Energy as Statecraft: Natural Gas, Israeli Foreign Policy, and the Eastern Mediterranean

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ABSTRACT

How does the discovery of new energy resources influence the formation and execution of state foreign policy? This dissertation examines that question through Israel's transition from chronic energy scarcity to natural gas producer, between the 2009 discovery of Tamar field and the October 2023 outbreak of Israel's war against Hamas. Theoretical frameworks all anticipated that such a structural change would redirect Israeli foreign policy in unique ways.

This dissertation offers an alternative account. The discovery of new energy resources does not redirect a state's foreign policy but absorbs into its existing foreign policy agenda: energy deepens cooperation where the foundations for it already exist and entrenches conflict or asymmetry where they do not. The primary explanatory variable is not energy but the path dependency of each bilateral relationship. Energy is an instrument of statecraft whose effectiveness is conditioned by the prior trajectory into which it is introduced; it rarely redirects that trajectory.

The argument is developed through five bilateral cases – Jordan, Egypt, Palestine, Lebanon, and Turkey-Greece-Cyprus – drawing on process tracing, open source primary and second sources, and personal interviews. Across all five cases, energy amplifies the existing trajectory of bilateral relations and rarely redirects them. Four conditions determine how those amplifying effects operate: the prior state of bilateral relations, which sets the ceiling of what energy diplomacy can accomplish; the relative distribution of leverage between parties; the presence of commercial actors willing to absorb political risk; and third-party facilitation, in which the United States emerged as an indispensable presence.

The dissertation contributes to scholarship on Israeli diplomatic history, energy and foreign policy, and Eastern Mediterranean geopolitics, offering a corrective to frameworks that predict uniform effects from energy discoveries regardless of prior relational context.

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GENERAL AUDIENCE ABSTRACT

This dissertation examines how the discovery of new energy resources influences the formation and execution of state foreign policy. It analyzes Israel's transition from chronic energy poverty to natural gas producer across fourteen years of Eastern Mediterranean energy diplomacy, from the 2009 discovery of Tamar field to the October 2023 outbreak of Israel's war against Hamas. Drawing on personal interviews and process tracing across five bilateral cases (Jordan, Egypt, Palestine, Lebanon, and Turkey-Greece-Cyprus) this study finds that energy did not exactly redirect Israel's foreign policy, rather its new energy priorities were absorbed into its existing foreign policy agenda and the preexisting context of each bilateral relationship, deepening cooperation where the foundations for it already existed and often entrenching contentious dynamics where they did not. Four conditions determine how these amplifying effects operate: the prior state of bilateral relations, which sets the ceiling of what energy diplomacy can accomplish; the relative distribution of leverage between parties; the presence or absence of commercial actors willing to absorb political risk; and the availability of third-party facilitation, in which the United States emerged as a consistent and indispensable presence. In this sense, energy is neither a catalyst for peace nor a driver of conflict; it amplifies the character of the bilateral relationships into which it is introduced. Its effects in the Eastern Mediterranean can only be properly understood within the context of the diplomatic history that preceded it.

To my wife Sarah and our daughters Maayan, Miri, and Tehillah

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Introduction

How does the discovery of new energy resources influence the formation and execution of state foreign policy? The Case of Israel in the Eastern Mediterranean: 2009-2023

On February 14, 2016, Israeli Prime Minister Benjamin Netanyahu appeared before the Supreme Court in Jerusalem. It was an unprecedented moment: never before had a sitting prime minister personally addressed the country's highest court in defense of government policy. The courtroom was packed with politicians, activists, journalists, and legal observers, while dozens more waited outside, arguing with security guards for entry. The case centered on the government's polarizing natural gas framework agreement with Houston-based energy firm Noble Energy and its Israeli partner, Delek Group. The framework agreement would determine how Israel's newly discovered offshore natural gas reserves would be developed, regulated, and exported.

Netanyahu's appearance in court was not legally mandated. He asked to testify personally, prepared to put his full political weight behind the matter. Critics of his government's natural gas framework agreement argued that it entrenched a monopoly between Noble Energy and Delek Group, weakened regulatory oversight, and threatened higher electricity prices for Israeli consumers. Supporters countered that the framework agreement was necessary for Israel's economic prosperity, national security, and foreign policy interests. At stake, they argued, was not only Israel's ability to meet its own energy needs but its capacity to export natural gas to neighboring states – Egypt, Jordan, and potentially beyond – embedding Israel in regional economic networks and cultivating partners with a direct stake in its stability. For a country that had spent most of its history as an energy island, isolated from regional markets and dependent on distant suppliers, the offshore discoveries represented something genuinely new: the possibility of energy interdependence with its neighbors.

This stalemate had already claimed several victims: Antitrust Authority chairman David Gilo, who had pushed back on the government's plan, resigned in protest. Several weeks later, Economy Minister Aryeh Deri followed suit. With the economy portfolio temporarily in his hands, Netanyahu invoked Article 52 of Israel's Antitrust Law – a rarely used provision permitting competition rules to be overridden in the name of national security – and approved the agreement in December 2015.[1]

Standing before the justices, Netanyahu reviewed a large stack of papers, his blue suit standing in sharp contrast to the black robes of the barristers to his right and left. "I appear before you," he began, "because of the tremendous importance I attribute to the development of these gas reservoirs, and because of my assessment that we are at a critical juncture in terms of the potential risks and prospects. In terms of our ability to realize the gas' potential, we are in the 90th minute. Any further delays, any backsliding – would result in serious consequences that we would not be able to overcome."

"There is no realistic alternative to the gas deal," he concluded. "If we reverse course, we will fall into the chasm once and for all."[2]

The moment marked a turning point in how Israel's energy policy would be decided. Policy decisions that had once been handled by a small circle of elected officials and national security experts had moved into the center of public debate. Netanyahu's intervention before the

[1]Avi Bar-Eli, "Netanyahu Signs Controversial Waiver Exempting Gas Industry From Antitrust Laws," Ha'aretz, December 17, 2015, accessed on April 19, 2026: https://www.haaretz.com/israel-news/business/pm-signs-waiver-exempting-gas-deal-from-antitrust-laws-1.5378477.
[2]Prime Minister Benjamin Netanyahu defends the gas framework before Israel's Supreme Court on February 14, 2016, accessed April 19, 2026: https://www.youtube.com/watch?v=WTODPrUmH14.

Supreme Court symbolized not only the stakes of the natural gas framework debate, but the democratization and increasing transparency of the policymaking process.

Israel presents a unique case. Since its founding in 1948, the country has faced chronic energy insecurity. Lacking significant domestic resources and subject to a sustained oil embargo, Israel was an energy island surrounded by a sea of antagonistic or ambivalent oil and gas producing states. The Arab-Israeli conflict was not driven by energy, yet energy security concerns made recurring appearances during the 1956 Suez Crisis and the 1973 war. Even diplomatic breakthroughs – such as the 1979 peace treaty with Egypt – contained an important energy dimension. Under those conditions, consecutive Israeli governments prioritized the security and reliability of supply over its affordability, forging distant partnerships and complex diplomatic arrangements to sustain its economic and security needs.[3]

As Israel's international standing evolved, particularly following the Oslo Peace Process in the 1990s, its network of energy partnerships expanded to include Central Asian states such as Azerbaijan and Kazakhstan. Yet dependence on imported energy remained acute. In 2009, only 12.4 percent of Israel's total energy consumption was produced domestically.[4]

This dynamic changed in 2009 with the discovery of the Tamar natural gas field off Israel's Mediterranean coastline by Noble Energy and Delek Group. Estimated to contain between 246 and 280 billion cubic meters (bcm) of natural gas, Tamar was large enough to

[3]See Daniel Yergin, *The Prize: The Epic Quest for Oil, Money, and Power* (New York: Simon & Schuster, 1991), 461–481 and 570–595; Roy Licklider, "The Power of Oil: The Arab Oil Weapon and the Netherlands, the United Kingdom, Canada, Japan, and the United States," International Studies Quarterly 32, no. 2 (1988): 205–226.
[4]International Energy Agency, "Energy Statistics Data Browser," accessed April 19, 2026, https://www.iea.org/data-and-statistics/data-tools/energy-statistics-data-browser?country=ISRAEL&energy=Balances&year=2009.

singlehandedly meet Israel's domestic energy needs for several decades. The following year, Noble Energy and Delek Group discovered Leviathan field, with an estimated 620 bcm. Almost overnight, Israel was transformed from a net energy importer to a potential energy exporter.

This transition raised a new set of policy questions for Israel. How should the state allocate and regulate these newly discovered resources? To what extent should natural gas be reserved for domestic consumption versus exported overseas? How should Israel protect its newfound assets, and associated infrastructure, located in the maritime space? How could this energy be leveraged to advance Israeli national security and foreign policy interests in the region? Was this energy a potential tool for cooperation or could it become a source of conflict with Israel's neighbors? Did parallel discoveries in the waters of Cyprus and Egypt support or compete with Israeli energy security?

This dissertation explores the relationship between energy and foreign policy, by examining Israel's energy diplomacy in the Eastern Mediterranean from 2009, when Tamar field was first discovered, through the beginning of Israel's war against Hamas in October 2023, when an era of Eastern Mediterranean energy diplomacy was brought to a violent halt. In doing so, this dissertation seeks to understand how changes in Israel's domestic energy landscape influenced Israeli foreign policy, regional position, and patterns of cooperation and competition with its neighbors.

Argument

How does the discovery of new energy resources influence the formation and execution of state foreign policy? This dissertation examines that question through a single case: Israel's transition from chronic energy insecurity to natural gas producer between 2009 and 2023. In standing before the Supreme Court, Netanyahu offered one answer to that question – the offshore natural gas discoveries represented a critical juncture, a moment of structural transformation that would redirect Israel's foreign policy and embed it in regional economic networks in genuinely new ways. That framing was widely shared in Israeli policy discourse, in early commentary on Eastern Mediterranean energy development opportunities, and implicitly in much of the scholarship that followed.

This dissertation offers an alternative perspective: the discovery of new energy resources does not redirect a state's foreign policy but is absorbed into its existing bilateral trajectory. Energy deepens cooperation where the foundations for it already exist and entrenches conflict or asymmetry where they do not. The primary explanatory variable is not energy itself but the path dependency of each bilateral relationship – the accumulated weight of past interactions, institutional arrangements, levels of trust, threat perceptions, and domestic political constraints that new foreign policy instruments must work within rather than around. A newfound energy resource merges into whatever strategic priorities and relational dynamics already exist. It rarely reinvents them.

This claim challenges both Netanyahu's critical juncture argument and the predictions of the dominant theoretical frameworks in energy security scholarship. Realist and liberal approaches alike treat energy and state relations as if they operate in a vacuum – as if the introduction of a new energy resource acts upon bilateral relationships from the outside, generating predictable effects regardless of what those relationships looked like before the resource was discovered. Realism predicts intensified competition and autonomy-seeking. Liberalism predicts cooperative transformation through interdependence. Both approaches have their merits, but often overlook the path dependencies – bilateral and regional histories, prior energy policy, institutional arrangements, and political constraints – that frame state decision-making long before a new energy source appears. This dissertation demonstrates that those path dependencies, not the energy itself, determine the outcome.

It is worth specifying where the critical juncture argument does hold. The offshore discoveries did constitute a critical juncture in Israel's domestic energy governance – disrupting the established path of securitized elite-controlled policymaking and opening it to public contestation, regulatory conflict, and civil society engagement. Netanyahu's courtroom appearance was itself a product of that disruption. But this domestic transformation did not translate into a bilateral foreign policy transformation of equivalent magnitude. The discoveries modified Israel's foreign policy toolkit. However, they did not change the fundamental strategic logic governing its use.

My argument is derived from tracing the underlying causes and processes that shaped Israel's energy diplomacy across five bilateral cases spanning fourteen years. When examining a single case, it is important to assess if and how it can be generalized to other cases. The project's primary goal is analytical precision rather than broad theoretical generalization: identifying and explaining the path dependent dynamics at work within each bilateral relationship in order to set the foundation for potential theory-building that can be applicable to other states experiencing similar transitions to their energy mix. In this study, the variation across cases is central to the research design, providing the comparative evidence through which the path dependency argument can be tested and refined.

Israel deployed energy instrumentally – as a tool of statecraft whose value extended well beyond its commercial properties. But the effectiveness of that instrument was conditioned by variables external to energy itself, principally the prior trajectory of each bilateral relationship.

The energy was secondary. The theoretical approach that follows situates this argument within existing scholarship on energy security and foreign policy, identifying where the path dependent account offered here departs from and builds upon the realist, liberal, and domestic politics traditions that have shaped the field.

Scholarly Contributions

This dissertation makes three interrelated contributions to existing scholarship.

First, it advances the study of energy as an important dimension of Israeli national security and foreign policy. Energy has historically been an underexamined element of Israeli national security and diplomatic history. By tracing how Israeli government ministries, elected officials, and commercial actors negotiated competing interests in the wake of the offshore natural gas discoveries, this research illuminates how energy became both a source of domestic political division and a vehicle for regional diplomatic engagement. In doing so, it extends the analytical frameworks developed by scholars such as Uri Bialer and Charles Freilich to a period of fundamental transformation in Israel's energy outlook – one whose implications for Israeli statecraft remain partially understood.[5]

Second, this dissertation seeks to contribute to broader theoretical debates on energy and foreign policy by demonstrating that existing frameworks share a common limitation: they treat energy as if its effects on state behavior can be assessed independently of the prior relational context into which it is introduced. The empirical record across five bilateral cases suggests otherwise. The prior trajectory of each bilateral relationship – its accumulated history of

[5]See Uri Bialer, *Oil and the Arab-Israeli Conflict*, 1948–63 (London: MacMillan Press Ltd., 1999); Charles D. Freilich, *Zion's Dilemmas: How Israel Makes National Security Policy* (Ithaca: Cornell University Press, 2012).

cooperation or conflict, its institutional arrangements, and the domestic political constraints operating on both sides – determined what Israel's offshore gas discoveries could and could not accomplish diplomatically. This path dependent account of energy diplomacy offers a corrective to frameworks that predict uniform effects from energy discoveries regardless of context, and suggests a potential research approach that can be applicable to other states experiencing similar transitions.

Third, this dissertation advances scholarly and policy discourse on Eastern Mediterranean geopolitics. The Eastern Mediterranean is frequently cited in contemporary discussions on the nature of energy as a catalyst for regional cooperation or competition. This study demonstrates that new energy discoveries are more likely to reinforce existing bilateral trajectories than redirect them, though under specific conditions they can create new openings for cooperation or compromise. This finding challenges both the optimistic framing that characterized much early commentary on Eastern Mediterranean energy cooperation and the pessimistic framing that has often replaced it. The Israeli case provides an empirically grounded basis for a more analytically precise account of how energy interacts with preexisting geopolitical dynamics – one with potential implications for how scholars and policymakers approach regional energy diplomacy elsewhere.

Theoretical Approach

The theoretical framework of this study relies upon liberal, realist, and domestic political interpretations of the role of energy in international relations. While all three groups agree to energy's centrality, they disagree over its role in geopolitics and what frame of analysis should be applied in order to study its impact. Realists encourage a state-centric point of view, arguing that because energy is not equally dispersed throughout the world and is not equally distributed by humankind, energy – like many natural resources – is a potential source of conflict between and within states. In particular, as the global supply of fossil fuels decreases, the potential for conflict between states will increase. Conversely, liberal scholars emphasize the role of international norms and institutions that endorse cooperation. Despite the fact that energy is unevenly distributed, liberal scholars argue, most supplier and consumer states engage in a peaceful series of transactions that increase their interdependence. And because the decline in global reserves will impact suppliers and consumers alike, liberals argue that this will force both parties to find creative solutions to future energy crises. Domestic political analysis, by comparison, focuses on the idea that one must look within states to understand interactions between states. This includes understanding the qualities of a state's energy industry, the divergent opinions of those who influence policy, and the broader contextual relationship between the state and society. These three camps agree that states seek energy security, however what sets the domestic politics approach apart is its belief that energy security must be understood from the perspective of multiple actors, and that processes within a state can result in suboptimal policies.

David Deese, one of the earliest scholars in the field of energy security, defines energy security as the condition where a state perceives a high likelihood that it will possess adequate supply of energy resources at affordable prices.[6] Subsequent scholars, such as Shaffer, Kalicki and Goldwyn, Bahgat, and Klare, modeled their definitions after Deese and essentially offer variations on the same theme.[7] Writing in the aftermath of the Arab oil embargo of Western

[6]See David A. Deese, "Energy: Economics, Politics, and Security," International Security 4, no. 3 (1979/80): 140–153.

[7]See Brenda Shaffer, *Energy Politics* (Philadelphia: University of Pennsylvania Press, 2009); Jan H. Kalicki and David L. Goldwyn, eds., *Energy and Security: Toward a New Foreign Policy Strategy* (Washington, D.C.:

countries during and after the 1973 Yom Kippur War, Deese argues that an essential component to energy security is security of supply – a critical concern of many Western countries at the time. These early indicators of energy security (access, security of supply, and affordability) were not invented by Deese, but adapted from existing analysis of the tensions that led to war between Japan and the United States in World War II.[8] States have long understood that cutting off access to an enemy's resources is an essential step towards victory. But what became increasingly apparent, especially to realist and neorealist scholars, was that access to energy needed to be taken into consideration when understanding state power and a state's position in the international arena during times of relative peace as well.

Ozdamar states that energy security offers states a defense against physical disruptions to their economy, a definition that borrows heavily from the work of Cherp and Jewell.[9] States that are energy poor, like Israel, are dependent on the secure passage of energy from elsewhere in the world. Disruptions to that flow can have a devastating impact on a nation's security, especially during wartime.[10] For this reason, many states after the 1973 Arab oil embargo adopted policies that demanded the acquisition of strategic oil reserves. Today, members of the IEA (International Energy Association) are required to have 90 days' worth of oil in their reserves in case of emergency. But when security of supply exists, or better yet a state possesses significant

Woodrow Wilson Center Press, 2005); Gawdat Bahgat, *Energy Security: An Interdisciplinary Approach* (United Kingdom: John Wiley & Sons Ltd., 2011); Michael T. Klare, *Resource Wars: The New Landscape of Global Conflict* (New York: Henry Holt and Company, 2001).

[8]See Daniel Moran and James A. Russell, eds., *Energy Security and Global Politics: The Militarization of Resource Management* (New York: Routledge, 2009).

[9]See Ozgur Ozdamar, "Energy, Security, and Foreign Policy," International Studies Association 3 (2009).

[10]See Aleh Cherp and Jessica Jewell, "The Three Perspectives on Energy Security: Intellectual History, Disciplinary Roots and the Potential for Integration," Current Opinion in Environmental Sustainability 3, no. 4 (2011): 202–212; Aleh Cherp and Jessica Jewell, "The Concept of Energy Security: Beyond the Four As," Energy Policy 75 (2014): 415–421.

domestic reserves, energy can be utilized to spur economic growth or even pursue broader foreign policy objectives.[11]

Realists believe that cooperation between states, including trade in strategic resources like oil and natural gas, only transpires if it advances the state's national interest. In other words, states prioritize security considerations over economic opportunity. In *Defending the National Interest*, Stephen D. Krasner illustrates how the state, as a unified and autonomous actor, develops relationships with multinational private corporations in formulating its resource policy. Borrowing from Morgenthau's conceptualization of the national interest as a reflection of state power, Krasner argues that the national interest is defined by a set of policy goals and objectives that remain unchanged over time. These goals are ideological, and are not influenced by domestic political actors or economic considerations. This statist approach, Krasner continues, defines the state as a "set of roles and institutions having peculiar drives, compulsions, and aims of their own that are separate and distinct from the interests of any particular societal group."[12] The state, therefore, is a homogenous decision-maker with its own particular set of interests, and through the government defines the national interest.

Krasner's contribution to energy security studies should not be ignored. His premise that economic issues are simply an extension of power politics is a core philosophy of many others. Gilpin writes "in a highly integrated global economy, states continue to use their power and to implement policies to channel economic forces in ways favorable to their own national interest and the interests of their citizenry."[13] In other words, the global energy market, which is

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[11]See Roy Licklider, "The Power of Oil: The Arab Oil Weapon and the Netherlands, the United Kingdom, Canada, Japan, and the United States," International Studies Quarterly 32, no. 2 (1988): 205–226.

[12]Stephen D. Krasner, *Defending the National Interest: Raw Materials Investments and U.S. Foreign Policy* (Princeton: Princeton University Press, 1978), 10.

[13]Robert Gilpin, *Global Political Economy: Understanding the International Economic Order* (Princeton: Princeton University Press, 2001), 8.

dependent on the cooperation of states, must therefore be understood as an extension of classic geopolitics. Michael Klare, who explains how in the post-Cold War world, "resource flows rather than political and ideological divisions constitute the major fault lines," makes a similar argument.[14] In particular, Klare focuses on the future of conflict as mankind rapidly reduces the world's limited energy reserves. The common thread between these authors is that each promotes the notion that states use energy as a vehicle to promote their national interests as they try to survive in an anarchic world.

For this reason, the realist-statist approach views energy security as an extension of zero-sum politics. Energy resources are frequently referred to as a "weapon", designed for one state to dominate the other. Many studies conclude that energy resources can be a cause for conflict. Jeff Colgan posits that while the threat of "resource wars" is exaggerated, the political impact of the energy industry makes energy security a leading cause for conflict.[15] Alternatively, Brenda Shaffer focuses on the unique security challenges posed by natural gas, which unlike oil is primarily transported via pipeline, establishing a physical link between producers, consumers, and in many cases a transit state. Specifically, Shaffer discusses the role of energy in "geopolitical leveraging" – that is the use of energy as a means to acquire other political benefits. Leveraging, Shaffer argues, is a specific tactic available to energy producing states and transit states. These authors – like the majority of realists – are skeptical that energy cooperation between states offers increased stability or peace. Despite energy's potential to enhance international cooperation, "it is the energy sector that strategic planners now find it easiest to imagine major states reconsidering their reluctance to use force against each other…the

[14]Klare, *Resource Wars: The New Landscape of Global Conflict*, 52.
[15]See Jeff D. Colgan, "Fueling the Fire: Pathways from Oil to War," International Security 38, no. 2 (2013): 147–180.

possibility of war to seize or defend energy resources provides a much-needed rationale for preserving the heavy conventional forces that still consume the lion's share of defense spending around the world."[16]

However, as the global energy industry has become more complex, scholarly definitions of energy security have also been forced to adapt, moving beyond an oil-centric definition to one that includes other forms of energy (natural gas, water, coal, nuclear), addressing environmental considerations, and seeking to understand energy's potential as a source of cooperation and its role in the international system.

Liberal scholarship emphasizes energy's capacity to generate economic interdependence. If realist principles exist on one end of the theoretical spectrum, then complex interdependence exists on the other end. International organizations play a central role in this process, facilitating the establishment of legal consensus that creates the parameters of the global energy market. Energy, the straw that stirs the drink of the global economy, is subject to intense legislation and monitoring which has a de facto effect on how states choose to interact with one another.[17] This has led some authors, like Keohane and Nye, to conclude that economics are as sufficient a measurement of state power as military strength.[18]

According to liberal scholars, states are not required to share a harmonious history in order to conduct trade with one another. In fact, they often overlook strategic or ideological differences in order to exchange resources.[19] Keohane and Nye contend that the prospect of economic growth – in other words, enhancing economic security – "may alter states'

[16]Shaffer, *Energy Politics*, 93.
[17]Moran and Russell, eds., *Energy Security and Global Politics: The Militarization of Resource Management*, 2.
[18]See Robert O. Keohane and Joseph S. Nye, "Power and Interdependence Revisited," International Organization 41, no. 4 (1987): 725–753.
[19]See Robert Axelrod and Robert O. Keohane, "Achieving Cooperation under Anarchy: Strategies and Institutions," World Politics 38, no. 1 (1985): 226–254.

behavior."[20] Liberals counter the realist claim that states prefer war in order to evade dependency by arguing that mutual dependency reduces the probability of conflict. Interdependence promotes cooperation. In the context of energy security discourse, some liberal scholars argue that pipelines can be a catalyst for peace.

There are a number of studies that support this claim. Fiona Hill analyzed the causal mechanisms that led to the establishment of the Baku-Tbilisi-Ceyhan pipeline by looking at the different perceived interests of the actors involved at the regional level, primarily Azerbaijan, Russia, Turkey, Iran and Georgia, as well as the incentives that drove American involvement in the project. The success of this project cannot be understood, Hill argues, if one does not take into consideration the multiple perspectives – specifically the Azeri desire to reduce its dependence on Russia.[21] Svyatets' exploration into Eurasian energy cooperation similarly argues that energy's potential is such that it can overcome historical tensions for the sake of mutual gain.[22]

Liberal scholarship also emphasizes the role of international institutions and law in establishing norms and principles in state behavior. The global economy encourages increasing interdependence between states, including in energy.[23] For example, offshore energy projects rely on UNCLOS (The United Nations Convention on the Law of the Sea) in order to regulate how states delimit and exploit maritime space. Solingen and Lake continue this argument, asserting that liberalization – in particular economic liberalization – has a significant impact on

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[20]Keohane and Nye, "Power and Interdependence Revisited," 747.
[21]See Fiona Hill, "Pipelines in the Caspian: Catalyst or Cure-all?" Georgetown Journal of International Affairs 5, no. 1 (2004): 17–25.
[22]See Ekaterina Svyatets, Energy Security and Cooperation in Eurasia: Power, Profits and Politics (New York: Routledge, 2016).
[23]See Andreas Goldthau and Jan Martin Witte, *The Role of Rules and Institutions in Global Energy: An Introduction* (Washington, D.C.: Brookings Press, 2010); David G. Victor, Amy M. Jaffe, and Mark H. Hayes, eds., *Natural Gas and Geopolitics: From 1970 to 2040* (New York: Cambridge University Press, 2006).

the decision-making process of both states and domestic actors. For Solingen, liberalization is a unique phenomenon in that it has created coalitions – both in favor of and opposing liberalization – on the domestic level of many Western states. These coalitions seek out like-minded partners internationally in order to strengthen their agenda through collective action.[24] For Lake, the greatest evidence of this development is in the creation of coalitions in favor of and opposed to the current state of the global economy.[25] This liberal approach suggests that the establishment of international regimes that oversee the energy industry can prevent future use of the "oil weapon", and therefore future conflict over energy.

The focus on economics over politics is reflective not only of the differences between liberalism and realism, but in many ways a generational divide within the field. Cherp and Jewell ask whether energy security studies effectively answer for whom energy security is so vital. Whereas realist energy security models identified "for whom" as oil-importing industrialized states, many contemporary energy security scholars find this to be a limiting definition.[26] Increasingly, liberal approaches to energy studies analyze the perspectives of non-state actors, international production networks, oil barons, regions, and individual consumers. Other scholars address how variables like trade mechanisms, geography, energy volumes and quality, and resource distribution impact the likelihood of energy project financing and state cooperation. By offering insights into the economic trends of the energy industry, the liberal approach offers a lens of analysis that realist scholars rarely discuss.

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[24]See Etel Solingen, *Regional Orders at Century's Dawn: Global and Domestic Influences on Grand Strategy* (Princeton: Princeton University Press, 1998).
[25]See David A. Lake, "Open Economy Politics: A Critical Review," *The Review of International Organizations* 4, no. 3 (2009): 219–244.
[26]Cherp and Jewell, "The Concept of Energy Security: Beyond the Four As," 415–421.

This has led liberal energy scholars to prescribe a different set of policies to their realist peers. Like realists, liberal scholars believe that states seek energy security – but they argue that energy security must be defined by those states, and within the context of their own domestic-political structure.[27] They also suggest that states diversify their energy supply, which means not over-relying on a particular energy form, or a particular source state. Recently, this has led many liberal scholars to advocate that more states adopt alternative energy policies to reduce reliance on fossil fuels.[28] Most importantly, liberals emphasize the role of shared interests – commercial or otherwise – as the glue that both promotes interdependence and prevents conflict.

Realists do not reject the concept of interdependence. But as Shaffer's critique of Hill demonstrates, realists perceive interdependence – or state cooperation – as a means to an end.[29] Once a particular set of interests has lost its value, states will seek partnerships elsewhere. For many realists, Israel is the model case study. Lacking a significant domestic energy supply and boycotted by the oil-producing Arab states, Israel was forced to seek energy partners far and wide. Yossi Alpher's *Periphery: Israel's Search for Middle East Allies* explains how Israel sought to establish alliances with regional actors in the 1950s and 1960s. According to Alpher, Israel created relationships of convenience, based on mutual interests or common threat perceptions, but failed to establish a real alliance with any one state.[30]

The case of Israeli-Iranian energy cooperation also appears to support this narrative. As Uri Bialer describes, Israel and Iran – strategic partners in the 1950s and 1960s – constructed a land pipeline between Eilat and Ashkelon in order to bypass the then-nationalized Suez Canal.

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[27]See Lynne Chester, "Conceptualizing Energy Security and Making Explicit its Polysemic Nature," Energy Policy 38 (2010): 887–895.
[28]Cherp and Jewell, "The Concept of Energy Security," 415–421.
[29]See Brenda Shaffer, "From Pipedream to Pipeline: A Caspian Success Story," Current History 104, no. 684 (2005): 343–346.
[30]See Yossi Alpher, *Periphery: Israel's Search for Middle East Allies* (London: Rowman & Littlefield, 2015).

The arrangement would address Israel's energy security needs, and allow a route of passage for Iranian oil to European markets. However, as described by Bialer and supported by Alpher, this relationship was asymmetrical; the Israelis sought an economic and security solution to their energy security problem, and the Iranians sought only an economic solution. Israel was often overeager in its pursuit of energy cooperation, and in turn the Iranians were often skeptical about the project. The partnership sputtered as financial issues weakened the pipeline's viability and was ultimately terminated following the overthrow of the Shah in 1979.[31]

While both realism and liberalism offer valuable building blocks upon which one can examine the relationship between energy and international politics, their lens of analysis often neglects the role of domestic politics in the foreign policy decision-making process. States are not unitary actors, nor do they always behave rationally. Rosenau contends that while foreign policy decisions are often perceived as the domain of the executive branch, the more an issue encompasses a society's resources and relationships, the more it becomes a domestic issue and not exclusively a foreign policy issue.[32] Katzenstein adds that shifts in policy are often the byproduct of conflicts within domestic politics and shifts within the power structure of a state – that is, a transition from one set of elites to another, or conflict between competing elites.[33] Fearon, in his analysis of the differences between systemic and domestic politics theories, explains how domestic-politics theory tends to demonstrate either why the internal political

[31]See Uri Bialer, "Fuel Bridge across the Middle East – Israel, Iran, and the Eilat-Ashkelon Oil Pipeline," Israel Studies 12, no. 3 (2007): 29–67.
[32]See James N. Rosenau, *The Study of Global Interdependence: Essays on the Transnationalisation of World Affairs* (New York: Nichols, 1980).
[33]Peter J. Katzenstein, "Conclusion: Domestic Structures and Strategies of Foreign Economic Policy," International Organization 31, no. 4 (1977): 879–920.

structure within states may lead them to pursue suboptimal policies, or why the distinct characteristics of states lead them to pursue different policies from one another.[34]

Rosenau, Katzenstein, and Fearon all touch upon a similar point: despite the conditions of the international system, and despite the potential strength of the state, internal domestic politics and structure have a causal relationship with the development of state foreign policy. This can, of course, lead to suboptimal, if not self-destructive policies, but the benefit of these approaches is that they do not assume that all causal paths lead to the same set of policy prescriptions. Understanding the process and structure of the bureaucratic system through which policy is created must therefore be an essential part of any study of energy security.

It is no surprise that similar sentiments are shared by the majority of energy scholars. This is in part a byproduct of the evolution within IR scholarship over the last five decades, from one that overemphasized the role of the state to one that seeks to understand how states actually reach decisions. Articulated first by Nye and Deese, energy policy requires the combination of foreign policy, domestic economic policy, and an understanding of political-military policy.[35] As the field of energy security and energy policy has continued to grow, these basic tenets have remained virtually unchanged. Shaffer points out that energy policy is the bridge between domestic and international arenas – which of course empowers the state to play a crucial role in balancing these two forces.[36]

It is worth emphasizing a point made earlier about the polysemic nature of energy security.[37] While there is a general consensus as to the definition of energy security, it is also

[34]See James D. Fearon, "Domestic Politics, Foreign Policy, and Theories of International Relations," Annual Review of Political Science 1 (1998): 289–313.
[35]See Joseph Nye, "Energy and Security in the 1980s," World Politics 35, no. 1 (1982): 121–134; Deese, "Energy: Economics, Politics, and Security," 140–153.
[36]See Shaffer, *Energy Politics*.
[37]See Chester, "Conceptualizing Energy Security," 887–895.

widely believed that the pursuit of energy security is dependent on the state's internal characteristics. These characteristics can be political, geographic, structural, and of course, are also defined by the existence or absence of a diverse domestic energy supply. Each of these variables influences the kind of energy policy a state will pursue, and how it will go about pursuing it. While in some ways this is reminiscent of Waltz's neorealist concept that state interests are determined by their position in the international arena, what Waltz fails to account for is the domestic political structure of the state, the relationship between the state and society, and its role in the decision-making process.[38]

Cherp and Jewell take this one step further, suggesting that energy security and energy policy studies can be divided into three major approaches: sovereignty, robustness, and resilience. The sovereignty approach is the one most familiar to IR and political science scholarship. The robustness approach primarily deals with the nuances of engineering and natural science. The resilience approach focuses on economics. Cherp and Jewell contend that often these approaches function separately from one another; scholars of sovereignty, robustness, and resilience rarely communicate or collaborate. This is a mistake, they continue, for the development of successful energy policy in the twenty-first century depends on the collaboration between economists, environmentalists, engineers, and political scientists. Most importantly, they conclude, cooperation between these various approaches is essential to understand for whom states seek energy security and by what means they choose to attain it, two core questions raised by David Baldwin in his study on the concept of security.[39]

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[38]See Kenneth N. Waltz, *Theory of International Politics* (New York: McGraw-Hill, 1979).
[39]See Cherp and Jewell, "The Three Perspectives on Energy Security," 202–212; Cherp and Jewell, "The Concept of Energy Security," 415–421; David A. Baldwin, "The Concept of Security," Review of International Studies 23, no. 1 (1997): 5–26.

The domestic-political frame of analysis is essential when dealing with Israel as a case study. Even in the works of realist scholars like Clive Jones, who explains how Israel's surrounding geopolitical environment – often described by Israeli politicians as a "bad neighborhood" – forced Israeli policymakers into adopting a realist approach, he inevitably reaches the conclusion that the circumstances of Israel's regional isolation led to increasing domination of the country's security and defense establishment over other policy issues, including energy.[40] These internal dynamics are critically important, as they provide the link between domestic actors and actualized state policy.

Shlomo Avineri, for example, suggests that Israel's foreign policy is a reflection of a larger ideological struggle between two schools of thought within Israeli society: the "territorial school" affiliated with the Likud party and the ideology of Ze'ev Jabotinsky, and the "societal school" most affiliated with the Labor party and the Israeli Left. According to Avineri, the "territorial school" prioritizes continued Israeli sovereignty over as much land as possible – adopting in many ways a maximalist approach regarding the West Bank and Gaza Strip. In contrast, the "societal school" prioritizes the social fabric and contract of Israel's future. A continued presence in the West Bank and Gaza Strip, from the perspective of the "societal school," would damage Israel's Jewish and democratic character, thus endangering the state. For Avineri, Israeli foreign policy decisions must be understood within this framework, for territorial and societal approaches to foreign policy issues are fundamentally different, and engender different responses from their immediate neighborhood.[41]

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[40]Clive Jones, "The Foreign Policy of Israel," in The Foreign Policy of Middle Eastern States, eds. Raymond Hinnebusch and Anoushiravan Ehteshami (Boulder: Lynne Rienner, 2002).
[41]See Shlomo Avineri, "Ideology and Israel's Foreign Policy," The Jerusalem Quarterly 37 (1986): 3–13.

Waxman posits that Israel's "Jewishness" – to be specific, the tragic legacy of Jewish history in Europe and the Middle East – has a profound impact on Israeli national identity and Israeli foreign policy. However, Waxman – like Avineri – suggests that this is not a persistent component; rather the role of "Jewishness" in Israeli national identity waxes and wanes depending on which ideological camp is in power. An essential variable in that equation is how Israeli leaders "frame" the international attitude towards Israel to the public.[42]

Joel Migdal explores the relationship between the Israeli state and Israeli society. While Israel does possess a strong state, he concludes, both the Israeli state and Israeli society are mutually constitutive. In other words, while one can try to analyze the state as a singular actor in the manner of Krasner's *Defending of the National Interest*, ultimately the lines between the state and society are in fact quite blurred.[43] For Migdal, the relationship between state and society is best demonstrated when discussing how institution building within the Zionist enterprise contributed to the development of strong state structures with the general support of the soon-to-be Israeli public.[44]

Charles Freilich's *Zion's Dilemmas* focuses on the bureaucratic structure of the Israeli national-security decision-making process. In his analysis, three independent variables contribute to Israeli national-security decision-making: Israel's uniquely harsh external environment, political fragmentation, and weak government institutions. These variables create a national-security decision-making process that is reactive, focused on short-term solutions, highly politicized, and dominated by the defense establishment. Although Freilich does not directly

[42]See Dov Waxman, "Between Isolation and Integration: The Jewish Dimension in Israeli Foreign Policy," Israel Studies Forum 19, no. 1 (2003): 34–56.
[43]This is similar to a critique of Krasner by Timothy Mitchell. See Timothy Mitchell, "The Limits of the State: Beyond Statist Approaches and Their Critics," American Political Science Review 85, no. 1 (1991): 77–96.
[44]Joel Migdal, *Through the Lens of Israel: Explorations in State and Society* (Albany: State University of New York Press, 2001).

discuss Israeli energy security policy, this study overlaps with the general framework of his work – energy security is a national-security issue, and is treated as such in Israel. Indeed, the prioritization of energy matters is so serious that most documents related to Israeli energy exports are classified. Freilich's contribution is also important because it recognizes the need to map out the key decision-makers in Israeli politics, how they interact with one another, and how policy is formulated within a politically fragmented system. Energy policy was for many decades the domain of Israel's defense establishment – records of Israeli energy imports have long been classified and unavailable to the public.[45]

Each of these scholars offers a valuable and distinct angle for understanding the relationship between energy, security, and foreign policy – and for understanding Israel's political scene in particular. Taken together, they illuminate the theoretical terrain upon which this dissertation is built: the realist tradition's insight that states deploy energy instrumentally in pursuit of national interests; the liberal tradition's recognition that energy can generate interdependence and open new channels of cooperation; and the domestic politics literature's insistence that policy outcomes cannot be understood without attention to the internal structures, coalitions, and constraints that shape how states act. These contributions are real and provide the foundation for any serious examination of how energy influences foreign policy.

Yet taken individually, each tradition also shares a common limitation. Whether emphasizing competition, cooperation, or domestic fragmentation, these frameworks treat energy as if its effects on state behavior can be assessed independently of the prior context into which it is being introduced. Realism predicts that energy will intensify autonomy-seeking and competition. Liberal tradition predicts that exportable energy surpluses will generate

[45]See Freilich, *Zion's Dilemmas*; Bialer, "Fuel Bridge across the Middle East," 29–67.

interdependence and, by extension, cooperative relations. Domestic politics approaches explain why policy processes are fragmented or suboptimal. What none of these frameworks adequately accounts for is the accumulated weight of past bilateral relationships – the histories, policy lessons, institutional arrangements, and political constraints that shaped state-to-state interactions before the discovery of new energy resources . They by and large treat the introduction of new energy resources as if states and their relationships were blank slates.

Realism's limitation in this context is specific. The realist tradition establishes a clear and internally coherent prediction: states will seek to maximize strategic autonomy, reduce external dependency, and use energy instrumentally to strengthen their relative position. That prediction has real merit when describing why states pursue energy security in the first place. But it cannot account for why the same state, pursuing the same strategic orientation, produces systematically different outcomes across different bilateral relationships. If realism's prediction were correct, the pattern of outcomes should be consistent: a uniform autonomy-seeking posture producing comparable results across different cases. What a path dependent account reveals instead is a differentiated pattern, shaped not by the strategic orientation of the state but by the historical context of each relationship into which energy is introduced.

Similar challenges exist with the liberal tradition, which predicts that, like any other commodity, exportable energy should create material incentives for interdependence that over time generate the kind of institutionalized cooperation that reduces the prospect of state conflict. That prediction also has merit as a general account of how energy relationships can develop under favorable conditions. But it cannot explain why the same material incentives produce durable cooperation in some bilateral relationships and fail entirely in others. The liberal framework treats the emergence of cooperative preferences as an outcome of the interdependence process itself, rather than as a precondition. What a path dependent account reveals is that cooperative preferences must already exist – embedded in the history of the bilateral relationship – before material incentives can generate the outcomes liberalism anticipates.

The domestic politics tradition adds an additional layer of insight by showing that states are not unitary actors and that internal divisions shapes policy outcomes in ways that structural theories often fail to capture. This is an important corrective to both realism and liberalism. But the domestic politics perspective has its own limitations: it explains why policy processes are fragmented and why outcomes are often suboptimal, but it doesn't provide a sufficient explanation why a recognizable strategic orientation persists across different governments, different institutional configurations, and different bilateral contexts. If domestic fragmentation were the primary variable, shouldn't patterns of diplomacy be more inconsistent? What a path dependent account reveals instead is that strategic consistency can coexist with domestic fragmentation because the consistency derives not from strictly internal cohesion within a government or population but from the accumulated weight of prior bilateral relationships that successive governments must work within regardless of their domestic circumstances.

These traditions tend to overlook how path dependency plays a role in shaping policy decisions. Path dependency, as applied to bilateral foreign policy relationships, holds that the prior trajectory of a relationship – the direction in which it has been moving, the institutional arrangements that have developed within it, and the political constraints that have accumulated around it – functions as a conditioning structure that newly introduced variables must work within rather than around. A new energy resource does not operate in a vacuum. It enters a relationship already moving in a direction, which in turn determines the boundaries of what energy can accomplish. Where the prior trajectory was cooperative, energy usually deepened and institutionalized that cooperation. Where it was adversarial or asymmetric, energy usually entrenched those dynamics – though even in the most hostile contexts, a minimal convergence of material interests could produce narrow diplomatic outcomes without altering the underlying relational dynamic. The instrumentalization of energy is real and its effects are consequential, but those effects are conditioned by the context that precedes them.

