How the Emerging Balkan-Israeli Strategic Alliance could Alter Energy Security in the Eastern Mediterranean Basin

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Abstract: This paper seeks to analyze Israel’s emerging strategic alliance with the Balkan countries, not only as an “alternative” to Turkey, but rather expose how interest-driven policies are rapidly shaping deepening political, military & intelligence cooperation with Cyprus, Greece, Romania and Bulgaria. At the backdrop of Israel’s quest to form alternative alliances with non-Middle Eastern states close to its geographical vicinity, is its apparent interests in exporting newly discovered energy riches to European markets. Aside from commercial aspects driving Israel’s relations with Greece and Cyprus, it remains unclear how viable a Balkan-Israel alliance can be without some sort of Turkish-Israeli rapprochement.

Keywords: Israel-Turkey relations, Balkans, energy, security dynamics

Introduction

Following what has widely been described as the collapse of the Turkish-Israeli strategic partnership over Ankara’s support for the 2010 Gaza-bound “Freedom Flotilla,” the Jewish state began forming alternative alliances with several countries in the Balkans. In particular, ties with Bulgaria and Greece have blossomed over mutual concern over an increasingly assertive Turkey, while Israel has also significantly increased bilateral defense and intelligence cooperation with Cyprus, Romania, Serbia, Montenegro, Macedonia and Croatia as part of a wider effort to deter international jihad and terrorist networks from establishing a foothold in the Balkans.

The emerging strategic alliance with the Balkans states, under Foreign Minister Avigdor Lieberman’s stewardship, is also a paradigm shift from Israel’s traditional foreign policy as the current government remains “skeptical” of whether the Jewish state “will ever” be fully integrated into the broader Middle East. That skepticism, Israeli polls suggest, have also resonated with the public at large, as Israelis gradually are shifting towards the political right.

From the “Oslo accords” of the 1990s and onwards, every successive Israeli government sought to reach a comprehensive Arab-Israeli peace treaty through a permanent settlement

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with the Palestinians. However, following the second Palestinian intifada, the withdrawal from Gaza - and the subsequent 2006 Lebanon war, large segments of the Israeli public are increasingly questioning whether the Jewish state will “ever be accepted by the Arabs.”\(^1\)

That narrative, coupled with the public’s general “fatigue” with the strained Middle East peace process has enabled the rise of Lieberman’s ultra-nationalist “Yisrael Beiteinu” to become Israel’s third largest party, and subsequently returned Benjamin Netanyahu to the prime minister’s office.

Meanwhile, following the collapse of the Mubarak regime in Egypt, Tel Aviv faces a great deal of uncertainty as it is far from clear whether a new Cairo regime will engage Hamas and Iran in particular. Additional regional instability prompted by the “Arab Spring” and official mistrust of Turkish Prime Minister (PM) Recep Tayyip Erdogan’s intentions towards Israel, arguably left the Jewish state with little choice but to form alternative alliances with non-Middle Eastern states close to its geographical vicinity.

### A Chronology of Deteriorating Israeli–Turkish Relations

During Ehud Olmert’s tenure as Israel’s Prime Minister (2006–2009), Turkey mediated five rounds of talks between Israeli and Syrian officials. Toward the end of 2008, the two sides appeared to be on the verge of resuming direct negotiations. While much of that progress was attributed to a seemingly effective working relationship between Olmert and Erdogan, following their last meeting in Ankara, in December 2008, the Turkish leader called Syrian President Bashar Assad and relayed messages to and from the Israeli PM.\(^2\)

However, at the backdrop of Ankara’s leading mediation role, Turkish officials have since repeatedly stated that Erdogan felt “blindsided” by Israel’s 2008 Gaza war. The decision not to inform Erdogan about Israel’s military plans vis-a-vis Hamas, Turkish officials said, laid the groundwork for a series of subsequent events leading to the presently unresolved Turkish-Israeli crisis.

Israeli officials, on the other hand, attributed Erdogan’s scolding of its president, Shimon Peres, at the 2009 Davos forum as a “public humiliation” – and pronounced hostility towards the Jewish state. Months after that contentious encounter, Turkey canceled a joint air force exercise scheduled to have taken place in October 2009. A year after the Peres-Erdogan clash, Israel arguably did its part to respond in kind: In front of live television cameras, Deputy Foreign Minister Danny Ayalon summoned the Turkish ambassador to his office where he paraded him on a lower chair while informing the journalists present of his deliberate plot to humiliate him.\(^3\) Immediately after the January 2010 occurrence, Ankara withdrew its ambassador from Tel Aviv. Nearly six months later, bilateral relations

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1 Arens 2010.
2 Haaretz 2010.
3 AP 2010.
were again tested, after Israel prevented a Turkish ship from breaking Israel’s blockade of Gaza.

