both states, it can be said that the region has had the opportunity to become a distribution center that is important for the supply of resources in the international arena. At the same time, the discoveries of both states, with which agreements were made, caused Egypt to want to benefit even more from the existing resources. This situation emerges as a situation that will encourage the state to sign EEZ agreements with the GCASC, Greece and Israel in order to determine its jurisdiction in the region. So much so that, despite all the objections of our country, in September 2018, the government signed a natural gas agreement with the GCASC in Lakarna by the energy and oil ministers of the parties. However, Egypt, which is one of the three countries that is a party to the extraction and subsequent export of natural gas to be produced in the region; has also taken joint decisions with these countries on the liquefaction of the natural gas extracted by sharing the EEZ and the continental shelf among themselves and its transmission to Europe via the underwater pipeline.

Another actor in this chess game, Syria, differs from other actors that make various

moves regarding rights claims and shares. Although hydrocarbon exploration activities were carried out before 2011, the state, which became a country of depression under the control and pressure of the Assad regime with the civil war it was dragged into in 2011, could not take an active role in the jurisdictions and energy in the region, and due to the security problem and instability due to the escalation of the incidents, the works started stopped. It has been stated by the reports of various institutions that the state has very rich resources in terms of both natural gas and oil reserves, and it will not be unexpected that Russian companies are more dominant in the extraction of Syrian natural gas in the region. So much so that the agreement signed with Syria Soyuzneftegaz in 2013 reveals this situation. From this point of view, it can be interpreted that Russia, which has made a name for itself in history books with its dream of landing in the warm waters of the Mediterranean, has taken its place quite easily in the geography it dreamed of in parallel with the developments that emerged with the Arab Spring. It is an undeniable fact that it will be deployed to the important ports on the coast of the region with the various agreements it has made with the Assad regime, and that it has changed the dynamic of the region. This situation, supported by Russia, puts forward the argument that it will be important in terms of affecting the energy policies of the current region by making Syria a new oil and natural gas producer country in the region. Of course, when the geopolitics of the region and the developments are taken into consideration, it also reveals that this situation can cause quite mixed moves in terms of the balance of power of chess.

Lebanon emerges as a state that has problems in the region because of Israel. Since Lebanon did not officially recognize the state of Israel, with which it had fought many wars in the past, it has followed a mixed path in its efforts to resolve the border issue, and it can be said that the border conflict between the two states is largely due to the fact that the GCASC made separate agreements with different riparian countries. In this direction, considering that there is no definite border drawn between the GCASC and the TRNC, it can be stated that a possible Lebanese-Turkish cooperation in the region, which is considered as one of the disputed regions, may be important for the energy security of both countries.

When we continue in the perspective of Libya; Chairman of the Libyan Interim Presidential Council Muhammed Yunus Menfi met with Greek President Ekaterina Sakellaropulu and Prime Minister Kiriakos Mitsotakis in Athens; and both countries agreed to start negotiations to determine maritime jurisdiction areas. Despite the fact that Greece made various agreements for the current region with various states that are far away from it, our country claimed that these agreements violated the rights of Turkey, and after reaching an agreement with Libya, Greece accepted this situation as null and void. As the reason for the null provision, it put forward the reasons that our country does not have natural borders with Libya, the sovereignty rights of the large Greek islands are ignored and the agreement has no legal basis. In this direction, a partial agreement was signed with the Egyptian state at the UN in August 2020, determining the maritime jurisdiction areas, and our country showed its counter move by canceling the expected Turkish-Greek talks. By 2021, after the ceasefire declared in Libya in the first half

of the year, a new Government of National Unity was formed and it was stated that the government wanted to establish a balanced relationship with both our country and the Greek state.<sup>4</sup>

### Conclusion

If we compare the region in question to a chessboard, among the players of the region who want to protect the king in chess and take advantage of the king's blessings, the GCASC comes first among the countries that make many moves in this direction. However, the fact that the unilateral steps it is taking will increase the pressure on our country's policies, and the fact that the GCASC state may suddenly become the target of international pressure in chess should not be ignored. These steps threaten both peace and stability in the region. Despite relying heavily on the Eastern Mediterranean Pipeline Project, the fact that the project has many negative factors can be considered as an indication that the GCASC side is somewhat tied. However, from the perspective of our country, the continuation of the uncompromising policies of the GCASC may lead to developments that will drag the energy equations in the region to a dead end.

Steps to be taken in case of escalation of tension in the region should not bring to mind only military options. So much so that our country, which is the key country in energy transportation between energy supplier and consumer countries, can disable itself in the region and impose various sanctions on companies that will carry out various studies in the future. On the other hand, our country should declare its own EEZ and continental shelf as soon as possible, abandon its ineffective stance in energy geopolitics in the region and

become one of the active actors in the chess. As a natural gas importing country, it is possible to consider the discovery of natural gas, which can be realized in several reserves, as a situation that can exclude our country from Russian gas dependency. This will be an important development for our country's economy. Of course, it is also important from the perspective of our country to develop diplomacy with riparian countries in order to protect energy interests and play an active role in the region. However, the Arabian Gas Pipeline may be preferred instead of the Eastern Mediterranean Pipeline, or in other words, EastMed, which we oppose. The choice of this line, within the framework of stopping the conflicts in Syria, is by joining the Arabian Gas Pipeline to the Baku-Tbilisi-Ceyhan Pipeline and connecting to both the Ceyhan port and the TANAP Pipeline; hence it can be realized by paving the way for energy transfer to Europe in a more effective and efficient way. This, in turn, could remove the political and military stalemate in the Eastern Mediterranean.

As a result, when we consider the situation of the region, we see that we will continue to witness the mutual moves of the actors who want to turn the game on the chess board in their favor, with the new natural gas pipelines and different partnerships that may appear in the current region in the future. At the same time, I would like to express that the energy issue will create an inviolable area that is not affected by the disagreements in global politics, and that it will appear as another result.

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