This dissertation advances the theoretical premise that energy functions as an instrument of statecraft whose effectiveness is conditioned by the path dependent dynamics of a state's relationship with its neighbors. Rather than replace the insights of realism, liberalism, or the domestic politics tradition, this approach is meant to complement their contributions while specifying the conditioning variable. In doing so, it offers a more precise account of how energy interacts with foreign policy: not as an independent driver that redirects bilateral trajectories, but as an instrument that amplifies, institutionalizes, or entrenches whatever trajectory is already in motion. It is with that understanding that this dissertation approaches the cases that follow, and it is against that standard that the realist, liberal, and domestic politics traditions are found to be necessary but imperfect guides to what energy diplomacy can and cannot accomplish.

Methodology

Case Justification: Why Israel?

Israel was selected because of the country's unique history with energy security and geopolitics. In brief, Israel was an energy-poor state for most of its history and boycotted by the world's largest energy-producing states. Under these constraints, Israeli energy policy was heavily securitized in order to protect information about its relationships. However, as Israel's international isolation evolved, so too did its energy security strategy. The discovery of a domestic energy source further disrupted Israeli energy policy, diversifying the domestic actors involved in debating and forming state policy and encouraging greater public transparency. Becoming an energy producer altered the decades-old philosophy of Israeli energy policy, encouraging a new mindset and pursuit of partnerships that could enable the export of excess natural gas supplies. As a result, Israel's engagement in the Eastern Mediterranean as a geopolitical region was also transformed.

Critically, Israel's transition from energy dependence to potential energy exporter took place within a compressed timeframe and within a shifting geopolitical environment. As a result, energy played an instrumental role in Israel's relationship with each of its neighbors in the Eastern Mediterranean. This provides a natural comparative framework within the single case, allowing this study to identify the conditions under which energy functions as a cooperative instrument, a coercive one, or neither. The variation across cases is not incidental to the research design; it is central to the dissertation's argument.

Scope of Study: January 2009 – October 2023

The period under analysis begins with the January 2009 discovery of Tamar field – the first of several offshore natural gas fields found in Israel's maritime space – and concludes with Hamas' surprise attack on Israel and Israel's subsequent war in Gaza in October 2023, which disrupted the era of Eastern Mediterranean energy diplomacy that this dissertation examines. This period provides the opportunity to analyze the role of energy in Israel's regional foreign policy from the point of discovery through the establishment of formal multi-state institutional arrangements, capturing both the arc of Israel's proactive energy diplomacy and the structural constraints that conditioned it. The October 2023 endpoint marks a genuine shift in the regional environment rather than an arbitrary cutoff date; the extent to which the findings of this study apply to the post-war period remains an open question that future research should address.

Research Methodology

In order to explore the causes and processes that shaped Israel's foreign policy in the Eastern Mediterranean during this period, this study combines personal interviews with process tracing and analysis of primary and secondary sources. Process tracing is used to identify causal mechanisms linking geopolitical and energy developments to shifts in policy preferences and diplomatic behavior over time. Primary sources and elite interviews provide insight into decision-making processes and institutional dynamics, while secondary sources offer historical context and analytical reference points that are necessary to understand Israeli policy decisions or the decisions of neighboring states. Together, this mixed-method approach allows for a balanced assessment of how energy shaped Israeli foreign policy in the Eastern Mediterranean. Critically, the methodology is designed not to test whether energy caused shifts in Israeli foreign policy, but to trace how the introduction of an energy dimension interacted with existing strategic priorities and bilateral relationships, a question better suited to process tracing than to variable-based causal inference.[46]

Data Accumulation

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[46] For different perspectives on qualitative methods, see Alexander L. George and Andrew Bennet, *Case Studies and Theory Development in the Social Sciences* (Cambridge: MIT Press, 2005); Gary Goertz, *Social Science Concepts* (Princeton: Princeton University Press, 2006); Gary King, Robert O. Keohane, Sidney Verba, *Designing Social Inquiry* (Princeton: Princeton University Press, 1994); Stephen Van Evera, *Guide to Methods for Students of Political Science* (Ithaca: Cornell University Press, 1997).

Personal interviews were conducted between May and September 2023, and then again in July 2025. All interactions began with an email followed by a project description, informed consent procedure and advanced agreements on the use of a recording device and source citation. Interviewees either consented verbally or by signing the IRB form. Interviews were conducted in English or Hebrew. Interviewees were given the option of meeting in person or conducting the interview virtually, either over Zoom or another video program. Some of the interviews were recorded. In the event individuals did not consent to the use of a recording device, I took down detailed notes. Some of the participants to asked not to be recorded as some of the topics were politically sensitive.

Subject Identification and Method

I employed a three-part snowball strategy to identify potential subjects that could support my research goals while reducing the risk of referral bias. First, my professional experience has offered me the opportunity to work with a number of journalists, academics, analysts, and former diplomats in Israel, the U.S., and other Eastern Mediterranean countries who have an intimate understanding of energy politics in Israel and the region. Second, through my own research I identified and contacted prominent experts who are contributing to contemporary discourse on the subject. Finally, both groups of individuals made new connections on my behalf with other relevant voices who would be willing to discuss these issues with me. Being physically located in the Eastern Mediterranean region during a portion of my project assisted in cultivating relationships and identifying potential interview subjects.

Interview Strategy

Interviews followed a semi-structured format and ranged from one to one and a half hours in length. Interview questions were derived from a predetermined list drawn up during the IRB process. Interviews allowed me to gather more in-depth and nuanced answers that could confirm or disconfirm information found in primary and secondary sources, and provided me the opportunity to as ask follow-up questions in order to pursue greater detail. The interviews were conducted in a location of the subject's choosing, or on a Zoom call. After covering biographical details, including professional experience and nationality, I engaged the main parts of the interview. While my project focused on Israel's foreign policies in the Eastern Mediterranean, understanding non-Israeli perspectives was important to comparing how differing perceptions of regional developments or bilateral relationships played a role in this process.

Final Analysis

The final analysis of this study integrates interviews with primary and secondary sources (e.g. official statements from diplomats, companies, or politicians; government documents; maps; media reports; NGO reports, and relevant historical and contemporary materials). To manage this, I adopted a multi-layered process tracing approach to data classification and integration that organizated information into one of three categories: interviews (micro-level), contemporary (meso-level), and historical (macro-level).

Interviews offered insight into how Israeli policymakers and diplomats balanced complementary and competing interests – including energy security – as they approached the regional geopolitics of the Eastern Mediterranean and bilateral relationships with specific states. Historical sources provided important reference points for the process tracing approach, allowing for contextualization of how energy interests shaped Israeli foreign policy prior to the discovery of offshore hydrocarbons and the nature of its bilateral relationships with the states examined in this project. Doing so enabled identification of differences between previous and contemporary policies and agendas, and allowed assessment of whether a change in Israel's domestic energy supply was a primary driver of change in its regional foreign policy. The use of contemporary sources positioned Israeli foreign policy within a current security and geopolitical context. Understanding the regional picture allowed for appreciation of Israel's role within the Eastern Mediterranean's geopolitical and energy landscape, and energy's role in shaping Israeli foreign policy within the region between 2009 and 2023.

Chapter Breakdown

This dissertation contains an introductory chapter followed by six substantive chapters: one establishing the historical and domestic foundations of Israel's energy policy, and five examining Israel's bilateral energy relationships in the Eastern Mediterranean between 2009 and 2023.

Chapter 1 establishes the historical and domestic foundations upon which Israel's subsequent energy diplomacy rested. It argues that decades of acute energy insecurity created a path dependency in Israeli strategic thinking – one in which energy supply was treated as a national security imperative rather than an economic variable, and in which a small circle of officials controlled policy with minimal public scrutiny. The offshore gas discoveries decisively disrupted this pattern. By multiplying the number of domestic actors with a stake in energy policy – government ministries, commercial developers, regulatory bodies, and the Israeli public – the discoveries transformed energy from a securitized domain into a contested political arena. The years of infighting, regulatory battles, and public protest that followed were not merely procedural obstacles; they shaped which export options were pursued, which partners were prioritized, and how much political capital Israeli leaders were willing to invest in energy diplomacy. Understanding this historical and domestic context is essential to understanding the path dependent dynamics that shaped Israel's subsequent regional energy diplomacy in the Eastern Mediterranean.

Chapters 2 through 6 examine why and in what way the discovery of offshore natural gas influenced Israel's foreign policy decisions in the Eastern Mediterranean between 2009 and 2023. Taken together, these chapters demonstrate that energy functioned as a strategic instrument whose impact was conditioned by the prior trajectory of each bilateral relationship – producing deepened cooperation where the foundations for cooperation existed, and often reinforcing tensions where they did not.

Chapter 2 examines Israel's energy diplomacy with Jordan as the clearest illustration of energy cooperation's ceiling. It argues that while shared commercial interests and U.S. facilitation produced a workable gas agreement, energy functioned as a tactical instrument rather than a transformative one – reinforcing a transactional relationship without altering its fundamental political characteristics. The chapter introduces the concept of compartmentalized interdependence to describe the deliberate separation of commercial energy transactions from formal diplomatic engagement – a mechanism that enabled cooperation to proceed while simultaneously preventing it from generating broader political normalization. The Jordan case demonstrates that path dependency operates even where cooperative foundations nominally exist: energy can institutionalize limited cooperation, but cannot generate political momentum that the bilateral relationship itself does not already support.

Chapter 3 presents the strongest confirming case for this dissertation's central argument. It argues that Israel-Egypt energy cooperation succeeded precisely because it entered a bilateral relationship already trending toward strategic alignment, driven by shared security concerns, post-Arab Spring recalibration, and mutual interest in regional stability. The chapter introduces the concept of a hub-based model of energy diplomacy to describe how bilateral cooperation expanded progressively into multilateral regional governance, culminating in the establishment of the Eastern Mediterranean Gas Forum and a trilateral memorandum with the European Union. In that context, energy institutionalized the Israel-Egypt relationship, repositioning Israel as a critical partner in Egypt's hub-based energy strategy and enabling both states to pursue joint leadership in regional forums. Yet the chapter also establishes a critical limit. Even the most productive bilateral energy cooperation did not alter the fundamental terms of the relationship. Energy stabilized and formalized what security politics had already set in motion – it did not transcend the constraints of political normalization.

Chapter 4 examines Israeli-Palestinian energy relations, where energy diplomacy produced the least cooperative movement and reinforced existing asymmetries between the sides. Through the Gaza Marine field, the chapter demonstrates that energy's potential as a cooperative instrument was systematically constrained by Israeli security priorities, Palestinian political fragmentation, and the absence of any enforcement mechanism capable of guaranteeing compliance. Rather than offering a pathway toward economic interdependence, energy became another space where Israel manifested its preference for conflict management over conflict resolution. The chapter argues that the path dependent argument has a floor: where structural asymmetry is total and political trust is absent, energy does not merely fail to transform bilateral relations – it actively entrenches their most asymmetrical features.

Chapter 5 examines Lebanon as the dissertation's hard case: the bilateral context most hostile to cooperative energy diplomacy and therefore most demanding of this dissertation's central argument. It argues that the 2022 maritime boundary agreement between Israel and Lebanon, reached despite the absence of diplomatic relations and the presence of Hezbollah as a coercive veto player, is not evidence that energy can overcome adversarial bilateral trajectories. Rather, it illustrates a distinct and limited form of energy diplomacy: reactive, asset-protective, technocratic, and driven by the mutual interest in avoiding conflict over offshore resources rather than by any ambition to transform the relationship. The Lebanon case therefore confirms rather than challenges this dissertation's central argument, demonstrating that even in the most hostile context, a minimal convergence of material interests can produce narrow diplomatic outcomes, while leaving the underlying adversarial dynamic entirely intact.

Chapter 6 presents the dissertation's most analytically complex case, one in which energy functioned as a vehicle for strategic realignment without delivering a single commercial energy outcome. It argues that Israel's pivot toward Greece and Cyprus and its estrangement from Turkey were driven primarily by prior security interests in the Eastern Mediterranean, and that energy diplomacy institutionalized and accelerated a realignment already underway rather than initiated by it. The chapter also makes a counterintuitive observation consistent with this dissertation's central argument: that the failure of flagship energy projects between Israel, Greece, and Cyprus did not diminish energy's strategic significance or or undermine the parties' commitment to strategic partnership. The pursuit of those projects, rather than their realization, gave diplomatic form to a political alignment that security cooperation alone could not have formalized.

Chapter 1 – From Importer to Exporter: Israel's Energy History in Review

In June 1973, Israeli premier Golda Meir was hosting West German chancellor Willy Brandt at an official state dinner. It was only months before the Yom Kippur War, and despite mounting regional and domestic challenges, the national mood in Israel remained upbeat. Seeking to amuse her audience, Meir tried her hand at a joke. "Let me tell you something that we Israelis have against Moses," she said, "He took us 40 years through the desert in order to bring us to the one spot in the Middle East that has no oil."[1] The remark, delivered in jest, captured a reality that has shaped Israeli policymaking since the state's founding: the absence of natural resources and chronic energy insecurity.

This chapter sets out to present both the historical and analytical foundations necessary for understanding Israel's contemporary era of energy diplomacy. It argues that decades of energy scarcity produced a path dependency in Israeli strategic thinking – one in which energy was regularly treated as essential to national security rather than an economic necessity, and in which a small group of officials controlled policy with minimal public scrutiny. Offshore natural gas discoveries disrupted that pattern, transforming Israel's energy governance model from a securitized domain into a transparent and contested arena. In doing so, this chapter traces a key transition in Israeli energy governance: from the politics of scarcity, in which decisions were made by a securitized elite with minimal public accountability, to the politics of plenty, in which offshore natural gas discoveries democratized policy debate and expanded the range of actors shaping Israel's energy strategy. Understanding both the doggedness of that path dependency

[1]"Mrs. Meir Says Moses Made Israel Oil-Poor," *New York Times*, June 11, 1973, https://www.nytimes.com/1973/06/11/archives/mrs-meir-says-moses-made-israel-oilpoor.html.

and the nature of the disruption that took place in 2009 is critical to understanding why Israel's subsequent energy diplomacy in the Eastern Mediterranean took its particular form.

Between 1948 and 2009, Israel's energy policy was defined by limited domestic production and unreliable access to foreign oil and natural gas supplies. The Arab-Israeli conflict excluded Israel from regional energy markets, forcing successive governments to pursue alternative strategies to meet domestic demand. These included sustained diplomatic engagement with global powers – chiefly the United States and United Kingdom – to secure access to distant suppliers; an integrationist approach that emphasized participation in global energy markets rather than regional ones; and heavy investment in national storage, transport, and refinery infrastructure to make Israel an attractive and reliable consumer for foreign producers. Many of these strategies predated statehood and were refined over time as Israel adapted to repeated supply shocks and regional isolation.

There were notable exceptions to this pattern. Most significantly, between 1967 and 1981, Israel controlled oil and natural gas field in the Sinai Peninsula, temporarily easing its dependence on foreign suppliers. But the eventual return of these assets to Egypt as part of the Camp David Accords ultimately reinforced, rather than overturned, Israel's long-term strategy to energy security.

The discovery of offshore natural gas beginning in the 2000s marked a structural break in Israel's energy history. For the first time in decades, Israeli policymakers confronted the challenge not of managing scarcity, but of governing plenty. Between 2009 and 2023, Israel adopted a hybrid energy strategy that combined protectionist impulses aimed at safeguarding domestic supply and price regulation with cooperative initiatives designed to promote natural gas exports, bilateral agreements, and the formation of a regional gas market. These policies often operated in tension with one another, reflecting unresolved debates over how best to balance economic opportunity, regional diplomacy, and national security.

As this chapter demonstrates, the significance of Israel's offshore discoveries lies not only in its material impact on the Israeli economy but in how it altered policy discourse. Energy policy, once the vocation of a small circle of Israeli technocrats and security officials, became a subject of sustained public debate involving regulators, lawyers, civil society activists, and the media. Long-standing assumptions about dependence and strategic isolation were questioned, even as older institutional reflexes continued to shape policy outcomes. By situating Israel's post-2009 energy diplomacy within this longer historical process, this chapter provides essential context for understanding how and why energy became a central instrument of Israeli foreign policy in the twenty-first century.

I. "For us water is more important than oil" (1920-1948)

Oil prospecting in Palestine began as early as 1912, but after the after the First World War it was the British Empire that assumed control over the territory's energy infrastructure and supply chains. This section examines how energy governance during the Mandate period shaped the strategic assumptions that later guided Israeli energy policy. It argues that Israel's early experience of dependency, vulnerability, and regional isolation produced a lasting integrationist approach to energy security that would persist well beyond statehood.

During the Mandate Era (1920-1948), population growth – triggered in part by the influx of Jewish immigrants – and economic development spurred an increase in local energy demand. But geological surveys conducted under British supervision concluded that Mandatory Palestine lacked substantial oil deposits. Instead of functioning as a producer, the territory functioned as a bridge linking Middle Eastern suppliers to European markets.[2] From 1932 and 1934, the Iraq Petroleum Company (IPC) – a consortium of Western oil companies – constructed the Kirkuk-Haifa oil pipeline, delivering Iraqi crude oil to the Mediterranean.[34] By 1939, British-owned Anglo-Iranian Oil Company (AIOC), together with Shell, completed a major oil refinery complex in Haifa port, the third-largest in the Middle East.[5] During the Second World War, Haifa became the primary transfer terminal for Iraqi oil to Europe.

Participation in the British imperial oil system generated commercial benefits for Mandatory Palestine, but it also embedded energy infrastructure within the politics of colonial domination. For both Jewish and Arab nationalists, energy infrastructure was a symbol of Europe's continued control over regional resources. As nationalist mobilization intensified in the 1930s and 1940s, energy infrastructure increasingly became a target of political violence.[6] Pipelines were sabotaged, strikes disrupted refinery operations, and oil installations emerged as soft targets in the struggle against the empire.

As the Mandate era ended, rising intercommunal violence made access to energy a matter of survival. This challenge was particularly acute for the Jewish settlement in Palestine – or *Yishuv* – which was almost completely dependent on oil transported through Mandate Palestine. But because no commercially viable reserves had been discovered during the Mandate era, the

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[2]Uri Bialer, *Oil and the Arab-Israeli Conflict, 1948–63* (London: Macmillan, 1999), 10–11.
[3]See "Once Upon a Red Line: The Iraq Petroleum Company Story," *GeoExPro*, June 2013, https://www.geoexpro.com/articles/2013/06/once-upon-a-red-line-the-iraq-petroleum-company-story; Gawdat Bahgat, *Energy Security: An Interdisciplinary Approach* (Chichester: Wiley, 2011), 30; Elie Podeh, "Making a Short Story Long: The Construction of the Suez-Mediterranean Oil Pipeline in Egypt, 1967–1977," *Business History Review* 78, no. 1 (Spring 2004): 61–88.
[4]The Iraq Petroleum Company also conducted seismic surveys across portions of Mandatory Palestine; some modest oil wells were discovered.
[5]Bialer, *Oil and the Arab-Israeli Conflict, 1948–63*, 24; United Nations Conciliation Commission for Palestine, "The Haifa Refinery," August 23, 1949, https://www.un.org/unispal/document/auto-insert-210673/; "$20,000,000 Refinery Under Construction in Haifa," *Jewish Telegraphic Agency*, March 21, 1939, https://www.jta.org/1939/03/21/archive/20000000-refinery-under-construction-in-haifa.
[6]See Gawdat Bahgat, *American Oil Diplomacy in the Persian Gulf and the Caspian Sea* (Gainesville: University Press of Florida), 2003.

Zionist leadership had little experience navigating the nuances of the international oil industry. Instead, the movement prioritized agricultural development as both an economic foundation and a symbolic assertion of sovereignty. David Ben Gurion, who emerged as the *Yishuv*'s de factor leader in 1935 and would later become Israel's first prime minister, famously told Russian ambassador Pavel Yershov that "for us water is more important than oil."[7]

In practice, oil was as important as water to securing the future state. By 1946, British and *Yishuv* officials alike anticipated that Arab oil-producing states might cut off supplies to Britain and its allies to prevent the establishment of a Jewish state. Access to energy therefore became one of several points of tension the *Yishuv* and British authorities. While Britian supported the establishment of a Jewish state and therefore maintained operations at the Haifa refinery, its growing dependence on Middle Eastern oil also compelled it to reassure Arab producers that their interests would not be undermined. British energy policy was characterized by persistent ambivalence: sustaining imperial oil flows while attempting to manage competing nationalist claims.

These contradictions were put to the test following the United Nations Partition Plan of November 29, 1947. Under the plan, Haifa port – home to the refinery and the terminus of the Kirkuk pipeline – was allocated to the future Jewish state. The port quickly became a flashpoint of Arab-Jewish violence. In the ensuing months, the refinery experienced repeated work stoppages by its predominantly Arab workforce, while pipeline operations became increasingly erratic. International oil companies, like Shell and the IPC, began relocating staff and offices in anticipation of regional instability. As the British withdrawal approached, Western governments and oil firms prepared for disruptions to global supply.

[7]Bialer, *Oil and the Arab-Israeli Conflict, 1948–63*, 19-20, 31.

Following Israel's declaration of independence in May 1948, neighboring Arab states intentionally targeted regional energy infrastructure in order to pressure Western governments to end their support for Israel and cut off supply to the new state. Iraq, for example, closed the Kirkuk-Haifa pipeline – a main artery delivering crude oil to the Mediterranean – redirecting supply through Tripoli. Egypt also participated, refusing passage through the Suez Canal to all commercial traffic destined for Haifa port. Cut off from the region's primary energy routes, Israel wove together a patchwork of global oil suppliers from places like France, Italy, Morocco, Mexico and Venezuela.[8]

Diplomatic efforts to resolve the crisis continued throughout the war but failed to produce results. As historian Uri Bialer explains, British attempts to pressure Iraq and Egypt were doomed by political constraints and a lack of willingness to impose sanctions. "The British were also reluctant to adopt the oil companies' recommendation to try and present Egypt with a *fait accompli*," writes Bialer, while Israel refused to offer control over the port or the refinery. Because political considerations proved decisive for Arab state, French initiatives that emphasized technical solutions were similarly ineffective. Under such conditions, Bialer concludes, the complete suspension of crude oil supply to Israel was inevitable.[9]

Although the Arab oil boycott failed to prevent Israel's military victory or international recognition, it hardened regional opposition to the Jewish state. With no diplomatic resolution in sight, Haifa refinery was transformed "from a plant exporting worldwide to basically a domestic industrial enterprise."[10] For a newly independent state seeking economic growth and integration

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[8]See Bahgat, *Energy Security*, 30; Podeh, "Making a Short Story Long," 61–88; Clive Jones and Tore T. Petersen, "The Power of the Weak: Israel's Secret Oil Diplomacy, 1948–57," in *Israel's Clandestine Diplomacies*, ed. Clive Jones and Tore T. Petersen (Oxford: Oxford University Press, 2013); Nancy Turck, "The Arab Boycott of Israel," *Foreign Affairs* 55, no. 3 (1977).
[9]Bialer, *Oil and the Arab-Israeli Conflict, 1948–63*, 66, 81–83;
[10]Ibid, 81.

into global markets, Israel's regional isolation came at a financial cost. Despite creative efforts to secure fuel supplies, Israel remained chronically vulnerable to energy shortages. By 1950, Israeli officials recognized that ad hoc procurement was insufficient and that a more comprehensive strategy – combining diplomacy, commercial engagement, and state oversight – was required if the state to thrive.

Israel's wartime experience in 1948 established the foundational logic, and the first layer of path dependency, in its future energy policy. It demonstrated that the Arab-Israeli conflict shaped not only regional politics but also the behavior of global powers and multinational oil companies. To reduce its vulnerability to these shifts, Israel would need to cultivate relationships with states and companies willing to challenge the Arab boycott while simultaneously reducing dependence on dominant intermediates – specifically British and American companies that controlled much of the global oil trade. As a result, Israel adopted an integrationist strategy that sought both greater independence through its domestic energy industry and direct access to international supply chains. This transition was gradual and constrained by the structure of the global oil market, which, left Israel's fuel supply in the hands of a few foreign companies. Nevertheless, the lessons of the Mandate era and the 1948 war would shape Israeli energy policy for decades to come.

II. Energy Security and State-Building (1949-1966)

Following the 1948 war, Israel faced an acute and multilayered energy security challenge. In response, Israeli policymakers articulated four interrelated objectives: securing reliable and affordable supplies for domestic consumption; developing a domestic exploration and production capacity; refining crude oil for domestic use and export; and positioning Israel as a transit route for Middle Eastern oil bound for Europe through the construction of national energy infrastructure. Together, these goals reflected Israel's integrationist strategy, one that – as this chapter argues – established a path dependency in Israeli strategic thinking that would persist well beyond statehood, seeking to incorporate Israel within the global energy market while reducing its vulnerability to regional boycott.

To pursue these objectives, Israel built close relations with Western governments and international oil companies, presenting itself as a reliable partner aligned with Western commercial and strategic interests. These efforts yielded valuable results. American and European support played a critical role in alleviating some of Israel's energy shortages during this period. Reparations from West Germany subsidized costs to build domestic power plants and purchase oil tankers. Similarly, the US Grant-In-Aid program contributed to reducing costs from American and British oil companies. International oil companies, such as Shell and Esso, agreed to supply oil to Israel through "cash for delivery" model.[11]

Israel also established discreet relations with Iran in 1950. Shared concerns over Arab nationalism and regional instability enabled a pragmatic energy relationship that initially relied on an elaborate smuggling system to bypass Egyptian inspectors at the Suez Canal. By 1953, foreign oil companies were openly transporting Iranian crude oil to Israel, establishing a more reliable supply system. This relationship soon became a cornerstone of Israel's energy strategy.[12]

Securing external supply was a priority for Israel, however policymakers also sought to reduce dependence on imports by passing legislation that would subsidize state-led exploration initiatives and establish a domestic energy industry. The state also played a direct role in

[11]Uri Bialer, "Sterling Balances and Claims Negotiations: Britain and Israel 1947–52," *Middle Eastern Studies* 28, no. 1 (1992): 157–177, https://www.jstor.org/stable/4283482.
[12]See Zvi Alexander, *Oil: Israel's Covert Efforts to Secure Oil Supplies* (New York: Gefen Publishing House, 2000); Bialer, *Oil and the Arab-Israeli Conflict, 1948–63*, 171–175.

mobilizing capital for pipelines, storage facilities, refineries, and what would later become a strategic petroleum reserve, compensating for limited private investment in a politically risky environment.[13]Rather than nationalizing Western oil assets outright, Israel negotiated the creation of Delek (The Israel Fuel Corporation Ltd.) in 1951, the country's first majority Israeli-owned petroleum company. Established with a combination of private capital, government funding, and foreign investment, Delek assumed responsibility for 35 percent of Israel's distribution market. It purchased crude oil abroad, refined it in Haifa, and constructed energy infrastructure – including a pipeline linking Haifa to Tel Aviv – to lower transport costs. Senior Israeli ministers sat on Delek's executive committee, blurring the line between commercial management and state energy policy.

Delek's establishment was an important part of the institution-building process that Israel was able to prioritize following the 1948 war. This process also included the passage of the Petroleum Law in August 1952. The law formalized state ownership of all petroleum resources established regulatory authority over exploration and production and created a licensing system governing upstream activity. It also guaranteed state revenues through royalties and taxation, while enabling the issuance of long-term production leases. To administer this system, Israel established new governing bodies, including the Petroleum Council and Petroleum Commissioner, both of whom fell under the authority of the newly minted Development Ministry (which in 1977 would be renamed as Israel's Energy Ministry). Together, these institutions reflected an effort to transition from the post-war era into sustainable economic growth and resource management.[14]

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[13]Bialer, *Oil and the Arab-Israeli Conflict, 1948–63*, 31.
[14]See Petroleum Law, 5712–1952 (Israel), Ministry of National Infrastructures, Energy and Water Resources, https://www.energy-sea.gov.il/media/ofedajxw/petroleum-law-1952.pdf; Ministry of National Infrastructure, Energy and Water Resources, "Legal Framework," https://www.energy-sea.gov.il/home/legal-framework/; Clive Jones and

Despite taking these steps, domestic exploration in Israel yielded limited results. The modest success of the Heletz field – producing 17.2 million barrels between 1959 and 1967 – was offset by disappointing discoveries elsewhere. By the early 1960s, it was clear that domestic production would not fundamentally alter Israel's dependence on imports. This outcome reinforced policymakers' belief that Israeli energy security would be achieved primarily through diplomacy and regional infrastructure.

As Israel's energy strategy matured, Arab pressure on international oil companies intensified. Between 1954 and 1958, Esso, Socony Vacuum, Shell, and BP gradually withdrew from Israel under political pressure, transferring their assets to Delek, Paz, and other Israeli entities. By 1960, the Israeli state controlled approximately 70 percent of oil imports and distribution, with privately owned Sonol accounting for the remainder of operations. While this shift increased Israeli autonomy, it also deepened Israel's reliance on a narrow set of suppliers, notably Iran.[15]

These energy strategies were put to the test by the 1956 Suez Crisis, when the joint military campaign conducted by the UK, France, and Israel against Egypt. Beyond the temporary closure of shipping routes, the Soviet Union withdrew from its contracts with Delek cutting Israel's crude oil supply by 33%.[16] Israeli policymakers took two lessons from the episode: that reliable, unobstructed shipping lanes were equally important to the country's economic and security as affordable contracts, and that even seemingly reliable energy contacts were vulnerable to major geopolitical shocks. Following the Suez crisis, the US facilitated an

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Tore T. Petersen, "The Power of the Weak: Israel's Secret Oil Diplomacy, 1948–57," in *Israel's Clandestine Diplomacies*, ed. Clive Jones and Tore T. Petersen (Oxford: Oxford University Press, 2013), 80.

[15]See Sonol Energy, "History," https://www.sonolenergy.com/History; Bialer, *Oil and the Arab-Israeli Conflict, 1948–63*, 197.

[16]Although the Soviet Union refrained from citing political reasons for its withdrawal, the decision was widely understood as politically motivated. See Bialer, *Oil and the Arab-Israeli Conflict, 1948–63*, 215.

agreement between Israel and Egypt where the Israeli military would withdraw from the Sinai Peninsula in exchange for the secure passage of Israeli vessels though the Straits of Tiran and access to Eilat port in southern Israel.[17] The United Nations Emergency Force (UNEF) was stationed in the Sinai Peninsula to maintain this arrangement. Israel also intensified its efforts to diversify its national infrastructure, connecting pipelines to major ports throughout the country.

The Suez Crisis also led Israel to deepen its relationship with Iran. By Israel the late 1950s, Israel imported over 90 percent of its oil from Iran. This partnership proved to be one of Israel's most impressive and enduring diplomatic achievements. But it also introduced a new form of dependency – one that Israeli officials viewed with unease and deliberately shielded from public scrutiny. Energy arrangements were classified, part of a pattern in which energy security was treated as a national security concern rather than a subject of public debate.

All told, Israel's first decade of energy policymaking reveals a consistent logic: energy scarcity drove institutional innovation, diplomatic creativity, and infrastructure development under conditions of regional isolation and boycott. These early choices produced enduring institutional patterns that would continue to shape Israeli energy policy for many years. However, the limitations of this strategy became apparent after 1967, when Israel's territorial expansion temporarily introduced new sources of supply, most notably in the Sinai Peninsula. The next section examines how control over these resources reshaped Israeli energy policy, and how their eventual return to Egypt further reinforced the strategic lessons forged in Israel's formative years.

[17] In 1957, Israeli Foreign Minister Golda Meir declared that any attempt to close the Straits of Tiran would be treated as *casus belli*. See Guy Laron, *The Six-Day War: The Breaking of the Middle East* (New Haven: Yale University Press, 2017), 83; Michael B. Oren, *Six Days of War: June 1967 and the Making of the Modern Middle East* (New York: Presidio Press, 2002).

III. War & Peace (1967-1973)

This section examines the period between 1967 and 1977, when Israel briefly achieved an unprecedented degree of energy security through territorial acquisition, infrastructure expansion, and strategic alignment with non-Arab oil producers. It argues that this short-lived era represented a temporary departure from the path dependency established in Israel's formative years, and one that profoundly impacted Israeli policymakers' understanding of energy security. The experience also delivered a valuable lesson: short-term energy independence was not a substitute for durable, diversified energy partnerships.

The mechanisms established at the conclusion of the Suez Crisis did not sufficiently reduce tensions between Israel and Egypt, and as Egyptian president Gamal Abdel Nasser's influence grew, mutual suspicion between the parties deepened. The slow build up towards open conflict accelerated in May 1967, when Egypt mobilized forces in the Sinai Peninsula and demanded the withdrawal of UNEF troops. On May 23, 1967, Egypt imposed a naval blockade on the Straits of Tiran, cutting off Israel's access to the Red Sea: "Under no circumstances can we permit the Israeli flag to pass through the Gulf of Aqaba…These are our waters."[18]

Unlike the Suez crisis, however, Israel entered 1967 better prepared for energy disruption. Under the administration of the Defense Ministry, the state had stockpiled approximately four months' worth of emergency oil supplies. Although Israel remained dependent on Iranian crude oil shipments arriving at Eilat, the expansion of global oil markets provided alternative – if expensive – procurement options.[19] Israeli leaders briefly entertained

[18]Israel Ministry of Foreign Affairs, "Egypt Reimposes a Naval Blockade on the Straits," in *Israel's Foreign Relations: Selected Documents*, https://www.mfa.gov.il/mfa/foreignpolicy/mfadocuments/yearbook1/pages/4%20egypt%20reimposes%20a%20naval%20blockade%20on%20the%20straits.aspx.
[19]Laron, *The Six-Day War*, 203–204.

sending an military-operated oil tanker through the Straits to provoke Egyptian fire justify military action, but the Eshkol government ultimately refrained.[20] The existence of energy reserves reduced the urgency of escalation, illustrating how improved energy preparedness influenced Israel's strategic calculus on the eve of war.

Israel's capture of the Sinai Peninsula – which included 117 operational oil wells and offshore fields – constituted a seismic shift in the country's energy security, enabling the state to achieve energy independence for the first time in its history. The Sinai's oil was expeditiously integrated into Israel's midstream infrastructure, delivering it throughout the national pipeline system. To further utilize Sinai oil, Israel subsidized the expansion of its domestic petrochemical industry. Within a few years, Israel was successfully producing enough oil to meet its domestic needs.[21]

Israel also invested in the means to export surplus crude oil by expanding its tanker fleet, building a new oil refinery in Ashdod port, along the Mediterranean Sea, and encouraging continued development of Sinai's oil industry. Netivei Neft, a state-owned company, increased its crude oil production at the Bilaiyim Sinai oil field from 4.5 million tons to about 6 million tons per year in order to capitalize on export demand. The government also allowed companies that were previously operating in the Sinai Peninsula to continue their activities. However, expanded exploration and operational activities remained a sore point between Israel and Egypt, as well as with the United States, which was trying to walk a line between supporting its ally while reducing the possibilty of another cycle of conflict.[22]

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[20]Oren, *Six Days of War: June 1967 and the Making of the Modern Middle East*, 165.
[21]See Uri Bialer, "Fuel Bridge across the Middle East: Israel, Iran, and the Eilat-Ashkelon Oil Pipeline," *Israel Studies* 12, no. 3 (Fall 2007): 29–67; Elias Shoufani, "The Sinai Wedge," *Journal of Palestine Studies* 1, no. 3 (1972): 90; Gawdat Bahgat, "Energy and the Arab-Israeli Conflict," *Middle Eastern Studies* 44, no. 6 (2008): 938.
[22]See "Offshore Sinai Oil Is Moving to Israel; First Wells in Gulf of Suez," *New York Times*, March 30, 1978, https://www.nytimes.com/1978/03/30/archives/offshore-sinai-oil-is-moving-to-israel-first-wells-in-gulf-of-suez.html.

In parallel, Israel took advantage of the Suez Canal's prolonged closure (from 1967 to 1975) to strengthen its already robust energy relationship with Iran. Since the 1950s, Jerusalem and Tehran had considered investing in an overland pipeline to bypass the Suez Canal, but the project was unattractive to investors and Iran began exploring alternative routes via Iraq and Turkey. However, Iranian interest in the bypass pipeline after the Suez Canal's blockade and within a few years Israel and Iran approved a the joint construction of the Trans-Israel pipeline, eventually known as the TIPLINE. The TIPLINE gave the National Iranian Oil Company (NIOC) greater control over its supply of exports to Europe and increased throughput capacity. For Israel, it ensured that large quantities of crude oil were passing through its territory, further increasing its energy security, reducing energy costs, and plugging the country into the global oil market. Israel was more than just a transit state, it helped secure favorable loan financing for the TIPLINE from Germany, helped market Iranian oil to the European market, and offered its new tanker fleet to help transport it from Ashdod port.

In 1968, Iran and Israel established the Trans-Asiatic Oil Company, which assumed responsibility for transporting Iranian oil to Europe via Israel. A subsidiary – the Eilat-Ashkelon Pipeline Company (EAPC) – was created to operate the TIPLINE and associated terminals. Upon completion, Iran pressured foreign firms operating within its territory to route oil through the Israeli corridor to meet their commitments to the European market. Through the TIPLINE's success, Israeli policymakers learned that energy security could be enhanced through strategic alignment with friendly states and the construction of reliable infrastructure, but it remained vulnerable to geopolitical shifts beyond Israel's control.

Israel's energy independence came at Egypt's expense. To remain connected with the global energy supply chain, Egypt and its Arab partners agreed to finance the Suez-

Mediterranean (SUMED) pipeline. SUMED's primary objective was to compete with TIPLINE, and the two camps vied over whose oil conduit would be completed faster. Although SUMED was plagued by internal disputes by foreign investors and Egyptian state institutions, it ultimately became commercially viable and restored Egypt's position as a critical energy transit state.[23]

From 1948 until the discovery of natural gas in the late 2000s, 1970s was considered the golden era of Israeli energy security. TIPLINE guaranteed a nearly uninterrupted flow of Iranian oil for Israel's domestic consumption from 1968–1978, and integrated Israel into the global energy supply chain. By 1975, Israel's oil consumption was evenly divided between Iranian imports and Sinai oil.

This era, however, proved to be fleeting. Within a few years, two core developments – peace with Egypt and the 1979 Islamic Revolution in Iran – set in motion a domino effect that unintentionally stripped Israel of its domestic fossil fuel supply and its primary foreign energy partner. This twin challenge forced Israeli officials to rethink their principles once more and find new solutions that would ensure the country's future energy security.

The October 1973 war marked a major shift in global oil market. Although Israel initially retained control of most Sinai oil fields following the ceasefire, Arab members of Organization of the Petroleum Exporting Countries (OPEC) imposed an oil embargo on the United States and other states supported Israel, quadrupling global oil prices and precipitating a worldwide recession.[24] The embargo compelled Washington to disentangle Arab-Israeli diplomacy from negotiations over oil supply, with US Secretary of State Henry Kissinger leading parallel

[23]For a detailed account of the SUMED pipeline and its competition with the TIPLINE, particularly in the period following the 1979 Egypt-Israel peace treaty, see Elie Podeh, "Making a Short Story Long: The Construction of the Suez-Mediterranean Oil Pipeline in Egypt, 1967–1977," *Business History Review* 78, no. 1 (Spring 2004): 61–88.
[24]See Daniel Yergin, "Daniel Yergin: Why OPEC No Longer Calls the Shots," *Wall Street Journal*, October 13, 2014, http://online.wsj.com/article/SB10001424052702303382004579131460420974406.html.

diplomatic tracks between Israel and Egypt on the one hand and with the Arab oil producers on the other.[25]

The prospect of post-war disengagement agreements – first between Israel and Egypt in January 1974 – proved sufficient to secure the lifting of the embargo in March 1974. But the subsequent peace process would require Israel to relinquish its control over the Sinai oil fields, ending its brief era of energy independence. Forced to wrestle with these shifting geopolitical changes, Israeli policymakers agreed that the state should change how energy security should be institutionally managed, which led to the establishment of a dedicated Israeli Ministry of Energy and Infrastructure in 1977. The move reflected an understanding that energy security could no longer be treated as a temporary byproduct of military success or covert partnerships, reinforcing rather than disrupting the path dependency established in Israel's formative years and now institutionalized in a dedicated ministry.

IV. Peacemaking and Pipeline Politics (1973-1981)

On November 20, 1977, Egyptian President Anwar Sadat visited Jerusalem and called for peace between Egypt and Israel. A *Ha'aretz* column likened the visit to the "coming of the Messiah," capturing the sense that the event marked a historic rupture with decades of conflict. Fifteen months later, Sadat's grand gesture delivered a bilateral peace treaty signed on the White House lawn. Beneath its symbolic significance, however, the agreement rested on a set of difficult material tradeoffs, among them Israel's return of the Sinai Peninsula and its energy

[25]See Daniel Yergin, *The Prize: The Epic Quest for Oil, Money, and Power* (New York: Free Press, 1991); Meg Jacobs, *Panic at the Pump: The Energy Crisis and the Transformation of American Politics in the 1970s* (New York: Hill & Wang, 2017); Timothy Mitchell, *Carbon Democracy: Political Power in the Age of Oil* (New York: Verso, 2011).

resources. This section examines how energy played a role in the Egypt-Israel peace negotiations and how the loss of Sinai oil forced Israel to recalibrate its energy strategy.

The peace accord was premised on Israel's withdrawal from Sinai in exchange for normalization. From Israel's perspective, this entailed relinquishing control over oil fields that had underpinned a decade of unprecedented energy independence. After years of energy scarcity and supply disruption, the prospect of again becoming dependent on foreign suppliers posed a serious strategic dilemma. Israeli resistance to ceding territory in Sinai was therefore not only about security concerns or ideological commitments but rooted in an anxiety about its future energy security.