**Diplomatic Outreach Following Tensions With Erdogan**

As tensions with Erdogan exasperated following Israel’s refusal to apologize over last year’s deadly naval raid on the “Mavi Marmara,” in which nine Turkish citizens were killed by IDF commandos, Ankara expelled Israeli envoy Gaby Levy. Subsequently, and despite a UN inquiry concluding that Israel’s Gaza blockade is in accordance with international law, Turkish officials have suggested that Ankara may dispute that finding at the International Court of Justice in The Hague.4

For those reasons, Lieberman’s diplomatic outreach to the Balkan states was also a strategic decision on behalf of the Netanyahu government to lift Israel out of its regional isolation. While the Netanyahu government is widely perceived internationally as “unwilling” to advance the stalled Middle East peace process, by making the necessary political and territorial concessions, realpolitik has nonetheless trumped its foreign policy overture towards the Balkans and Cyprus.

**Mediterranean Gas Discoveries and Geopolitics**

A critical component of Israel’s strategic shift towards Southeastern Europe, and realigning its foreign policy with economic interests, is the discovery of massive gas reserves in the eastern Mediterranean basin. Current industry estimates suggests that roughly 1.7 billion barrels of recoverable oil and 122 trillion cubic feet of recoverable natural gas are to be found in eastern Mediterranean waters.5 Preliminary estimates suggest that gas deposits in Israeli waters, accounting for an estimated 16 trillion cubic feet (tcf), could potentially solve Israel’s gas consumption for decades. Although the gas discovery is not believed to have a “game changing” impact on global markets, as it accounts for less than 0.4 percent of the world’s proven gas reserves, the discovery will indeed significantly boost Israel’s economy.6 In December 2010, Cyprus and Israel signed a bilateral exclusive economic zone.

While the largest natural gas deposit discovered in the eastern Mediterranean is the “Leviathan,” situated in Israeli waters, experts believe the field in question could account for some 16 tcf and put Israel in a position of becoming an energy exporter.7 The Houston-Texas based Nobel Energy has signed agreements with the government of Cyprus and

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4 Ravid 2011a.
5 Henderson 2011.
6 Shaffer 2011.
7 Henderson 2011.
Israel to begin explorations in their respective territorial waters.\textsuperscript{8} Currently, talks are conducted between Greece, Israel and Cyprus on how the newly discovered energy riches can be exported to European markets.

During PM Netanyahu’s August 2010 visit to Greece, he offered Athens the opportunity to serve as a transit state for Israel’s natural gas markets in Europe. Similarly, FM Lieberman promoted routing Israeli gas through Cyprus on the way to Greece. While preliminary discussions center on constructing a potential joint gas-liquefaction center in southern Cyprus, a second alternative could become an underground pipeline stretching from the Israeli gas fields to Greece and from there to potential markets in Bulgaria and Romania.\textsuperscript{9}

Israel’s ongoing energy-talks with Greece and Cyprus appear as a strategic decision to fully abandon future energy discussions with Turkey. In 2007, Turkish and Israeli officials held initial talks on constructing a 460-km oil and gas pipeline stretching from Ceyhan to Haifa. As Tel Aviv is turning towards Athens and Nicosia for cooperation on its energy security, it is possible that Israel’s gas discoveries are not only seen as a “missed economic opportunity for Turkey, but rather as a strategic “threat.”\textsuperscript{10}

Gas and Potential Conflicts

At the backdrop of the gas discoveries in question, two emerging conflicts are brewing: The first is between Cyprus and Turkey, as Ankara does not recognize Nicosia’s exclusive economic zone with Tel Aviv. And the second conflict is between Israel and Lebanon over an 850 square kilometer disputed maritime border.

Cyprus–Turkey

Since Turkey first occupied northern Cyprus is 1974, Ankara has insisted that Nicosia does not have the right to solely manage the island’s natural resources without providing Turkish-Cypriots a “fair share.” In reference to Cyprus’ newly discovered gas resources, Turkish FM Ahmet Davutoglu warned on 5 August 2011 that Ankara would take the “the necessary response” if Nicosia went ahead with its offshore exploration plans.\textsuperscript{11}

Shortly after Davutoglu’s statement, and in an apparent message to Turkey, Cypriot FM Erato Kozakou-Marcoulli travelled to Israel where she received support on the Cypriot position from counterpart Lieberman and PM Netanyahu.\textsuperscript{12} “We are two eastern

\begin{footnotesize}
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\item[8] Nobel Energy 2011.
\item[9] Shaffer 2011.
\item[10] Reuters 2011.
\item[12] Keinon 2011.
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Mediterranean democracies with common values and overlapping interests,” Netanyahu underscored. He also called for possible expansion of energy cooperation “given that both countries have been blessed with natural gas reserves in their maritime economic zones.”