For Egypt, regaining the Sinai oil fields was an economic priority. Before 1967, these fields supplied a substantial share of Egypt's production, and their loss dealt a serious blow to state revenues. Under Sadat, oil also became a diplomatic tool. Egypt joined OPEC in 1972 and leveraged Arab oil power during and after the 1973 war to pressure Israel's international supporters. By the mid-1970s, oil rents accounted for a growing share of Egypt's GDP, reinforcing Cairo's interest in securing stable production and export capacity.

After the 1973 war, Sadat pivoted way from the Soviet Union towards the United States, opening the door to American mediation. The first Sinai disengagement agreement in January 1974 established US credibility as a broker, while a second interim agreement (Sinai II) in 1975 linted future Israeli withdrawals from the peninsula to security and energy assurances. But Israeli officials were concerned this would mean relinquishing the Abu-Rudeis field, one of the Sinai Peninsula's most productive reservoirs. The US tried to sweeten the terms: if Israel could not purchase enough (or any) oil on the international market, the US would provide the oil it needed, and in a worst-case scenario the means of delivery as well. The guarantee was given for five years, until 1980. Israel agreed to these terms, withdrew to the eastern outskirts of the passes, and returned Abu-Rudeis to Egyptian control on November 17, 1975.[26] This arrangement marked an important shift in Israel's energy strategy, where it's externalized a portion of its energy security to a third-party guarantor.[27]

For Egypt, the interim deal restored valuable oil assets and boosted export revenues. By the late 1970s, oil accounted for a rising share of Egypt's economy, strengthening the regime and emboldening Sadat to continue pursuing peace negotiations with Israel. In contrast, Israel initially viewed the return of Abu Rudeis as manageable. Long-term contracts with Iran and expectations of further Sinai discoveries tempered immediate concerns.[28]

But Israel's assessment of its own energy security changed in the autumn of 1978, as intelligence reports warned of an impending upheaval in Iran. As the Pahlavi regime's position weakened, Israel began stockpiling oil, signing contracts from Mexico and Norway to diversify its suppliers, and imposing strict measures to reduce domestic consumption. Following the revolution in 1979, Tehran severed ties with Israel and delivered a sudden end to one of its most strategic energy partnerships.

This dual shock – the loss of Iranian oil and the impending return of Sinai – hardened Israel's negotiating posture with Egypt. During the course of negotiations, Israeli negotiators refused to give up operational oil fields – such as the Alma field discovered in South Suez Bay in 1977 – without durable energy guarantees from Egypt and the United States.[29] They proposed a long-term oil supply arrangement from Egypt, arguing that such contracts would compensate for

[26]November 17 is still commemorated in Egypt as Petrol Day.
[27]See Ziv Rubinovitz and Elai Rettig, "Crude Peace: The Role of Oil Trade in the Israeli-Egyptian Peace Negotiations," *International Studies Quarterly* 62, no. 2 (June 2018): 371–382.
[28]See Itzhak Gal, *Egypt's Oil Sector: Its Evolution, Its Place in the Economy, and the Implications on Egypt's Policy toward Israel, 1974–1984* (Tel Aviv: Moshe Dayan Center for Middle Eastern and African Studies, 1986).
[29]See William B. Quandt, *Camp David: Peacemaking and Politics* (Washington, DC: Brookings Institution, 1986).

economic losses, reduce transport costs by utilizing existing infrastructure, and serve as a concrete confidence building measure. A binding agreement, Israeli negotiators believed, would prevent Egypt from weaponizing energy supply in the future. For its own part, Egypt resisted multiyear commitments, citing its commitments to the Arab boycott against Israel, concerns about dependence on the Israeli energy market, and a desire to retain future leverage.[30]

To ensure that talks didn't stalemate over questions of energy security, the US signed a separate agreement with Israel in March 1979 guaranteeing Israel access to alternative oil supplies for 15 years following its withdrawal from Sinai. This agreement was exceptional; the US was an oil importer and in the wake of the 1973 oil crisis had imposed heavy export restrictions to reduce domestic costs. However, the Carter administration correctly assessed that Israeli energy needs were not large enough to impact the US economy, and the gesture would give Israel the assurance it needed to stay at the negotiation table.[31] Upon completion of the treaty, Egypt agreed to supplying oil to Israel for 15 years. When implemented in 1980, Egyptian supply would constitute approximately 30 percent of Israel's domestic consumption and 10 percent of Egypt's annual oil exports. With a significant percentage of its oil supply secured through the peace treaty, Israel turned its attention towards the TIPLINE, nationalizing the

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[30]For more on the energy negotiations within the Israel-Egypt peace negotiations, see Alexander R. Wieland, ed., *Foreign Relations of the United States, 1977–1980, vol. 9: Arab-Israeli Dispute, August 1978–December 1980* (Washington, DC: US Government Printing Office, 2014); Ziv Rubinovitz and Elai Rettig, "Crude Peace: The Role of Oil Trade in the Israeli-Egyptian Peace Negotiations," *International Studies Quarterly* 62, no. 2 (June 2018): 371–382; Bishara A. Bahbah, "The United States and Israel's Energy Security," *Journal of Palestine Studies* 11, no. 2 (1982): 120–121.

[31]Israeli Prime Minister Menachem Begin expressed concerns that the agreement would sour American public support for Israel: "There will be some anti-Semites," Begin told Lewis, "and you have some anti-Semites in the United States—who will say: 'you give oil to the Jews while we shiver.' We don't want this." Memorandum, "Meeting between PM Begin and US Ambassador Lewis," March 20, 1979, Israel State Archives, A 4174/15; Yehuda Avner and Chanan Bar-On, telegram to the Deputy Prime Minister, Foreign Minister and Defense Minister, "The Negotiations" (Meeting between Prime Minister Begin and President Carter at the White House, Washington, DC, Sunday, 4 March, 2:00 P.M.). Israel State Archives, A 4174/12.

pipeline, expropriated Iranian investments, and authorizing the EAPC to continue operating the pipeline's associated midstream and downstream assets (e.g. storage tanks and oil terminals).[32]

Not everyone was left satisfied with Israel's energy security situation. Israeli Minister of Energy Yitzhak Moda'i summarized the bittersweet sentiments at the time:

> "I'm almost sick . . . For a minister of energy anywhere in the world to give up, for any cause, even the best cause in the world, an oil source of 20 percent of your needs, with the potential for supplying all of your energy needs, that is something that is really beyond my own analysis. On the other hand, what can be more precious to a country that for thirty-one years has been almost in constant war than peace with its strongest neighbor? There could not be a heavier, more vital national sacrifice, and to me it's symbolic. It represents Israel's attitude and Israel's large investment in the peace process with Egypt."[33]

Even as other aspects of normalization lagged, Israel-Egypt cooperation endured. In a 1988 interview, Egypt's Minister for Petroleum and Mineral Resources, Abdel-Hadi Kandil, stated that the oil question had paradoxically "become one of the few friendly ties between the two countries."[34] This constructive element in bilateral relations persisted over several decades, and as will described in detail in Chapter 3 eventually laid the groundwork for future natural gas export contracts.

Negotiating with Egypt presented Israel with a dilemma: to retain control over essential energy resources it captured in 1967 or make peace with one of the most important Arab states and once again become dependent on external suppliers for its oil. Israel chose a middle path, one that refashioned energy resources that were once a source of tension into a vehicle for cooperation and interdependency, embedded within a formal agreement and guaranteed by a powerful third party.

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[32]Gawdat Bahgat, *Energy Security: An Interdisciplinary Approach* (Chichester: Wiley, 2011), 39.
[33]David K. Shipler, "Israel Gives Up an Oil Field to Egypt in Biggest Sacrifice for Peace," *New York Times*, November 26, 1979, https://www.nytimes.com/1979/11/26/archives/israel-gives-up-an-oilfield-to-egypt-in-biggest-sacrifice-for.html.
[34]Karim Wissa, *The Oil Question in Egyptian-Israeli Relations, 1967–1979: A Study in International Law and Resource Politics* (Cairo: American University in Cairo Press, 1990).

The United States played an indispensable role, not only as a mediator but as an energy guarantor, absorbing risks that neither Israel nor Egypt were prepared to take. The side agreement between United States and Israel marked the first time a country ever received an exception to US oil export restrictions. The United States not only supported Israel's energy security interests during the Camp David negotiations, it also helped Israel acquire oil from non-OPEC producers and compensated Israel for forfeiting the Sinai oilfields. Without American assurances, it is questionable whether Israel would have successfully managed the loss of the Sinai oil fields.

By the mid-1980s, shifts in the global oil market further eased Israeli energy vulnerabilities. Declining OPEC power and improved access to non-OPEC suppliers stabilized the global energy market and reduced the strategic leverage of oil producers. Domestically, Israel invested in energy efficiency, diversified its energy mix, and strengthened regulatory institutions. These measures did not eliminate all concerns; rapid economic growth and rising electricity demand in the 1990s would once again challenge Israeli policymakers.

V. The Fruits of Peace and Globalization (1991-2009)

The 1990s marked a transitional decade in Israeli energy security, defined by increased domestic demand, global realignments, and the first indications of future renewable energy industry. Israel responded to these pressures by diversifying its resources, transit energy diplomacy, and adapting its institutions to its changing environment. While Israeli policymakers succeeded in reducing the country's reliance on familiar suppliers, they did so through politically contingent arrangements that again exposed the limits of oil-era hedging strategies and set the stage for offshore natural gas to assume strategic importance in Israeli energy policy.

After implementing anti-inflation measures in the mid-1980s, Israel's economy stabilized and entered a period of rapid growth between 1990 and 1995. This growth was made possible by several factors. First, nearly one million former Soviet Union immigrants relocated to Israel in the 1990s, increasing the country's population by approximately 20 percent. Second, as part of the Oslo Peace Process with the Palestinian Liberation Organization between 1993 and 1995, Israel agreed to continue supplying the Palestinian territories, which was also experiencing economic growth, with electricity.[35] As industrial output and household consumption increased, Israel's national electricity grid struggled to keep pace. High fuel costs and limited generation capacity left the isolated national grid system vulnerable to supply disruptions. Despite sustained efforts to improve efficiency, demand continued to rise, forcing Israeli officials to throw spaghetti against a wall in the hopes that something would work.[36] As a result, this period produced some of the most creative, and least feasible, energy schemes to address Israeli energy concerns.

One response was to capitalize on the geopolitical opening created by the collapse of the Soviet Union. Israel established energy partnerships with newly independent states in Central Asia, particularly Azerbaijan and Kazakhstan. Israel signed oil import contracts with Azerbaijan in the early 1990s and by the 2000s was importing between 25 and 40 percent of its crude from Baku.[37] Israeli support for the Baku-Tbilisi-Ceyhan (BTC) pipeline facilitated Azerbaijani exports to Mediterranean markets and accelerated Israel's access to Caspian oil. Israeli energy companies Dor Alon and Delek also invested in a separate Baku-Erzurum natural gas pipeline

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[35]See "Israeli-Palestinian Interim Agreement on the West Bank and the Gaza Strip" (Oslo II), Annex III, Appendix 1, art. 10, September 28, 1995, https://ecf.org.il/media_items/624.
[36]See Ben-Zion Zilberfarb, "From Boom to Bust: The Israeli Economy 1990–2003," *Israel Affairs* 12, no. 2 (April 2006): 221.
[37]See Emil Souleimanov, Maya Ehrmann, and Huseyn Aliyev, "Focused on Iran? Exploring the Rationale behind the Strategic Relationship between Azerbaijan and Israel," *Southeast European and Black Sea Studies* 14, no. 4 (October 2014): 478.

which was completed in 2007. Over time, energy cooperation with Azerbaijan expanded into a broader strategic relationship encompassing military, technological, and diplomatic ties. Israeli Minister of National Infrastructure Uzi Landau made two officials visits to Baku during his tenure, meeting with senior Azerbaijani officials about energy cooperation initiatives.[38] Kazakhstan emerged as another key supplier. Following the establishment diplomatic relations in 1992, Israel invested in Kazakhstan's oil sector, and at various points Kazakhstan supplied as much as 25 percent of Israel's annual oil imports.[39] In 2007, Kazakhstan's government acquired shares in the privatized Haifa refinery as part of its attempt to deepen its economic reach in European markets.[40] Together, these Central Asian oil-producers formed the backbone of Israel's post-cold war energy strategy: expanding its supplier base while linking energy cooperation with political and security interests.

The collapse of the Soviet Union also created a window of opportunity for Israel and the new Russian government to reimagine their bilateral relationship. Israel was willing to take surplus crude oil off Russian producers who used to sell within the Soviet Union but found themselves struggling to find new consumers in a competitive global market; by 2001, Russia was Israel's top supplier of crude oil and there were ongoing negotiations about the possible import of Russian natural gas. In 2002, Russian-owned Gazprom weighed the possibility of conducting offshore exploration for Israeli natural gas.[41] Israel also explored more adventurous transit schemes, including Russian and Turkish proposals to construct multi-commodity

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[38]See Alexander Murinson, "The Ties Between Israel and Azerbaijan, 1992–2014," BESA Center Mideast Security and Policy Studies No. 110 (October 2014), https://besacenter.org/wp-content/uploads/2014/10/MSPS110-web.pdf.
[39]See Michael B. Bishku, "The Relations of the Central Asian Republics of Kazakhstan and Uzbekistan with Israel," *Middle Eastern Studies* 48, no. 6 (November 2012): 933.
[40]"Kazakhstan Buys Stake in Israel's Haifa Oil Refinery," *Reuters*, January 10, 2007, https://www.reuters.com/article/israel-oilrefineries-sale-idUKL1037599520070110.
[41]See Amiram Cohen, "Gazprom mit'anayenet be-rekhishat zikhyonot ḥipusei gaz be-mimei Yisra'el [Gazprom Interested in Acquiring Gas Exploration Licenses in Israeli Waters]," *Ha'aretz*, January 2, 2002, https://www.haaretz.co.il/misc/2002-01-02/ty-article/0000017f-e378-d38f-a57f-e77ae7540000.

pipelines that could bypass both the Bosporus Strait and Suez Canal. These projects promised access to oil, gas, electricity, and water, but like many of the proposals during this period lacked the requisite technical, commercial and political feasibility to become realized.[42] Nevertheless, they demonstrated a willingness by Israel to take advantage of geopolitical opportunities that would boost its energy security.[43]

As new suppliers entered Israel's energy mix, Israel's dependence on Egyptian oil declined. Egyptian exports through the Trans-Israel pipeline (TIPLINE) steadily decreased during the 1990s as domestic demand in both countries surged and Egyptian oil production plateaued. By 2002, Egyptian oil exports to Israel ceased entirely.[44] But that same year, a spike in Israeli electricity demand caused nationwide blackouts, costing the state approximately 700 million shekels.[45] Despite having replaced Egyptian oil with Central Asian alternatives, Israel's electricity grid remained an energy island, disconnected from regional grids and vulnerable to spikes in domestic energy demand.

The end of Egyptian oil imports also threatened the TIPLINE. To preserve its strategic value, the Eilat-Ashkelon Pipeline Company (EAPC) converted it into a bidirectional pipeline and expanded storage capacity at its two terminals. Completed in 2003, the pipeline remodeling

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[42]See Etgar Lefkovits, "Israel and Turkey plan energy pipeline," *Jerusalem Post*, May 11, 2006, https://www.jpost.com/israel/israel-and-turkey-plan-energy-pipeline/article-21569.

[43]For more information on Israel-Russia energy relations see: Anna Borshchevskaya, "The Evolution of Russian Strategy toward Israel: From Non-Recognition to Pragmatic Engagement," *Strategic Assessment* 25, no. 1 (March 2022), https://www.inss.org.il/wp-content/uploads/2022/12/Adkan25.1Eng_Borshchevskaya.pdf; Robert O. Freedman, "Russian-Israeli Relations Since the Collapse of the Soviet Union," in *The Palgrave International Handbook of Israel* (Cham: Palgrave Macmillan, 2021); Dmitry Maryasis, "Participation of Russian Energy Companies in the Development of Israel's Natural Gas Discoveries," in *Russia and Israel in the Changing Middle East*, ed. Zvi Magen and Vitaly Naumkin (Tel Aviv: Institute for National Security Studies, 2013), https://www.inss.org.il/wp-content/uploads/systemfiles/memo129e%20(2)_final.pdf.

[44]See Yitzhak Gal and Bader Rock, "Israeli-Egyptian Trade: In-Depth Analysis," Tony Blair Institute for Global Change, October 15, 2018, https://institute.global/advisory/israeli-egyptian-trade-depth-analysis; James Stocker, "No EEZ Solution: The Politics of Oil and Gas in the Eastern Mediterranean," *Middle East Journal* 66, no. 4 (2012): 581.

[45]See Itay Fischhendler, "The Use of Intangible Benefits for Promoting Contested Policies: The Case of Geopolitical Benefits and the Israeli Gas Policy," *Geopolitics* 23, no. 4 (October 2018): 934.

enabled Russian and Caspian crude to transit through TIPLINE for onward shipping to Asian markets, bypassing the Suez Canal. Israel sought to market itself as a transit state, offering reduced shipping times and costs to energy-hungry Asian countries.[46]

The end of Egyptian oil imports also encouraged Israeli policymakers to identify new ways of cooperating with Cairo, this time through natural gas imports. In 2005, Israel negotiated an agreement to import Egyptian natural gas. Benjamin Ben-Eliezer, then serving as Israel's Minster of National Infrastructure, called the agreement "historic."[47] By 2008, Egypt was supplying up to 40 percent of Israel's natural gas annual demand. Once again, this arrangement proved fragile. Legal issues, price disputes, militant attacks on the pipeline, and shifting political dynamics following the Arab Spring culminated in Egypt's eventual termination of natural gas supplies in 2012.[48]

These were instructive lessons For Israeli energy experts and policymakers. While the liberalization of the global economy had made it easier and cheaper to acquire energy, market fluctuations and geopolitical stability were still determining factors in the availability and affordability of energy imports. Israeli policymakers appreciated that energy interdependence was only as durable as the political climate allowed, and that energy's stabilizing potential was always contingent on the bilateral and multilateral foundations that were maintained by proactive diplomacy.

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[46]See Simon Henderson, "Russian Oil Transit via Israel: The Trans-Israel Pipeline Reborn?," Washington Institute for Near East Policy, November 17, 2003, https://www.washingtoninstitute.org/policy-analysis/russian-oil-transit-israel-trans-israel-pipeline-reborn.

[47]Avi Bar-Eli, "Ben-Eliezer: "heskem ha-gaz ha-tiv'i hu ha-heseg ha-mashma'uti be-yeḥasei Yisra'el–Mitzrayim" [Ben-Eliezer: 'The Natural Gas Agreement Is the Most Significant Achievement in Israel–Egypt Relations']," *TheMarker*, May 6, 2008, https://www.themarker.com/realestate/2008-05-06/ty-article/0000017f-f833-d460-afff-fb77fb4a0000.

[48]See Matt Bradley, "Egypt Cancels Israel Gas Deal," *Wall Street Journal*, April 22, 2012, https://www.wsj.com/articles/SB10001424052702303459004577360213475479688; Stocker, "No EEZ Solution," 582.

Yet even as policymakers grappled with these constraints, the most consequential energy development of the decade was unfolding off the coast. After 17 years of failed exploration attempts, Delek made Israel's first offshore gas discovery, Noa-1, in June 1999, in partnership with Houston-based Noble Energy. That same year, British Gas signed an agreement with the Palestinian Authority to explore waters off the Gaza Strip, and within months had discovered the Marine-1 field. Then in February 2000, Delek and Noble Energy discovered a second reservoir in Israeli waters, Mari-B, southeast of Noa – the first Israeli gas field to enter commercial production, supplying Israeli power plants by 2004.[49] These early finds were modest, but they fundamentally altered perceptions of Israel's energy future. Within a decade, successive discoveries would transform natural gas from a speculative prospect into a strategic resource with domestic and regional implications.

By the early 2000s, Israel had diversified its oil suppliers, expanded transit infrastructure, and begun the process of exploring its offshore maritime space. And yet it remained vulnerable to regional volatility, rising domestic energy demand, and external shocks. These accumulating pressures explain why offshore natural gas, when it finally materialized at scale, was embraced not merely as a valuable domestic energy source but as a potential solution to long-standing structural vulnerabilities that had plagued the state since its founding. The following section traces how the promise and potential of natural gas development permanently transformed Israeli energy policy.

VI. Offshore Natural Gas and Israel's Domestic Debate (2009-2016)

[49] Avi Bar-Eli, "Ha-medina horta le-Delek ve-Noble Energy likdoaḥ be-ma'agar Noa; ha-'alut – ke-200 million dolar [State Orders Delek and Noble Energy to Drill in Noa Field; Cost Estimated at $200 Million]," *TheMarker*, July 15, 2010, https://www.themarker.com/markets/2010-07-15/ty-article/0000017f-e87e-df5f-a17f-fbfe5e250000.

This section examines the domestic political and institutional consequences of Israel's offshore natural gas discoveries. Rather than treating natural gas as a purely technical or economic development, this section shows how the discovery of domestic energy reserves was a political development as well, involving all three branches of government, regulatory institutions, and Israeli public. The domestic competition over how these newfound resources should be regulated, taxed, and exported is essential to understanding how Israel's perception of energy changed, and by extension – as will be addressed in subsequent chapters – how its regional diplomacy was executed.

The Tamar and Leviathan discoveries, in 2009 and 2010 respectively, established the Levant Basin as a region with significant hydrocarbon potential and elevated Israel's status as an emerging energy producer. In its 2010 "Assessment of Undiscovered Oil and Gas Resources of the Levant Basin Province," the US Geological Survey established that the Levant Basin contained approximately 1.7 billion barrels of recoverable oil and 3,400 billion cubic meters (bcm) of recoverable natural gas, with Tamar and Leviathan accounting for an estimated 736 bcm.[50] These findings altered Israel's long-standing energy strategy, which as detailed throughout this chapter had been dictated by energy scarcity, overreliance on imports, and vulnerability to external supply shocks.

The domestic implications these new discoveries were most apparent for Israel's electricity sector. Since the oil shocks of the 1970s, Israeli policymakers had sought to reduce the country's dependence on expensive crude oil through efficiency measures, coal-fired electricity generation, and renewable innovations like mandatory solar water heaters. The introduction of

[50]See C. J. Schenk et al., *Assessment of Undiscovered Oil and Gas Resources of the Levant Basin Province, Eastern Mediterranean* (Reston, VA: U.S. Geological Survey, March 12, 2010), 2, https://pubs.usgs.gov/fs/2010/3014/pdf/FS10-3014.pdf.

offshore natural gas development in 2004 accelerated this transition away from crude oil, whose share of electricity generation fell from 32 percent in 1999 to less than 1 percent by 2015 while natural gas use for electricity production rose from 1.2 bcm in 2004 to over 11 bcm per year by 2019.[51] Within two decades, natural gas moved from the margins of Israeli energy use to accounting for the majority of Israel's electricity production.

In addition to diversifying Israel's energy options, natural gas also offered clear environmental advantages over other fossil fuels. Although the risk of importing coal was not as high as crude oil, it was fully imported and its use was criticized domestically for being a high pollutant.[52] Between 2012 and 2018, Israel's Environmental Protection Ministry identified coal-fired plants as the country's leading industrial polluters, responsible for approximately a quarter of national emissions. Both Israel's Electricity Authority and Environmental Protection Ministry presented natural gas as a cleaner, domestically available alternative capable of lowering electricity costs and improving air quality.[53]

The economic, security, and environmental advantages of developing offshore natural gas made it a hot topic of public debate and a priority for the government. According to Orit Farkash-Hacohen, who served as legal advisor and eventually chair of the Electricity Authority during this period, a wide range of government ministries weighed on this initial policy discussions, including the Prime Minister's Office, Ministry of Energy, Ministry of Foreign Affairs, Ministry of Defense, Ministry of Finance, Ministry of Economy, Ministry of Environmental Protection, National Security Council, as well as Israel's intelligence agencies.

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[51]Orit Farkash-Hacohen, interview by author, July 9, 2023.
[52]See Gawdat Bahgat, "Israel's Energy Security: Regional Implications," *Middle East Policy* 18, no. 3 (Fall 2011): 25–34.
[53]See Zafrir Rinat, "Who Are Israel's Biggest Polluters?," *Haaretz*, December 2, 2013, https://www.haaretz.com/.premium-who-are-israels-biggest-polluters-1.5296325.

Prime Minister Benjamin Netanyahu and other ministers presented natural gas as a strategic asset that would secure Israel's energy independence, generate massive state revenue, and enhance national security. They sought to fast-track the development process. However, senior government officials contended that the state had already ceded excessive control to private firms Noble Energy and Delek Group under outdated fiscal and regulatory frameworks and advocated for a more deliberate process, a position that multiple opposition groups also adopted. As one former Delek director confirmed this dynamic: "we ran and let the government and all the ministries and regulators catch up."[54] These two positions eventually set the stage for one of the more contentious economic policy debates in Israel's history.[55]

In December 2010, Israeli Energy Minister Yuval Steinitz appointed Hebrew University economics professor Eytan Sheshinski to lead a diverse committee of experts that would review Israel's existing state royalties and taxation policies. Public exposure about the committee and its proceedings was limited as to reduce external influence. The committee found that Israel's royalty regime, defined by the 1952 Petroleum Law, did not meet international norms. The committee recommended raising the effective tax rate on natural gas profits, including retroactive adjustments to the contracts with the developers. The government adopted those recommendations in 2011, marking the first significant recalibration of Israel's energy fiscal regime in decades.[56]

Royalties were only one element of this challenge. Anticipating significant export revenues, the government convened an inter-ministerial committee chaired by Energy Ministry

[54] Aviv Kirshenbaum, interview by author, July 19, 2023.
[55] Orit Farkash-Hacohen, interview by author, July 9, 2023.
[56] Eytan Sheshinski, interview by author, July 25, 2023; Israel Ministry of Finance, "Sheshinski Committee Recommendations on Natural Gas Taxation," January 23, 2011, https://www.gov.il/en/departments/news/spokegaz230111.

director general Shaul Tzemach in 2011 to determine the country's export policies. The Tzemach committee identified four objectives for the state prior to exporting natural gas: securing long-term domestic supply contracts, attracting foreign investment, maintain affordable domestic prices, and maximizing state revenue.[57] Based on these priorities, and following a review of the natural gas policies of other countries, the committee recommended that 45 percent of Israel's natural gas be dedicated for the domestic market and the remaining 55 percent be earmarked for export.[58] This would grant Israel approximately three decades of domestic natural gas supply. The recommendation triggered widespread criticism from environmental groups, economists, and social activists, who argued that Israel's natural gas should primarily serve the country's domestic needs. Noble Energy and Delek Group were also disappointed with the committee's recommendations, arguing that this was state interference with previously signed commercial agreements.[59]

Public mobilization against the government's approach intensified. Weekly protests led by a patchwork of non-governmental organizations such as Megama Yeruka (Green Course) and social activists like Or-ly Barlev painted the issue as a struggle over public ownership, government transparency, and social justice, echoing past cost-of-living protests in Israel's

[57]See Amiram Barkat, "Tzemach Committee to Recommend Allowing Gas Exports," *Globes*, March 20, 2012, https://en.globes.co.il/en/article--1000734721.

[58]The committee also recommended that, for security reasons, an emergency pipeline be constructed to connect the Leviathan field with the Israeli coastline, Israel Knesset Research and Information Center, "Natural Gas Policy in Israel," April 23, 2013, https://fs.knesset.gov.il/globaldocs/MMM/bebb8d55-f7f7-e411-80c8-00155d010977/2_bebb8d55-f7f7-e411-80c8-00155d010977_11_9413.pdf.

[59]See Itay Fischhendler and Daniel Nathan, "In the Name of Energy Security: The Struggle over the Exportation of Israeli Natural Gas," *Energy Policy* 70 (2014): 155.

history.[60] Under pressure from public opposition, the government amended the Tzemach Committee's proposal in 2013, increasing the domestic quota to 60 percent.[61]

The Sheshinski and Tzemach Committee revealed the gaps between Israeli government's ambitions and the regulatory and economic policies that needed revision to make them possible. They also demonstrated that the process of approving these changes would be slow and contentious. The regulatory debate intensified in 2012 when Israel's Antitrust Authority declared the Noble-Delek partnership a monopoly. Prolonged negotiations between the regulators, the government, and developers delayed investment and foreign energy companies. When the Antitrust Authority ultimately withdrew from the proposed settlement in 2014, Noble Energy's senior executive in Israel told *Financial Times* that the decision "will cast a shadow over the future of the oil and gas industry in Israel."[62] Several weeks later, Israel's Antitrust Authority chairman David Gilo resigned.

The deadlock around Israel's natural gas framework eventually required the direct involvement of Prime Minister Netanyahu, who regularly asserted that reaching a settlement was a national security imperative and that prolonged uncertainty would jeopardize Israel's economic opportunities. With the Antitrust Authority chairman's firing, either Economy Minister Aryeh Deri could invoke Article 52 of the Restrictive Trade Practices Law (1988) that would justify the circumvention of the IAA's decision on the basis of national security, or Israel could face the prospect of Noble Energy and Delek Group walking away from their investments or taking the

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[60]David Rosenberg, interview by author, July 23, 2023.

[61]See Avi Bar-Eli and Moti Bassok, "Israeli Cabinet Votes Yea on Natural Gas Export," *Haaretz*, June 23, 2013, http s://www.haaretz.com/israel-news/business/2013-06-23/ty-article/.premium/cabinet-oks-natural-gas-export/0000017f-ea2f-ddba-a37f-ea6ff78b0000.

[62]Guy Chazan, "Noble Energy Warns Israel over Gas Project Ruling," *Financial Times*, December 23, 2014, https://www.ft.com/content/40474f4a-8aaf-11e4-8e24-00144feabdc0.

state to court.[63] In order to avoid public criticism, Economy Minister Aryeh Deri quit the government. Left with the economy portfolio, Netanyahu quickly approved the deal on national security considerations. The move was a decisive moment, securitizing and personalizing the country's energy future at the executive level.

Israel's opposition petitioned the Israeli Supreme Court, hoping that the country's highest legal institution would block the natural gas framework agreement. For the first time in Israel's history, a sitting prime minister stood before the court.[64] During his statement in February 2016, Netanyahu shared that from his point of view the discovery of offshore natural gas reserves presented a singular opportunity for Israel's to foster cooperative relationships in the region, deliver economic dividends, and enhance the country's national security. "If we reverse course," Netanyahu concluded, "we will fall into the chasm once and for all."[65] While the Supreme Court invalidated certain clauses and required minor revisions – including a stability clause designed to prevent the government from making regulatory changes to the agreement for 10-15 years – the natural gas framework agreement survived judicial review. Under the final agreement, Noble Energy Delek Group agreed to reduce their shares of Tamar field, sell the rights to several smaller fields, while retaining majority shares of Leviathan field.[66]

Though the state and the developers were able to proceed with the development of Israel's offshore natural gas fields, skepticism over the government's handling of the country's

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[63]See Israel, *Economic Competition Law, 5748–1988* (updated January 10, 2019), https://www.gov.il/BlobFolder/legalinfo/competitionlaw/en/englishsite_Economic%20Competition%20Law.pdf.
[64]According to Alexander Varshavsky, "He took it very close and very personally." Alexander Varshavsky, interview by author, August 22, 2023.
[65]See *Arutz HaKnesset* [Knesset Channel], "Rosh ha-memshala Netanyahu magen al mitve ha-gaz be-Bagatz [Prime Minister Netanyahu Defends Gas Framework in High Court]," YouTube video, February 14, 2016, https://www.youtube.com/watch?v=WTODPrUmH14.
[66]See Ministry of National Infrastructure, Energy and Water Resources, "Decision 1465: Natural Gas Framework" (English translation with disclaimer), https://www.energy-sea.gov.il/English-Site/Pages/Regulation/Decision%201465%20English%20translation%20with%20disclaimer.pdf.

natural resources persisted. In 2017, Israel's police announced that they were investigating the circumstances surrounding the $2 billion purchase of three Dolphin-class submarines and four Sa'ar 6-class corvettes from Thyssenkrupp, a Germany manufacturing company, by the Israeli Navy to support the defense of Israel's offshore natural gas infrastructure. The so-called "Submarine Affair" suspects included Netanyahu's cousin and personal lawyer David Shimron as well as other senior naval officers.[67] Though distinct from Israeli energy regulation, the case reinforced public doubts on government decision-making on matters pertaining to energy policy.

Offshore natural gas discoveries enhanced Israel's material energy security, but as this section details the process was deeply politicized and ended up exposing some of the country's institutional weaknesses. This can be explained in part because these resources were found within Israel. Earlier eras of Israeli energy policy struggled with resource scarcity and oil embargos, but this allowed more securitization, opacity, and less exposure to public scrutiny. The discovery of natural gas in 2009 marked the first sustained national debate over energy governance in Israel's history.

This debate had several important consequences. First, it influenced state efforts to adapt outdated regulatory policies and state institutions to contemporary energy governance standards. Second, the deadlock between branches of government, ministries, state institutions, and the energy companies empowered the Prime Minister's Office to Israeli energy policy in the name of national security, a polarizing decision at the time. Lastly, the spotlight on the natural gas framework debate by extension opened Israel's export contracts up to both political oversight

[67]See Jonathan Lis, "Gantz Calls for Inquiry after Report That Netanyahu Profited from Submarine Affair," *Haaretz*, March 17, 2019, https://www.haaretz.com/israel-news/elections/2019-03-17/ty-article/.premium/gantz-calls-for-inquiry-after-report-that-netanyahu-profited-from-submarine-affair/0000017f-e521-d7b2-a77f-e727c1c10000; Stuart Winer, "Several Indicted in Submarine Affair; Ex-Navy Chief, Netanyahu's Cousin off the Hook," *Times of Israel*, November 22, 2020, https://www.timesofisrael.com/several-indicted-in-submarine-affair-ex-navy-chief-netanyahus-cousin-off-hook/.

and public scrutiny, arguably narrowing the range of acceptable export options.[68] As the following chapters demonstrate, Israel's pursuit of maritime boundary agreements, export routes, and regional energy collaboration cannot be understood unless contextualized within this domestic transformation, the moment at which decades of securitized, elite-driven energy governance gave way to a more contested, transparent, and politically exposed policymaking environment.

Concluding Remarks

This chapter has traced the historical foundations of Israeli energy policy from the Mandate era through the offshore natural gas discoveries of 2009-2010. Across more seven decades, a consistent logic prevailed: energy scarcity drove institutional innovation, diplomatic creativity, and strategic improvisation under conditions of regional isolation and conflict. Successive Israeli governments treated energy not only as an economic variable but as a national security imperative, managed by a small circle of officials, shielded from public scrutiny, and embedded within broader statecraft calculations.

Two elements from this historical survey are important for understanding the developments that followed the discovery of offshore hydrocarbons in 2009. The first and more consequential is path dependency. The structural conditions of Israel's early energy experience – including regional oil boycotts, dependence on distant suppliers, and the securitization of energy governance – produced institutional patterns and strategic assumptions that persisted long after the circumstances that generated them had changed. When offshore natural gas was discovered, Israeli policymakers did not approach these newfound resources with a blank slate. They brought decades of learned habits to the table, including a preference for bilateral agreements over

[68]Eytan Sheshinski, interview by author, July 25, 2023.

multilateral arrangements, a reliance on third-party guarantors, and a tendency to treat energy as an instrument of statecraft rather than as a purely commercial asset. These habits informed how the government approached the natural gas developers, the Israeli public, and potential energy partners in the region

The second element is domestic transformation, which provides the necessary context for understanding how path dependent energy diplomacy played out in practice. The offshore natural gas discoveries disrupted the nature of Israeli energy governance in unprecedented ways. For the first time in Israel's history, energy policy became a subject of sustained public debate, drawing in the voices of regulators, courts, civil society, and the media. This transition from the politics of scarcity to the politics of plenty democratized Israeli energy governance, expanded the range of actors shaping policy, and potentially constrained the range of politically viable export options. The Sheshinski and Tzemach Committees, the antitrust dispute, and Netanyahu's unprecedented appearance before the Supreme Court framed and formed the export diplomacy that followed. Critically, however, this domestic transformation did not translate into an equivalent transformation of Israel's bilateral relationships in the Eastern Mediterranean. The discoveries changed the terms on which energy diplomacy was conducted: the timing, structure, and ceiling of Israel's regional energy diplomacy. They did not alter the accumulated weight of past relationship within which Israeli energy diplomacy had to operate.

Together, these two findings establish the baseline against which Israel's energy relationships in the Eastern Mediterranean must be assessed. They explain why Israeli policymakers approached regional energy diplomacy with a strategic rather than purely commercial orientation, why third-party facilitation – most consequentially from the United States – repeatedly proved indispensable, and why domestic political constraints often complicated foreign policy ambitions. They also shed light on the core question this study sets out to answer: whether Israel's energy transition altered its foreign policy trajectory, or whether energy was absorbed into the existing path of each bilateral relationship, deepening cooperation where it already existed and entrenching tension where it did not.

Chapter 2 examines the first and most politically sensitive test of that question: Israel's pursuit of a natural gas export agreement with Jordan, a state with which it enjoyed a formal but cold peace, and where energy's potential as a diplomatic instrument would encounter its first significant challenges. Under such circumstances, it was the energy companies who took the lead, determined to secure the first export contract of Israel natural gas that would enable the development of Tamar and Leviathan field, while Israeli officials watched from the sidelines in the hopes that Jordanian public opinion wouldn't scuttle the American-faciliated negotiations.

Chapter 2 – The First Export Deal: Israel-Jordan Energy Diplomacy

The discovery of the Tamar gas field in 2009, followed by the larger Leviathan field in 2010, transformed Israel from an energy-dependent state into a prospective gas exporter. Because Israel's domestic market was too small to justify the estimated $5-6 billion investment required to develop these fields, the Tamar and Leviathan partners conditioned development on securing long-term export contracts. For Israeli policymakers, this commercial imperative converged with a strategic one: exporting natural gas could advance regional engagement, support neighboring economies, and reinforce bilateral relationships central to Israel's security architecture. Among the earliest and most consequential potential export destinations was Jordan – a state with acute energy vulnerability, geographic proximity, and a formal peace treaty with Israel, but one in which public hostility towards normalization made open state-to-state energy cooperation potentially contentious.

Although relations since the signing of the 1994 peace treaty were often described as "cold," Israel and Jordan had maintained pragmatic cooperation in specific sectors, most notably water sharing agreements and security cooperation. Jordan's lack of domestic energy resources, combined with rising electricity demand and chronic economic challenges, created a strong incentive to seek reliable and affordable energy imports. For Israel, supporting the Hashemite regime was of strategic importance; the King's pro-Western stance and continued security cooperation contributed to decades-long stability along Israel's longest border. Finally, the short geographic distance between the two states reduced infrastructure costs and made pipeline-based exports commercially viable. Taken together, these factors made Israel–Jordan energy relations a "most-likely" case for successful energy diplomacy, though persistent Jordanian public hostility toward normalization rendered it a hard test for claims that economic cooperation can translate into broader political reconciliation. In this respect, Jordan functions not only as a most-likely case for viable energy arrangements but – as this chapter argues – as a ceiling case: a context in which the preconditions for cooperation were sufficiently favorable to reveal the limits of what energy statecraft can realistically accomplish.

Against this backdrop, Tamar and Leviathan field partner and operator Noble Energy pursued export arrangements with Jordan. For the Israeli government, at the time embroiled in domestic debates over the natural gas framework agreement, securing long-term export contracts was critical to justifying large-scale infrastructure investments and attracting foreign capital. Energy exports to Jordan also offered a discreet means for Israel to support the Jordanian monarchy, which faced heightened political and economic pressures during the Arab Spring.

The Jordanian royal family, however, was wary of the domestic political costs of visible cooperation with Israel. During the Arab Spring, anti-government protests frequently incorporated anti-Israel rhetoric, and in 2011 Israel evacuated its ambassador following violent demonstrations outside the Israeli embassy in Amman.[1] Overt state-to-state energy agreements risked exacerbating Jordan's domestic stability.

A breakthrough came through Noble Energy's partnership with an American firm operating in Jordan, the Jordan Bromine Company. The two American companies devised a formula that deliberately disconnected the commercial energy transactions from a formal diplomatic agreement, allowing Jordan to access Israeli natural gas while downplaying its role in political normalization. The United States played a key facilitating role in this process. Motivated by concerns over Jordanian regime stability, a strategic interest in sustaining Israel–Jordan relations, and a desire to support American commercial actors abroad, the US State

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[1]See "Israel Evacuates Embassy in Jordan." *Reuters*, September 15, 2011. https://www.reuters.com/article/israel-jordan-ambassador-idAFL5E7KF02C20110915/.

Department helped enable this low-profile approach between Israel and Jordan. This initial phase (2012-2014) tested both the technical feasibility and political tolerance for Israel-Jordan energy cooperation, paving the way for a more substantial agreement in 2016 between the Leviathan partners and Jordan's National Electric Power Company (NEPCO). Under this deal, Israel committed to supplying up to 45 billion cubic meters of natural gas over 15 years, in a contract valued at approximately $10 billion: the most significant bilateral economic agreement between the countries since the signing of the 1994 peace treaty.

Despite its economic and strategic importance, the natural gas deals became a focal point of public opposition within Jordan. Parliamentarians and civil society organizations denounced the agreement as an unacceptable normalization, while protests, legal challenges, and legislative efforts sought to block its implementation. Pro-government voices emphasized Jordan's urgent need for stable and affordable energy supplies to sustain economic growth. Throughout this period, both the Israeli and Jordanian governments intentionally allowed the commercial actors to lead negotiations and public messaging, while political leaders provided tacit support behind the scenes. This strategy afforded both sides a degree of plausible deniability while preserving the material benefits of energy cooperation.

The Israel-Jordan natural gas agreements provide important insights into the mechanics and limits of energy as a tool of economic statecraft. First, they illustrate how private sector actors can serve as intermediaries for bilateral cooperation when political normalization is publicly contested. Second, they underscore the role of third-party mediation – in this case, by the United States – in lowering political barriers to energy cooperation. Third, they demonstrate how energy cooperation can embed an economic framework within bilateral relationships that creates resilience during diplomatic crises, even in the absence of deep political trust. At the same time, the case highlights the limits of economic cooperation: while energy exports introduced a degree of interdependence between Jerusalem and Amman, they did not reinvigorate diplomatic engagement or catalyze broader economic integration.

This chapter proceeds in four sections. The first section situates Israel–Jordan relations prior to the discovery of natural gas, and highlights some of the motivating factors that encouraged both sides to consider possible energy cooperation. The second section examines the initial, low-profile agreement between Noble Energy and the Jordan Bromine Company, focusing on the commercial and political mechanisms that enabled cooperation during a period of heightened regional instability. The third section analyzes the more expansive 2016 agreement between the Leviathan partners and NEPCO, tracing the emergence of public opposition and domestic contestation within Jordan, and, to a lesser extent, within Israel. The final section assesses the aftermath of these agreements, evaluating the extent to which sustained energy cooperation affected bilateral relations, crisis management, and the broader limits of economic interdependence between Israel and Jordan.

I. Israel-Jordan Relations Prior to the Discovery of Offshore Natural Gas

Israel's relationship with Jordan is frequently described as a "cold peace" rooted in decades of conflict and cautious rapprochement.[2] This section demonstrates that prior to the discovery of natural gas, Israel–Jordan relations were characterized by functional cooperation in

[2]For more on the history of Israel-Jordan relations, see Adam Garfinkle, *Israel and Jordan in the Shadow of War: Functional Ties and Futile Diplomacy in a Small Place* (New York: St. Martin's Press, 1992); Ronen Yitzhak, "From Cooperation to Normalization? Jordan–Israel Relations since 1967," *British Journal of Middle Eastern Studies* 44, no. 4 (2017): 559–575; Mutayyam al O'ran, *Jordanian-Israeli Relations: The Peacebuilding Experience* (London: Routledge, 2009); Shimon Shamir, *Aliyato ve-shki'ato shel ha-shalom ha-ḥam im Yarden [The Rise and Fall of the Warm Peace with Jordan]* (Tel Aviv: Hakibbutz Hameuhad, 2012); Yitzhak Gal, *Israeli-Jordanian Trade: In-Depth Analysis* (London: Tony Blair Institute for Global Change, October 17, 2018), https://institute.global/insights/geopolitics-and-security/israeli-jordanian-trade-depth-analysis.

narrowly defined, depoliticized sectors alongside persistent societal resistance to normalization. These patterns produced both the precedent and the political constraints that later shaped Israel-Jordan energy cooperation, helping to explain why energy could deepen a functional relationship without transforming it.

From 1948 to 1967, Israel and Jordan were formal enemies: the Jordanian military participated in the 1948 Arab–Israeli War and subsequently controlled East Jerusalem and the West Bank until Israel captured these territories during the 1967 Six-Day War. While clandestine diplomatic contacts occurred intermittently in the intervening years, it was not until the momentum of the early 1990s Middle East peace process – and the parallel Oslo Accords between Israel and the Palestine Liberation Organization – that Israel and Jordan moved toward a formal peace, with active support from the United States. This process culminated in the signing of a peace treaty in 1994, establishing diplomatic relations and opening the door to practical cooperation despite enduring political and societal tensions.

As the broker of the 1994 peace treaty, the United States sought to incentivize economic cooperation between Israel and Jordan through the establishment of Qualified Industrial Zones (QIZs). These zones allowed goods produced in Jordan to enter the United States duty-free, provided they contained a minimum percentage of Israeli input. Between 1996 and 2010, thirteen QIZs were established, employing tens of thousands of Jordanians and accounting for a substantial share of Jordan's exports to the United States. Despite this framework, however, overall bilateral trade remained limited. In 2009 – the same year the Tamar gas field was discovered – Israel's Central Bureau of Statistics recorded approximately $300 million in bilateral trade with Jordan.[3] Even at their peak, the QIZs failed to generate broader commercial integration or public support for normalization.

Two primary factors constrained economic growth between Israel and Jordan. First, their economies were not complimentary. Jordan's relatively small domestic market provided few incentives for Israeli firms beyond niche arrangements through the QIZs. Second, deeply rooted societal and political grievances dissuaded expanded cooperation. Approximately 70 percent of Jordan's population is of Palestinian origin, and widespread public sympathy for the Palestinian cause – combined with frustration over the stagnation of the Israeli–Palestinian peace process in the 21st century – fueled persistent opposition to normalization with Israel. As both host to millions of Palestinians and custodian of the Al-Aqsa Mosque compound in Jerusalem, King Abdullah II and the royal family were required to balance Jordan's strategic cooperation with Israel alongside an acute sensitivity to domestic public opinion.[4]

Jordanian domestic constraints did not preclude all forms of cooperation. One notable exception was water sharing, which emerged as a durable and institutionalized area of Israel–Jordan collaboration. Water scarcity in the Levant had been a source of bilateral tension throughout the 1950s and 1960s, as both states relied on limited transboundary resources, particularly the Jordan and Yarmouk rivers. The 1994 peace treaty directly addressed this challenge by establishing formal water-sharing arrangements, including Israel's annual transfer

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[3] See Israel Central Bureau of Statistics, "Trade by Country, 2009" (Jerusalem: CBS, 2009), https://www.cbs.gov.il/he/mediarelease/doclib/2009/239/16_09_239e.pdf

[4] See University of Jordan, Center for Strategic Studies, *Democracy in Jordan – 2006* (Amman: Center for Strategic Studies, July 2006), https://jcss.org/wp-content/uploads/2021/12/Democracy-in-Jordan-2006.pdf; Faris Almari, "New Public Opinion Poll: Jordanians Favor De-Escalation in the Region," *Washington Institute for Near East Policy*, June 9, 2023, https://www.washingtoninstitute.org/policy-analysis/new-public-opinion-poll-jordanians-favor-de-escalation-region-sentiment-against.

of approximately 50 million cubic meters of water to Jordan from the Sea of Galilee and Jordan's allocation of a majority share of the Yarmouk River's flow.[5]

Water cooperation remained largely insulated from political disputes between Israel and Jordan and became a de facto cornerstone of the peace treaty. Israeli and Jordanian officials continued to coordinate on water allocation, seasonal shortages, and long-term infrastructure initiatives, including desalination and canal projects aimed at mitigating climate change and environmental degradation in the Dead Sea Valley.[6] Both sides treated water cooperation as a technical necessity rather than a political concession, suggesting that depoliticized collaboration in specific domains could maintain the bilateral relationship.

Following the discovery of the Tamar and Leviathan offshore natural gas fields, Israeli officials believed that a similar model of resource-based cooperation could be extended to the energy sector. Jordan, like Israel prior to 2009, lacked significant domestic energy resources and relied heavily on imports to meet its growing demand. The geographic reality that major Jordanian population centers are situated far from regional shipping routes further increased the cost and complexity of importing fossil fuels, leaving the country overly dependent on a limit set of supply routes.

Prior to the Arab Spring, Jordan was heavily reliant on Egyptian natural gas through the Arab Gas Pipeline, which accounted for approximately 80 percent of its imports. Recognizing the strategic risks associated with this overdependence, the Jordanian government initiated

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[5]See "Treaty of Peace Between the State of Israel and the Hashemite Kingdom of Jordan," Wadi Araba, October 26, 1994. United Nations Information System on the Question of Palestine. https://www.un.org/unispal/document/auto-insert-179122/.

[6]See Samuel E. Willner, Clive Lipchin, Shira Kronich, Tal Amiel, Nathan Hartshorne, and Shae Selix, *A Pre-Feasibility Study on Water Conveyance Routes to the Dead Sea* (Kibbutz Ketura: Arava Institute for Environmental Studies, 2013), https://arava.org/wp-content/uploads/2013/05/Dead-Sea-Conduits-Study-English.pdf; Assma Shabab, "Water: A Matter of Cooperation or Conflict among Jordan, Israel, and Palestine," Stimson Center, September 29, 2023, https://www.stimson.org/2023/water-a-matter-of-cooperation-or-conflict-among-jordan-israel-and-palestine/.

efforts to restructure its energy sector. In 2007, it commissioned a national committee tasked with identifying pathways to diversify supply sources, develop domestic energy capacity where feasible, and integrate environmental sustainability – particularly through investment in solar power – into its long-term planning.[7] Implementation of this strategy proved uneven. While Jordan leased a floating storage and regasification unit (FSRU) and constructed an LNG import terminal in Aqaba, the project faced repeated delays and only became operational in 2015. Although LNG imports offered greater reliability than Egyptian natural gas, they exposed Jordan to volatility in global energy markets and did not resolve long-term concerns over affordability and security of supply.[8] Other proposed initiatives, including nuclear power and additional regional gas contracts, were delayed or abandoned due to financial, regulatory, and political constraints.[9] As a result, Jordan's diversification strategy remained incomplete when the Arab Spring erupted. Repeated attacks on the Arab Gas Pipeline in 2011 disrupted the delivery of Egyptian natural gas, sharply exposing Jordan's vulnerability to external supply shocks and prompting policymakers to reconsider previously untenable options, including the economically attractive but politically sensitive prospect of importing natural gas from Israel.[10]

From Israel's vantagepoint, exporting natural gas to Jordan was compelling for both commercial and strategic reasons. Tamar and Leviathan fields contained reserves larger than the

[7]See Jordan, *Renewable Energy and Energy Efficiency Law No. 3 of 2010*, Climate Change Laws of the World, https://climate-laws.org/documents/renewable-energy-energy-efficiency-law-no-3-of-2010_2a5a; Mo'tasem Nayef Saeedan, "Sustainable energy mix and policy framework for Jordan," (Amman: Friedrich-Ebert-Stiftung, 2011), https://library.fes.de/pdf-files/bueros/amman/08883.pdf.
[8]See Yamurai Zendera, "Site Visit: LNG Terminal, Aqaba, Jordan," *Construction Week Online*, February 8, 2015, https://www.constructionweekonline.com/projects-tenders/article-32481-site-visit-lng-terminal-aqaba-jordan; Raied T. Shuqum, "Jordan Diversifies Natural Gas Sources to End Reliance on Israel, Egypt," *The Arab Weekly*, July 31, 2015, https://thearabweekly.com/jordan-diversifies-natural-gas-sources-end-reliance-israel-egypt;
[9]See Benjamin Schuetze and Hussam Hussein, "The Geopolitical Economy of an Undermined Energy Transition: The Case of Jordan," *Energy Policy* 180 (2023): art. 113655; Tareq Abu Hamed and Lindsey Bressler, "Energy Security in Israel and Jordan: The Role of Renewable Energy Sources," *Renewable Energy* 135 (2019): 378–389.
[10]Ambassador Stuart W. Jones, interview by author, July 23, 2025.

size of the Israeli domestic market; Noble Energy and Delek Group argued that exporting a portion of the natural gas was essential to financing the fields' development.[11] This made securing long-term export contracts a priority not only for the companies but also for the Israeli government, which was entangled in domestic opposition efforts against the proposed natural gas framework agreement. Prolonged regulatory uncertainty threatened investor confidence, and in 2013 Noble Energy warned that reopening taxation discussions could prompt a reassessment of its investments.[12] Israeli officials publicly cautioned that continued delays risked undermining Israel's credibility as an energy producer and discouraging future offshore exploration.[13]

Multiple export destinations were considered, but there was broad consensus across Israeli government ministries – led by the Ministry of Energy and the Ministry of Economy – that the most cost-effective options were Israel's immediate neighbors, Jordan and Egypt. Pipeline exports to these states were viewed as technically feasible and commercially attractive, with relatively low infrastructural barriers compared to more distant alternatives.[14]

National security considerations further reinforced this logic. Jordan occupied a central position in Israel's security architecture, providing intelligence cooperation and strategic depth along Israel's eastern flank. Despite periodic diplomatic tensions – particularly during the Second Intifada and Israel's 2008-2009 military campaign in Gaza – the Hashemite regime was regarded as a reliable partner. Preserving regime stability in Jordan was also viewed as a core Israeli security interest, and Jordan's economic fragility was understood to carry direct implications for regional stability. As a result, energy cooperation with Jordan was framed not

[11] Alexander Varshavsky, interview by author, July 22, 2023.
[12] See Amiram Barkat, "Noble Energy CEO: We'll reconsider Israel activity if taxation reopened," *Globes*, April 11, 2013 https://en.globes.co.il/en/article-1000835932.
[13] Orit Farkash HaCohen, interview by author, July 9, 2023; David Rosenberg, interview by author, July 7, 2023.
[14] Amir Foster, interview by author, July 16, 2023.

only as an economic opportunity for Israel but as a means of fostering economic interdependence that would reinforce the country's security interests.[15]

In sum, the Israeli government supported the prospect of natural gas exports to Jordan because it aligned commercial interests with national security priorities and helped sustain momentum in Israel's offshore energy development. For this reason, exporting gas to Jordan found support even among critics of the natural gas framework agreement. As Uri Aldubi, chairman of Israel's Association of Oil and Gas Exploration Industries, told *The Wall Street Journal* in 2013: "It's not a huge market, but Israelis will for sure try to sell there. It's clear that this is what we want…They [Jordan] really need the gas."[16]

Israel and Jordan shared equally strong incentives to pursue energy cooperation and a common understanding that enhanced energy security could reinforce their national security. Yet these converging interests did not resolve the central political obstacle: overt state-to-state energy cooperation remained domestically contentious in Jordan and potentially threatened regime stability. The decisive breakthrough instead emerged through the private sector – notably, Noble Energy and the Jordan Bromine Company – who, with the backing of the US State Department, devised a model of cooperation designed to minimize political visibility and circumvent the constraints of Jordanian public opposition.[17]

II. The Noble Energy – Jordan Bromine Agreement

[15]See Joshua Krasna, "The Jordan-Israel Peace Treaty at 25: A Slightly Tarnished, but Still Important, Silver Anniversary," Jerusalem Institute for Strategy and Security, June 20, 2019. https://jiss.org.il/en/krasna-the-jordan-israel-peace-treaty-at-25/; David Shamah, "Israel-Jordan Gas Deal a Bulwark against Jihadis, Expert Says," *Times of Israel*, September 4, 2014, https://www.timesofisrael.com/israel-jordan-gas-deal-a-bulwark-against-jihadis-expert/.
[16]Joshua Mitnick, Summer Said, and Sara Toth Stub, "Jordan, Israel Weigh Gas Deal," *Wall Street Journal*, June 25, 2013, https://www.wsj.com/articles/SB10001424127887323998604578565783685049630.
[17]Alexander Varshavsky, interview with author, August 22, 2023.

From the outset, Noble Energy executives and their partner investors recognized that the combined size of the Tamar and Leviathan natural gas fields exceeded the capacity of the Israeli domestic market. To justify an estimated $5–6 billion investment in offshore development, a significant share of production would need to be exported elsewhere. However, prolonged domestic debates over Israel's natural gas framework agreement delayed production and created uncertainty over the volume of gas that regulators would ultimately approve for export. By 2012, after several years navigating Israel's regulatory and political environment, the Houston-based company faced mounting pressure to secure a regional export contract.

From a commercial perspective, pipeline exports to neighboring states – particularly Jordan and Egypt – were the most attractive options. These routes offered relatively low costs and minimal technical barriers. As Noble Energy CEO Charles Davidson told *Globes* in 2013, "We will be able to market more gas regionally at lower capital cost because all of these regional markets are basically using pipes, and in some instances they're connecting the pipes that already exist."[18] Jordan's geographic proximity to Israel and limited infrastructure requirements aligned closely with Noble Energy's need to expediently secure an export contract.

Noble Energy executives and their partner investors were aware that their biggest challenge would be translating commercial logic into a viable Israel–Jordan energy agreement. Previous resource-sharing initiatives between the two states existed, but these arrangements were typically limited in scope and deliberately kept out of the public eye. A cross-border natural gas export agreement, particularly one requiring new infrastructure, risked heightened political visibility and public scrutiny in Jordan. Achieving a workable outcome therefore required both

[18]Amiram Barkat, "Noble Energy CEO on Regional Gas Markets," *Globes* (English ed.), October 2013, https://en.globes.co.il/en/article-1000896169.

preliminary political buy-in and external mediation. Following exploratory discussions with Israeli and Jordanian officials, Noble Energy turned to the United States for support.

The United States was receptive to this role for several reasons. First, Washington viewed both Israel and Jordan as key strategic partners in the Middle East and had served as the principal broker of their 1994 peace treaty. Since then, it had remained deeply engaged in sustaining bilateral dialogue through diplomatic, security, and economic channels.[19] Second, US officials viewed economic stagnation as a catalyst of the Arab Spring and were concerned that Jordan's energy insecurity could undermine economic growth and, by extension, regime stability.[20] Third, supporting American companies operating abroad had long been a pillar of US foreign policy. Noble Energy's discovery of Tamar and Leviathan fields piqued US interest in Eastern Mediterranean energy development as a potential catalyst for regional cooperation.

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[19]The United States mediated negotiations between Israel and Jordan over water access to the Jordan River in the 1950s, and over broader peace terms during the 1990s Middle East Peace Process, culminating in the 1994 peace treaty, see Alon Tal, "International Water Law and Implications for Cooperative Israeli-Palestinian Transboundary Water Management," in *Integrated Water Resources Management and Security in the Middle East*, ed. Clive Lipchin, Danielle Saranga, Allyson Amster, and Eric Pallant (Dordrecht: Springer, 2007), 213–236, https://social-sciences.tau.ac.il/sites/socsci.tau.ac.il/files/media_server/social/public/CV/alontal/c05)%20International%20Water%20Law%20and%20Implications%20for%20Cooperative%20Israeli-Palestinian%20Transboundary%20Water%20Management%2C%202007.pdf; Uri Shamir, "The Water Agreements between Israel and Its Neighbors," 1997, https://shamir.net.technion.ac.il/files/2012/04/1997-The-Water-Agreements-Between-Israel-and-its-Neighbors.pdf; Patrick Huntjens et al., *Water Diplomacy: Making Water Cooperation Work—Jordan River Case Study* (The Hague: The Hague Institute for Global Justice, 2017), https://climate-diplomacy.org/sites/default/files/2020-10/Water%20Diplomacy_Making%20Water%20Cooperation%20Work_Jordan%20River.pdf; Adelphi and Potsdam Institute for Climate Impact Research, "Jordan and Israel: Tensions and Water Cooperation in the Middle East," *Climate Diplomacy*, n.d., https://climate-diplomacy.org/case-studies/jordan-and-israel-tensions-and-water-cooperation-middle-east.

[20]Senior American politicians had vested interest in Noble Energy's success. In 2010, former US President Bill Clinton reportedly lobbied the Israeli government not to change its contract with Noble Energy. US Secretary of State John Kerry (2013–2017) reportedly owned approximately $1 million in Noble Energy shares, see Charles Levison and Guy Chazan, "Big Gas Find Sparks Frenzy in Israel," *Wall Street Journal*, December 30, 2010, https://www.wsj.com/articles/SB10001424052970204204004576049842786766586; Shaul Amsterdamski, "John Kerry heḥezik be-maniyot Noble Energy be-shavi shel ad million dolar [John Kerry Held Noble Energy Shares Worth up to $1 Million], *Calcalist*, June 25, 2015, https://www.calcalist.co.il/local/articles/0,7340,L-3662781,00.html; Eytan Sheshinski, interview by author, July 25, 2023.

These incentives were multiplied when Noble Energy found its commercial counterpart: Jordan Bromine Company. Jordan Bromine was a joint venture between the Arab Potash Company and US-owned Albemarle Holdings Ltd., giving the proposed agreement a distinctly American commercial footprint. US officials believed that, if carefully structured, energy cooperation between Israel and Jordan could advance multiple objectives simultaneously: supporting strategically aligned regimes, promoting American business interests, and contributing to regional stability. Taken together, these considerations informed Washington's decision to actively facilitate early-stage energy negotiations between Israel and Jordan.[21]

Three senior US officials played central roles in this mediation effort: Stuart Jones, the US ambassador to Jordan; Amos Hochstein, the State Department's deputy assistant secretary for energy diplomacy; and Secretary of State John Kerry.[22][23] Beginning in 2012, Jones and Hochstein facilitated a series of discreet meetings between Noble Energy executives and potential Jordanian counterparts.[24] Several of these meetings took place at the Royal Court in Amman and included representatives from Israel, Jordan, and the United States in addition to Noble Energy representatives. In a written testimony to the US Senate Committee on Foreign

[21] Jones, interview by author.
[22] Amit Mor, interview by author, July 26, 2023.
[23] Hochstein was not a prominent US official at this time, but he would become one of the most visible American figures in Eastern Mediterranean energy affairs during the Obama and Biden administrations. He had previously worked at an American firm representing Noble Energy and spent childhood years in Israel, making him uniquely positioned to facilitate these discussions, see Steve Horn, "New Obama State Department Top Energy Diplomat Formerly Marathon Oil Lobbyist," *DeSmog*, December 8, 2014, https://www.desmog.com/2014/12/08/new-obama-state-department-top-energy-diplomat-formerly-marathon-oil-lobbyist/; Uri Pasovski, "Le-shaliaḥ ha-gaz ha-amerika'i be-Yisra'el yesh shorashim be-ḥevrat ha-lobbyistim shel Noble [The American Gas Envoy in Israel Has Roots in Noble's Lobbying Firm]," *Calcalist*, June 25, 2025, https://www.calcalist.co.il/local/articles/0,7340,L-3662784,00.html; Guy Rolnick, "Israel Is Noble Energy's Bonanza," *Haaretz*, July 18, 2015, https://www.haaretz.com/israel-news/business/2015-07-18/ty-article/.premium/israel-is-noble-energys-bonanza/0000017f-dbb6-db22-a17f-ffb749340000; Richard Salame, "Amos Hochstein, the Israeli-Born Diplomat Mediating Lebanon-Israel Maritime Border Negotiations," *L'Orient-Le Jour*, November 5, 2021, https://today.lorientlejour.com/article/1280583/amos-hochstein-the-israeli-born-diplomat-mediating-lebanon-israel-maritime-border-negotiations.html.
[24] These meetings included Noble Energy's Israel Country Manager Bini Zomer, who held dual US–Israeli citizenship. Jones, interview by author.

Relations in July 2014, Hochstein detailed, "Over the past two years I made 16 trips to Jordan to help facilitate solutions to Jordan's energy crisis. These efforts recently culminated in a historic deal signed between Houston-based Noble Energy operating offshore Israel, and a Jordanian industrial complex at regionally competitive prices, saving Jordan billions and helping to stabilize Jordan's future economy."[25] Ambassador Jones complemented these efforts by using his residence in Amman as a neutral venue for confidential negotiations.[26]

Despite this sustained diplomatic engagement, progress stalled. By late 2013, there was growing concern among American and Israeli interlocutors that King Abdullah II was hesitant to advance a politically sensitive energy agreement. Attempts by US officials to further incentivize the deal failed to overcome these reservations. Facing continued delays and under pressure to demonstrate commercial progress, Noble Energy executives opted in 2014 to pursue a direct commercial arrangement with Jordan Bromine Company.

The resulting agreement was modest in scale and carefully structured to minimize political exposure. Under its terms, Noble Energy committed to supply approximately 2 billion cubic meters of natural gas – valued at roughly $500 million – over a 15-year period. To reduce the appearance of direct Israeli involvement, Noble Energy established a US-registered subsidiary, NBL Eastern Mediterranean Marketing, which functioned as the formal signatory.[27] Israel Natural Gas Lines would construct a short pipeline linking Jordan Bromine's facilities near

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[25]Amos Hochstein, "U.S. Security Implications of International Energy and Climate Policies and Issues," testimony before the U.S. Senate Committee on Foreign Relations, 113th Cong., July 22, 2014, https://www.foreign.senate.gov/imo/media/doc/Hochstein_Testimony.pdf.
[26]Jones, interview by author.
[27]See "Noble Energy Inks Tamar Gas Deal with Jordanian Companies," *Offshore Magazine*, February 26, 2014, https://www.offshore-mag.com/regional-reports/article/16783775/noble-energy-inks-tamar-gas-deal-with-jordanian-companies; Noam Sheizaf, "Israel Quietly Begins Exporting Gas to Jordan," *Haaretz*, March 2, 2017, https://www.haaretz.com/israel-news/business/2017-03-02/ty-article/israel-quietly-begins-exporting-gas-to-jordan/0000017f-e2a1-d38f-a57f-e6f322f60000.

the Dead Sea to Israel's national gas network.[28] The agreement was signed at the US Embassy in Amman without public announcement or media coverage.[29]

Public statements following the agreement underlined its commercial and technical framing. Noble Energy senior vice president Keith Elliott described the deal as evidence of "growing regional opportunities for our natural gas" and emphasized its role in generating value for Tamar field.[30] Jordanian stakeholders similarly highlighted its economic benefits. Jamal Al Sarayah, chairman of Arab Potash, told *Jordan Times* that the agreement would help protect the jobs of more than 2,000 employees.[31] Notably, the Israeli partners in the Tamar field, including Delek Group and Ratio, refrained from public comment, as did Israeli government officials. This decision reinforced the deal's low-visibility strategy.

Although the volumes involved were commercially modest, the 2014 Noble Energy–Jordan Bromine agreement established a workable model for Israel–Jordan energy cooperation. By relying on private sector actors, American corporate participation, minimizing the role of Israeli corporate and political participation, and US diplomatic backing, the arrangement enabled Jordanian authorities to distance themselves from overt normalization. This structure allowed Jordanian officials to justify the agreement on technical and economic grounds, emphasizing energy security and the strength of US–Jordan relations rather than political engagement with Israel.[32] The precedent set by this agreement proved decisive. It demonstrated that energy cooperation between Israel and Jordan could proceed in spite of domestic opposition, provided

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[28]See Amiram Barkat and Hedy Cohen, "Yisra'el timkor gaz le-Yarden be-heikef shel yoter mi-15 milyard dolar [Israel to Sell Gas to Jordan Worth More than $15 Billion]," *Globes*, September 3, 2014 https://www.globes.co.il/news/article.aspx?did=1000968817; Varshavsky, interview by author.
[29]Jones, interview by author.
[30]"Noble Energy Inks Tamar Gas Deal with Jordanian Companies," *Offshore Magazine*.
[31]See Mohammad Ghazal, "Potash Company to Import Israeli Gas at Preferential Prices," *Jordan Times*, February 20, 2014, https://www.jordantimes.com/news/local/potash-company-import-israeli-gas-preferential-prices.
[32]See Karen Ayat, "Jordan: An Interview with H.E. Alaa Batayneh, Former Minister of Energy and Mineral Resources," *Natural Gas Europe*, May 16, 2013, https://www.naturalgasworld.com/jordan-interview-alaa-batayneh.

political visibility was carefully managed. This initial success generated sufficient confidence among the parties to pursue a larger and more politically contentious export agreement, one that would test the limits of this approach under conditions of heightened public scrutiny.

III. The Noble Energy – NEPCO Agreement Amid Public Protest

Building on the precedent established by the 2014 Jordan Bromine agreement, Noble Energy sought to secure a larger and more commercially consequential export contract with Jordan's state-owned National Electric Power Company (NEPCO). In September 2014, the parties signed a memorandum of understanding (MOU) for the supply of approximately 45 billion cubic meters (bcm) of natural gas from Leviathan field over a 15-year period, valued at an estimated $10 billion. Projections at the time suggested that, once operational, Israeli natural gas could supply up to 40 percent of Jordan's electricity generation needs and reduce annual energy costs by approximately $500–600 million.[33]

Unlike the earlier agreement, however, translating the MOU into a binding contract proved more complicated. First, the MOU was signed shortly after a two-month military confrontation between Israel and Hamas in the Gaza Strip, intensifying public hostility toward Israel within Jordan. Jordanian officials were reluctant to advance negotiations before tensions subsided. Second, the scale of the proposed deal required the direct involvement of Leviathan field's Israeli partners, including Delek Group and Ratio, increasing the visibility of Israeli participation.[34] Third, negotiations coincided with the height of Israel's domestic debate over the

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[33]Eran Azran, "Ha-isqa neḥsefet: ha-Yordanim yeshalmu al gaz kaḥol-lavan paḥot me-ezraḥei Yisra'el [Deal Revealed: Jordanians to Pay Less for Israeli Gas than Israeli Citizens]," *TheMarker*, August 19, 2019, https://www.themarker.com/markets/2019-08-19/ty-article/.premium/0000017f-e805-df5f-a17f-fbdf7cea0000.
[34]See Amiram Barkat and Hedy Cohen, "Yisra'el timkor gaz le-Yarden be-heikef shel yoter mi-15 milyard dolar [Israel to Sell Gas to Jordan Worth More than $15 Billion]," *Globes*, September 3, 2014 https://www.globes.co.il/news/article.aspx?did=1000968817; "Israel Consortium Signs 15-Year, $10B Gas Deal

natural gas framework agreement. Together, these factors elevated the political profile of the agreement and generated greater domestic opposition in Jordan than the Jordan Bromine deal had encountered.

Public debate in Jordan coalesced along two intersecting axes. The first divided pro-government and anti-government actors; the second divided economic pragmatists against political opposition to normalization with Israel. Faced with this divide in public opinion, Jordanian government officials consistently emphasized economic pragmatism over political solidarity with Palestinians. Jordanian Minister of Energy Mohammad Hamed argued that importing relatively low-cost pipeline gas would help offset NEPCO's mounting financial losses. He further noted that Noble Energy was pursuing similar agreements with the Palestinian Authority and Egypt, thereby making it permissible for Jordan to reach a commercial arrangement.[35]

NEPCO officials mirrored this approach. The company's CEO argued that political considerations should be secondary to the economic burden imposed by high electricity prices and insisted that the agreement would not render Jordan strategically dependent on Israel. Proponents also highlighted the legal permissibility of energy cooperation under Paragraph 19 of the 1994 Israel–Jordan peace treaty. Following the contract's finalization in September 2016, Minister of Government Communications Mohammad al-Momani dismissed claims equating the gas deal with support for Israeli occupation as "too simplistic."[36] When pressed, Jordanian officials frequently sought to distance the state from direct responsibility by characterizing the

with Jordan," *Times of Israel*, September 26, 2016, https://www.timesofisrael.com/israel-consortium-signs-15-year-10b-gas-deal-with-jordan/.

[35]See Hedy Cohen, "Jordanian Energy Minister Defends Israel Gas Deal," *Globes*, December 10, 2014 https://en.globes.co.il/en/article-jordanian-energy-minister-defends-israel-gas-deal-1000992626.

[36]"Jordan Denies Dependence on Israel after Controversial Gas Deal," *The New Arab*, October 3, 2016, https://www.newarab.com/news/jordan-denies-dependence-israel-after-controversial-gas-deal.

agreement as a commercial transaction between companies or by deferring to American officials to engage in public diplomacy on the deal's behalf.[37]

Opposition to the agreement, however, was vocal and persistent. The most prominent critics were affiliated with anti-regime and opposition movements, including the Islamic Action Front, the political wing of the Jordanian Muslim Brotherhood. These groups framed the agreement as the purchase of "stolen Palestinian gas" and argued that it amounted to indirect support for Israel's occupation and military policies.[38] Dependence on Israeli energy supplies was portrayed as a threat to Jordanian sovereignty and strategic autonomy. As one former Jordanian energy minister argued, "If we have an LNG terminal and are importing gas, why would we need Israeli pipeline gas? People are against any agreement with Israel on human rights grounds. But also, why place yourself at their mercy? They can close the tap [at any time]."[39]

These arguments resonated widely across Jordan. Media outlets actively campaigned against the agreement, while civil society groups organized routine demonstrations in Amman. In December 2014, Jordan's parliament voted against the Noble Energy–Jordan Bromine agreement, signaling the strength of the anti-normalization camp. This parliamentary opposition delayed negotiations but lacked the institutional authority to block the government's decision.

[37]See Majid al-Amir, "Inqisām barlamānī ḥawl istīrād al-ghāz min Isrāʾīl [Parliamentary Split on Importing Gas from Israel]," *al-Ra'i*, December 10, 2014, http://www.alrai.com/article/686112.html; Itay Malach, "Iskat ha-gaz bein Yarden le-Yisra'el: ha-bikoret ha-tziburit [The Gas Deal between Jordan and Israel: Public Criticism]," *RegThink*, December 19, 2019, https://www.regthink.org/criticism-of-israeli-jordanian-gas-deal/.
[38]See Muhammad Ka'ush, "al-Ghāz—al-wajh al-ākhar lil-ḥarb [The Gas—the Other Face of the War]," *al-Ra'i*, January 21, 2016, http://www.alrai.com/article/762983.html.
[39]International Crisis Group, *Rethinking Gas Diplomacy in the Eastern Mediterranean*, Middle East and North Africa Report no. 240 (Brussels: International Crisis Group, April 26, 2023), https://www.crisisgroup.org/middle-east-north-africa/east-mediterranean-mena-turkiye/240-rethinking-gas-diplomacy-eastern.

With firm backing from the royal family, NEPCO continued negotiations despite sustained public protest.[40]

Jordanian public pressure didn't derail negotiations, but it did shape the agreement's final structure. Noble Energy agreed to reduce its originally proposed export prices, and the United States provided additional assurances to keep the parties engaged. Consequentially, the contract included a clause allowing US foreign assistance earmarked for Jordan to be redirected to Noble Energy if NEPCO failed to meet its payment obligations. The agreement also incorporated significant financial penalties should the Jordanian government or NEPCO attempt to renege on the contract.[41]

Parallel political constraints emerged in Israel. Between 2013 and 2016, a protracted dispute unfolded between the government, the Israeli Antitrust Authority (IAA), and the natural gas developers over the structure of the natural gas framework agreement. In late 2014, just as negotiations with Jordan and Egypt appeared to be advancing, IAA chairman David Gilo withdrew from a tentative settlement, prompting a sharp response from the developers and reinvigorating domestic protest against the framework.[42]

Although Israeli protestors were not specifically opposed to exports to Jordan, opposition to the framework agreement constrained the government's ability to provide regulatory certainty

[40]See "Exposing Jordan's Gas Deal with Israel," *Middle East Report Online (MERIP)*, September 2019, https://merip.org/2019/09/exposing-jordans-gas-deal-with-israel/; "House Recommends Scrapping Tentative Gas Deal with Israel," *The Jordan Times*, October 5, 2016, https://jordantimes.com/news/local/house-recommends-scrapping-tentative-gas-deal-israel.

[41]One of the reasons the deal was attractive to Noble Energy and the Leviathan partners was NEPCO's track record as a reliable contractual partner, but the US payment guarantees were a welcome addition, see Azran, "Ha-isqa neḥsefet: ha-Yordanim yeshalmu al gaz kaḥol-lavan paḥot me-ezraḥei Yisra'el [Deal Revealed: Jordanians to Pay Less for Israeli Gas than Israeli Citizens]"; Erez Raviv, "Acharey shalosh shanim bahen nishmar besod, khozeh hagaz bein Yisrael leYarden nekhsaf [After three years of secrecy, the Israel-Jordan gas contract is revealed]," *Davar1*, August 20, 2019, https://www.davar1.co.il/192783/; Amit Mor, interview by author, July 19, 2023; Aviv Kirshenbaum, interview by author, July 19, 2023.

[42]See John Reed, "Israel Antitrust Chief Withdraws from Natural Gas Settlement," *Financial Times*, December 23, 2014, https://www.ft.com/content/40474f4a-8aaf-11e4-8e24-00144feabdc0.

to Noble Energy as it was negotiating with NEPCO. Under mounting political pressure, Gilo resigned in May 2015. Prime Minister Benjamin Netanyahu then faced a critical choice: compel Economy Minister Aryeh Deri to invoke Article 52 of the Restrictive Trade Practices Law (1988) on national security grounds or risk litigation from the gas developers.[43] Deri resigned, enabling Netanyahu to assume the economy portfolio and approve the framework by invoking national security considerations. The Israeli opposition petitioned the Israeli Supreme Court, further delaying final approval of the natural gas framework agreement.

Despite these delays, negotiations with Jordan continued. In March 2016, Israel's Supreme Court reached its ruling regarding the government's natural gas framework agreement and decision to override antitrust objections on national security grounds. Within weeks, the Israeli government approved a revised framework agreement, clearing the way for Noble Energy and NEPCO to finalize their contract. Like the Noble Energy-Jordan Bromine deal, the Leviathan partners established a foreign-registered entity – NBL Jordan Marketing Limited, incorporated in the Cayman Islands – to obscure direct contractual ties between Israeli companies and a Jordanian state-owned enterprise.[44] The agreement was signed without public ceremony. Commenting afterward, Israeli Energy Minister Yuval Steinitz described the deal as "a historic moment in which Israel becomes an exporter of energy and natural gas for the first time."[45]

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[43]See State of Israel, *Ḥok ha-Hagbalot ha-ʿIskiyyot (Restrictive Trade Practices Law)*, 5748–1988, art. 52.
[44]See Ratio Energies Ltd., *Doaḥ Tqufati (Periodic Report), Q2 2023*, August 2023, clause 6f, https://ratioenergies.com/wp-content/uploads/2023/08/1693226781_1693223881_Ratio_300623_EN.pdf.
[45]The opposition camp against the natural gas framework agreement rejected the Supreme Court's ruling and argued that the export deal with Jordan demonstrated there was "no need" for the arrangement, which they claimed burdened Israeli taxpayers with high prices. Years later, Energy Minister Yuval Steinitz would describe the protests as "futile hysteria," see Avi Bar-Eli and Eran Ezran, "Mitnagdei matveh ha-gaz mevaqerim et psikat Beit ha-Mishpat ha-ʿElyon [Gas Framework Opponents Criticize Supreme Court Ruling]," *TheMarker*, September 26, 2016, https://www.themarker.com/dynamo/2016-09-26/ty-article/0000017f-e5b0-dea7-adff-f5fb88030000; Alexandra Lukash and Nir Cohen, "Steinitz: ha-meḥa'ot neged matveh ha-gaz hen 'histeriya ḥaseret taʿam' [Steinitz: Protests

IV. Compartmentalized Interdependence

Despite the domestic political sensitivities in Jordan and persistent diplomatic constraints in Israel–Jordan relations, Noble Energy succeeded in securing two export contracts that allowed the delivery of natural gas from the Tamar and Leviathan fields to Jordanian companies. These agreements established the first export routes for Israeli natural gas, generated important capital flow for the development of Israel's offshore gas fields, and provided momentum for Israel's emerging energy diplomacy in the Eastern Mediterranean. Beyond their commercial and strategic significance, however, the agreements raise a central analytical question: how did sustained energy cooperation affect Israel–Jordan bilateral relations?

The signing of the 2014 and 2016 gas agreements signified a meaningful development in the relationship between Israel and Jordan. In the assessment of Israeli energy consultant Amit Mor, the offshore gas discoveries added "an additional economic-strategic dimension to the relationship."[46] The deals introduced new layers of compartmentalized interdependence into a bilateral relationship long characterized by pragmatic but limited cooperation. At the same time, while the agreements deepened institutional cooperation between the two states, they did not fundamentally alter the character of the relationship. Instead, they reinforced a longstanding pattern in which elite and institutional-level cooperation remained deliberately compartmentalized from public discourse.

As illustrated earlier in this chapter, prior to 2009 Israel and Jordan cooperated on security coordination, water sharing, and limited economic initiatives, yet the relationship lacked a economic anchor with significant gravitational pull. The natural gas agreements accomplish

against Gas Deal Were 'Futile Hysteria'']," *Ynet*, January 1, 2020, https://www.ynet.co.il/articles/0,7340,L-5652474,00.html.

[46]Amit Mor, interview with author, July 26, 2023.

this; establishing a long-term commercial commitment and physically connecting the two countries' energy infrastructures. Supporting Israeli natural gas exports to Jordan required new pipeline construction, coordinated regulatory approvals, and sustained institutional communication among ministries, energy companies, and security services. The acquisition of land for the pipeline route inside Jordan, which was completed in early 2018, demonstrated the depth of administrative coordination required, even before gas began flowing in late 2019.

The gas agreements also revived, in a modest form, the concept of economic peace, which had largely fallen out of favor in both Jerusalem and Amman following the collapse of the Oslo process in the early 2000s and the decline of initiatives such as the QIZs along the Israel–Jordan border.[47] Following the success of the natural gas deals, Israel and Jordan explored additional resource-based initiatives, including the Red Sea–Dead Sea water conveyance project, formalized through a 2013 trilateral memorandum of understanding involving Israel, Jordan, and the Palestinian Authority and a separate 2015 bilateral agreement between Israel and Jordan. It also included a 2021 agreement to increase Israeli water exports to Jordan, and Project Prosperity, a water-for-solar-energy initiative formalized through a 2022 memorandum of understanding involving Israel, Jordan, and the United Arab Emirates.[48] Jordan also joined the Eastern Mediterranean Gas Forum (to be discussed in greater detail in Chapter 3), which also

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[47]By the 2010s, the QIZ program had lost much of its economic and political significance, and was largely superseded by the 2001 US-Jordan Free Trade Agreement, which removed the requirement for Israeli inputs, see Yitzhak Gal, *Israeli-Jordanian Trade: In-Depth Analysis* (London: Tony Blair Institute for Global Change, October 17, 2018), https://institute.global/insights/geopolitics-and-security/israeli-jordanian-trade-depth-analysis.
[48]See World Bank, "Senior Israeli, Jordanian, and Palestinian Representatives Sign Water-Sharing Agreement," press release, December 9, 2013, https://www.worldbank.org/en/news/press-release/2013/12/09/senior-israel-jordanian-palestinian-representatives-water-sharing-agreement; Government of Israel, "*Project Prosperity: Memorandum of Understanding Signed between Israel and Jordan*," press release, November 8, 2022, https://www.gov.il/he/pages/press_081122; Amy Spiro and Aaron Boxerman, "Israel Agrees to Dramatically Increase Water Supply to Parched Jordan," *The Times of Israel*, October 13, 2021, https://www.timesofisrael.com/israel-agrees-to-dramatically-increase-water-supply-to-parched-jordan/.

included Israel and the Palestinian Authority.[49] In 2022, when Egyptian demand for natural gas exceeded Israel's immediate export capacity, Jerusalem and Amman reached a transit agreement enabling Israeli natural gas deliveries to Egypt through Jordan via the Arab Gas Pipeline.[50] Collectively, these initiatives demonstrated that energy could function as a platform for selective, technocratic cooperation in shared resource management.