**Israel–Lebanon**

Meanwhile, the Israeli gas discovery also presents a possible conflict with Lebanon. While Israel and Lebanon do not enjoy diplomatic relations, the two countries are logged over a maritime border dispute as the waters in question are believed to potentially contain large gas and oil deposits.

On July 9 2011, Israel filed a petition with the UN outlining what it considers its own maritime border, and shortly thereafter Lebanese Energy Minister Gebran Bassil accused Tel Aviv of “infringing” on its territorial waters and accused Tel Aviv of “renewing aggression.” Responding to an influx of Lebanese statements, Israel’s Strategic Affairs Minister Moshe Ya'alon accused Iran and Hezbollah of seeking to rack up tensions with the Jewish state over its maritime border dispute.

At the U.S. State Department, an official deeply involved with settling the Israeli-Lebanese dispute expressed that Washington warned the parties against “politicizing” the territorial dispute and instead called for resolving the issue as a “technical matter.” The senior diplomat also outlined the US position on the matter, calling on Beirut and Tel Aviv to “dial down” their rhetoric and instead convene their respective legal specialists to examine various dispute mechanisms available within the international legal framework. Moreover, as Washington is apparently calling on the parties to begin explorations in non-disputed waters, Lebanon has still not begun carrying out preliminary explorations. Nonetheless, U.S. diplomats and technical experts believe non-disputed Lebanese territorial waters could contain similar quantities of energy resources as those discovered well within Israeli waters.

**Hassan Nasrallah’s Statement on Mediterranean Gas Discoveries**

A potential conflict between Israel and Hezbollah over the disputed waters should not be ruled out. Nonetheless, weeks after Israel’s UN petition, Hezbollah Secretary General Hassan Nasrallah possibly suggested in a 26 July 2011 speech, marking the fifth anniversary of the 2006 Lebanon war, that his organization does not intend to make the maritime dispute into an underwater “Sheba Farm.” In his address, Nasrallah even suggested that Lebanon’s potential gas discoveries could help to pay for the country’s massive economic debt.

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14 Buck and Fielder 2011.
15 Ravid 2011b.
16 Nasrallah 2011.
Moreover, according to the U.S. official in question, both Lebanon and Israel recognized that no energy investments will be made until the maritime dispute has been fully resolved. For those reasons, Washington seems cautiously optimistic that the issue can be resolved either through mediation at the UN or possibly even by Cyprus – as Nicosia is known to enjoy friendly relations with both Israel and Lebanon.

While Cyprus and Lebanon signed an exclusive economic zone in 2008, that treaty has yet to be signed by the Lebanese parliament. Until now, Ankara has pressured the Lebanese parliament not to ratify the agreement. However, according anonymous Cypriot, Israeli and U.S. officials, it is doubtful whether Turkey will have any significant leverage on the issue due to the vital impact the gas discovery in question could have on the Lebanese economy.

Balkans and Israel’s National Security

Aside from commercial aspects driving Israel’s emerging alliance with Greece and Cyprus, fear of Turkey’s “neo-Ottoman” foreign policy has arguably enabled Tel Aviv to establish herself as a “patron” to the Balkan states at the backdrop of what regionally is perceived as Erdogan’s “aggressive” foreign policy. Hence, as Netanyahu apparently concluded that ties with Ankara could no longer be rectified, even after a potential “apology,” Israel has already begun replacing its former strategic military partnership with Turkey with deepening defense cooperation with Athens, Sofia, Bucharest and Nicosia.