The natural gas export contracts also accelerated Israel's energy diplomacy in the Eastern Mediterranean. The discoveries of the Tamar and Leviathan fields positioned Israel as an emerging natural gas exporter, and Jordan's decision to purchase Israeli gas – followed shortly by export contracts to Egypt – enabled Israel's evolution into an active regional energy supplier. This shift informed how Israeli policymakers appreciated the relationship between economic stability and national security, drawing a more direct line between Israeli strategic interests in the region and Jordan's economic wellbeing.

At the same time, the agreements exposed the limits of economic cooperation conducted through large-scale infrastructure projects. Rather than subsiding following the signing of the export contracts, Jordanian public opposition to energy cooperation with Israel intensified. When test flows from the Leviathan field began in December 2019, 58 of Jordan's 130 members of parliament signed a memorandum demanding cancellation of the agreement.[51] The scale of the

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[49]See "Jordan Joins Eastern Mediterranean Gas Forum," *Petra (Jordan News Agency)*, January 16, 2019, https://www.petra.gov.jo/Include/InnerPage.jsp?ID=12426&lang=en&name=en_news.

[50]See Stuart Elliot, "Israel Approves New Route for Gas Exports to Egypt via Jordan," *S&P Global Commodity Insights*, February 17, 2022, https://www.spglobal.com/commodityinsights/en/market-insights/latest-news/natural-gas/021722-israel-approves-new-route-for-gas-exports-to-egypt-via-jordan.

[51]See Avi Bar-Eli, "Israel Quietly Begins Exporting Gas to Jordan," *Haaretz*, March 2, 2017, https://www.haaretz.com/israel-news/business/2017-03-02/ty-article/israel-quietly-begins-exporting-gas-to-jordan/0000017f-e2a1-d38f-a57f-e6f322f60000; Amiram Barkat and Dan Zaken, "Jordanian Parliament Votes Against Israel Gas Deal," *Globes*, March 24, 2019, https://en.globes.co.il/en/article-jordanian-parliament-votes-against-israel-gas-deal-1001280020; Marwan Muasher, "Protests in Jordan over Gas Deal with Israel Expose Wider Rifts," *Brookings Institution*, April 2019, https://www.brookings.edu/articles/protests-in-jordan-over-gas-deal-with-israel-expose-wider-rifts/; Raed Omarti, "Constitutional Court Says Parliament Has No Say Over Gas Deal with Israel," *The Jordan Times*, July 21, 2019, https://jordantimes.com/news/local/constitutional-court-says-parliament-has-no-say-over-gas-deal-israel.

demand was significant; by that point Israeli natural gas accounted for approximately 70–80% of Jordan's electricity generation – “a very high strategic dependency on Israel, despite all the opposition.”[52] Similar efforts followed in 2020 after commercial natural gas deliveries commenced.[53] Persistent resistance to normalization reaffirmed the “cold peace” nature of Israel–Jordan relations at the public and societal level, even as institutional cooperation deepened.

The deliberate separation of commercial energy transactions from formal diplomatic engagement – the mechanism that made energy cooperation viable – also capped its transformative potential. Energy cooperation was publicly justified in Jordan precisely because it was framed as apolitical: an economic necessity, an arrangement between American firms, an energy security imperative divorced from the broader question of relations with Israel. This framing was essential to sustaining the agreements under conditions of public opposition, but it simultaneously prevented the possibility of building broader constituencies for normalizing bilateral relations. A Jordanian public that was never asked to accept energy cooperation as a political act could not be expected to draw alternative political conclusions from it. The agreements therefore produced compartmentalized interdependence, capable of surviving diplomatic crises without generating the legitimizing public narrative, expanded coalitions, or shifting attitudes that true normalization would require.

By extension, compartmentalized interdependence did little to mitigate future political tensions between Jerusalem and Amman. Disputes over the administration of Jerusalem’s holy sites, violent incidents involving Israeli and Jordanian nationals, and disagreements over Israeli

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[52]Amit Mor, interview with author, July 26, 2023.
[53]See Daoud Kuttab, “Jordan Parliament Seeks to End Israel Gas Agreement,” *Al-Monitor*, January 19, 2020, https://www.al-monitor.com/originals/2020/01/jordan-parliament-end-israel-gas-agreement-opposition.html

settlement policy in the West Bank continued to generate diplomatic friction. In separate incidents in 2017, 2019, and 2023, ambassadors were recalled by one side or the other. While compartmentalized interdependence brought Israel and Jordan closer together at the institutional level, it did not provide insulation from political crises. The privatized structure of the gas agreements ensured that natural gas continued to flow even amid severe diplomatic strain – a dynamic that remained constant following Hamas's October 7, 2023 attack on Israel and Israel's subsequent military campaign in Gaza – but failed to create new bridges for dialogue during a period of unprecedented strain.

Concluding Remarks

This chapter has examined Israel-Jordan energy diplomacy between 2009 and 2023, tracing how natural gas exports became a durable but compartmentalized vehicle for bilateral cooperation. The natural gas agreements of 2014 and 2016 reshaped important functional dimensions of the relationship, introducing new forms of economic interdependence into what had long been characterized as a cold peace. But they did not alter the character of that relationship. Energy amplified Jordan's preexisting conditions of elite-level pragmatism and public resistance, deepening institutional cooperation with Israel without generating meaningful political momentum toward normalization.

This chapter's central finding is that energy functioned as a ceiling case, a context in which the path dependent conditions for cooperation were sufficient to produce a workable agreement but not robust enough to sustain a broader transformation of the relationship. Shared material interests, US facilitation, and the deliberate depoliticization of commercial transactions enabled economic cooperation to proceed where overt state-to-state engagement may have failed.

But the structural constraints that had long defined the bilateral relationship – including but not limited to Jordanian public hostility, the unresolved Israeli-Palestinian conflict, and the Hashemite royal family's concerns about domestic opinion – remained entirely intact. Energy helped identify the ceiling of what was politically possible between Israel and Jordan in this era and could not push through it.

The mechanism that made cooperation viable also exposed its limitations. What this chapter has labelled compartmentalized interdependence – the deliberate separation of commercial energy transactions from formal diplomatic engagement – enabled natural gas to flow while insulating the bilateral relationship from public scrutiny. This structure proved resilient during periods of diplomatic crisis, ensuring that the commercial arrangements endured even as ambassadors were recalled and public relations deteriorated. This is not to confuse resilience and transformation. The same compartmentalization approach that protected the agreement from political disruption simultaneously prevented it from creating the wider constituencies, public legitimacy, and diplomatic momentum that meaningful normalization would require.

The durability of this compartmentalized interdependence was tested most severely following Hamas's October 7, 2023 attack on Israel and the subsequent military campaign in Gaza. As regional tensions escalated and Jordanian public hostility toward Israel intensified, the structural logic of the natural gas agreements held. Natural gas continued to flow, NEPCO continued to honor its contractual obligations, and the Jordanian government – despite vocal domestic pressure – declined to suspend the arrangement. This outcome was not accidental. The financial penalties embedded in the 2016 agreement, the US payment guarantee, and the sheer economic cost of abandoning a supply arrangement that covered a substantial share of Jordan's electricity generation created strong structural incentives for continuing the status quo that proved stronger than domestic political pressure. This case therefore offers an important insight into how carefully structured energy agreements can generate their own resilience – not because they transform political relationships, but because the prohibitive costs of ending them.

This structural logic invites closer examination against liberal theories of interdependence, which argue that sustained economic ties tend to generate positive spillover effects: shared interests, expanded constituencies for cooperation, and rising costs of conflict that eventually incentivize political accommodation. The Israel-Jordan case confirms part of this argument while sharply qualifying it. The structural incentives created by the natural gas agreements were, as demonstrated, effective at preserving the commercial relationship under the severe political strain. But they produced no visible momentum toward political normalization, no expansion of the public constituencies supporting open engagement with Israel, and no reduction in the societal antagonism that has defined the cold peace over the last three decades.

The explanation lies in the mechanism of compartmentalization itself. This was a commercial transaction first. As one former Delek executive described it, "There won't be a situation where you have a project that is not economic but it's good for politics, and it will happen. It doesn't work on the other way around."[54] Because the economics worked, it was easier for both governments to downplay its political implications. Nevertheless, the same logic that enabled the deal also prevented it from becoming the foundation for broader engagement. The ceiling was not merely a consequence of underlying political constraints; it was built into the architecture at the outset. This observation carries implications beyond the Jordan case. It suggests that privatized, depoliticized model of energy cooperation may be effective at securing

[54]Aviv Kirshenbaum, interview with author, July 19, 2023.

agreements in politically contested environments but involves an inherent trade-off where short-term political insulation is purchased at the cost of long-term political transformation. In a case where political conditions permit a more public, state-led approach to energy cooperation, the potential for political normalization may prove substantially greater.

This chapter also illuminates something important about Israel's domestic energy politics and their consequences on its foreign relations. The prolonged regulatory disputes over the natural gas framework agreement – the Sheshinski and Tzemach Committees, the antitrust dispute, Netanyahu's Supreme Court appearance – directly shaped the timing and terms of the Jordan export agreements. Regulatory uncertainty delayed the finalization of the NEPCO deal, compressed Israel's negotiating flexibility, and forced the government to securitize energy policy at the executive level in order to break the domestic deadlock. This explains in part why the Israel-Jordan energy story "was driven by the private sector."[55] The interaction between domestic governance and external diplomacy is a recurring feature of Israel's energy diplomacy: the instrument's effectiveness abroad was often conditioned by the political debates being fought at home and is important to appreciating the nature of Israeli energy diplomacy.[56]

The role of the United States further illustrates the conditionality of energy diplomacy. American facilitation was not incidental to the outcome but an essential element. Without US mediation, commercial backing, and financial guarantees, it is questionable that either the 2014 or 2016 agreements would have been concluded. This finding anticipates a recurring pattern across found in other cases addressed in this study: where direct engagement with Israel carried political costs for Eastern Mediterranean states, third-party facilitation proved indispensable to delivering tangible results.

[55]Ibid.
[56]Amit Mor, interview with author, July 26, 2023.

The Jordan case therefore establishes a baseline for what energy diplomacy can and cannot accomplish under conditions of constrained normalization. It demonstrates that energy can institutionalize cooperation, create economic interdependence, and provide resilience during crises, while remaining unable to overcome deeply embedded political constraints or reshape public attitudes. These findings set many of the terms for the comparative analysis that follows.

Chapter 3 examines a case where the conditions were meaningfully different. In Israel's relationship with Egypt, energy diplomacy encountered a bilateral trajectory already oriented toward strategic alignment – one shaped by shared security interests, post-Arab Spring recalibration, and mutual interest in regional stability. The contrast between the two cases is not primarily a function of energy's properties or Israel's strategic ambitions – it is a function of the bilateral trajectory each relationship carried before energy arrived. Where Jordan illustrates the ceiling of energy diplomacy under constrained bilateral conditions, Egypt illustrates what becomes possible when energy enters a relationship already trending toward strategic alignment.

Chapter 3 – The Obvious Partner: The Evolution of Israeli-Egypt Energy Cooperation

In February 2022, Israeli Energy Minister Karin Elharrar was invited to the EGYPS energy conference in Cairo. It was the first time an Israeli minister was invited to the annual event, which serves as a showcase for Egypt's robust energy industry. But the even bigger surprise came at the opening ceremony, when Egyptian president Abdel-Fattah el-Sisi crossed the room in front of hundreds of masked attendees and delegates (the event was held during a spike in Covid-19 cases) from around the world and personally welcomed Elharrar, who was seated in her wheelchair in the corner of the room. The warm gesture by Sisi was covered widely in the Israeli (and regional) press. Elharrar told journalists that the moment was not choreographed and she was caught unawares by the Egyptian president's move: "They didn't prepare me for it. There is a great pride in being Israeli at this moment."[1]

This brief episode only hints at how offshore energy discoveries set in motion a profound shift in Israel–Egypt relations. Once a major supplier of natural gas to Israel, Egypt became a transit hub for Israeli energy exports and a strategic partner in regional energy cooperation initiatives. If Israel's energy relationship with Jordan was defined by the high-floor economic guarantees delivered by Noble Energy's commercial deals with Jordan Bromine and NEPCO, then the energy relationship with Egypt presented not only a higher-floor in terms of economic gain, but an even higher ceiling in terms of strategic opportunity. Natural gas alone does not fully explain this change. As was the case with Jordan, the politics of the Arab Spring also motivated

[1] Ynet News, "Nesiʾ Mitzrayim al-Sisi mevarekh le-shalom et sarat ha-energiya Karin Elharrar be-khans ha-energiya be-Kahir [Egyptian President Sisi Greets Energy Minister Karin Elharrar at the Cairo Energy Conference]," YouTube, February 14, 2022, https://www.youtube.com/watch?v=oNCcv33Taf0; "Elharrar ʿal ha-braḵa shel a-Sisi: "hufteʿti, gaʾava lihyot Yisreʾelit beregaʿim kaʾelu [Elharrar on Sisi's greeting: 'I was surprised; it is a pride to be Israeli in moments like these]," *Walla*, February 15, 2022, https://news.walla.co.il/item/3489000.

Jerusalem and Cairo to expand their partnership. But the evolution of the Israel–Egypt energy relationship offers a compelling case study of how energy can deepen and institutionalize a bilateral trajectory already oriented toward strategic alignment — even where societal normalization remains limited.

This chapter examines how Israeli policymakers and partners in the private sector employed natural gas as a tool of economic statecraft, enabling a reversal in the directionality of energy flows and repositioning Israel near the center of the Eastern Mediterranean energy system. The Israel–Egypt relationship evolved into a hub-based model of energy diplomacy, characterized by shared infrastructure, multilateral engagement, and increasing public visibility. However, despite its catalyzing effect on elite-level cooperation between Israeli and Egyptian policymakers, little impact was made on the structural relationship between the two countries. This case raises a broader question: under what conditions can energy cooperation move beyond bilateral stabilization to become a platform for multilateral regional governance, and what combination of structural, commercial, and individual factors enables that transition?

By tracing the evolution of Israel–Egypt energy ties from the signing of the Camp David Accords in 1979 through the rupture of the Arab Spring and toward renewed cooperation following Israel's offshore natural gas discoveries, this chapter argues that Egypt's role as a transit state and energy hub made it an obvious energy partner. Access to LNG infrastructure, combined with converging security interests and sustained U.S. mediation, allowed energy cooperation to expand from a narrow commercial arrangement into the establishment of the Eastern Mediterranean Gas Forum (EMGF), a nascent platform for regional energy governance,.

As described in Chapter 1, Israel and Egypt's energy relationship is rooted to the aftermath of the 1967 war, when Israel assumed control over Egypt's oil and natural gas facilities in the Sinai Peninsula and, for the first time in its history, achieved a measure of energy independence. Israel relinquished control of these resources following the signing of the Camp David Accords in 1979. However, as part of the negotiations facilitated by the U.S., Egypt agreed to supply a portion of Israel's energy needs, embedding energy trade within the peace accord's architecture. This arrangement endured until the Arab Spring, when a combination of political instability, economic pressures, and repeated pipeline sabotage led Egyptian suppliers to unilaterally terminate natural gas exports to Israel.

For Israeli policymakers, this rupture underscored the risks of overdependence on politically unstable energy suppliers and accelerated efforts to develop domestic offshore resources. At the same time, it created an opportunity for Israel to reverse the directionality of its energy relationship with Egypt. As Egypt's own gas production declined during the early 2010s, Cairo increasingly sought energy imports to stabilize its growing domestic demands. This emerging asymmetry positioned Israel – newly endowed with offshore natural gas reservoirs – as a potential supplier. Yet Israeli officials remained cautious, concerned that entrenched anti-normalization sentiment in Egypt, similar to dynamics observed in Jordan, could constrain future cooperation.

These concerns receded following the political consolidation of power under Abdel-Fattah el-Sisi in 2013 and assurances regarding Egypt's commitment to the Camp David Accords. With its security concerns allayed, Israel approved negotiations for potential natural gas exports. For the Tamar and Leviathan fields majority partners – Noble Energy and Delek Group – Egypt represented the most commercially and strategically viable export destination in the Eastern Mediterranean. Egypt offered a large domestic market, existing cross-border infrastructure including the East Mediterranean Gas (EMG) pipeline between Ashkelon and El

Arish, and access to two liquefied natural gas (LNG) terminals in Idku and Damietta. This infrastructure would enable Israeli natural gas to not only reach Egypt but also be liquefied and potentially sold on the global market, enhancing the route's commercial viability. The convergence of technical feasibility, market scale, and geopolitical alignment made Egypt the most compelling export option for both developers and policymakers.

In contrast to negotiations with Jordan, which required Israeli officials to take a backseat to Noble Energy executives, Israel's Energy Ministry played a central role in facilitating negotiations between the Israeli and Egyptian governments and the energy companies, even as unresolved arbitration cases stemming from Egypt's earlier contract cancellations and persistent public opposition in Egypt complicated the process. Through sustained diplomatic engagement – once again buoyed by discreet U.S. mediation – the parties reached a settlement on outstanding legal disputes and concluded a landmark agreement in 2018. Under the deal's terms, the Tamar and Leviathan field partners agreed to supply 64 billion cubic meters of natural gas over 10 years to Egypt's Dolphinus Holdings, valued at approximately $15 billion. In parallel, Israel invested in reversing the flow of the EMG pipeline and connecting Leviathan field directly to Egypt's LNG infrastructure. By early 2020, Israeli natural gas began flowing to Egypt.

The reconstitution of the Israel–Egypt energy partnership reflected a calculated strategy by Israeli policymakers. First, there was an appreciation that Egypt's economic stability was closely linked to Israel's own interests; following the brief but disruptive rise of the Muslim Brotherhood in Egypt, supporting the Sisi government was seen as mutually beneficial and advancing Israeli national security interests. Second, integration into Egypt's LNG infrastructure provided Israel with strategic flexibility and geopolitical leverage, positioning it as a supplier not only to neighboring states but potentially to European markets, particularly amid efforts to reduce dependence on Russian gas. Third, while private sector actors initially insulated the political dimensions of cooperation, Israeli and Egyptian officials eventually embraced more public expressions of their partnership. This evolution was reflected in increasingly visible ministerial engagement and culminated in the 2019 establishment of the EMGF, which aspired to institutionalize regional energy cooperation and further embedded Israel within the Eastern Mediterranean's evolving energy architecture.

This chapter demonstrates how the discovery of offshore natural gas deepened and institutionalized a strategic recalibration in Israel–Egypt relations that was already underway before energy entered the picture. The first section creates a framework for understanding Israel–Egypt political and energy relations up to the discovery of offshore natural gas and details the circumstances behind the collapse of Egyptian exports to Israel in 2012. The second section examines the interests that motivated the Tamar and Leviathan partners to consider Egypt the ideal export market, and why Israeli and Egyptian policymakers saw the renewal of energy ties as advancing their respective national security interests. The third section analyzes the process of how the parties reached a historic agreement in 2018 and how it paved the way for one of the warmest periods in bilateral relations. What began as a rupture in energy ties evolved into a mutually beneficial, strategic partnership grounded in shared economic and security interests and enabled by favorable technical, commercial, and geopolitical conditions. Egypt benefited from Israeli supply and its emergence as a regional gas hub, while Israel gained access to critical export infrastructure and a platform for multilateral energy diplomacy. The Egypt case represents this dissertation's strongest confirming case: a context in which the prior bilateral trajectory was sufficiently cooperative that energy could deepen, institutionalize, and give regional expression to an alignment already underway, without, however, altering the underlying character of the relationship.

I. Israel-Egypt Energy Relations before Offshore Natural Gas Discoveries

As described in Chapter 1's review of Israel's energy history, Egypt played an influential role in shaping Israel's perception of its energy security. Egypt was a leading voice in the Arab boycott against Israel and an enemy state from 1948 to 1979. As a result of the 1967 war, Israel came into possession of Egypt's oil and gas facilities in the Sinai Peninsula, enjoying the benefits of energy independence for the first time in its history and expanding its petrochemical industry. By 1971, the total volume of oil produced from the Sinai equated to Israel's entire annual domestic consumption.[2]

This period ended when Israel and Egypt negotiated a peace treaty that included the return of the Sinai Peninsula. Concerned about the consequences of relinquishing these energy resources, the Israeli government negotiated an arrangement under which Egypt would continue to supply a portion of Israel's oil needs, alongside a separate agreement with the U.S. ensuring that – should Egyptian supplies be disrupted – Washington would assist Israel in securing alternative energy sources from abroad.[3]

The Camp David Accords provided a framework for energy cooperation that endured for several decades: Israel-Egypt energy relations was shaped by compartmentalized interdependence**,** characterized by a supplier–consumer dynamic that reinforced regional stability

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[2]See Uri Bialer, "Fuel Bridge across the Middle East?," *Israel Studies* 12, no. 3 (2007): 55; Elias Shoufani, "The Sinai Wedge," *Journal of Palestine Studies* 1, no. 3 (1972): 90; Gawdat Bahgat, "Energy and the Arab-Israeli Conflict," *Middle Eastern Studies* 44, no. 6 (2008): 938.

[3]See Ziv Rubinovitz and Elai Rettig, "Crude Peace: The Role of Oil Trade in the Israeli-Egyptian Peace Negotiations," *International Studies Quarterly* 62, no. 2 (2018): 371-82.

without generating deeper economic integration or public normalization. Often described as a "cold peace," the secure flow of Egyptian oil to Israel constituted one of the sturdiest pillars of the peace treaty, alongside security coordination and intelligence sharing.

Through the late 1990s, energy cooperation between Israel and Egypt was largely confined to oil supply arrangements and operated as a technical element to the broader peace framework rather than as an independent driver of bilateral engagement. Egyptian oil exports to Israel were governed by long-term contracts that prioritized reliability over expansion and were insulated from public scrutiny in both countries. For Israel, access to Egyptian oil mitigated the strategic vulnerability created by the loss of the Sinai fields, while for Egypt, the arrangement generated steady revenue without requiring visible political normalization. Energy trade during this period reinforced regional stability while remaining deliberately low-profile.

By the late 1990s and early 2000s, changing economic conditions began to place pressure on this relationship. Driven by population growth, industrialization, and electricity subsidies, Egypt's domestic energy demand rose sharply while its national oil production plateaued and then sharply declined. Between 1996 and 2006, Egyptian oil output fell by approximately 20 percent, reducing its export capacity and prompting Cairo to reassess long-term supply commitments.[4] In Israel, electricity demand also steadily increased, forcing policymakers to seek cleaner and more cost-effective fuels to reduce reliance on coal and imported oil. As a result, both governments turned to explore natural gas as an alternative solution to their energy needs. Egypt's development of offshore gas fields in the Nile Delta during the early 2000s positioned it as a regional gas exporter, while Israel's lack of domestic natural gas production at time made it an ideal consumer. So, Egypt and Israel swapped their oil relationship for a natural gas

[4]See Yitzhak Gal and Bader Rock, "Israeli-Egyptian Trade: In-Depth Analysis," Tony Blair Institute for Global Change, October 15, 2018, https://institute.global/advisory/israeli-egyptian-trade-depth-analysis.

relationship, culminating in a 15-year natural gas agreement the 2005 natural gas agreement between the Israeli government-owned Israel Electric Corporation (IEC) and the Egyptian government-owned Egyptian Natural Gas Holding Company (EGAS). Yet even as Israel-Egypt energy cooperation transitioned from oil to gas, it retained its fundamentally transactional character: negotiations were conducted primarily between state-owned companies, shielded from public scrutiny, and designed to minimize public visibility of bilateral cooperation. Rather than deepening diplomatic engagement, energy functioned as a stabilizing but compartmentalized element of Israel-Egypt relations.[5]

By 2008, Egypt was supplying Israel with as much as 40 percent of its annual natural gas consumption via an undersea pipeline connecting El-Arish in the Sinai Peninsula to Ashkelon known as the Eastern Mediterranean Gas (EMG) pipeline. Benjamin Ben-Eliezer, then Israel's Minister of National Infrastructure, described the arrangement as "historic." Contemporaneous reporting highlighted the political sensitivity around the arrangement: *The New York Times* noted that Egyptian state media paid little attention to the deal, with major government-owned newspapers avoiding front-page coverage in an apparent effort to "keep the public in the dark" unaware of official dealings with Israel.[6]

The natural gas arrangement began to unravel in 2010, when opponents of Egyptian President Hosni Mubarak challenged the agreement's legality in court, accusing the government of selling natural gas to Israel below market value. Although Egypt's Ministry of Petroleum

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[5]See Eric Watkins, "Russian-Israeli Deal Could Increase Oil Exports to Asia through Revamped Tipline," *Oil & Gas Journal*, November 6, 2003, https://www.ogj.com/general-interest/economics-markets/article/17255793/russianisraeli-deal-could-increase-oil-exports-to-asia-through-revamped-tipline.

[6]Eastern Mediterranean Gas owned the physical pipeline itself and served as an intermediary between IEC and EGAS. The details of the agreement, which included the option of a five-year extension, estimated that around 7bcm would be transferred during this period, see "Egypt and Israel Sign 15-Year Natural Gas Deal," *New York Times*, July 1, 2005, https://www.nytimes.com/2005/07/01/business/worldbusiness/egypt-and-israel-sign-15year-natural-gas-deal.html; H. J. Das, "Israel's Gas Diplomacy with Egypt," *Contemporary Review of the Middle East* 7 (2020): 218.

appealed the ruling and successfully renegotiated a higher export price with Israel, the situation deteriorated further amid rising political instability. In 2011, Sinai militants repeatedly targeted sections of the EMG pipeline. In April 2012, citing a combination of economic and political factors, EGAS declared *force majeure* and unilaterally cancelled its gas supply to Israel.[7]

The circumstances surrounding EGAS's decision were linked to the Arab Spring, which began in January 2011 and culminated in Mubarak's resignation the following month. Mubarak – who had governed Egypt since 1981 – stewarded the Camp David Accords for decades, providing his Israeli counterparts with a high degree of political stability and predictability. His removal intensified domestic turmoil within Egypt, weakened state authority in the Sinai Peninsula, emboldened militant activity, and diminished the influence of Egyptian elites who favored stable ties with Israel. EGAS's decision was not purely political, but should be contextualized during a period of intense political disruption within Egypt that spilled over to the bilateral relationship with Israel. One day after EGAS declared *force majeure*, a representative from the Israeli Prime Minister's Office flew to Cairo for clarifying conversations with Egyptian officials. In the subsequent weeks and months, both governments sought to downplay the rupture's economic and diplomatic significance.[8]

EGAS' declaration was consequential for Israeli energy security. IEC was forced to substitute expensive diesel fuel to maintain electricity generation, prompting the company to borrow approximately 10 billion NIS from the state. These unexpected costs triggered a series of electricity price increases over the following three years. Frustrated by the unexpected costs, IEC

[7]See James Stocker, "No EEZ Solution: The Politics of Oil and Gas in the Eastern Mediterranean," *Middle East Journal* 66, no. 4 (2012): 582; Matt Bradley, "Egypt Cancels Israel Gas Deal," *Wall Street Journal*, April 22, 2012, https://www.wsj.com/articles/SB10001424052702303459004577360213475479688.
[8]See Avi Bar-Eli and Itai Trilnick, "Israel, Egypt in Secret Talks on Gas Deal Crisis," *Haaretz*, April 29, 2012, https://www.haaretz.com/israel-news/business/2012-04-29/ty-article/israel-egypt-in-secret-talks-on-gas-deal-crisis/0000017f-e907-dc91-a17f-fd8f19f70000.

initiated legal proceedings against EMG and EGAS for breach of contract in 2013, eventually referring the case to arbitration under the International Chamber of Commerce in Geneva.[9] More critically, the episode exposed Israel's overreliance on an energy relationship dependent on Egyptian political stability and continued production levels.

In summary, even before the discovery of the Tamar and Leviathan fields in 2009-2010, Israel and Egypt were familiar energy partners. From 1979 until 2012, energy cooperation – initially centered on oil and later on natural gas – formed a stabilizing component of the Camp David Accords. Throughout this period, Egypt functioned as the supplier and Israel as the consumer, with the relationship ebbing and flowing in response to changes to Egyptian domestic demand, production capacity, and global energy market fluctuations. Despite requiring periodic technical dialogue between state-owned companies, energy cooperation did not generate meaningful spillover into other economic or diplomatic domains. It was a transactional relationship that depended heavily on Egypt's domestic political stability – personified by Mubarak – and on surplus production capacity rather than shared infrastructure or economic interdependence. When natural gas flows halted during the Arab Spring, many observers assumed that this dimension of Israel–Egypt relations had run its course. Yet this rupture did not mark the end of Israel–Egypt energy ties. Instead, it created the conditions for their reconfiguration. As the discovery of Israel's offshore natural gas fields coincided with Egypt's growing energy deficit, energy cooperation would reemerge not as a supplier–consumer relationship, but as a hub-based partnership with far-reaching diplomatic implications.

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[9]See *East Mediterranean Gas S.A.E. v. Egyptian General Petroleum Corporation, Egyptian Natural Gas Holding Company, and Israel Electric Corporation Ltd.*, Judgment of the Federal Supreme Court of Switzerland, April 25, 2017, https://jusmundi.com/en/document/decision/en-east-mediterranean-gas-s-a-e-v-egyptian-general-petroleum-corporation-egyptian-natural-gas-holding-company-and-israel-electric-corporation-ltd-judgement-of-the-bundesgericht-federal-supreme-court-of-switzerland-tuesday-25th-april-2017.

II. The Reconstitution of Israel-Egypt Energy Relations

The reconstitution of Israel–Egypt energy relations after 2012 was was made possible by a combination of security interests, economic necessity, and commercial opportunity that allowed a broken supplier–consumer relationship to develop into anew. This section traces how the Arab Spring of 2011 reshaped Israeli and Egyptian threat perceptions, how Egypt's energy crisis created economic incentives for renewed energy cooperation, and how Israeli policymakers together with the Tamar and Leviathan partners leveraged newly discovered offshore natural gas as a tool of economic statecraft. By analyzing the interaction between national security considerations, domestic energy constraints, and private-sector mediation, this section demonstrates how energy cooperation emerged as a pragmatic mechanism for stabilizing bilateral ties during a period of regional disruption.

The Arab Spring and Israel-Egypt Security Concerns

The Arab Spring represented a shock to Israel's strategic calculus, one that extended well beyond the disruption of Egyptian natural gas exports. For more than three decades, Egyptian president Hosni Mubarak had served as the guarantor of the Camp David framework, maintaining close security coordination with Israel while carefully managing domestic opposition to normalization. His resignation in February 2011 introduced a period of uncertainty – with deteriorating security conditions in the Sinai Peninsula and the empowerment of Islamist political movements across the region – that Israeli officials viewed with alarm. The election of Mohammad Morsi in June 2012 intensified those concerns, raising questions in Jerusalem not merely about Egypt's reliability as an energy partner but about the durability of the bilateral relationship itself.

As a leading figure within the Muslim Brotherhood – the ideological forebear of Hamas – Morsi's ascent raised fears in Israel that Egypt's commitment to the peace treaty would not endure. Morsi himself had a record of inflammatory rhetoric toward Israel prior to his election, statements that received extensive media coverage in Israel and contributed to public perceptions that he would undermine the foundations of the bilateral relationship. These anxieties were amplified by a series of public incidents that appeared to signal a downturn in bilateral relations. In September 2011, amid widespread protests in Cairo, demonstrators stormed the Israeli embassy, prompting the evacuation of most Israeli diplomatic staff.[10]

However, Morsi's attitude towards Israel proved more ambivalent than his critics initially feared. Upon taking office, he signaled a willingness to respect Egypt's existing diplomatic commitments, including the peace treaty with Israel. He appointed Atef Salem as Egypt's ambassador to Israel, who delivered a letter of accreditation to Israeli President Shimon Peres expressing a commitment to "maintaining and strengthening the cordial relations which so happily exist between our two countries."[11] Ironically the gesture exposed the fragility of the moment and the domestic constraints under which the new Egyptian administration operated: Muslim Brotherhood affiliates publicly denied the letter's authenticity, forcing a hasty confirmation by Morsi's office and highlighting.

For Israeli decision-makers, the most consequential arena for assessing Morsi's intentions was the Gaza Strip. Historically, Israel and Egypt shared a strong interest in limiting Hamas's military and political capabilities in Gaza, resulting in discreet but extensive security cooperation

[10]See David Batty, "Israel evacuates ambassador to Egypt after embassy attack," *The Guardian*, September 10, 2011, https://www.theguardian.com/world/2011/sep/10/egypt-declares-state-alert-embassy.
[11]Elhanan Miller, "Morsi's warm letter to Peres sparks anger and denial in Egypt," *The Times of Israel*, October 18, 2012, https://www.timesofisrael.com/morsi-letter-to-peres-sparks-uproar-in-egypt/; See "Morsi's Office Confirms Warm Letter to Peres Is Authentic," *The Times of Israel*, October 19, 2012, https://www.timesofisrael.com/morsis-office-confirms-warm-letter-to-peres-is-authentic/.

during the Mubarak era. Under Morsi, this alignment grew more tenuous. Morsi adopted a more vocal and public posture in support of Palestinian grievances, criticized Israeli military actions in Gaza, and questioned the legitimacy of Palestinian Authority President Mahmoud Abbas in favor of Hamas-aligned actors. During Israel's November 2012 "Operation Pillar of Defense," Morsi dispatched Prime Minister Hisham Qandil to Gaza as a gesture of solidarity and public support with Palestinians – an act interpreted in Jerusalem as support for Hamas at the very moment Egypt was mediating a ceasefire between the parties.

Compounding Israeli concerns was the deteriorating security situation in the Sinai Peninsula. Long characterized by weak state control, the Sinai descended into near-lawlessness after 2011, as jihadist groups exploited the power vacuum to attack Egyptian military targets, sabotage infrastructure, and carry out cross-border operations against Israel. These developments heightened Israeli fears that Sinai could become a persistent source of instability, threatening both national security and the operational integrity of existing energy infrastructure, including the EMG pipeline.[12]

Yet despite the sharp deterioration in public rhetoric and symbolic relations during the Morsi period, security cooperation between Israel and Egypt did not completely collapse. The Egyptian military, led by General Abdel-Fattah el-Sisi, continued to coordinate closely with Israel on counterterrorism efforts in Sinai and on monitoring Hamas's operations in and around Gaza. This continuity at the institutional level demonstrated a recurring pattern in Israel–Egypt relations since 1979: even during periods of diplomatic tension, shared security interests could sustain functional cooperation.

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[12]See Avi Issacharoff, "Report: Three Egyptians Took Part in Terrorist Attacks on Southern Israel," *Haaretz*, August 24, 2011, https://www.haaretz.com/2011-08-24/ty-article/report-three-egyptians-took-part-in-terrorist-attacks-on-southern-israel/0000017f-e322-d7b2-a77f-e327599d0000.

When the Egyptian military ousted Morsi from power in July 2013, Israeli policymakers responded with cautious relief. From Israel's perspective, Sisi represented a return to a familiar model of governance – one that prioritized regime stability, viewed political Islam as a strategic threat, and remained committed to the Camp David framework. Israeli diplomats quietly advocated on Sisi's behalf in Washington and European capitals, emphasizing the importance of Egyptian stability to regional security. This realignment had tangible consequences. During Egypt's intensified military campaign against jihadist groups in Sinai, Israel agreed to permit expanded Egyptian military deployments in Zones B and C, areas that the Camp David Accords had designated for limited Egyptian military presence. These adjustments, coordinated through established security mechanisms, reflected Israel's assessment that a stronger Egyptian military presence in Sinai served its own national security interests.[13] In parallel, Sisi framed Hamas as an extension of the Muslim Brotherhood, allowing the convergence of Israeli and Egyptian threat perceptions and laying a critical foundation for cooperation in other domains, including energy.

Egypt's Energy Needs

The revival of Israel–Egypt energy relations, however, are not only about security considerations. An equally important factor was the decline of Egypt's domestic energy industry, which contributed to the conditions which allowed the collapse of the regime in 2011. The Arab Spring protests in Egypt were driven in large part by economic grievances, and persistent electricity shortages became a glaring symbol of state failure in the years that followed.

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[13]See Mohammad Soliman, "Sisi's New Approach to Egypt-Israel Relations," *Washington Institute for Near East Policy*, July 29, 2016, https://www.washingtoninstitute.org/policy-analysis/sisis-new-approach-egypt-israel-relations; "Egyptian Army in Sinai Peninsula Doubles in a Year, with Israel's Blessing," *The Times of Israel*, July 16, 2015, https://www.timesofisrael.com/egyptian-army-in-sinai-peninsula-doubles-in-a-year-with-israels-blessing/.

Even prior to 2011, Egypt's energy system was under significant strain. Decades of underinvestment, rigid price controls, and generous subsidies distorted consumption patterns and discouraged private-sector participation. Government planners had based long-term energy projections on an assumed annual growth rate of roughly 10 percent in domestic demand, a figure that underestimated both Egyptian population growth and the rapid expansion of energy-intensive consumption. In practice, demand increased closer to 12 percent annually, outpacing infrastructure development and straining generation capacity.[14] Natural gas production, which for many years had served as the core of Egypt's energy mix, failed to keep pace with rising consumption. Exploration efforts lagged, payment arrears to international energy companies mounted, and production from mature fields declined. By the late 2000s, the combination of these developments had already forced Egyptian companies to cut back on their export commitments, including those to Israel.

The Arab Spring compounded this problem. Political instability scared off foreign investment, and attacks on energy infrastructure spiked. In 2013 alone, Egypt's Ministry of Electricity reported approximately 300 attacks on transmission towers and related facilities. As companies halted operations due to unpaid debts and security risks, electricity shortages became routine. By the summer of 2014, Egypt's power generation capacity was operating at only around 70 percent of peak demand, leading to widespread blackouts that fueled public frustration.[15]

These conditions had direct implications for Israel–Egypt relations. As previously described, the cancellation of Egypt's gas exports to Israel in 2012 – officially attributed to

[14] See Gal and Rock, "Israeli-Egyptian Trade: In-Depth Analysis."
[15] See Akram Ismail, "The Power Generation Crisis in Egypt," *Middle East Institute*, September 3, 2014, https://www.mei.edu/publications/power-generation-crisis-egypt; Brendan Meighan, "Egypt's Natural Gas Crisis," *Sada*, Carnegie Endowment for International Peace, January 21, 2016, https://carnegieendowment.org/sada/62534.

commercial disputes but inseparable from the broader political upheaval in Cairo – exposed the vulnerability of Israel's energy supply and reinforced past lessons on the risks of overdependence on energy imports. In parallel, the Sisi administration understood that restoring energy security was critical to both Egypt's economic recovery and to its survival.

Upon consolidating power, the Sisi administration moved quickly to address the energy crisis. Emergency measures prioritized electricity generation for households, even at the expense of industrial output. Subsidy reforms, long considered politically untouchable, were initiated, resulting in sharp increases in consumer fuel and electricity prices. Cairo sought to attract private investment, expand infrastructure, and diversify supply sources, including through the import of liquefied natural gas and coal. Within this context, importing Israeli natural gas –politically sensitive as it was – became a pragmatic option for the new Egyptian regime.

Rebuilding Israel-Egypt Energy Cooperation

For Israeli policymakers and the developers of its offshore natural gas fields, Egypt's energy crisis presented a strategic opportunity. As detailed in Chapters 1 and 2, Noble Energy and Delek Group had previously argued that exporting a portion of Israel's natural gas was necessary to finance the fields' development. The developers identified Egypt as the most attractive destination for several reasons. First, Egypt's domestic energy market was among the largest in the Eastern Mediterranean, offering immediate commercial opportunities. Second, preexisting infrastructure significantly reduced upfront costs. The EMG pipeline connecting Ashkelon to El-Arish, though dormant, could be reversed, while Egypt's liquefied natural gas terminals at Idku and Damietta offered access to global LNG markets. Although LNG exports offered lower profit margins than pipeline sales, they provided flexibility and diversification at a time when Israeli natural gas was otherwise stranded.[16] Egypt presented the Tamar and Leviathan partners with a high-floor commercial opportunity with limited risks. In 2014, Noble Energy and Delek Group signed a memorandum of understanding (MOU) with the Egyptian government for the future sale of natural gas.

Israeli policymakers shared this assessment. Led by Energy Minister Yuval Steinitz, the Israeli government viewed natural gas exports as a matter of national interest, associating the economic gains of exporting to Egypt with broader strategic objectives. In the wake of the Arab Spring, supporting Egypt's economic recovery through energy cooperation was seen as a means of reinforcing a key regional partner and mitigating security risks along Israel's southern border. Energy exports promised not only revenue and market stability, but also enhanced diplomatic leverage and deeper integration into regional infrastructure networks.[17]

Reaching terms to an agreement, however, was by no means straightforward. First, legal disputes stemming from Egypt's cancellation of the 2005 natural gas agreement cast a long shadow over negotiations. In 2015, an arbitration panel at the International Chamber of Commerce ruled that the IEC was owed approximately $1.8 billion in damages and interest by EGAS.[18] Unable to resolve the matter expediently but understanding that a settlement was a prerequisite for renewed energy cooperation, the state-owned parties continued negotiating outside the courtroom. Second, Israel was during its contentious natural gas framework debate, tied up in domestic legal battles that hampered the government's ability to pursue large-scale export contracts. Third, domestic considerations in Egypt also delayed momentum. Despite Sisi's

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[16] Over time the global LNG market rapidly expanded, increasing the strategic importance of liquified natural gas as well as LNG terminals, Aviv Kirshenbaum, interview by author, July 19, 2023.
[17] Alexander Varshavsky, interview with author, August 22, 2023.
[18] See Hedy Cohen, "Arbitrators tell Egyptian gas cos to pay IEC $1.27B," *Globes*, December 9, 2015, https://en.globes.co.il/en/article-egytpian-gas-cos-told-to-pay-iec-127b-1001085993.

interest in repairing ties with Israel, domestic sensitivities following the 2014 Gaza war demanded minimal public engagement with Israel officials. Fourth, the discovery of Egypt's Zohr natural gas field in 2015 temporarily reduced the urgency to import Israeli energy. With estimated reserves of roughly 850 bcm – the largest offshore discovery in the Mediterranean – Zohr field raised questions about the quantity and price that Egypt should import Israeli natural gas. These combined legal, political, and commercial variables slowed negotiations, renewing debate between Israeli policymakers over the contours of the natural gas framework agreement and the merits of alternative export routes to Turkey and Europe.

Ironically, Zohr field's discovery ultimately served as a catalyst for Israel-Egypt energy cooperation, galvanizing everyone into action. For the Sisi administration, the addition of Zohr field's natural gas would enable it to become a regional energy hub, a magnet for hydrocarbons from Israel and potentially Cyprus that would both deliver a higher level of Egyptian energy security and the flexibility to sell surplus energy abroad. Having already signed an MOU with the Egyptian government, Noble Energy and Delek Group used Zohr field as leverage on the Israeli government. Pressured by the developers and tied down by the natural gas framework debate, Israeli policymakers felt a rare opportunity was closing.[19] Speaking to reporters, Steinitz cited Zohr field as evidence that drawn out regulatory processes were costing Israel historic strategic opportunities: "The discovery of the massive gas field in Egypt is a painful reminder that while Israel sleepwalks and dallies with the final approval for the gas road map, and delays

[19]See Eran Ezran, "Ha-galgal hithapeḵ: Tamar te-yatze ʿodfei gaz le-lakoḥot be-Mitzrayim be-ḳiruv 700 m' doler ba-shanah [The wheel has turned: Tamar will export surplus gas to customers in Egypt at approximately $700 million per year], *TheMarker*, October 19, 2014, https://www.themarker.com/dynamo/2014-10-19/ty-article/0000017f-e5d0-dc7e-adff-f5fd10790000; Hillel Koren, "Delek, Noble in Talks for Huge Egyptian Gas Deal," *Globes*, November 4, 2014, https://en.globes.co.il/en/article-delek-noble-in-talks-for-huge-egyptian-gas-deal-1000989505; Amit Mor, interview by author, July 19, 2023.

further prospecting, the world is changing in front of us, including ramifications for [Israeli] export options."[20]

The eventual approval of the natural gas framework agreement in 2016 provided clarity for the Tamar and Leviathan partners and Israel's Energy Ministry to intentionally pursue an export agreement with Egypt. This was as much about public diplomacy to prepare the Egyptian and Israeli publics as it was about contractual details. Israel and Egypt started with symbolic gestures and high-level engagements that signaled a warming of relations. Israel reinstalled its ambassador in Cairo. Egypt released an Israeli citizen imprisoned on espionage charges. Public meetings between senior officials became more frequent. In March 2016, Steinitz met Egyptian Foreign Minister Sameh Shoukry in Washington and together discussed the prospect of Israeli natural gas exports, marking the first such ministerial-level encounter since the Arab Spring.[21] Several months later, Shoukry visited Israel. These interactions paved the way for future meetings between Netanyahu and Sisi, normalizing public political engagement between Jerusalem and Cairo.[22]

These high-level political meetings set the stage for the 2018 agreement between the Leviathan partners and Egypt's Dolphinus Holdings to supply 64 bcm of Israeli natural gas to Egypt over ten years, valued at approximately $15 billion.[23] Similar to the 2014 Noble Energy-

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[20] Lior Gutman, "Gilinu sade gaz super-ʿanak mul Mitzrayim [We discovered a super-giant gas field off the coast of Egypt.], *Ynet*, August 30, 2015, https://www.ynet.co.il/articles/0,7340,L-4695906,00.html; "Steinitz: Egypt Gas Find Is Wake-Up Call for Israel," *The Times of Israel*, August 30, 2015, https://www.timesofisrael.com/steinitz-egypt-gas-find-is-wake-up-call-for-israel/.

[21] See Itamar Eichner, "Ha-yaḥasim mitḥamemim: pegisha nedira im sar Mitzri [Relations are warming: a rare meeting with an Egyptian minister]," *Ynet*, March 31, 2016, https://www.ynet.co.il/article/4785880.

[22] See Shay Nir, "Bikur rishon shel sar ha-ḥutz ha-Mitzri Sameḥ Shoukry be-Yisra'el [First visit of Egyptian Foreign Minister Sameh Shoukry to Israel], *Davar*, July 11, 2016], https://www.davar1.co.il/23637/; "Egypt's Sisi, Israel's Netanyahu meet for first time in public," *Reuters*, September 19, 2017, https://www.reuters.com/article/idUSKCN1BU1E3/; Itamar Eichner, "Netanyahu nifgash le'aḥaron beḥashai im nesi Mitzrayim [Netanyahu recently met secretly with the president of Egypt], *Ynet*, August 13, 2018, https://www.ynet.co.il/articles/0,7340,L-5327983,00.html.

[23] According to Steinitz's foreign policy advisor Aviv Ayash, the final details of the arrangement were worked out between Steinitz and El-Molla at the Egyptian embassy to the United States, Aviv Ayash, interview by author,

Jordan Bromine agreement detailed in Chapter 2, the arrangement with Dolphinus Holdings was between private companies, enabling the Egyptian government to sidestep accusations of normalizing ties with Israel.[24] Parallel investments by Noble Energy and Delek Group reversed the flow of the EMG pipeline and connected Leviathan to Egypt's LNG facilities.[25] By early 2020, Israeli natural gas was flowing to Egypt, marking a reversal of their historical energy roles.

The reconstitution of Israel–Egypt energy relations illustrated how energy can function as a vehicle for of confidence building and stabilization during difficult times. By 2016, the convergence of security coordination, economic necessity, and regulatory clarity had restored sufficient political trust for Israel and Egypt to move beyond crisis management and toward renewing their energy relationship. While both governments remained acutely aware of the domestic political sensitivities in Egypt surrounding normalization with Israel, the 2018 energy agreement demonstrated that cooperation could be advanced through carefully sequenced, commercially mediated steps that minimized public exposure. This did not eliminate political risk, but reaffirmed that resource-sharing was an accepted element of the bilateral relationship, as previously established by the Camp David Accords. But what makes the Egyptian case unique, and what distinguishes it from Israel's energy relationship with Jordan, for example, is how the

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September 14, 2023; Erez Raviv, "Delek Kiduḥim timkor gaz le-Dolphinus ha-Mitzrit be-15 milyard dolar [Delek Drilling will sell gas to Egypt's Dolphinus for $15 billion], *Davar*, February 19, 2018, https://www.davar1.co.il/111249/.

[24]Although it was reported in Arabic-language media (and later in Israeli media) that Dolphinus Holdings was a private firm majority-owned by GIS, Egypt's General Intelligence Services, see Hossam Bahgat, "Who's Buying Israeli Gas? A Company Owned by the General Intelligence Service," *Mada Masr*, October 23, 2018, https://www.madamasr.com/en/2018/10/23/feature/politics/whos-buying-israeli-gas-a-company-owned-by-the-general-intelligence-service/; "Who's Buying Israeli Gas? A Company Owned by the General Intelligence Service," *Mada Masr*, October 23, 2018, https://www.madamasr.com/en/2018/10/23/feature/politics/whos-buying-israeli-gas-a-company-owned-by-the-general-intelligence-service/; Ora Koren, "Ha-shutaf shel Delek be-proyekt ha-yitzú le-Dolphinus hu ha-modiʿin ha-klali ha-Mitzri [Delek's partner in the export project to Dolphinus is the Egyptian General Intelligence], *TheMarker*, October 31, 2018, https://www.themarker.com/dynamo/2018-10-31/ty-article/0000017f-db7d-d856-a37f-fffd1a100000; David Rosenberg, interview with author, July 23, 2023.

[25]See Kobi Yeshayahou, "Delek, Noble Buy EMG Egypt-Israel Gas Pipeline Stake for $518M," *Globes*, September 27, 2018, https://en.globes.co.il/en/article-delek-noble-buy-emg-egypt-israel-gas-pipeline-stake-for-518m-1001254489.

2018 agreement created the foundation for a broader strategic shift where Jerusalem and Cairo were not merely engaged in compartmentalized interdependence, but co-architects of a new regional energy order. The following section examines how, despite continued domestic constraints in Egypt, this renewed bilateral energy relationship enabled the two states to pursue multilateral energy initiatives and regional leadership in the Eastern Mediterranean.

III. From Bilateral Cooperation to Regional Leadership

This section examines how Israel–Egypt energy relations evolved between 2019 and 2022 from a reconstituted bilateral partnership into the foundation for a broader regional architecture. It argues that this transformation was neither automatic nor primarily driven by commercial logic. It was the product of sustained confidence-building through depoliticized, elite-led transactions that gradually expanded the range of acceptable public engagement between the two states and ultimately created the political conditions for multilateral cooperation that decades of conventional diplomacy had been unable to create. Understanding how that process unfolded requires beginning not with its institutional expression – the Eastern Mediterranean Gas Forum, or EMGF – but with the commercial dispute whose resolution cleared the final impediment to its possibility.

Parallel to the high-level engagements taking shape between Israeli and Egyptian ministers, a critical bilateral obstacle was resolved: the longstanding commercial dispute between IEC, EMG, and EGAS. A settlement was reached in late January 2019, under which IEC agreed to pay approximately $500 million – significantly less than the $1.8 billion plus interest awarded by the International Chamber of Commerce in 2015.[26] Although regulatory approvals delayed final implementation, the compromise proved politically and symbolically important, allowing both sides to move beyond unresolved grievances stemming from the final years of the Mubarak regime and the disruptions of the Arab Spring. Each party could plausibly claim to have demonstrated flexibility and absorbed costs in the interest of restoring cooperation – an important achievement given the erosion of trust during the Morsi period. Resolving the dispute cleared the final legal and commercial impediment to renewed gas flows and enabled Israeli natural gas exports to Egypt to commence in early 2020. In analytical terms, the compromise illustrated how depoliticized economic settlements functioned as a confidence-building mechanism that stabilized bilateral relationship and laid the commercial foundation for the institutional cooperation that followed.

The personal relationship between Steinitz his counterpart, Egyptian Minister of Petroleum and Mineral Resources Tarek, stands out as a defining feature of this period. Few figures in the history of Israel–Egypt relations have engaged so frequently and publicly since the Camp David negotiations. Even Prime Minister Benjamin Netanyahu and President Abdel Fattah el-Sisi continued to engage discreetly due to the Sisi administration's continued concerns about public backlash within Egypt. This exception for Steinitz and el-Molla was made possible by the role of energy cooperation as a palatable and insulated channel for bilateral cooperation – and by the particular credentials each brought to it. Steinitz's long tenure as a senior minister and

[26]See Ora Koren, "Ḥevrat ha-ḥashmal vitra le-Mitzrayim ʿal 1.3 milyard dolar – ve-histira zot me-ha-tzibur [The Israel Electric Corporation waived $1.3 billion for Egypt-and concealed this from the public], *TheMarker*, April 2, 2019, https://www.themarker.com/dynamo/2019-04-02/ty-article/0000017f-dff3-d3ff-a7ff-fff314910000; Lior Gutman, "Israel's Electric Corporation Approves Compensation Settlement with Egypt," *Calcalist*, May 23, 2019, https://www.calcalistech.com/ctech/articles/0,7340,L-3762761,00.html"; Daniel Schmil, "IEC Agrees Settlement for 15% of Amount Owed by Egypt," *Globes*, June 16, 2019, https://en.globes.co.il/en/article-iec-agrees-settlement-for-15-of-amount-owed-by-egypt-1001289924; Lior Gutman, "Israel's Electric Corporation's Settlement Deal With Egypt Receives Regulatory Approval," *Calcalist*, December 16, 2019, https://www.calcalistech.com/ctech/articles/0,7340,L-3775866,00.html.

Netanyahu's confidence in his ability to manage the technical, commercial, and political dimensions of energy cooperation under intense domestic scrutiny gave him unusual latitude.[27] El-Molla, for his part, brought decades of experience in the international energy industry, including twenty years with American supermajor Chevron, which earned him credibility with both the private and public sectors. Together, they functioned as policy entrepreneurs capable of translating common strategic interests into institutionalized cooperation. Between 2019 and 2021, Steinitz and el-Molla met at least five times, including el-Molla's visit to Jerusalem in February 2021, to discuss pipeline expansion, increased export capacity, EMGF promotion, and foreign investment in other Eastern Mediterranean projects.[28]

According to multiple officials within Israel's Ministry of Foreign Affairs and Ministry of Energy as well as industry experts, the EMGF was largely Steinitz's initiative, developed in close consultation with el-Molla. The forum was conceived as a functional, technocratic platform that would focus narrowly on natural gas development, infrastructure coordination, and market integration – thereby minimizing the forum's exposure to regional geopolitics and public resistance in Jordan and Egypt to normalizing diplomatic ties with Israel.[29]

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[27]According to Alexander Varshavsky, Steinitz's relationship with Netanyahu "clearly had a significant effect. The fact that he was very close to the Prime Minister — it was clear that everything was 100% supported by the Prime Minister. So these two points — that he was very involved, and that he had a very close connection with the Prime Minister — were very important." Alexander Varshavsky, interview by author, August 22, 2023. Aviv Kirshenbaum who was Managing Director of New Ventures at Delek Drilling, said this about Steinitz: "Not always you have a champion, and sometimes you have a champion that is not in the relevant office or is in another office, but is involved, engaged, pushing – and that's the champion. We've seen that in the past." Aviv Kirshenbaum, interview by author, July 19, 2023.

[28]See "Minister of Energy Dr. Yuval Steinitz met today with Mr. Tarek El-Molla, Egypt's Minister for Petroleum & Mineral Resources in Jerusalem," press release, February 22, 2021, https://www.gov.il/en/pages/press_210221; Danny Zaken "Shteinitz ve-sar ha-energiya ha-Mitzri sikmu ʿal hakamat tzinor gaz yami le-Mitzrayim [Steinitz and the Egyptian energy minister agreed on the construction of a subsea gas pipeline to Egypt], *Globes*, February 21, 2022], https://www.globes.co.il/news/article.aspx?did=1001361485; Aviv Ayash, interview by author, September 14, 2023.

[29]Aviv Ayash, interview by author, September 14, 2023; Alexandar Varshavsky, interview by author, September 20, 2023; Michael Harari, interview by author, July 16, 2023; Amit Mor, interview by author, July 26, 2023; Amir Foster, interview by author, July 16, 2023.

On January 14, 2019, Egypt hosted the inaugural ministerial meeting of the Eastern Mediterranean Gas Forum in Cairo. The meeting brought together the energy ministers of Israel, Egypt, Cyprus, Greece, Jordan, the Palestinian Authority, and Italy – an unprecedented configuration given the political sensitivities that had long constrained public Israeli–Arab engagement.[30] Steinitz attended alongside el-Molla, showcasing a shared readiness to publicly pursue regional economic cooperation that had previously been conducted quietly and indirectly.

The EMGF was publicly unveiled on the international stage at CERAWeek, the annual global energy conference held in Houston, Texas, in March 2019. Steinitz, el-Molla, and several other participating ministers jointly presented the forum as a stabilizing mechanism for the Eastern Mediterranean, emphasizing its potential to attract investment, rationalize infrastructure development, and enhance energy security.[31] The symbolism of Israeli and Arab ministers appearing together in a global energy forum highlighted the ways energy diplomacy had created opportunity for dialogue in ways conventional diplomacy could not.

Underpinning this process was sustained American encouragement. While the U.S. didn't play a central role in the energy negotiations between Jerusalem and Cairo, the EMGF checked off a number of American regional priorities: stabilizing Israel-Egypt relations, promoting normalization, and maintaining regional influence during a period of deliberate U.S. retrenchment. For American policymakers, the stabilization of Israel-Egypt relations following the Arab Spring was a welcome development that reduced regional tension. Multilateral

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[30]See Eastern Mediterranean Gas Forum, "1st EMGF Ministerial Meeting," Cairo, Egypt, January 14, 2019, https://emgf.org/pages/viewcontent/articalid.aspx?ArtID=2050; Michael Harari, "Mifgash ha-interesim ha-Yisraeli-Mitzri meyatzér hizdamnut gam ba-teḥum ha-energiya [The convergence of Israeli–Egyptian interests creates an opportunity also in the field of energy], *Davar*, [January 24, 2019], https://www.davar1.co.il/170770/.
[31]See CERAWeek, "Offshore gas discoveries in Cyprus, Egypt, and Israel are transforming perspectives for the Eastern Mediterranean. Be sure to tune into a great session on the Eastern Mediterranean Gas Renaissance at #CERAWeek 2019. http://ihsmark.it/1Z2M50mRJWk," *Twitter*, March 8, 2019, https://twitter.com/CERAWeek/status/1104447223738310656.

cooperation through forums like the EMGF was also viewed favorably, as it advanced normalization and regional integration that could support American allies at minimal cost to Washington. The Trump administration in particular saw the EMGF as a vehicle that would encourage regional cooperation and alignment with U.S. interests without requiring intense American diplomatic engagement.[32]

The forum's second ministerial meeting, held in July 2019, marked its institutional consolidation. Member states formally agreed on the EMGF's founding structure and selected Cairo as its permanent headquarters – a decision that reinforced Egypt's role as the region's energy hub and further legitimized its leadership role. The meeting also approved the establishment of a Gas Industry Advisory Committee, composed of private-sector developers, infrastructure operators, and potential investors. The formal incorporation of commercial actors mirrored earlier patterns in Israel–Jordan cooperation, as described in Chapter 2, and reflected an understanding that the private sector could act as critical intermediaries when political sensitivities limited state-led initiatives.[33]

The July 2019 meeting also included the participation of senior international stakeholders, including U.S. Secretary of Energy Rick Perry, U.S. Assistant Secretary of State for Energy Resources Frank Fannon, European Commissioner for Energy and Climate Action Miguel Arias Cañete, as well as representatives from France and the World Bank.[34] Their presence lent external legitimacy to the forum and reinforced its framing as an economic initiative aligned with broader goals of regional stability and diversification of energy supply

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[32]See Rick Perry (@SecretaryPerry), "The transformational power of energy was on display at the Eastern Mediterranean Gas Forum this week. This historic summit brought together countries from across the Middle-East, Europe, and Africa in their pursuit of affordable, abundant energy, which will help drive peace," *Twitter*, July 28, 2019, https://x.com/SecretaryPerry/status/1155487504151261184.
[33]Amir Foster, interview by author, July 16, 2023.
[34]See Eastern Mediterranean Gas Forum, "2nd EMGF Ministerial Meeting," Cairo, Egypt, July 25, 2019, https://emgf.org/pages/viewcontent/articalid.aspx?ArtID=2051

rather than a geopolitical platform. Steinitz, Perry, and el-Molla photographed together near the pyramids, openly discussing joint LNG projects and regional infrastructure, an unthinkable scenario just a few years earlier.[35] The EMGF also convened in January 2020 to submit a a formal statute to the European Commission for review, a step toward transforming the EMGF from an informal consultative body into a recognized international organization. Jordan and the Palestinian Authority participated as full members from the outset, giving the forum a membership composition – three European participants, three Arab participants, and Israel – that was symbolically significant in its own right.

These achievements reflected a genuine institutional ambition that extended beyond Israel-Egypt optics, even if the forum's concrete operational outputs remained limited relative to the ambitions of its founding documents. What the EMGF accomplished was less the creation of a functioning regional gas market than the establishment of a legitimate multilateral platform within which Israel could engage as a normal regional actor — a political achievement that its commercial limitations should not obscure.[36]

The Israel-Egypt bilateral relationship weathered a succession of external shocks during this period. The COVID-19 pandemic, the war in Ukraine, and accelerating shifts toward renewable energy all reshaped the global energy market and investment patterns, and yet Israeli natural gas exports to Egypt increased incrementally each year, reflecting the robustness of the

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[35] See Ora Koren, "Shteinitz: ʿIskat yitsú ha-gaz le-Mitzrayim taḥel be-sof ha-shanah; ʿisqat tzinor ha-gaz shel EMG teʾushar tokh shavuʿot [Steinitz: The gas export deal to Egypt will begin at the end of the year; the EMG gas pipeline deal will be approved within weeks], *TheMarker*, July 25, 2019, https://www.themarker.com/dynamo/2019-07-25/ty-article/0000017f-e10f-df7c-a5ff-e37ffc8f0000; Amiram Barkat, "Lo lamdu et ha-leqaḥ? Yisraʾel u-Mitzrayim boḥanot shituf peʿula ḥadash be-teḥum ha-gaz be-milyardey sheqalim [Haven't they learned the lesson? Israel and Egypt are examining a new cooperation in the gas sector worth billions of shekels], *Globes*, July 28, 2019, https://www.globes.co.il/news/article.aspx?did=1001295203.

[36] See Gabriel Mitchell, "The Eastern Mediterranean Gas Forum," Mitvim – The Israeli Institute for Regional Foreign Policies, September 2020, https://mitvim.org.il/wp-content/uploads/Gabriel-Mitchell-The-Eastern-Mediterranean-Gas-Forum-September-2020.pdf.

arrangement between the parties. Even domestic political changes in Israel – such as Steinitz's departure from office and his replacement by Karin Elharrar – had limited impact. While Elharrar introduced changes to Israeli energy policy, the institutional foundations of cooperation with Egypt were sufficiently entrenched to ensure the relationship's continuity.

The perceived stability of the Israel-Egypt energy relationship also contributed to Chevron's decision to acquire Noble Energy in 2020. For Chevron, an American supermajor with energy assets around the globe, the functionality of the Israel-Egypt energy arrangement which tied to regional energy architecture enhanced the commercial attractiveness of Noble Energy's portfolio. The acquisition, in turn, reinforced Israel's integration into the global energy market and underscored how diplomatic credibility and commercial confidence can be mutually reinforcing.[37]

Two diplomatic moments in 2022 further highlighted the maturation – and public normalization – of Israel–Egypt energy cooperation. The first occurred in February 2022 when Sisi honored Elharrar in front of the EGYPS conference attendees, a symbolic gesture reflecting the years of close cooperation and coordination. The second moment came in June 2022, when Elharrar and el-Molla met with European Commission President Ursula von der Leyen to sign a joint memorandum of understanding (MOU) on exporting Israeli natural gas to Europe via Egypt's liquefaction terminals. Announced against the backdrop of the Ukraine war and Europe's urgent search for alternative gas supplies, the agreement was framed as evidence of Israel and Egypt's growing relevance to European energy security. Although the MOU did not guarantee substantial volumes reaching European markets, it conferred international recognition

[37]Oil and natural gas supermajors had historically avoided Israel out of concern that it would damage their commercial interests in the Arab world. Chevron's acquisition of Noble Energy marked the first investment by a supermajor in the Israeli economy, a historic departure from this decade's long trend.

of the bilateral partnership and reinforced its strategic significance. Elharrar described the agreement as marking Israel's emergence as "a significant player in the global energy market."[38] The joint MOU with the European Union also coincided with broader public engagement between Israel and Egypt in 2022, including Prime Minister Naftali Bennett's meeting with Sisi in Cairo, President Isaac Herzog's participation in COP27 in Sharm el-Sheikh, and negotiations over the possible development of Gaza Marine field. Together, they marked a high point in bilateral public relations, reflecting how energy cooperation had gradually expanded the boundaries of what was considered acceptable diplomatic engagement without provoking widespread public criticism within Egypt.[39]

Altogether, the period following the signing of Israel's energy agreement with Egypt illustrates how reconstituting the energy relationship laid the groundwork for strategic regional cooperation. By embedding bilateral ties within a multilateral, technocratic framework and emphasizing commercial logic over political symbolism, both governments advanced their mutual interests while mitigating Egyptian political sensitivities.[40] This model of energy

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[38]"Israel, EU, Egypt Agree Deal to Export Natural Gas to Europe," *The Times of Israel*, June 15, 2022, https://www.timesofisrael.com/israel-eu-egypt-agree-deal-to-export-natural-gas-to-europe/; Peter Stevenson, "Israel-Egypt Energy Ties Deepen as 2022 Sees Record Gas Flows," *Middle East Economic Survey* 66(8), February 24, 2023, https://www.mees.com/2023/2/24/geopolitical-risk/israel-egypt-energy-ties-deepen-as-2022-sees-record-gas-flows/bdda6fa0-b43c-11ed-a8ef-17ebb9947f2d; Danny Zaken, "Akshav ze rasmi: Yisra'el, ha-Iḥud ha-Europi u-Mitzrayim ḥatmu ʿal heskem yitsú gaz [Now it's official: Israel, the European Union, and Egypt signed a gas export agreement], *Globes*, June 15, 2022, https://www.globes.co.il/news/article.aspx?did=1001415109.

[39]See Danny Zaken, "Latest Gas Deal Reflects Closer Israel-Egypt Ties," *Globes*, February 18, 2022, https://en.globes.co.il/en/article-latest-gas-deal-reflects-closer-israel-egypt-ties-1001402766; Lazar Berman, "In First, Bennett Meets Sisi, MBZ in Egypt amid Concerns over Ukraine War," *The Times of Israel*, March 22, 2022, https://www.timesofisrael.com/in-first-bennett-meets-sissi-mbz-in-egypt-amid-concerns-over-ukraine-war/; Danny Zaken, "Ba-ḥakla'ut, ba-gaz u-va-mayim: Yisra'el u-Mitzrayim mehadkot et shituʿfei ha-peʿula ve-sholḥot meser la-Palestinin ve-la-Yardenim [In agriculture, gas, and water: Israel and Egypt are tightening cooperation and sending a message to the Palestinians and the Jordanians], *Globes*, May 27, 2022, https://www.globes.co.il/news/article.aspx?did=1001413255; Tali Goldstein, "Ha-nasi Herzog be-veʿidat ha-aklim be-Mitzrayim: "ha-aklim hu be-rosh seder yoma shel Yisra'el [President Herzog at the climate conference in Egypt: 'Climate is at the top of Israel's agenda], *Walla*, November 7, 2022, https://news.walla.co.il/item/3539105.

[40]The EMGF's technocratic format meant that it was limited in its capacity to advance regional diplomacy, a matter that concerned Israel's Ministry of Foreign Affairs, who feared that the forum's members may at some point try to oust Israel, Aviv Ayash, interview by author, September 14, 2023.

cooperation acted as a force multiplier, enabling Israel and Egypt to project influence beyond their bilateral relationship, attracting attention from supermajors and superpowers alike, and positioning natural gas as a consequential tool of strategic influence across the Eastern Mediterranean.

The period between 2019 and 2022 illustrates the ceiling and the floor of what energy diplomacy can accomplish between states whose relationship remains politically constrained. Energy cooperation did not normalize Israel–Egypt relations. Public engagement remained carefully calibrated, domestic sensitivities in Egypt did not disappear, and the EMGF's operational outputs fell short of its founding ambitions. What energy cooperation did accomplish was more specific: it produced concrete and durable outcomes – a functioning export relationship, a multilateral forum, a trilateral MOU with the European Union – that embedded Israel in the region's architecture. In doing so, it demonstrated that energy's value as an instrument of statecraft lies not only in what it delivers commercially, but in what it makes politically possible. Energy accelerated the Israel–Egypt path towards strategic alignment, giving it structure, legitimacy, and resilience that security cooperation alone could not have provided.

Concluding Remarks

This chapter has argued that Israel-Egypt energy cooperation between 2009 and 2023 represents the dissertation's clearest confirming case of the path dependent approach. Energy did not create the conditions for cooperation between Jerusalem and Cairo. Those conditions were established by converging security interests, post-Arab Spring recalibration, and a shared commitment to regional stability. What energy did was deepen, institutionalize, and legitimize a bilateral relationship that was already trending toward strategic alignment. In this sense, Egypt confirms this study's central argument: energy amplified a preexisting cooperative trajectory without redirecting it, and its impact was consequential precisely because the underlying bilateral foundations were strong enough to absorb and channel it. That the relationship reached the heights it did, culminating in joint regional leadership, a trilateral memorandum with the European Union, and a landmark $15 billion export agreement, reflects not the transformative power of energy alone, but the convergence of favorable conditions that made energy diplomacy possible in the first place. In this case, the discovery of new energy resources influenced Israeli foreign policy not by redirecting it but by providing new instruments through which a pre-existing strategic orientation could be deepened, formalized, and given regional expression.

The chapter traced the historical roots of this relationship from the Camp David Accords through the Arab Spring rupture. What that history reveals is a bilateral relationship long characterized by what might be called stabilizing asymmetry, with Egypt as supplier and Israel as consumer, and with energy trade functioning as a quiet but durable pillar of the peace framework rather than an engine of deeper integration. Energy cooperation during this period was deliberately transactional and politically insulated, designed to reinforce stability without requiring visible normalization in either country. The Arab Spring disrupted that asymmetry decisively and in ways neither side had anticipated. Egypt's cancellation of gas exports in 2012 was both a commercial rupture and a strategic warning: Israel's energy security had been outsourced to a partner whose domestic stability it could not control and whose political trajectory it could not predict. The lesson Israeli policymakers drew was not simply that Egypt was an unreliable supplier, but that energy relationships built on regime continuity rather than shared infrastructure and mutual dependence were inherently fragile. When the offshore discoveries reversed the directionality of energy flows, Israel seized the opportunity not merely to restore a commercial relationship but to reconstitute it on fundamentally more reciprocal terms, ones in which both parties had a material stake in the arrangement's continuity.

What distinguished this reconstitution from Israel's energy diplomacy with Jordan was not simply scale but character. Jordan produced compartmentalized interdependence, cooperation deliberately insulated from public view, transactional in nature, routed through American intermediaries and Cayman Islands subsidiaries, and bounded by the monarchy's acute sensitivity to domestic opinion. The Jordanian agreements were resilient precisely because they were invisible. Egypt produced something qualitatively different: a hub-based model of energy diplomacy in which bilateral cooperation expanded progressively into multilateral regional governance. The process was gradual and carefully sequenced, beginning with the resolution of outstanding legal disputes, proceeding through the 2018 Dolphinus agreement, and culminating in the establishment of the Eastern Mediterranean Gas Forum. That the EMGF was headquartered in Cairo and jointly championed by Steinitz and el-Molla was not incidental. It reflected a deliberate strategy by both governments to embed their bilateral relationship within a broader regional architecture that would give it external legitimacy, attract international investment, and align their energy interests with European and American strategic goals. The moment at which Israeli and Egyptian energy ministers stood together near the pyramids with the U.S. Secretary of Energy for a joint press conference captured something genuinely new in the history of Arab-Israeli relations: public, institutionalized cooperation that neither side felt compelled to minimize or deny.

The personal dimension of this relationship deserves acknowledgment. The sustained engagement between Yuval Steinitz and Tarek el-Molla was exceptional by any measure of Israel-Egypt diplomatic history. Few bilateral relationships in the region have been so consequentially shaped by the chemistry and trust between two individual ministers. Steinitz's long tenure in office, his command of both the technical and political dimensions of energy policy, and Netanyahu's confidence in his diplomatic judgment gave him the authority and bandwidth to pursue initiatives that would have been difficult for a more constrained minister to advance. El-Molla's international background, his years with Chevron, his credibility among global investors, and his fluency in the commercial logic that underpinned cooperation made him an ideal interlocutor. Together they functioned as policy entrepreneurs who translated converging strategic interests into institutionalized cooperation, insulating the relationship from the broader political constraints that continued to limit public engagement between their respective heads of government. This human dimension of energy diplomacy is easily overlooked in structural accounts of bilateral relations, but the Egypt case suggests it deserves more analytical attention than it typically receives.

Yet the chapter has also shown the limits of even this most productive case. Energy cooperation did not produce political normalization, did not dissolve the structural sensitivities that required Egyptian officials to maintain public distance from Israel on the most politically charged issues, and did not eliminate the strategic vulnerability created by concentrating Israel's export capacity through a single corridor. In many ways, the energy relationship was an extension of the security parternship, involving many of the same characters.[41] The October 7 war exposed that vulnerability with particular clarity. A conflict that disrupted Israel's offshore production, strained the bilateral relationship under conditions of acute public pressure in Egypt, and froze the expansion of regional energy initiatives demonstrated that the architecture built over the previous decade was more brittle than its achievements suggested. Elite-level

[41]David Rosenberg, interview by author, July 23, 2023.

cooperation proved resilient, gas continued to flow, the EMGF continued to function, and the bilateral relationship survived its most serious test since 1973. But Israel built a sophisticated regional energy architecture over more than a decade and only produced one meaningful export route; the war revealed the consequnces of that decision.[42] This tension between the depth of bilateral achievement and the fragility of its underlying infrastructure is a recurring feature of Israel's energy diplomacy, one that future chapters will revisit.

The Egypt case therefore establishes the upper boundary of what energy diplomacy can accomplish when bilateral conditions are favorable. Where prior bilateral foundations are strong, where security interests converge, where commercial logic is compelling, where individual policy entrepreneurs are empowered to act, and where third-party facilitation is available, energy can deepen and institutionalize a relationship in ways that generate genuine strategic dividends. The EMGF, the EU trilateral memorandum, Chevron's acquisition of Noble Energy, and the growing volume of Israeli gas flowing through Egyptian LNG terminals are all tangible expressions of what energy diplomacy achieved when conditions aligned. But these achievements also illuminate the framework's limits. Energy cooperation stabilized and deepened the bilateral relationship without altering its underlying character. Egyptian public opinion remained hostile to normalization. The most consequential interactions between Netanyahu and Sisi continued to take place discreetly. And the relationship's durability remained contingent on the political alignment of two governments whose domestic legitimacy rested on very different foundations. The Egypt case therefore does not demonstrate that energy transforms bilateral relationships — it demonstrates that energy amplifies the trajectory that bilateral relationships

[42] Aviv Ayash, interview by author, September 14, 2023.

already carry, and that where that trajectory is cooperative, the amplification can be consequential.

Chapter 4 examines a case at the opposite end of the spectrum. In Israel's relationship with the Palestinians, the conditions that made Egypt's energy diplomacy productive were systematically absent. Structural asymmetry was total, political trust was nonexistent, and Israel's preference for conflict management over conflict resolution foreclosed the pathways through which energy might otherwise have functioned as a cooperative instrument. The Gaza Marine field, discovered in Palestinian waters, commercially viable in principle, and politically inert in practice, encapsulates a dynamic in which energy's potential was visible to all parties and realizable by none. Where Egypt illustrates what energy diplomacy can accomplish when the prior bilateral trajectory is cooperative, the Palestinian case illustrates its floor: the threshold below which energy cannot function as a cooperative instrument at all, and where its presence serves only to entrench the asymmetries that already define the relationship.

Chapter 4 – Maintaining Asymmetry: Israel-Palestine Energy Relations

Among the bilateral cases examined in this study, Israel's energy relationship with the Palestinians represents the most demanding test of the path dependent account – the context in which the trajectory of the relationship was so structurally polarizing that energy could not function as a cooperative instrument. Rather than reducing tensions, the discovery of offshore natural gas reinforced Palestinian dependence on Israel for access to affordable and reliable energy supply. Within this study's comparative framework, this case represents the point at which the weight of the past is so contentious that the introduction of a new variable like energy only serves to entrench existing asymmetries rather than create openings for dialogue. Absent a minimum level of political trust and bilateral reciprocity, energy cannot function as a cooperative instrument. Instead it amplifies preexisting political dynamics, and where relations are hierarchical and securitized, as they historically have been between Israel and the Palestinians, energy becomes another mechanism of control and risk management rather than mutual benefit.

Prior to the discovery of the Tamar and Leviathan fields, the Palestinian territories – governed by the Palestinian Authority (PA) in the West Bank and by Hamas in the Gaza Strip – were already heavily dependent on Israel for their energy needs. The West Bank's electricity grid was largely integrated with Israel's, with Gaza facing acute electricity shortages due to the combined effects of Israel's military blockade, repeated rounds of violence, damage to infrastructure, institutional corruption, and unreliable fuel supplies. Nearly all fuel entering the Palestinian territories was subject to Israeli inspection and taxation. By the late 1990s, the PA had accumulated substantial electricity debt to Israeli providers, further straining relations and limiting Palestinian fiscal autonomy.

The discovery of offshore natural gas did not fundamentally alter this dynamic. Instead, it deepened structural dependency by consolidating Israeli control over Palestinian access to energy resources. This imbalance carried both economic and political consequences. For the PA, dependence on Israeli energy constrained revenue generation and institutional development. For Israel, offshore natural gas discoveries generated surplus capacity, expanded export opportunities, and strengthened its regional position, further reinforcing the asymmetry between the parties.

Since the early 2000s, Israel's overarching policy toward the Palestinian issue had been characterized by a strategy of conflict management. This approach prioritized the containment of violence, the preservation of Israeli security control, and the avoidance of large-scale political commitments that could constrain Israeli freedom of action. Rather than seeking a comprehensive political settlement, successive Israeli governments emphasized maintaining the "status quo" through deterrence, economic regulation, and administrative control, especially, as these governments argued, in the absence of a credible Palestinian partner. Critics of Israeli policy take this argument one step further, and claim that successive Israeli governments intentionally adopted this approach to undermine pathways to resolving the Israeli-Palestinian conflict and Palestinian statehood.

Within this framework, Israel treated infrastructure, trade, and energy as tools for preserving this status quo. Energy cooperation with the Palestinians was pursued only when it fit Israel's interest in managing the conflict. Specifically, these included negotiations on the development of the Gaza Marine natural gas field and proposals to supply Israeli natural gas to the West Bank and Gaza. In each case, Israeli-Palestinian engagement reflected the structural asymmetry of the Israeli-Palestinian relationship and the fragmentation of Palestinian governance between the PA and Hamas. Progress was also influenced by the securitization of Israeli-Palestinian relations, where all energy-related Palestinian initiatives required approval from multiple Israeli security agencies. As a result, these efforts often produced outcomes that aligned with Israeli interests but fell short of Palestinian expectations.

Discovered by British Gas in 2000 off the coast of the Gaza Strip, the case of the Gaza Marine field exemplified the constraints that the Israeli-Palestinian conflict placed on energy development. Estimated to contain approximated 32 bcm of natural gas, Gaza Marine field represented a significant opportunity for Palestinian economic development and energy independence. Yet it remained undeveloped due to both the political distrust between Israel and the PA and, following 2006, also the internal split between the PA and Hamas. For some Israeli officials, developing Gaza Marine field posed a security risk and they conditioned its development on security guarantees they knew their Palestinian counterparts couldn’t provide.

The development of Tamar and Leviathan fields generated enough commercial interests in the Eastern Mediterranean to reconsider Gaza Marine field’s future. International actors – including the Quartet, the European Union, and Egypt – intermittently attempted to revive discourse on Gaza Marine field or at times suggesting regional energy initiatives that could involve both Israel and PA. These efforts were irregular, often dependent on other regional developments, and failed to come to fruition. What became obvious was Israel’s preference to pursue bilateral energy arrangements with neighboring Jordan and Egypt instead of addressing the development of Palestinian natural resources.

Comparatively, Israel showed more readiness to supply natural gas directly to the Palestinian territories. Negotiations were held regarding the sale of Tamar field’s natural gas to fuel a prospective power station in Jenin, as well as the delivery of natural gas to Gaza’s sole power plant following Israel’s 2014 military campaign against Hamas. Facilitated by Qatar and the Quartet, the “Gas for Gaza” project aimed to supply up to 1 bcm annually to Gaza for electricity generation, involving coordination between Israeli authorities, the Palestinian Energy and Natural Resources Authority, and international mediators.

In both the West Bank and Gaza, Israel’s energy policy was framed less by a commitment to Palestinian energy security than by a desire to manage security risks and maintain Palestinian dependence on Israeli supply. Ostensible Israeli energy cooperation with the Palestinians, manifested, for example, in PA participation in the Eastern Mediterranean Gas Forum (EMGF), allowed Israel to project an image of pragmatism to international partners while never meaningfully advancing the peace process or Palestinian sovereignty. Instead, the relationship was defined by regular disruptions to energy-related negotiations and an enduring mistrust between Israeli and Palestinian politicians.

This chapter proceeds in four parts. It begins by mapping the evolution of Israeli–Palestinian energy relations prior to the discovery of Israeli offshore natural gas. This historical foundation outlines the structural asymmetries that shaped Palestinian dependence on Israel for its energy supply. The chapter then turns to the Gaza Marine field, examining how this Palestinian asset remained undeveloped due to a combination of Israeli security concerns, Palestinian political fragmentation, and the absence of trust between the parties. The third section analyzes negotiations to supply Israeli natural gas to the West Bank and Gaza – including the “Gas for Gaza” initiative. Finally, the chapter considers the the PA’s inclusion in the EMGF. Collectively, these examples demonstrate how Israel’s energy policy towards the Palestinian was primarily driven by risk management rather than by mutual interest. The lack of trust between the parties, and constant securitization of the conflict, limited the scope for creative or transformative cooperation. Rather than serving as a platform for confidence-building, the discovery of Israel's offshore natural gas entrenched the power asymmetry within the Israeli-Palestinian relationship and created another contested arena within the conflict.

I. Israeli-Palestinian Energy Relations Before 2009

Although Israeli-Palestinian energy relations are not a standalone field of study, they offer a revealing lens through which one can examine the broader political economy of the conflict. Energy infrastructure – particularly electricity – has long reflected patterns of territorial fragmentation and asymmetrical control. While this chapter ultimately centers on offshore natural gas, understanding earlier energy-related patterns is essential for understanding why natural gas maintained the Israeli-Palestinian status quo rather than presenting a window for cooperation.

During the late Ottoman period and throughout the British Mandate, Palestine's Arab and Jewish populations largely relied on shared electricity and fuel systems. This infrastructure and resource-sharing was disrupted by the 1947 UN Partition Plan and the 1948 war, which resulted in the establishment of Israel and the division of Palestinian territories between Jordan (West Bank and East Jerusalem) and Egypt (Gaza Strip). These new political lines created a fractured energy system. West Jerusalem was integrated into Israel's emerging national grid under the Israel Electric Company (IEC), while East Jerusalem and surrounding areas continued to receive electricity from the Jerusalem District Electricity Company (JDECO), a private utility founded in 1914. Elsewhere in the West Bank, municipalities relied on small diesel generators, while Gaza's limited electricity supply was tied to Egypt. The fragmentation of Palestinian energy infrastructure mirrored the political fragmentation of the Palestinian people during this period.