For the Israeli Air Force’s (IAF), a critical component for strengthening ties with the Balkan, is its ability to steadily improve its capabilities by conducting complex exercises beyond Israel’s small and familiar terrain. So far, since the 2010 Gaza-Flotilla, the IAF has conducted two joint exercises with the Hellenic Air Force (HAF). The first exercise, carried out in mid October the same year, apparently included four IAF Apaches helicopters on the Greek island of Crete. The second half of that drill was carried out the Peloponnesian peninsula in which four Black Hawks were used.17

In July 2010, a similar exercise was conducted in the central Romanian Carpathian Mountains. The drill, however, turned deadly after a Sikorsky CH-53 Sea Stallion helicopter crashed, due what is believed to have been technical failure and bad weather conditions. Shortly after the deadly accident, IAF Commander Major-General Ido Nehushtan and his Romanian counterpart, Major General Ion-Aurel Stanciu, opened a joint investigation into the cause of the crash that killed six Israeli airmen and a Romanian officer.18

17 Pfeffer 2010.
18 Pfeffer 2011.
Increasing intelligence cooperation, deepening political ties

At the backdrop of Israeli fears that Turkey could become an adversarial power, Tel Aviv has sought to leverage its apparent economic success to spearhead defense and intelligence cooperation with the Balkan states. According to a former senior Israeli official, areas of cooperation would include sharing Israeli expertise on the following issues: anti-terror training, homeland security technologies, airport and seaport security, and assistance on transnational counter-narcotics operations.\(^{19}\) Moreover, while intelligence cooperation will also include the battle against radical islamists groups seeking to gain a foothold in the Balkans, Israel apparently does not intend to provide combative military training.\(^{20}\)

Aside from increasing military and intelligence cooperation with the Balkan countries, PM Netanyahu and his foreign minister have cultivated personal ties with their counterparts in Sofia, Athens, Bucharest and Nicosia. As part of an effort to engage Israel’s “newfound” friends, Netanyahu and his senior cabinet ministers are, for the first time, holding joint cabinet meetings with the leaders of Bulgaria, Greece, and Romania – and in the future possibly with Cyprus. Topics for Israel’s joint cabinet meetings are likely to focus on bilateral dialogue ranging from joint air forces exercises, deepening military-to-military and defense research cooperation to investments, tourism and agriculture cooperation.

Romania, Bulgaria

As a testimony to Bulgaria’s intentions to upgrade relations with Tel Aviv, PM Boyko Borisov received assurances from Netanyahu that the two countries would increase joint air force cooperation while on an official visit to Israel in January 2010. Borisov also requested a meeting with than Mossad Director Meir Dagan to discuss issues pertaining to deepening bilateral intelligence cooperation. In addition to Dagan’s follow-up visit in October 2010, Netanyahu and Boris continued their talks at a joined cabinet meeting in Sofia this past 7 July.\(^{21}\)

In Sofia, Netanyahu described his official visit to Bulgaria as his “personal mission” and vowed to introduce the Israeli business community to Bulgaria by promoting joint ventures. Subsequent to Netanyahu’s talks with Borisov, the Bulgarian cabinet approved a bilateral military cooperation agreement. The agreement in question included, among other things, the IAF training its Bulgarian counterparts and utilizing Bulgarian airspace for military exercises.\(^{22}\)

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19 Leviev-Sawyer 2011.
20 Ravid 2011c.
21 Ravid 2011c.
22 Sofia Echo 2011.
Prior to Netanyahu’s talks in Bulgaria, the Israeli cabinet held a joint session with their Romanian colleagues on 6 July 2011. In Bucharest, PM Emil Boc praised Netanyahu as a “very pragmatic and efficient man. And therefore, we have decided to impose a pragmatic level in our collaborations too.” While Boc lauded bilateral energy, defense and agriculture cooperation, the Romanian PM arguably assured his visitor that Bucharest will vote against the Palestinian UN statehood initiative. In a joint statement, Boc said: “I have reaffirmed once more the support extended by our country to the solution of two states for two peoples that would live together in peace and security, without unilateral solutions.” In Bulgaria, Borisov apparently gave Netanyahu similar assurances, although that was later denied by Sofia. Subsequently, Israeli television reported that Netanyahu allowed for Romania and Bulgaria to each send one thousand construction workers to Israel in return for supporting Tel Aviv at the UN. On the Palestinian UN initiative, statements issued by Greece and Cyprus also suggests that those countries will support the Israeli position by rejecting [Palestinian] unilateral decisions.

Netanyahu and Papandreou, Best Friends?

Meanwhile, 2011 has become a significant milestone for the Greek–Israeli strategic partnership. As a testimony to that relationship, PM Netanyahu successfully persuaded the Athens government from preventing this summer’s “Gaza-flotilla” ships from departing Greek ports. Moreover, as Greek PM George Papandreou chose to reverse course from Athens’ long-standing “pro-Arab policies, HAF conducted its second air drill with the IAF in less than a year. The timing of the two-week long exercises, carried out in the Greek province of Larissa, in close proximity to the Turkish border, seemed to have been coordinated to conclude on the day Flotilla ships were scheduled to depart Greek ports.