This reality was fundamentally transformed in June 1967, when Israel occupied East Jerusalem, the West Bank, and Gaza, becoming responsible for the delivery of basic services – such as electricity and fuel – to a large Palestinian population that it was not prepared to grant citizenship. Within a few years, Israel connected major Palestinian towns – and nascent Israeli settlements – to the Israeli electricity grid. This policy was informed by a belief that reliable electricity would dampen Palestinian interest in political violence and consolidate Israeli control over these new territories. From that point forward, energy became an embedded variable in Israel's governance strategy in the occupied territories: providing energy was a mechanism of political and security control.

In the West Bank, Israel offered incentives such as preferential pricing and partial debt forgiveness to JDECO, which retaining control over production and transmission of electricity and fuel supply. At the same time, Israel periodically resorted to punitive measures, including electricity cutoffs during the First Intifada (1987-1993). This carrot and stick approach served the same structural purpose: deepening Palestinian dependence on Israeli infrastructure and limiting Palestinian autonomy.[1] Energy was an instrument of asymmetric Israeli control.

The Oslo Accords, a set of interim agreements negotiated between Israel and the Palestinian Liberation Organization and signed in 1993 and 1995, institutionalized this asymmetry. While Israeli and Palestinian negotiators dedicated a special track to address issues such as future electricity grid ownership and the status of shared infrastructure, they yielded few tangible outcomes. Israel refused to relinquish control over electricity and fuel distribution, citing concerns over unpaid Palestinian electricity debts and the need to preserve leverage over the

[1]See Itay Fischhendler, Lior Herman, and Lioz David, "Light at the End of the Panel: The Gaza Strip and the Interplay Between Geopolitical Conflict and Renewable Energy Transition," *New Political Economy* 27, no. 1 (2022): 1–18.

newly established Palestinian Authority (PA). Proposals to connect the West Bank and Gaza grids, develop offshore floating electricity power plants, or create independent Palestinian generation capacity were repeatedly blocked by the Israeli side. As Palestinian electricity debt accumulated, IEC complaints reinforced the Israeli government's insistence on maintaining centralized control over the flow of energy to the Palestinian territories.

The Oslo Accords also addressed issues pertaining to the maritime space, laying groundwork that would be critical for future offshore energy development. Annex I, Article XIV of the 1995 Interim Agreement divided Gaza's adjacent maritime area into three zones, regulating fishing, economic activity, and security. While Israel retained freedom of naval movement across all zones, the Palestinian Coastal Police were restricted to the central area.[2] These details reflected the Oslo Accords's main goal: establishing limited Palestinian autonomy under Israeli security control that could potentially pave the way for Palestinian statehood.

This framework enabled the PA to grant British Gas Group (BG) to a 25-license in 1999 to explore for natural gas near Gaza. The following year, BG discovered Gaza Marine field, located approximately 36 kilometers off the coast and holding an estimated 32 bcm. At the time, Gaza Marine field was among the first offshore natural gas discoveries in the Eastern Mediterranean and held considerable symbolic and economic significance for the PA. Located in shallower waters near the coastline, the field didn't present technical challenges; BG Group could deliver it to market either in Gaza, Israel, or Egypt at relatively low cost. Visiting Gaza

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[2]See State of Israel, Ministry of Foreign Affairs, "The Israeli-Palestinian Interim Agreement (Oslo II) – Annex I," September 28, 1995, https://www.gov.il/en/pages/the-israeli-palestinian-interim-agreement-annex-i; State of Israel, Ministry of Foreign Affairs, "Israeli-Palestinian Interim Agreement Maps: Map No. 1 – First Phase of Redeployment (Areas A and B)," 1995, https://www.gov.il/BlobFolder/generalpage/israel-palestinian-interim-agreement-maps/en/English_HISTORY_MAPS_MFAG003p0.gif.

after the discovery, PA President Yasser Arafat called the field "a gift from God" that would accelerate Palestinian independence.[3]

Despite the signing of the Oslo Accords, Israeli-Palestinian relations remained contentious and talk of Gaza Marine field's development hit political and commercial roadblocks. While Israeli Prime Minister Ehud Barak supported the PA's rights to Gaza Marine and IEC expressed interests in purchasing the natural gas, the adjacent Yam Tethys consortium – owned by Israeli companies and Noble Energy – petitioned Israel's Supreme Court to block the field's development.[4] The consortium was concerned that Gaza Marine field and Yam Tethys field might share geological structures – which would complicate the legal dimension of offshore development and potentially dissuade potential investors. They argued that the PA lacked sovereign rights over maritime resources and requested that BG be prohibited from drilling. Nabil Shaath, Palestinian Minister of Planning and International Cooperation told reporters, "There is a desire on the part of Israel to confiscate our gas that lies in the Palestinian-controlled area, but we will confront such an attempt. We have legal evidence of our right and enjoy support from the British government, our partner in this gas project."[5] Although the court upheld the PA's license, the episode foreshadowed future obstacles in maritime resource management.[6]

[3]William A. Orme Jr., "Arafat Hails Big Gas Find off the Coast of Gaza Strip," *New York Times*, September 28, 2000, https://www.nytimes.com/2000/09/28/world/arafat-hails-big-gas-find-off-the-coast-of-gaza-strip.html
[4]See Lior Herman and Itay Fischhendler, "Energy as a Rewarding and Punitive Foreign Policy Instrument: The Case of Israeli–Palestinian Relations," *Studies in Conflict & Terrorism* 44, no. 6 (2021): 495–520.
[5]Victor Kattan, "The Gas Fields off Gaza: A Gift or a Curse?," *Al-Shabaka*, April 24, 2012, https://al-shabaka.org/briefs/the-gas-fields-off-gaza-a-gift-or-a-curse/.
[6]See Amiram Cohen, "Shavay ma'agar ha-gaz shehitgala be-'Aza me'orakh be-8 milyard dolar [The value of the gas reservoir discovered in Gaza is estimated at $8 billion.Hebrew title needed]," *TheMarker*, September 27, 2000, https://www.themarker.com/misc/2000-09-27/ty-article/0000017f-df94-df9c-a17f-ff9c076e0000; Anaïs Antreasyan, "Gas Finds in the Eastern Mediterranean: Gaza, Israel, and Other Conflicts," *Journal of Palestine Studies* 42, no. 3 (Spring 2013): 29–47; Elai Rettig and Benny Spanier, "Striking Energy Deals in Disputed Seas: The Case of the Gaza Marine Gas Field," *Journal of World Energy Law & Business* 17, no. 2 (2024): 128–135.

As trust between the parties deteriorated and the peace process began to unravel in 2001, negotiations between the PA and IEC stalled over pricing and revenue mechanisms. Outside the negotiating room, Israeli policymakers raised concerns that future revenues from Gaza Marine field could benefit Palestinian militant groups. Despite the best efforts by BG to keep channels of communication open, the Second Intifada (2000-2005) and a renewed cycle of Israeli-Palestinian violence dampened enthusiasm about Gaza Marine field's development. The domino effect of the peace process' collapse – including Israel's 2005 disengagement from Gaza, the 2006 Lebanon War, Hamas' takeover of Gaza in 2007, and Israel's decision to levy a total blockade over the Gaza Strip – compelled BG to close its office in Israel and end negotiations.[7] By 2009, Gaza Marine field had become a symbol of the Oslo Accord's unrealized promise.

Israel's disengagement from Gaza and Hamas's consolidation of power marked an important demarcation point in Israeli–Palestinian energy relations. Going forward, Israel executed different policies in the West Bank, which remained under PA governance, and Gaza where the PA was violently ousted by Hamas. Israeli policy towards the West Bank emphasized conflict management and economic stabilization. Israel was more willing to explore energy relations with the PA in the West Bank. Israeli policymakers appreciated the relationship between energy security and political stability in the West Bank, which was critical to Israeli national security. Discussions focused on supplying Israeli natural gas to fuel future Palestinian energy infrastructure and on stabilizing electricity distribution through the World Bank. These initiatives were framed as technocratic solutions that could reduce Palestinian dependence on electricity imports while preserving Israeli control over supply. Still, progress in the West Bank

[7]See "Britain's Energy Company BG Group Says Closing Down Its Israel Office," *Haaretz*, January 15, 2008, https://www.haaretz.com/2008-01-15/ty-article/britains-energy-company-bg-group-says-closing-down-its-israel-office/0000017f-e6fa-dc7e-adff-f6ff09760000.

was slowed by persistent mistrust and bureaucratic disputes and improvements to the Palestinian electricity sector did not reduce the PA's chronic debts to the IEC. Successive Israeli government saw Palestinian debt as a tool to maintain Israeli leverage over the PA and manage the conflict.

In sharp contrast to the West Bank, Israeli concerns about Hamas' violent intentions dictated a more securitized approach towards Gaza. In Gaza, energy supply increasingly securitized and subject to Israel's strategy of containing Hamas; though Israel continued to indirectly supply electricity and fuel, it retained the option to restrict fuel deliveries or limit grid capacity during periods of escalation with Hamas. Successive rounds of violence left much of Gaza's energy infrastructure permanently damaged or neglected.

The enduring interconnection of Israeli and Palestinian energy systems created dilemmas for both sides. For the PA, dependence on Israeli energy supply limited its ability to pursue economic growth and greater autonomy. This damaged its reputation amongst Palestinians who had expected rapid political change. For Israel, its leverage over the Palestinians through the control of energy supply proved a mixed blessing; energy poverty in Gaza was a constant source of international criticism.Third-party interventions by the EU, World Bank, and Quartet mitigated some immediate pressures but failed to resolve the asymmetries of the Israeli-Palestinian relationship.

Assessing Israeli-Palestinian energy relations prior to Israel's offshore natural gas discoveries reveals several consistent patterns. First, structural dependence – particularly in electricity – remained a defining feature of the relationship over time. Second, Israeli policymakers consistently saw Palestinian energy dependence on Israel as a source of political leverage, though they recognized that overusing that leverage over the supply of energy to the Palestinians carried potential security risks. Third, efforts at addressing energy issues rarely altered Israel's control over production and supply. Lastly, the openings for potential Palestinian energy autonomy, most notably with Gaza Marine field, were often undermined by a combination of Israeli security concerns and political fragmentation within the Palestinian political camp.

This historical framing is essential for understanding why the discovery of offshore natural gas in Israel's waters reinforced the asymmetries of the Israeli-Palestinian relationship rather than opening new pathways for economic cooperation. As will be detailed in the remainder of the chapter, Israel's natural gas era presented a few narrow channels for cooperative activity, including efforts to develop Gaza Marine field, deliver Israeli natural gas to Gaza, and to include the PA in the EMGF. However, lack of trust between the parties and the general lack of motivation by Israel to address the Palestinian issue produced disappointing results. Of all the energy initiatives that emerged from this period, none captured the promise and the frustration of Israeli-Palestinian energy relations more completely than the Gaza Marine field, a commercially viable offshore asset that remained stranded for over two decades because of the political conditions that denied its development.[8]

II. Gaza Marine Field and the Limits of Energy Relations

The story of Gaza Marine field occupies a distinct place in the history of Israeli–Palestinian energy relations. Since its discovery in 1999, Gaza Marine field has functioned as a recurring test case for whether energy could contribute to Palestinian economic independence without undermining Israeli security interests. This section focuses on two efforts to resuscitate Gaza Marine field's development, first in 2011 and then later in 2021. It situates Israeli,

[8]Amit Mor, interview by author, July 26, 2023

Palestinian, and commercial interests within a single narrative, emphasizing how each actor's calculations shifted in response to regional developments, internal political changes, and changes to the security landscape. In doing so, this section demonstrates that the failure to develop Gaza Marine field is emblematic of the limits of energy in an asymmetrical relationship.

By 2009, Gaza Marine field had effectively become a stranded asset. BG's withdrawal, the imposition of Israel's blockade on Gaza, and Hamas' consolidation of power over Gaza scared away foreign investors. Ironically, changes to Israel's own energy security created an opening for the field to reenter Israeli policy conversations.

As detailed in Chapter 2, Israel found itself in a vulnerable position in 2011-2012, following the repeated sabotage of Egypt's natural gas pipeline to Israel and the subsequent decision by the Egyptian Natural Gas Holding Company (EGAS) to cancel its export contract.[9] Israel's offshore discoveries at Tamar and Leviathan fields promised long-term energy independence, however the fields had not yet been developed. Israel was suddenly in need of alternative natural gas suppliers to offset rising electricity costs – which also included growing demand in West Bank.[10] For these reasons, Prime Minister Benjamin Netanyahu advocated that Israel reconsider Gaza Marine field's development as it was "important in the midterm to develop additional gas fields" and reduce Israel's exposure to risk.[11] This position was backed by not only by senior Energy Ministry and IEC officials, but also international actors like the US

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[9]See Lilach Weissman and Amiram Barkat, "Netanyahu le-Abu Mazen: ladun be-fituach ma'agarei ha-gaz be-'Aza [Netanyahu to Abu Mazen: to discuss the development of gas reservoirs in Gaza]," *Globes*, March 6, 2011, https://www.globes.co.il/news/article.aspx?did=1000628160; "Suspected attack on Egyptian gas pipeline halts supply to Israel," *The Guardian*, February 5, 2011, https://www.theguardian.com/world/2011/feb/05/egyptian-gas-explosion-sinai-peninsula.

[10]At the time of Leviathan's discovery, the West Bank Palestinian population consumed around 6–7% of the IEC's annual electricity.

[11]Liroy Peri, "Lo mistapek be-"Tamar" ve-"Leviathan": Netanyahu mekadem et sedeh ha-gaz le-ḥofei 'Aza, ha-tagmulim yelkhu la-Rashut [Not satisfied with 'Tamar' and 'Leviathan': Netanyahu is advancing the gas field off the coast of Gaza; the royalties will go to the Authority]," *Bizportal*, February 4, 2011, https://www.bizportal.co.il/general/news/article/261748.

and Quartet Middle East Envoy and former U.K. Prime Minister Tony Blair. In short notice, Israel and the Quartet announced a package of infrastructure initiatives aimed at strengthening the Palestinian economy, with Gaza Marine prominently featured.[12]

Israel's willingness to reopen discussions on Gaza Marine field was also motivated by interest in resolving outstanding issues related to Noa field, a small offshore natural gas site straddling both Israeli and Palestinian maritime space with an estimated 7-8 bcm. Noa's license had been awarded to Noble Energy and Delek Group; however, the field was deemed too small to warrant commercial investment. Israel's Ministry of Energy suggested integrating Gaza Marine field and Noa field into a shared development plan that could improve the commercial viability of both fields while preserving Israeli oversight of the entire project.

For the PA, renewed attention to Gaza Marine field offered both material and symbolic value. Many of its claims to other natural resources – access to water, for example – had been contested by Israel in the past. But Israel made no claims on Gaza Marine field; it was an outlier in the context of the Israeli-Palestinian energy relationship. PA officials believed that the field's development could dramatically impact the Palestinian economy and improve its image for international investors at a moment when the PA's authority was weakened by internal division, Israeli disinterest in the peace process, and public criticism. PA officials had closely observed how the discovery of Eastern Mediterranean natural gas fields had created avenues for regional diplomacy and wanted to be a part of that larger conversation. But maximizing the renewed interest in Gaza Marine field was difficult; since its ouster at the hands of Hamas in 2007, the PA had little governing authority in Gaza. In recent years, Israel officials had regularly cited Hamas'

[12]See Office of the Quartet, "Package of measures agreed between the Government of Israel and the Quartet Representative," (September 2011), https://www.quartetoffice.org/files/image/quartet/documents/ahlc-sept-2011.pdf.

presence as an obstacle to the field's development; could a mechanism be established that would guarantee the revenues from Gaza Marine field wouldn't end up in Hamas' hands? Under such circumstances, how could the PA be a serious player at the negotiating table and advance its own interests?

Despite their respective concerns, Israel and the PA held a series of indirect negotiations from 2011 to 2014. Led by long-time Netanyahu advisor and confidant Yitzhak Molho and mediated by the Quartet's Blair, the negotiating teams discussed a pragmatic solution that would meet Israeli and PA interests, promote economic stability in Gaza, all while denying Hamas direct access to natural gas revenues. In 2013, Israeli officials reached out to BG – who still held the rights to the Gaza Marine field's license – to encourage their return to the process.[13] However, external factors disrupted this momentum. The announcement of a Fatah-Hamas unity government – intended to resolve the internal Palestinian divide and provide greater legitimacy to the PA in the eyes of the Palestinian public – was a red line for the Israeli government. In protest, Israel suspended all contacts with the PA. Weeks later, Israel and Hamas entered another round of violence in Gaza.[14]

The collapse of negotiations in 2014 didn't kill interest in Gaza Marine field – the technical and economic fundamentals of the field remained attractive – but it was clear to energy companies that its commercial feasibility was first dependent on a political solution in Gaza. Meanwhile, the development of Tamar and Leviathan fields had reduced Israeli interests in Gaza Marine field's natural gas.

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[13]See Amiram Barkat, "Israel in secret talks with BG on Palestinian gas," *Globes*, March 13, 2013, https://en.globes.co.il/en/article-1000829662.
[14]See Tim Boersma and Natan Sachs, "Gaza Marine: Natural Gas Extraction in Tumultuous Times?" *Foreign Policy Paper*, no. 36 (Washington, DC: Brookings Institution, February 2015), https://www.brookings.edu/articles/gaza-marine-natural-gas-extraction-in-tumultuous-times/

Shell's acquisition of BG in 2016 briefly raised expectations that a supermajor might reengage with the dormant field. Instead, Shell relinquished its stake in Gaza Marine field in 2018, transferring ownership to the Palestine Investment Fund (PIF) and the Consolidated Contractors Company (CCC), a major Middle Eastern construction firm with extensive experience in developing energy infrastructure. The decision affirmed what industry experts had been saying for some time: absent political guarantees, Gaza Marine field could not compete for capital in an increasingly risk-averse global energy market. This in turn reinforced the asymmetrical relationship between Israel and the Palestinians. Israel could afford to wait indefinitely; the PA had little choice but to continue its dependence on Israeli energy supply.

The second period of interest in developing Gaza Marine field was made possible because of shifts in the Eastern Mediterranean's regional energy architecture and warming of energy relations between Egypt and Israel. By the late 2010s, Israel and Egypt had agreed to the delivery of Israeli natural gas exports, LNG infrastructure, and the establishment of the EMGF, to which the PA was a founding member state. These steps, which aligned Israeli and Egyptian energy interests, in addition to Egypt's growing domestic energy needs, and its ambition to position itself as a regional energy hub created an opportunity to revisit Gaza Marine field.

For Egypt, facilitating Gaza Marine field's development had the potential to achieve multiple goals: securing additional natural gas supplies for the Egyptian domestic market, reinforcing its role as a key intermediary between Israel and the Palestinians, and signaling support for the Palestinian cause without empowering Hamas. For Israel, Egyptian interest offered a unique possibility: if Egyptian state-owned companies took over the Gaza Marine field's development and operations, this would partially reduce Israeli concerns about revenue flows reaching Hamas. In February 2021, during a visit to Israel, Egyptian Minister of Petroleum

Tarek El-Molla made an additional stop in Ramallah to meet with PA President Mahmoud Abbas and endorse and oversee the signing of a memorandum of understanding (MOU) between the state-owned EGAS, CCC, and PIF.[15] The signing took place with Israel's unofficial consent, but because of the positive dynamics between Jerusalem and Cairo at the time officials didn't take issue with the decision. The US and EU also encouraged Israel to adopt a favorable position towards the initiative, promising to help address Israeli security concerns about Hamas' potential benefits from the arrangement.

In October 2022, Egypt and the PA signed a framework agreement to develop Gaza Marine field, outlining the general principles for the entry of Egyptian companies, like Cheiron Energy, as partners in the consortium and delineating the initial technical and financial details.[16] The agreement stated that the majority of Gaza Marine field's supply would be delivered to Egypt, either for domestic consumption or for liquefication at Egypt's LNG terminals in Idku and Damietta for export to Europe. A modest portion would be retained for local Palestinian consumption. The output would be purchased by EGAS and a share of the revenues transferred to the PA, thereby addressing Israeli concerns about revenues ending up in Hamas' hands. "We've been waiting for this development and the prosperity that comes with it," Palestinian Energy and Natural Resources Authority chairman Zafer Melhem told the *Washington Post*, "I

[15]See Palestine Investment Fund, "Joint Press Release by Dr. Mohammad Mustafa, Advisor to the President for Economic Affairs and Chairman of the Board of the Palestine Investment Fund (PIF) and His Excellency Engineer Tarek El-Molla," February 22, 2021, https://www.pif.ps/items/view/98835; "Palestinians Keen to Develop Gaza Marine Field Despite Israeli Objection," *Asharq Al-Awsat*, February 23, 2021, https://english.aawsat.com/home/article/2823046/palestinians-keen-develop-gaza-marine-field-spite-israeli-objection.

[16]See Peter Stevenson, "Gaza Marine Advances," *Middle East Economic Survey*, June 23, 2023, https://www.mees.com/2023/6/23/oil-gas/gaza-marine-advances/f80c3750-11b2-11ee-aeaf-6fb234887785; Danny Zaken, "Heskem gaz nosaf ba-derekh? Mitzrayim, ha-Rashut ha-Falastinit ve-Yisra'el be-maga'im le-fituach sedeh ha-gaz mul 'Aza [Another gas agreement on the way? Egypt, the Palestinian Authority, and Israel in talks to develop the gas field off Gaza]," *Globes*, October 20, 2022, https://www.globes.co.il/news/article.aspx?did=1001427164.

hope this will be a step toward the future."[17] Hamas rejected the plans outright, demanding that it be included in any discussions related to the field's future.

The efforts to develop Gaza Marine field in 2022 were different than past attempts for two reasons. First, because Egypt was uniquely positioned as a trusted third party by both Israelis and Palestinians. Second, the agreement would prevent royalties or revenues from aiding Hamas. Third, the agreement's commercial framework delinked the field's development from Palestinian aspirations of energy autonomy. In June 2023, the Israeli government granted preliminary approval of the plan:

> "In the framework of the existing efforts between the State of Israel, Egypt and the Palestinian Authority (PA), with emphasis on Palestinian economic development and maintaining security stability in the region, it has been decided to develop the Gaza Marine gas field off the coast of Gaza.
>
> Implementing the project is subject to coordination between the security services and direct dialogue with Egypt, in coordination with the PA, and the completion of inter-ministerial staff work led by the National Security Council, in order to maintain the security and diplomatic interests of the State of Israel on the matter."[18]

Critics within Israel accused the government of indirectly strengthening Hamas.[19] But it was the strategic partnership with Egypt that allowed Israel to entertain the possibility of Gaza Marine field's development whilst overlooking the chronic issues that plagued past negotiations.

In the end, Hamas' attack on October 7, 2023, and the subsequent war in Gaza changed the way Gaza Marine field was perceived. On the one hand, the long-standing argument that

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[17]Hazem Balousha and Shira Rubin, "Gaza gas deal could make improbable partners out of Israel and Hamas," *Washington Post*, November 25, 2022, https://www.washingtonpost.com/world/2022/11/25/gaza-gas-israel-partnership-hamas-egypt/.
[18]State of Israel, Prime Minister's Office, "Prime Minister's Office Directs that the Development Project for the Gas Field off the Coast of Gaza be Implemented," June 18, 2023, https://www.gov.il/en/pages/spoke-gas180623.
[19]See Dean Shmuel Elmas, "Rosh ha-Memshala isher: kidum ha-proyekt she-yavi besora le-meshek ha-energia ha-Falastini [The Prime Minister approved: advancing the project that will bring good news to the Palestinian energy sector]," *Globes*, June 18, 2023, https://www.globes.co.il/news/article.aspx?did=1001449679; Itamar Eichner, "Bekhirim be-Misrad Rosh HaMemshala al pituach ha-gaz mul ḥofei ʻAza: ʻHeskem bein ha-Rashut le-Mitzrayim' [Senior officials in the Prime Minister's Office on the development of gas off the coast of Gaza: ʻAn agreement between the Authority and Egypt']," *Ynet*, June 19, 2023, https://www.ynet.co.il/news/article/by5ayy2v2; Sapir Lipkin, "Kakh poʻalim me'akhorei ha-kelaʻim le-fituach sedeh ha-gaz mul ḥofei ʻAza [How things are working behind the scenes for developing the gas field off the coast of Gaza.]," *Mako*, June 30, 2023, https://www.mako.co.il/news-military/2023_q2/Article-47016f082a50981026.htm.

economic cooperation could contribute to Israeli-Palestinian stability was severely damaged. On the other hand, even after the October 7th attack, US officials have often referenced Gaza Marine field as critical to Gaza's post-war reconstruction efforts. As early as November 2023, US Special Presidential Coordinator Amos Hochstein stated that Gaza Marine field "could absolutely be a revenue stream for the Palestinian government."[20] Similar comments were also made by second-term Trump administration officials.[21] In other words, after years in which the field's development was blocked by a lack of political feasibility it remains possible to imagine a future where the political obstacles are removed and Gaza Marine field is successfully developed.

Until then, the story of Gaza Marine field highlights the structural limitations of energy cooperation in an asymmetric relationship. The zero-sum dynamics that often frame Israeli-Palestinian relations routinely manifested themselves during previous negotiations over the field's future, frustrating negotiators and international companies alike. In this sense, negotiations did not fail because energy cooperation between conflicting parties is impossible, but because they were repeatedly tasked with finding a technical solution when what was really required was a political one. Motivation to develop Gaza Marine field proved sufficient to facilitate negotiations, but insufficient to overcome the entrenched power asymmetry and lack of trust between the two sides. The field's conditional development through Egypt further demonstrated that Israeli cooperation was driven by regional interests rather than proactively addressing the Israeli-Palestinian conflict. If Gaza Marine field illustrated what Palestinians

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[20] Mina Al-Oraibi, "US Envoy Hochstein Tells *The National* Offshore Gas Belongs to the Palestinian People," *The National*, November 19, 2023, https://www.thenationalnews.com/mena/palestine-israel/2023/11/19/us-envoy-hochstein-tells-the-national-offshore-gas-belongs-to-the-palestinian-people/.

[21] See Sean Matthews, "US, Israel and UAE Discussed Using Gaza Gas to Fund Reconstruction, Sources Say," *Middle East Eye*, December 18, 2025, https://www.middleeasteye.net/news/us-israel-and-uae-discussed-using-gaza-gas-fund-reconstruction-sources-say.

could not access, the initiatives examined in the following section illustrate what they were offered instead: Israeli-controlled natural gas supply arrangements that improved Palestinian access to energy while ensuring that the terms of that access remained entirely in Israel's hands.

III. Managed Dependencies: Israeli Natural Gas and Palestinian Energy Supply

In contrast to Israeli-Palestinian negotiations over Gaza Marine field, efforts to supply Israeli natural gas to the West Bank and Gaza tell a different story about the role of energy in between parties in conflict. Rather than centering on questions of ownership and sovereignty over natural resources, it was understood from the outset that these initiatives would maintain the same pattern of dependency as before: Israeli-controlled energy infrastructure would stabilize Palestinian energy supply while also maintaining Israeli leverage over that supply. For Israel, natural gas exports to the Palestinians were seen to reduce political tensions that could undermine Israeli security interests, mitigate international questions about the quality of life under Israeli occupation, and engage in the minimal level of administrative cooperation without conceding authority. For the PA, there was no alternative to Israeli natural gas, so the primary benefit was the promise of incremental improvements in energy security and economic growth, even as it simultaneously entrenched Palestinian dependence on Israel. In both the West Bank and Gaza, energy relations functioned less as a confidence-building measure than as a tool of conflict management. This section addresses whether the discovery of Israeli natural gas altered the way in which energy functioned in the Israeli-Palestinian relationship.

The West Bank

The first signs that Israeli natural gas would also be supplied to the West Bank emerged in 2010 with the establishment of the Palestine Power Generating Company (PPGC). Founded by PADICO Holding, CCC, and a consortium of Palestinian and international investors, PPGC was tasked with building four power plants across the West Bank, the first of which was to be constructed near the city of Jenin. The plan enjoyed political support from both the Israeli government and the PA. For the PA, the plan was projected to supply roughly 40 percent of the West Bank's electricity demand, reducing reliance on Israeli electricity and improving the Palestinian economy. For Israel, the plant promised to reduce Palestinian demand on the Israeli electricity grid which had caused costly delays to infrastructure development inside Israel.

From the outset, however, this convergence of interests rested on a particular tradeoff: the Jenin power plant project would have to be fueled by Israeli offshore natural gas, tying Palestinian energy infrastructure to Israeli-controlled supply chains. The substitution of Palestinian dependence on Israeli electricity with dependence on Israeli natural gas would become a defining feature Israeli-Palestinian energy relations in the West Bank. By 2011, PPGC was engaged in parallel negotiations with Israeli authorities for construction permits and regulatory approvals and with the Tamar field partners for the purchase of natural gas. Israel's Energy Ministry promoted the idea of laying a dedicated pipeline from Tamar field to the Jenin power plant, framing the project as a technocratic solution to Palestinian electricity shortages.[22]

After nearly eighteen months of negotiations and multiple delays, the parties agreed to consider Leviathan field as the potential supplier of natural gas instead of Tamar field. In January 2014, PPGC signed a $1.2 billion agreement with the Leviathan partners for the supply of

[22]See Amiram Barkat, "Palestinians propose power station driven by Tamar gas," *Globes*, February 28, 2011, https://en.globes.co.il/en/article-1000626853; Amiram Barkat, "Dov Weissglass to negotiate Palestinian Tamar gas purchases," *Globes*, March 12, 2012, https://en.globes.co.il/en/article-1000735570.

approximately 4.75 bcm of natural gas over twenty years following the field's successful development. The signing ceremony – held at Jerusalem's American Colony Hotel – was carefully staged and closed to the public. Despite the alignment of interests between Israeli and Palestinian officials and private sector investors, Palestinian public sentiment remained deeply opposed to political normalization with Israel. Present at the ceremony, PA Energy Minister Omar Kittaneh emphasized that the deal was commercial rather than political.[23] Also in attendance, Delek Group owner Yitzhak Tshuva offered a different angle: "Economic cooperation such as the agreement signed today will lead to prosperity and growth…and lay the foundations for peace."[24] Despite its symbolic value, the signing ceremony misrepresented the reality that Israeli authorities had yet to provide final approval to build the Jenin power plant.

Technically, the deal between PPGC and the Leviathan partners was the first export agreement of Israel's offshore natural gas – but it never came into fruition. In March 2015, PPGC withdrew from the agreement, citing the Leviathan partners' inability to meet contractual obligations amid Israel's ongoing debate over the natural gas framework agreement.[25] A closer analysis suggests that this was not the only reason. Key Israeli authorities – including the Prime Minister's Office, the Ministry of Energy, and the Coordinator of Government Activities in the Territories (COGAT) – did not grant final construction permits to the Jenin power plant until 2016, two years after the original natural gas agreement was signed.[26] In retaining control over

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[23]See "Israeli Business Daily: Palestinian Power Co. Cancels $1.2b Leviathan Gas Deal," *WAFA – Palestine News & Info Agency*, March 11, 2015, https://english.wafa.ps/Pages/Details/83504.

[24]"Leviathan Signs $1.2 Bln NatGas Deal with Palestinian Power Company," *Reuters*, [date needed], https://www.reuters.com/article/business/energy/leviathan-signs-12-bln-natgas-deal-with-palestinian-power-company-idUSL6N0KF0GF/; "Palestinians to Be First Buyers of Israeli Natural Gas," *Times of Israel*, [date needed], https://www.timesofisrael.com/palestinians-to-be-first-buyers-of-israeli-natural-gas/.

[25]See "Palestine power firm cancels Leviathan natural gas deal," *Reuters*, March 11, 2015, https://www.reuters.com/article/2015/03/11/israel-palestinians-gas-idUSL5N0WD1H620150311/

[26]See Hedy Cohen, "Ushar: tukam taḥanat ko'aḥ ba-Rashap she-tif'al 'al yedei gaz tiv'i [Approved: a power station will be established in the Palestinian Authority that will operate using natural gas]," *Globes*, April 11, 2016, https://www.globes.co.il/news/article.aspx?did=1001116475.

the Jenin plant's timetable, Israel ensured that Palestinian electricity generation expanded only within parameters that were compatible with Israeli interests.

Parallel to the Jenin power plant, Israel and the PA advanced a complementary strategy focused on West Bank electricity transmission rather than generation. With support from the Quartet, the European Investment Bank, and the World Bank, Israel and the PA prioritized the construction of high-voltage substations across the West Bank. The Al-Jalama substation, inaugurated in 2017, became the first Palestinian-owned and operated substation, though it remained fully dependent on the IEC for electricity supply. The substation's inauguration ceremony – attended by PA Prime Minister Rami Al Hamdallah, Chairman of the Palestinian Energy and Natural Resources Authority Zafer Melhem, Israeli Energy Minister Yuval Steinitz, the heads of COGAT and IEC, as well as international delegates from the US embassy, USAID, UNSCO, the World Bank, and the Quartet – was framed as a milestone in technocratic cooperation. Steinitz described the event as, "an encouraging historic moment…Israel is interested in promoting the infrastructure of electricity, water and natural gas in the Palestinian Authority, and here we are the first example of fruitful cooperation leading to prosperity."[27] By 2020, additional substations were completed across the West Bank, improving Palestinian grid stability.[28]

These developments reinforced, rather than resolved, Palestinian structural dependence on Israeli energy supply. While substations improved Palestinian grid stability, Israel retained control over electricity production and pricing. Israel imposed restrictions on Palestinian energy

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[27]Office of the Quartet, "A Palestinian-Israeli Power Purchase Agreement Signed for Energizing Al-Jalama Substation," July 10, 2017, https://www.quartetoffice.org/page.php?id=5e7b59y6191961Y5e7b59; Dov Lieber, "In Deal with Israel, PA Takes 'Historic' Step toward Energy Independence," *The Times of Israel*, July 10, 2017, https://www.timesofisrael.com/in-deal-with-israel-pa-takes-historic-step-toward-energy-independence/.
[28]See Aaron Boxerman, "With Coordination Still Suspended, Israel Hands Three Power Stations to PA," *The Times of Israel*, October 20, 2020, https://www.timesofisrael.com/with-coordination-still-suspended-israel-hands-three-power-stations-to-pa/.

self-sufficiency, preventing the construction of renewable energy installations in the West Bank that could have reduced Palestinian dependence on Israeli supply, deliberatingly establishing a ceiling on Palestinian energy independence.[29] The Jenin power plant, once envisioned as a cornerstone of Palestinian energy autonomy, remains an active project but has been slowed by regulatory hurdles and internal politics. In the West Bank, Israeli-Palestinian energy dynamics maintained a stable situation without altering the power dynamics between the sides, squarely aligning with Israel's desire to manage, rather than resolve, the conflict.

Gas for Gaza

Energy dynamics in Gaza followed a different trajectory. As the previous section on Gaza Marine field illustrated, Israel's policy toward Gaza was shaped by its desire to isolate and deter Hamas, which took control of the territory in 2007. Following repeated rounds of violence between Israel and Hamas – including Operation Protective Edge in 2014 – Gaza's already limited energy infrastructure was severely damaged. The enclave's sole gas-operated power station was rendered inoperable, exacerbating chronic electricity shortages that worsened living conditions and threatened public health.

Concerned with the risk of further destabilization, international actors – including the Quartet and Qatar – proposed a series of energy projects, including solar energy projects, aimed at restoring minimal electricity supply without empowering Hamas politically. Among these was the "Gas for Gaza" (G4) initiative, which envisioned a pipeline connecting Israel's natural gas infrastructure to Gaza's sole power station. For Israel, who for years had tried to identify

[29]Amit Mor, interview with author, July 26, 2023; Bar Rapaport, *"Energy as a Tool for Israeli-Palestinian Peacebuilding,"* Mitvim – The Israeli Institute for Regional Foreign Policies, March 2022, https://mitvim.org.il/wp-content/uploads/2022/06/Energy-as-Tool-for-Peace-in-Israel-Palestine-2022.pdf.

potential solutions for Gaza Marine field without success, G4G was presented as a less security sensitive alternative that would address Gaza's humanitarian needs without addressing questions of Palestinian resource governance.[30]

Qatar was a key factor in the G4G negotiations, leveraging its relationships with both Israel and Hamas to broker understandings that future energy supply to Gaza could potentially yield a long-term ceasefire. Some Israeli officials worried that improved energy access would entrench Hamas' rule in Gaza, however the government saw G4G to contain Hamas and ultimately acquiesced to Qatar's proposals.[31]

Launched formally in 2015, the G4G task force – coordinated by the Quartet with support from Qatar and the Netherlands – worked with the PA's Palestinian Energy and Natural Resources Authority to design a commercial and regulatory framework for natural gas supply. The proposed pipeline, to be funded mostly by Qatar (at an estimated $100 million) and built by Dutch contractors, would deliver up to 1 bcm of natural gas per year, sufficient to the meet Gaza's electricity demands. In 2016, the Leviathan partners received approval from Israel's Energy Ministry to negotiate natural gas sales for the project.[32]

The good will established by G4G negotiations presented Israeli and Palestinian officials with an opportunity to address other issues, crucially the PA's outstanding electricity debts to the

[30]See "Qatar Seeks Israeli Gas, Solar Fields to Boost Gaza Power," *The Times of Israel*, September 13, 2015, https://www.timesofisrael.com/qatar-seeks-israeli-gas-solar-power-to-boost-gaza-power/.

[31]Israel's efforts to deny Hamas employees their salaries is considered one of the factors that resulted in the 2014 conflict, see Avi Issacharoff, "As Qatar Solves Gaza's Wages Crisis, Could Hamas Have Liberman to Thank?" *The Times of Israel*, July 25, 2016, https://www.timesofisrael.com/as-qatar-solves-gazas-wages-crisis-could-it-be-that-hamas-has-liberman-to-thank/.

[32]See Hedy Cohen, "Israeli Gov't to Allow Gas Exports from Leviathan to Gaza," *Globes*, March 3, 2016, https://en.globes.co.il/en/article-israeli-govt-to-allow-gas-exports-from-leviathan-to-gaza-1001108009; Office of the Quartet, "A Palestinian-Israeli Power Purchase Agreement Signed for Energizing Al-Jalama Substation," July 10, 2017, https://www.quartetoffice.org/page.php?id=5e7b59y6191961Y5e7b59; Office of the Quartet, *Report to the Ad Hoc Liaison Committee* (Brussels, April 19, 2016), https://www.quartetoffice.org/files/OQ%20AHLC%20April%202016.pdf.

IEC. In September 2016, Israel's Finance Ministry, COGAT, and the PA reached a settlement that canceled approximately half a billion shekels in debt and established a new payment mechanism. These agreements reflected a moment of pragmatism between both sides; in the absence of a meaningful peace process, agreements on energy governance at least offered some limited opportunities to reduce tensions.[33]

Progress for G4G progress also experienced numerous setbacks. A 2019 Office of the Quartet report cited, "unless the commercial structure is put in place and commercial agreements are signed in the coming period, it will be an increasing challenge to connect Gaza to a gas supply by 2022/3."[34] Disputes between the PA and Hamas over revenue control, disagreements among the private sector parties, and periodic escalations between Israel and Hamas repeatedly delayed implementation.[35] In spite of these obstacles, Qatar, the PA, and Gaza's electricity company managed to reach provisional arrangements for supplying and purchasing Israeli gas in early 2022.[36]

The progress made over the course of nearly a decade's worth of negotiations disintegrated on October 7, 2023, as Hamas' attack plunged the region into war. The events of October 7th dispelled the conception held for decades by Israeli politicians and security elites that Hamas was sufficiently deterred from making a major attack against Israel, and raised questions about the successive government's insistence on managing the Israeli-Palestinian conflict rather

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[33]See Times of Israel Staff, "Israel, PA Sign Deal on Massive Palestinian Electricity Bill," *The Times of Israel*, September 13, 2016, https://www.timesofisrael.com/israel-pa-sign-deal-on-massive-palestinian-electricity-bill/.
[34]Office of the Quartet, *Office of the Quartet Report to the Ad Hoc Liaison Committee* (September 2019), https://www.quartetoffice.org/files/flash/Office%20of%20the%20Quartet%20Report%20to%20the%20AHLC%20September%202019.pdf.
[35]See Oren Liebermann, "Gaza Power Plant Runs Out of Fuel, Deepening Electricity Crisis," *CNN*, April 17, 2017, https://edition.cnn.com/2017/04/17/middleeast/palestinians-gaza-power-plant-crisis/index.html.
[36]See Qatar Ministry of Foreign Affairs, "Chairman of Qatar Committee for Reconstruction of Gaza Signs Agreement to Ensure Gas Supply to Gaza Power Plant," January 20, 2022, https://mofa.gov.qa/en/qatar/latest-articles/latest-news/details/1443/06/18/chairman-of-qatar-committee-for-reconstruction-of-gaza-signs-agreement-to-ensure-gas-supply-to-gaza-power-plant.

than trying to advance a political understanding with the PA. Though Israeli energy policy was not a primary driver of the causes that led to 2023 war, a critical analysis demonstrates how it aligned with a broader strategy which sought to reduce violence, manage humanitarian risks, and maintain deterrence while maintaining an asymmetrical relationship with the Palestinians and deny efforts to increase Palestinians autonomy. While there were subtle differences between Israel's energy relations with Gaza in comparison to the West Bank, they shared a common prioritization of conflict management and Israeli national security interests.

Israeli efforts to supply natural gas to the West Bank and Gaza underscore this chapter's main theme: for Israel, energy relations in the Israeli-Palestinian context functioned primarily as a tool for conflict management. In both arenas, Israel encouraged the controlled integration of Palestinian infrastructure into its own, expanding access to energy while retaining decisive authority over infrastructure and supply. For Palestinian officials seeking greater autonomy, with Israel presented an bittersweet scenario: incremental improvement of Palestinian energy infrastructure in exchange for deepening dependence on Israel.