What appears to be a “personal romance” enjoyed between the Greek leader and his Israeli counterpart, as the two leaders apparently speak at least once a week, the influential Haaretz enthusiastically described as “Netanyahu’s Greek wedding.”

Strategically, a possible modus operandi behind Athens desire to cultivate strong military relations with Tel Aviv is its unresolved maritime border dispute with Turkey. Under international law, every state is entitled to declare its own exclusive economic zone up until 12 nautical miles. However, in 1995 the Turkish Parliament declared that in the event Greece would extend its territorial waters beyond its current six nautical miles, Ankara would regard such as decision as “Casus Belli.”

For Netanyahu, Athens seems to have the potential to bring Tel Aviv closer to Europe and add a certain degree of regional stability, especially following Israel’s newfound energy

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23 Government of Romania 2011.
24 Siegel 2011.
25 Ravid 2011d.
riches. A robust partnership with Greece, in particular following Nicosia’s decision to begin its oil and gas drilling as early as September/October 2011 seem to at least partially explain Cypriot President Dimitris Christofias landmark visit to Israel in March this year. Following the first state-visit by a Cypriot President, Christofias issued a statement in which he called Israel as one of Cyprus’ “most important strategic partners.”26 In return, Peres praised Cyprus’ commitment to fight terrorism and thanked Christofias for his assistance in putting out the fire on Mount Carmel in December 2010.

This coming October, Israel’s President Shimon Peres is scheduled to reciprocate Christofias’ visit where he is expected to cement ties ahead of Netanyahu’s official visit later in the fall.

Aside from expected discussions centering on energy cooperation, leaders are likely to focus on joint intelligence cooperation as Cyprus is currently investigating a deadly July blast in which a depot of seized Iranian arms exploded on the southern Evangelos Florakis Naval Base. In 2009, following a U.S. intelligence tip, local authorities seized a Cypriot-flagged, Russian-owned ship, MV Monchegorsk.27 The cargo containing some 3,300 pallets containing high explosives, bullet casings and primers, were believed to have been destined for Gaza. While Nicosia has so far ruled out British and Israeli assistance to its investigation, the deadly affair arguably strengthened a bilateral desire to increase intelligence cooperation in order to intercept future Syrian and Iranian arms smuggling efforts on behalf of Hamas.

**Can Greece and Cyprus Be Considered a Viable Strategic Alternative to Turkey?**

While improved relations with Athens and Nicosia should be considered a significant foreign policy victory for Netanyahu, it remains unclear whether an alliance with Cyprus and the Balkan states can fully substitute for Israel’s former strategic military partnership with Turkey. Given Greece’s significant financial problems and Israel’s own budgetary restraints, it remains also doubtful whether any of the two countries can “afford” prolonged military tensions presented by an [potentially] adversarial inclined Turkey. Additionally, unless a political solution is found to the 2010 Gaza-Flotilla, the Greek-Israeli military partnership could easily escalate into regional instability as maritime tensions in the eastern Mediterranean with Turkey could become inevitable. For those reasons, coupled with the current regional turmoil presented by the “Arab-Spring,” Netanyahu’s diplomatic outreach to the Balkans and Cyprus should aim to maximize economic and military relations well short of establishing an “anti-Turkish” alliance.

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26 Reuters 2011.
27 Spencer 2011.
Confidence Building Measures

In order to overcome the present Turkish-Israeli crisis, with the intent of eventually normalizing relations, a series of confidence building measures are required. A first, but necessary step would likely entail to find common language formulating some sort of an Israeli statement meeting the Turkish demand for an apology for killing its citizens on the “Mavi Marmara.” In return, Ankara is expected to fully restore defense cooperation while reassuring the Jewish state of its intentions to prevent bilateral intelligence cooperation from being leaked to Iran. Since the Israeli Haaretz newspaper first reported on the appointment of Hakan Fidan, as the new Turkish spy chief, the Israeli defense establishment seemed to fear that sensitive intelligence sharing could end up in Tehran. Fidan, a close confident of Erdogan, is apparently believed to have been the main architect behind the Turkish-Iranian rapprochement.

On issues pertaining to energy security in the eastern Mediterranean basin, improved Turkish-Israeli ties would likely also serve as a critical catalyst to calm brewing tensions between Nicosia and Ankara and between Tel Aviv and Beirut. A critical building block for regional stability would be for Nicosia to advance the peace process with the Turkish Cypriot Republic while reaching some sort of an energy sharing understanding with the entity in question. In return, Turkey could use its influence in Beirut to calm tensions between Lebanon and Israel.

28 Oren 2010.
References