The comparison between the West Bank and Gaza further demonstrates how Israeli energy policy was adapted to the fragmented realities in different Palestinian territories. In the West Bank, Israel relied on technocratic cooperation with the PA to manage Palestinian demand and reduce electricity debt. In Gaza, it turned to indirect, humanitarian-focused initiatives that were mediated by third parties. In neither case did energy relations alter the fundamental dynamics of the Israeli-Palestinian relationship; rather, it reinforced the model in which energy serves as a stabilizing agent capable of preventing collapse, but not able to resolve the conflict. The same pattern that defined Israeli-Palestinian energy relations at the bilateral level, Israel retaining authority while Palestinians received incremental access, was reproduced when Israeli-

Palestinian energy relations moved onto the international stage through the establishment of the EMGF.

IV. Israeli-Palestinian Relations and the Eastern Mediterranean Gas Forum

The EMGF offers a third arena in which the chapter's central argument plays out, this time at the multilateral level. If Gaza Marine field illustrated how Israel managed Palestinian access to their own natural resources, and if West Bank and Gaza supply negotiations illustrated how Israel shaped Palestinian dependence on Israeli infrastructure, then the EMGF illustrated how the same asymmetry operated within a formal regional institution. Palestinian inclusion in the forum was not a reflection of Palestinian energy autonomy. It was a condition imposed by Arab member states whose own domestic political situations necessatated solidarity with the Palestinian cause as a precondition for cooperation with Israel. From the start, Palestinian participation in the EMGF was symbolic rather than substantive, offering the PA a seat at the table without the material conditions to exercise constructive influence.

Momentum for a regional energy forum began to coalesce between 2015 and 2016, driven largely by Israeli and Egyptian leadership. As discussed in Chapter 3, Steinitz and his Egyptian counterpart El-Molla were central figures in advancing the idea of a multilateral platform that could coordinate natural gas development, promote the establishment of a regional market, and link Eastern Mediterranean resources with European demand. For Israel, participation in the EMGF offered international legitimacy and deeper ties with its Arab neighbors. For Egypt, the forum aligned with Cairo's ambition to assert itself as a regional energy hub and power broker.

Egyptian officials made it clear to their Israeli counterparts that Palestinian participation was a prerequisite for any regional forum. Jordanian officials conveyed similar expectations. This position was rooted in domestic political calculations; both the Egyptian and Jordanian regimes were sensitive to public support for the Palestinian cause and antipathy towards normalization with Israel. For Israel, accepting Palestinian participation was a calculated tradeoff. The strategic benefits of regional integration outweighed the political costs of inviting the PA. For these reasons, the PA was invited to join the EMGF as a founding member state.[37]

The EMGF's stated mandate emphasized technical cooperation over political dialogue. Its founding declaration called for "structured policy dialogue on natural gas, leading to the development of a sustainable regional gas market that could unlock the full gas resource potential in the East Mediterranean region." [38] In practice, this technocratic framing masked the regional geopolitics dynamics at play. While the forum brought together energy ministers, industry experts, and oil and gas companies, participation was premised on sovereign equality. This notion was fundamentally at odds with the realities of Israeli-Palestinian relations. The PA entered the EMGF without control over borders, resources, or export routes, and without an independent energy sector to anchor its participation. Palestinian inclusion in the forum was an act of symbolic recognition but offered no pathway to change its circumstances.

The limits of Palestinian agency within the EMGF became particularly evident in March 2021, when the EMGF voted on a whether to include the United Arab Emirates' (UAE) as an observer state. Israel strongly favored Emirati participation in the EMGF. The UAE brought

[37]See Mona Sukkarieh, "The East Mediterranean Gas Forum: Regional Cooperation Amid Conflicting Interests," *Natural Resource Governance Institute,* March 2021, https://resourcegovernance.org/sites/default/files/documents/the_east_mediterranean_gas_forum_regional_cooperation_amid_conflicting_interests_0.pdf.
[38]"Eastern Mediterranean Countries to Form Regional Gas Market," *Reuters*, January 14, 2019, https://www.reuters.com/article/us-egypt-energy-gas/eastern-mediterranean-countries-to-form-regional-gas-market-idUSKCN1P81FG/.

decades of experience in the energy sector, significant financial resources, and geopolitical alignment with many Israeli interests. Other EMGF member states felt similarly. In December 2020, Egypt announced that the UAE would be joining the forum as an observer state, despite the absence of a formal vote.[39] Several weeks later, Steinitz and El-Molla participated in a zoom call with the energy ministers of the UAE, Bahrain, Morocco, and Sudan, another move signaling the growing convergence between Eastern Mediterranean energy cooperation and normalization diplomacy.[40]

However, the UAE vote came shortly after the signing of the 2020 Abraham Accords, through which the UAE, Bahrain, Morocco, and Sudan normalized diplomatic relations with Israel without securing Israeli concessions on Palestinian statehood in exchange.[41] For Palestinians, the accords were seen as a betrayal of a longstanding Arab consensus that normalization should be contingent on progress towards resolving the Israeli-Palestinian conflict. PA officials were especially suspicious of Emirati intentions, given Abu Dhabi's close ties with Mohammad Dahlan, an exiled rival to PA President Mahmoud Abbas.[42]

From the PA's perspective, vetoing UAE participation was one of the few available tools to signal its opposition to the Abraham Accords. In that narrow sense, the veto was a genuine exercise of Palestinian agency. But it also exposed the ceiling of that agency; the veto did not

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[39]See "Egypt Says UAE Joins East Mediterranean Gas Forum as an Observer," *Reuters*, December 15, 2020, https://www.reuters.com/article/world/middle-east/egypt-says-uae-joins-east-mediterranean-gas-forum-as-an-observer-idUSKBN28Q29L/.
[40]See Itamar Eichner, "P'sigat ha-Zoom shel ha-sarim mi-Yisra'el, Maroko, Sudan, Baḥrayn, ha-Emiruyot u-Mitzrayim [The Zoom summit of the ministers from Israel, Morocco, Sudan, Bahrain, the United Arab Emirates, and Egypt]," *Ynet*, January 14, 2021, https://www.ynet.co.il/news/article/BklqNJR0P.
[41]See Jacob Magid, "UAE Ambassador: Abraham Accords Were about Preventing Annexation," *The Times of Israel*, September 15, 2020, https://www.timesofisrael.com/uae-ambassador-abraham-accords-were-about-preventing-annexation/.
[42]See Yoel Guzansky and Kobi Michael, "The Gulf States and the Palestinian Authority: On the Brink of Change?" *INSS Insight*, no. 1607 (June 7, 2022), Institute for National Security Studies, https://www.inss.org.il/he/publication/pa-gulf/

impact Israel-UAE relations or regional trends towards normalization, nor did not produce any change in the regional energy architecture. The veto did not redirect the forum's trajectory, nor did it translate into greater Palestinian leverage over energy policy. It was a symbolic gesture. The fact that the PA deployed its one meaningful institutional lever in the EMGF for a symbolic purpose captured the limitations of Palestinian participation in the forum: it was present but its presence was not consequential, it was included but its inclusion was not empowering.

This chapter has argued that energy relations under conditions of deep asymmetry tends to maintain preexisting power relations rather than transform them. In the case of Israeli-Palestinian relations, Israel was compelled to include Palestine into the nascent EMGF but saw its inclusion as symbolic rather than practical. The PA's veto of Emirati participation in the forum didn't alter the on-the-ground realities in the region where Israel was a more active player. For the PA, participation in the EMGF offered visibility but didn't offer greater autonomy. In contrast, the EMGF enhanced Israel's strategic flexibility and international legitimacy, providing it a platform through which it could deepen a set of regional relationships through high-level discussions on energy cooperation.

While the EMGF was established as a mechanism for regional integration and technocratic cooperation, it wasn't designed to address the diplomatic grievances between state actors. This is why several Eastern Mediterranean states – notably, Turkey and Lebanon – were either not invited to the forum or refused to join, and why Palestine's inclusion was perhaps bound to inherent the familiar dynamics that defined Israeli-Palestinian relations during this period. The Israeli-Palestinian experience within the EMGF once again exposes the limits of energy relations as a bridge for reconciliation. Instead, Israeli-Palestinian engagement mirrored the dynamics seen in negotiations over Gaza Marine field, G4G, or West Bank supply negotiations: Israel seeking to maintain its dominant position over the Palestinians.

Concluding Remarks

This chapter has examined Israel's energy relationship with the Palestinians between 2009 and 2023. Its central argument is that this case represents this study's threshold case, the bilateral context in which the minimum conditions for energy to function as a cooperative instrument simply did not exist – a finding consistent with this study's central argument that the prior trajectory of each bilateral relationship determines what energy diplomacy can and cannot accomplish. In this case, the structural asymmetry between Israel and Palestine was total, and the political trust absent. Israel's preference for managing the conflict rather than resolving it meant that energy cooperation was never pursued as a genuine strategic opportunity. Instead, it became another tool for maintaining the status quo, one that deepened Palestinian dependence on Israel while limiting the scope for Palestinian economic or political autonomy. The discovery of new energy resources did not change Israeli policy toward the Palestinians in any meaningful sense; it reinforced a pre-existing strategy of conflict management, adding new arenas of asymmetric control without altering the fundamental logic governing the relationship.

What makes this case analytically distinctive is a straightforward but important observation: the things Israel sought for itself through energy are precisely what it denied the Palestinians. For decades, Israeli policymakers understood that domestic energy production and export capacity were foundations of national strength. Energy independence reduced vulnerability to external pressure. Export agreements created leverage with neighboring states. Infrastructure investments embedded Israel in regional networks that could advance its interests.

These are exactly the benefits that Gaza Marine field could have provided to the Palestinians: reduced dependence on Israeli energy supply, independent revenue for Palestinian institutions, and a material stake in their own economic future. That the field remained undeveloped for over two decades was not simply the product of a difficult political environment. It reflected a consistent Israeli preference for maintaining the asymmetry of the relationship over enabling Palestinian economic autonomy, even when the technical and commercial case for development was relatively straightforward.

The three cases examined in this chapter each illustrate a different dimension of this pattern. Gaza Marine field was the clearest opportunity for Palestinians to achieve a meaningful degree of energy autonomy, and the one that Israel managed to keep out of reach by prolonging legal ambiguity over the field's status and sustaining enough diplomatic activity to satisfy international partners while never relinquishing the veto power that kept the field dormant. Israeli natural gas supply to the West Bank and Gaza followed the same logic through different means. These initiatives replaced Palestinian dependence on Israeli electricity with Palestinian dependence on Israeli natural gas, preserving Israeli control over pricing, supply, and infrastructure while presenting the arrangement as an improvement in Palestinian living conditions. Palestinian participation in the EMGF extended this pattern to the multilateral level, granting the PA formal membership in a regional forum without giving it the material capacity to exercise meaningful influence within it. Across all three cases, Israel's energy policy toward the Palestinians was designed to manage the status quo rather than reduce it.

Israeli policymakers understood that Palestinian energy autonomy would reduce Israeli leverage over Palestinian behavior and thereby limit Israel's freedom of action. Energy relations with the Palestinians was therefore calibrated to offer just enough to avoid a potential humanitarian crisis and manage international criticism, but never enough to alter the structural relationship between the two sides. The result was a model of energy relations that was functional on Israeli terms and frustrating on Palestinian terms, providing incremental improvements in energy access while foreclosing the pathways to energy independence that might have changed the relationship's structure.

Third-party actors played an important but ultimately limited role. At various points Egypt, Qatar, the Quartet, the United States, and the European Union each facilitated negotiations, absorbed political risk, and helped create conditions under which progress between Israelis and Palestinians on energy issues was possible. Negotiations over Gaza Marine field between 2021 to 2023, in which Egyptian mediation brought the parties closer to an agreement than at any previous point, is the clearest example of the potential that external involvement could achieve. But even with Egypt as a trusted intermediary and broad international support, Israeli approval for Gaza Marine's development remained partial and conditional. None of the external actors challenged the underlying asymmetry of the relationship. Their interventions reduced immediate pressure without changing the underlying conditions that created it.

The October 7th war exposed the consequences of this approach more starkly than any previous episode. Hamas's attack shattered the decades-long logic that had sustained Israel's conflict management strategy and raised fundamental questions about Gaza's future, Palestinian governance, and the energy arrangements that had been slowly and painfully negotiated over the preceding decade. Whether Gaza Marine field or new energy supply arrangements will play a role in Gaza's reconstruction remains an open question. What the evidence from this chapter makes clear is that any post-war arrangement that reproduces the pre-war model – Israeli veto power, Palestinian structural dependence, and third-party mediation – as a substitute for political resolution will likely produce the same outcomes. The history of Israeli-Palestinian energy relations does not suggest that energy can resolve the conflict. But it does suggest that the limitation of Palestinian energy autonomy has been a consistent and intentional feature of Israeli policy, and that a departure from that model would require Israel to accept a fundamentally different understanding of the role that energy should play in its relationship with the Palestinians. The Palestinian case therefore confirms the path dependent account advanced in this study. Where the prior bilateral trajectory is defined by occupation, asymmetry, and the absence of political trust, energy cannot create what the relationship itself does not already possess.

Chapter 5 turns to Lebanon. On the surface, the Israel-Lebanon relationship shares several features with the Israeli-Palestinian case: negligible diplomatic relations between the two states, the shared history defined by repeated armed conflict, and the presence of a coercive non-state actor that complicates meaningful diplomatic rapprochement. And yet, unlike the Palestinian case, Israel and Lebanon managed to produce a maritime boundary agreement in 2022 – a concrete diplomatic outcome. That agreement was narrow, technically framed, and driven entirely by the mutual interest in protecting offshore assets from conflict rather than by an ambition to transform the diplomatic relationship. It did not normalize relations, resolve outstanding disputes, or generate broader political momentum. But it happened nonetheless. Understanding how energy produced even that minimal outcome, and what that tells us about the limits and possibilities of energy diplomacy, is the central question Chapter 5 sets out to answer.

Chapter 5 – Troubled Waters: Offshore Energy and Israel-Lebanon Maritime Boundary Negotiations

On June 5, 2022, the *Energean Power*, a $1 billion floating production vessel commissioned to extract natural gas from the Karish field – docked at Haifa port after a months-long voyage from the Singapore shipyard where it was built. Karish sat at the northern edge of Israel's territorial waters, alongside an 860-square-kilometer patch of sea that Israel and Lebanon had been arguing over for more than a decade. Four days after the vessel arrived, Hezbollah Secretary General Hassan Nasrallah delivered a televised address declaring that any Israeli operation in the disputed area would decide "the fate of Lebanon itself."[1] A few tense weeks later, Hezbollah drones were flying toward the rig. A legal-technical dispute that had lingered through twelve years of intermittent American mediation had suddenly become an operational security crisis.

Four months later, on October 27, 2022, Israel and Lebanon signed a written maritime boundary agreement. The deal was remarkable less for the coordinates it set than for the parties who set them: two states formally at war since 1948, without diplomatic relations, communicating exclusively through an American intermediary, with one side subject to the coercive veto of an armed non-state actor in Hezbollah. The agreement did not normalize the bilateral relationship, nor was it designed to. This chapter argues that it is best understood as an act of asset-protective diplomacy – a narrowly tailored solution driven by a need secure Israel's existing offshore investments from a credible and escalating threat, rather than by a strategic ambition to reshape Israeli-Lebanese relations.

[1]"Lebanon's Hezbollah can stop Israeli gas extraction from disputed field, chief says," *Reuters*, June 9, 2022. https://www.reuters.com/world/middle-east/head-lebanons-hezbollah-says-his-group-has-capacity-prevent-israel-extracting-2022-06-09/.

Within this study's comparative framework, Lebanon is the hard case: the bilateral context most hostile to cooperative energy diplomacy. A strict reading of the path-dependent approach advanced in this study would predict that such adversarial trajectories foreclose the possibility of negotiated outcomes. The 2022 maritime boundary agreement demonstrates that this prediction is too strong – but only narrowly. Under sufficient commercial and security pressure, even deeply adversarial path dependencies can yield negotiated outcomes, provided the diplomatic architecture insulates the parties from the political costs of engagement and limits cooperation to a specific purpose. As a result, the Lebanon case refines rather than confirms the path-dependent account, illuminating both the conditions under which its predictions hold and the conditions under which they bend.

An outcome this contradictory demands explanation and analysis. Four successive US envoys worked the file between 2010 and 2022; only the last succeeded. Why did compromise become possible in 2022 and not in 2012, when Israeli and Lebanese negotiations teams first began to indirectly discuss a potential compromise, or in 2020, when Israeli and Lebanese delegations met directly for the first time in three decades? The asset-protective argument advanced above holds only if it can account for the timing – why the convergence of interests, at a particular moment, produced what twelve years of mediation could not. The chapter traces five interacting conditions: a collapsing Lebanese economy, a politically motivated Israeli government, a hard commercial deadline set by the arrival of the *Energean Power*, a credible Hezbollah security threat against offshore infrastructure, and an American mediator with unusual fluency in both regional politics and the energy industry. Though no single condition produced the agreement, their convergence was critical to delivering the agreement.

This chapter examines the Israel-Lebanon maritime boundary negotiations in three sections. It first reviews the historical and legal origins of the Israel-Lebanon maritime dispute, situating their competing claims within the larger transformation of the Eastern Mediterranean. It then reconstructs the structure and dynamics of the US-mediated negotiations between 2010 and 2022, examining the constellation of interests that shaped the incentives of each actor, thus providing context why successive rounds failed to produce an agreement and why the final effort succeeded. The final section addresses the application of the agreement and its implications for Israeli energy security. In doing so, this chapter argues that the maritime agreement emerged not from political reconciliation between the parties, but from a pragmatic risk-management approach where offshore energy assets functioned both as a source of economic opportunity and strategic vulnerability.

I. Lines in the Sea: The Origins of the Israel-Lebanon Maritime Dispute

Israel and Lebanon have technically been in a state of war since 1948. Although Lebanon's participation in the 1948 war was largely symbolic, the conflict resulted in the flight of approximately 100,000 Palestinian refugees from Mandate Palestine into Lebanon, an outcome that would have enduring political and security consequences for the Lebanese state. Between 1948 and 1967, the Israel-Lebanon border remained relatively quiet. But this stability eroded in the late 1960s and 1970s, as Palestinian armed factions increasingly used southern Lebanon as a base for militant activity against Israel. In response, Israel conducted periodic cross-border operations, reflecting its assessment that Lebanon lacked the capacity – or political will – to exercise effective sovereignty over its southern territory.

Left unchecked, these developments escalated into Israeli military invasions of Lebanon, first in 1978 and the, more broadly, in 1982. Frustrated with the Palestinian Liberation Organization's freedom of operation, Israel sent its army into Lebanon to put an end to Palestinian militant activity. This decision sparked the First Lebanon War, which had two lasting consequences for Israel-Lebanon relations. First, Israel maintained a prolonged military presence in southern Lebanon, fundamentally altering the security landscape along the Israel-Lebanon border. Second, the conflict birthed Hezbollah, a Shi'a paramilitary organization backed by Iran, which consolidated political influence within Lebanon by framing armed resistance against Israel as both a national and sectarian cause. Hezbollah's guerilla campaign, combined with domestic pressure within Israel, led to the Israel Defense Force's unilateral withdrawal from southern Lebanon in 2000.[2]

Israel's withdrawal, however, did not resolve tensions with Lebanon or Hezbollah. Israeli policymakers and security officials continued to view Lebanon as a weak state unable to assert full sovereignty over its territory, while Hezbollah and Iran treated Israel's withdrawal not as closure but as validation of armed resistance.[3] Although the UN certified Israel's withdrawal as complete, both the Lebanese government and Hezbollah pointed to a number of points along the demarcation line – or "Blue Line" – that left sovereign Lebanese territory in Israeli hands.[4]

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[2]Following the withdrawal of the IDF from Lebanon in May 2000 and as part of the implementation of Security Council Resolution 425 (1978), the UN tried to demarcate the IDF's withdrawal line using a team of its own cartographers. This became known as the Blue Line. Israel and Lebanon both accepted the Blue Line as the line to which IDF forces would withdraw from southern Lebanon, but Lebanon submitted reservations that turned into points of contention between the sides.

[3]For more on the history of Israel-Lebanon relations see Oren Barak, "Ambiguity and Conflict in Israeli-Lebanese Relations," *Israel Studies* 15, no. 3 (2010): 163–88; Asher Kaufman, "The Israel-Hezbollah Conflict and the Shebaa Farms," Policy Brief (Notre Dame, IN: Kroc Institute for International Peace Studies, University of Notre Dame, November 2006), https://kroc.nd.edu/assets/227136/israel_hezbollah.pdf; Asher Kaufman, *Contested Frontiers in the Syria-Lebanon-Israel Region: Cartography, Sovereignty, and Conflict* (Baltimore: Johns Hopkins University Press, 2014).

[4]Some of the unresolved territorial disputes along the Israel-Lebanon border date back to the modern Israel-Lebanon border established by the 1923 Paulet-Newcombe Agreement between the British and French mandates and later formalized by the 1949 Armistice Agreement following the end of the 1948 Arab-Israeli war.

Hezbollah used these unresolved land disputes as cause for continued resistance against Israel and the consolidation of political legitimacy within Lebanon. Since 2000, Israel and Hezbollah have engaged in a mostly clandestine conflict characterized by mutual deterrence, signaling, and episodic escalation. The most visible rupture occurred in 2006, when Israel again invaded southern Lebanon, followed years later by renewed hostilities along the border after Hezbollah entered the Israel-Hamas war in October 2023.[5] The history of Israel-Lebanon relations and its metamorphosis into a direct conflict between Israel and Hezbollah forms the essential background for understanding why the maritime boundary dispute, legal-technical in nature, became entangled with familiar questions of security, sovereignty, and mutual deterrence.

The discovery of offshore natural gas in the Eastern Mediterranean introduced a new dimension to this trilateral relationship. Like Israel, Lebanon hoped that offshore hydrocarbon exploration could offer economic opportunities. As regional interest in offshore natural gas development intensified in the first decade of the twenty-first century, many Eastern Mediterranean states began to delimit their maritime boundaries to reduce legal uncertainty surrounding exploration licenses and attract international energy companies. In 2007, Lebanon and Cyprus reached an agreement on their respective maritime boundaries. However, due to internal political divisions and limited institutional capacity, the Lebanese parliament never ratified the deal.

A few years later, Israel and Cyprus concluded their own EEZ agreement. When Israel submitted its proposed northern maritime boundary to the UN in 2011, commonly known as "Line 1", it drew its coordinates based on the unratified Lebanon-Cyprus agreement assuming that those coordinates were legally sufficient. Lebanon objected, arguing that Israel's submission

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[5]See United Nations Security Council, *Resolution 1701 (2006)*, S/RES/1701 (August 11, 2006), https://unsco.unmissions.org/sites/default/files/s_res_17012006.pdf.

failed to account for Lebanon's revised approach to maritime delimitation. Beirut submitted its own coordinates to the UN later that year, identifying a southern maritime boundary – known as "Line 23" – that lay south of Israel's proposed "Line 1." The competing submissions established an 860 square kilometer area of disputed maritime space, extending their outstanding territorial disputes into the maritime arena.

For both Israel and Lebanon, the unresolved dispute posed tangible risks. From Israel's vantagepoint, legal ambiguity threatened offshore natural gas development and increased the possibility of critical energy infrastructure being targeted by Hezbollah. For Lebanon, the dispute with Israel complicated efforts to attract international oil and gas companies to engage in offshore exploration. Unable to engage in direct negotiations due to the absence of diplomatic relations and Lebanon's formal state of war with Israel, the sides had several pathways to pursue, including indirect negotiations and international arbitration.

Despite the availability of judicial or arbitral mechanisms under international law to resolve maritime boundary disputes, Israel preferred mediated negotiations over third-party adjudication. This preference reflected both legal and strategic considerations. As a non-signatory to UN Convention on the Law of the Sea (UNCLOS), Israel was wary of submitting itself to binding arbitration or a judicial proceeding that could constrain its interpretive flexibility or produce outcomes perceived as unfavorable to its security interests.[6] In addition, Israeli officials viewed arbitration as ill-suited to a dispute involving hostile non-state actors and unresolved security threats. A legal ruling, for example by an international body like the International Court of Justice, could establish a maritime boundary but could not guarantee its acceptance or enforcement by Hezbollah, nor could it address the dynamics at play along Israel's

[6]See United Nations, *United Nations Convention on the Law of the Sea*, December 10, 1982, https://www.un.org/depts/los/convention_agreements/texts/unclos/unclos_e.pdf.

northern front. Mediation, by contrast, offered Israel greater control over the process and outcomes, allowed security considerations to be incorporated alongside legal-technical arguments, and provided a mechanism for incremental confidence-building without formal recognition or normalization. As will be detailed later, US mediation was particularly attractive because it aligned with Israel's longstanding reliance on Washington as both a security guarantor and diplomatic intermediary, and because American involvement signaled to commercial actors that an eventual agreement would be politically durable. In sum, Israel's preference for mediation over arbitration was not a rejection of international law, but an effort to ensure the best possible outcome that would meet both its legal claims and security needs.

Both Israel and Lebanon independently turned to the United States in the hope that Washington could facilitate indirect negotiations. And over the next decade, US mediation efforts took multiple forms, ranging from Track II dialogues to shuttle diplomacy and, at later stages, in-person facilitated meetings between Israeli and Lebanese negotiating teams. These efforts experienced a gamut of challenges, not limited to periodic escalatory rhetoric between the parties, unstable domestic politics in both countries, and more muscular involvement by energy companies whose investments depended on a successfully negotiated settlement. Although the early rounds of US-led mediation efforts failed to produce fruit, they established important precedents and narrowed the scope of disagreement between the two sides.

On October 27, 2022, after twelve years of intermittent negotiations, Israel and Lebanon reached an agreement delimiting their maritime boundary and submitted the new coordinates to the United Nations. The agreement marked a rare instance of the two hostile neighbors reaching a common understanding in the absence of normalizing diplomatic relations a formal peace treaty. And it again demonstrated how offshore natural discoveries in the Eastern Mediterranean created incentives for compromise.

The following section traces how US-mediated negotiations between 2010 failed to reach a settlement, and why compromise became possible in 2022 after years of deadlock. It analyzes the converging interests that motivated Israel, Lebanon and Hezbollah to accept an agreement; the strategic incentives that drove US mediation efforts, and informed the motivations of other international actors, like the UN and France, to support negotiations; and the commercial pressures exerted by international energy companies. Finally, it will demonstrate how the unique confluence of these interests in 2022 created sufficient pressure for Israel to compromise and reach an agreement based on prioritizing known offshore assets over the uncertain promise of future discoveries.

II. From Hof to Hochstein: US-mediated negotiations between Israel and Lebanon

Maritime boundary negotiations between Israel and Lebanon played out through several distinct phases of US-led mediation between 2010 and 2022. Across these phases, negotiations were influenced more by shifting political incentives, security calculations, and economic pressures and less by legal-technical arguments. Although the specific US mediators and the format for negotiations changed over time, the challenge was consistent: how to manage a high-stakes resource dispute between two hostile parties lacking diplomatic relations, in a context where the Lebanese negotiating team could not vouch for Hezbollah's actions. This explains why the agreement in 2022 was a byproduct of converging political, security, and economic interests among multiple actors rather than a compromise between two legal teams.

The Hof Line

Israeli and Lebanese officials independently turned to the United States to explore its interest in mediating negotiations over their disputed maritime boundary. In 2010, the Obama administration appointed Ambassador Fred Hof, then serving as special coordinator for regional affairs in the US Department of State's Office of the Special Envoy for Middle East Peace, to facilitate talks. Hof was in the middle of supporting US-led mediation efforts between Israel and Syria and himself recalled the appointment as notably ad hoc: "it was informal to the point that, to this day, I cannot point to a specific moment or a specific document where I was designated the person to mediate between Israel and Lebanon on this maritime issue."[7] From Washington's perspective, the priority was not legal precision but conflict prevention: averting a potential escalation between Israel and Hezbollah, safeguarding Israel's emerging offshore infrastructure, and preserving the possible of future offshore exploration in Lebanese waters.

American interests in resolving the Israel-Lebanon maritime boundary dispute were multifaceted. First, the United States prioritized reducing tensions between Israel and its neighbors and viewed a maritime boundary agreement as a means of defusing the potential explosive dynamics of Israel-Hezbollah relations, specifically by preventing "episodic Israel-Hezbollah violence on land acquiring a blue-water dimension".[8] Second, US officials believed that a maritime boundary settlement would contribute, both directly and indirectly, to regional stability and facilitate broader multilateral cooperation in the Eastern Mediterranean. Third, Washington sought to support Israel's emerging role as a natural gas exporter and understood that clarifying Israel's northern maritime boundary would reduce political and security risks

[7]Ambassador Frederic Hof, interview with author, June 30, 2023.
[8]Frederic C. Hof, "Parting the Seas," *New Lines Magazine*, December 4, 2020, https://newlinesmag.com/first-person/parting-the-seas/.

associated with offshore energy development. Lastly, the agreement was seen as a tool for constraining Iranian influence in Lebanon by strengthening the Lebanese state's economic prospects.[9] From Israel's perspective, the primary interest was more straightforward. According to Hof, the goal was "to reach some kind of stable arrangement with Lebanon so that Israel would be free to develop fully the resources at its disposal and market them without the potential interference of armed conflict."[10]

Negotiations were conducted through shuttle diplomacy. Israel's delegation was led by Oded Eran, former Israeli ambassador to Jordan and the European Union, Dr. Haim Srebro, director-general of the Survey of Israel (part of the Ministry of Housing and Construction), and a legal team from the Ministry of Foreign Affairs. The composition of the Israeli negotiating team reflected the initial legal-technical character of the negotiations. Lebanese Prime Minister Najib Mikati appointed a delegation drawn from the Lebanese Armed Forces, led by Maj. Gen. Abdul Rahman Chetaily to insulate his government from accusations of normalization.

As Hof observed, Lebanon was not approaching the negotiations as a question of energy security: "Lebanon was not looking at this issue so much in the context of energy security as a financial cornucopia about to burst open and just flood the Lebanese Republic with cash."[11] Lebanese government officials were desperate to attract foreign investment and saw a maritime boundary settlement to demonstrate good faith after years of political corruption and economic instability. They had even successfully sold Hezbollah on this logic of compromise. According to Hof, "With Lebanon's political class promising that untold riches were right around the

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[9]As will be detailed later, following the Russian invasion of Ukraine US officials regularly framed the Israel-Lebanon maritime boundary agreement as a way to "free" additional Israeli natural gas for export to Europe following Russia's invasion of Ukraine in 2022, aligning the deal with wider US strategic and energy-security objectives.
[10]Ambassador Frederic Hof, interview with author, June 30, 2023.
[11]Ibid.

corner, Hezbollah, apparently, did not wish to be the proverbial skunk at the garden party."[12] Even so, anti-normalization sentiment in portions of Lebanese society was so strong that the Mikati government didn't want to take unnecessary risks.

Both sides entered negotiations convinced of the strength of their legal claims. Israel defended "Line 1" – the northern boundary it had submitted to the UN in 2011 – while Lebanon insisted on the validity of "Line 23." These positions were buttressed by competing interpretations of how to treat small offshore islands and submerged features (also known as drying features) near the land terminus at Rosh Hanikra/Ras al-Naqoura, and the islet known in Israel as Tekhelet. These arguments were presented in the language of international law, though in practice they functioned as bargaining positions rather than binding constraints. To bridge the gap, Hof proposed an equidistance-based compromise that began three nautical miles offshore to avoid disputes over problematic coastal features. The resulting line – later known as the "Hof Line" – allocated approximately 55 percent of the disputed 860 square kilometers to Lebanon and 45 percent to Israel. Neither side embraced the proposal. Hof's account of the negotiations suggests a near-miss rather than a collapse:

> "Mikati wanted to accept the line. He needed some help with members of his cabinet. He asked me to provide that help - to go speak with members of his cabinet. I did, I briefed them. Got no pushback at all... in the end, we had conditional Israeli acceptance of the line. We had the Lebanese Prime Minister wanting to say yes."[13]

Nevertheless, Israeli Foreign Minister Avigdor Lieberman conveyed Israel's conditional acceptance in a private letter to Secretary of State Hillary Clinton in May 2012.[14] Lebanon, however, was unable to deliver a formal response amid mounting political instability and the impending collapse of the Mikati government. The negotiations stalled.

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[12]Ibid; Frederic C. Hof, "Parting the Seas."
[13]Ibid.
[14]Ibid.

Although unsuccessful, the Hof-led negotiations established key parameters that shaped all subsequent negotiations: US mediation as the only viable channel, indirect engagement as politically acceptable for Lebanon, and the Hof Line as the basis for future compromise. What it could not generate was a sense of urgency to reach an agreement. Without active drilling in the disputed area, neither side faced immediate costs from the continued deadlock, and the absence of this pressure allowed both Israel and Lebanon to maintain their maximalist positions. For this reason, negotiators faced the same dynamics over the coming decade.

Stagnation and Escalation

Between 2012 and 2020, US officials continued intermittent shuttle diplomacy aimed at reviving the negotiations that Hof had started. During this period, the dispute remained frozen rather than resolved, even as Israel steadily developed its offshore natural gas fields and began pursuing export contracts with other regional states like Jordan and Egypt. The absence of active drilling in the disputed area limited the immediate costs of a stalemate, but this also allowed for both sides to maintain their maximalist positions with little consequence.

This equilibrium began to erode as Lebanon's economic situation continued to deteriorate. By 2020, the combined effects of the COVID-19 pandemic, US sanctions targeting Hezbollah-linked financial networks, and the catastrophic Beirut port explosion placed unprecedented pressure on Lebanon's political leadership.[15] Anti-government protests became a regular occurrence. In this context, offshore natural gas acquired renewed symbolic and material significance as a potential path towards economic relief. Encouraged by the Trump

[15]Some Israeli national security officials expressed concern that the worsening economic situation in Lebanon would trigger cross-border hostilities.

administration and seeking to signal seriousness to international investors, Lebanese president Michel Aoun agreed to resume negotiations.[16]

In October 2020, Israeli and Lebanese delegations met outside the United Nations Interim Force in Lebanon (UNIFIL) facility in Ras al-Naqoura. Because of the deep-seated distrust between the parties and anti-normalization sentiments within Lebanon, the meeting was the first official engagement between Israeli and Lebanese officials in three decades.[17] Even still, the meeting was held in a tent; talks were indirectly facilitated by the US team.

The rationale for holding the meeting at a UNIFIL facility was twofold: first, the UN had played an active role in observing and mediating between Israel and Lebanon since Israel launched Operation Litani against Palestinian Liberation Organization militant activity in 1978. In response, the UN had reassigned peacekeeping forces from other Middle Eastern conflict zones to the new UNIFIL mission. This peacekeeping presence also positioned the UN as a key arbiter of Israel-Lebanon territorial disputes. As previously mentioned, the UN established the "Blue Line" following Israeli army's withdrawal from Lebanon in 2000. In 2006, following the Second Lebanon War, the United Nations Security Council passed Resolution 1701 that committed Israel, Lebanon, and Hezbollah to a set of conditions that – along with an increased UNIFIL presence – would hopefully reduce tensions along the Israel-Lebanon border. Resolution 1701 also called for the "delineation of the international borders of Lebanon, especially in those areas where the border is disputed or uncertain" which technically included the maritime boundary.[18] The second reason why the meeting was held at a UNIFIL facility was practical.

[16]See Barak Ravid, "Levanon ve-Yisra'el hiskimu al masa u-matan be-tivukh Artzot ha-Brit ve-ha-Um al simun ha-gevul ha-yami [Lebanon and Israel agreed to negotiations mediated by the United States and the UN on demarcating the maritime boundary.]," *Walla*, October 1, 2020, https://news.walla.co.il/item/3389905.
[17]The last time Israeli and Lebanese negotiators met was following an escalation between Israel and Hezbollah in 1996, also known as Operation Grapes of Wrath.
[18]United Nations Security Council, *Resolution 1701 (2006)*, S/RES/1701 (August 11, 2006), https://unsco.unmissions.org/sites/default/files/s_res_17012006.pdf.

Any settlement of the Israel-Lebanon maritime boundary would need to be submitted to the UN as the governing body of UNCLOS. Israel was initially opposed to any UN involvement in the negotiations, however it acquiesced to US requests than it be included as an observer.

Hosted by UN Special Coordinator for Lebanon Ján Kubiš, the Israeli and Lebanese delegations sat in a tent alongside US Assistant Secretary of State for Near Eastern Affairs David Schenker and Ambassador John Desroscher, who jointly mediated the conversation. The Israeli team was led by Energy Ministry director-general Udi Adiri and included senior members from his office, Ministry of Foreign Affairs, Prime Minister's Office, and Israel Defense Forces. Mirroring the negotiation process in 2010-2012, the Lebanese team was led by a senior member of the Lebanese Armed Forces, Brigadier General Bassam Yassine. [19] The meeting received significant media coverage in the Israeli and Lebanese media and as a result all sides carefully downplayed the moment's significance. "We're not talking about peace talks or negotiations over normalization," Israeli Energy Minister Yuval Steinitz told reporters, "rather about the attempt to solve a technical-economic problem."[20]

Despite the heightened expectations around a historic face-to-face meeting, negotiations hit a dead end. Lebanon introduced a new claim – "Line 29" – that extended its maritime boundary significantly southward, encompassing Karish field as well as well as the entirety of a prospective field that straddled the disputed maritime space called Qana.[21] This maximalist

[19]See US Department of State, "Joint Statement on the Israel-Lebanon Maritime Talks," October 29, 2020, https://2017-2021.state.gov/joint-statement-on-the-israel-lebanon-maritime-talks/; @Bombay2Istanbul, "A six member-Israeli delegation & a four member-Lebanese delegation to hold indirect talks in the southern Lebanese town of Naqoura to discuss maritime borders, today. Talks mediated by the U.S. #Lebanon #Liban #Israel #لبنان #إسرائيل #ترسيم_الحدود," *X (formerly Twitter)*, October 14, 2020, https://x.com/Bombay2Istanbul/status/1316281999607226368

[20]Raphael Ahren, "Israeli and Lebanese Officials Hold First Border Negotiations in 30 Years," *The Times of Israel*, October 14, 2020, https://www.timesofisrael.com/israeli-and-lebanese-officials-launching-first-border-negotiations-in-30-years/.

[21]This methodology used a three-stage approach of (1) drawing an equidistant line; (2) looking for special circumstances to justify any changes to this initial line; and (3) checking for any disproportionate effects in the line

position, which in retrospect reflected some of the divisions within the Lebanese government on how best to proceed with negotiations, surprised both Israel and the American mediators. Israel rejected the claim outright. Days later, Steinitz and Adiri took a picture drinking coffee together on the disputed Tekhelet islet signaling to Beirut that Israel was unmoved by Lebanon's stance.[22] With the Trump administration's term nearing its end, the parties allowed talks to lapse once more.[23]

Ripeness and Resolution

The final phase of negotiations differed fundamentally from earlier rounds. For the first time since the dispute began, both Israel and Lebanon faced real, time-sensitive consequences from the absence of an agreement – consequences serious enough to overcome the political constraints that had blocked compromise over the previous decade. Five conditions distinguished this phase from past negotiations: Lebanon's deepening economic crisis, which narrowed the government's bargaining leverage; a fragile Israeli coalition searching for a foreign policy achievement; a operational deadline set by the imminent arrival of the *Energean Power* at Karish field; an increasingly credible Hezbollah threat against Israel's offshore infrastructure; and the appointment of Amos Hochstein, an American mediator fluent in both regional politics and the

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that is finally drawn. The equidistant line or median line is "a line every point of which is equidistant from the nearest points on the baselines of two States." For more see United Nations Division for Ocean Affairs and the Law of the Sea, *Handbook on the Delimitation of Maritime Boundaries* (New York: United Nations, 2000), 156; Laury Haytayan (@lauryhaytayan), "Good morning BORDERS! Third round of negotiations between LB & IL will start soon!!! "Battle of the maps" all the way," *X (formerly Twitter)*, November 11, 2020, https://x.com/lauryhaytayan/status/1326429777872506880.

[22]See Danny Zaken, "Israel Rejects Lebanese Claims on Karish, Tanin Gas Fields," *Globes*, November 1, 2020, https://en.globes.co.il/en/article-israel-rejects-lebanese-claims-on-karish-tanin-gas-fields-1001347848; Pazit Rabina, "Ha-'ez she-hikhnis Ḥizbollah la-masa u-matan 'im Yisra'el: i katan u-pastorali [The 'goat' that Hezbollah introduced into the negotiations with Israel: a small and pastoral island]," *Makor Rishon*, November 27, 2020, https://www.makorrishon.co.il/news/287205/.

[23]See Dan Williams and Tom Perry, "Israel-Lebanon Sea Border Talks Postponed," *Reuters*, November 30, 2020, https://www.reuters.com/world/middle-east/israel-lebanon-sea-border-talks-postponed-2020-11-30/.

energy industry. Each of these conditions had independent causes, and their convergence created a narrow window for an agreement whose scope was similarly limited.

In Lebanon, an economic recession intensified pressure on the government to deliver tangible results. Because of Lebanon's past history with political instability, corruption, and questionable banking standards, the International Monetary Fund (IMF) put forward a series of reforms that the government needed to implement in or to receive relief funds, however the government dragged its heels and in 2020 Lebanon defaulted on its foreign debt.[24] Modest hopes that offshore exploration would deliver economic relief were also dashed; in April 2020, French supermajor TotalEnergies conducted its first exploratory drilling in Block 4 of Lebanon's waters, located north of Beirut, but the well was dry. TotalEnergies intended drill in Block 9, of which a small percentage overlapped with the disputed maritime area, but following the collapse of talks in 2020, TotalEnergies executives – along with French diplomats – made it clear to the Lebanese government that exploration in Block 9 would not proceed without an agreed upon maritime boundary. The second licensing round was postponed four times. Lebanese officials were resigned to the conclusion that although offshore drilling may not deliver a miraculous windfall, delivering a maritime boundary agreement with Israel would constitute a critical step towards demonstrating seriousness to the IMF and other international funders. In 2022, President Aoun signaled to the US a readiness to compromise; the "Line 29" position had suddenly lost support within Lebanon's political elite.[25]

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[24]See "Lebanon's Progress in Implementing Reforms Remains Very Slow, IMF Says," *Reuters*, September 21, 2022, https://www.reuters.com/world/middle-east/lebanons-progress-implementing-reforms-remains-very-slow-imf-2022-09-21/.

[25]TotalEnergies is a privately owned company, but through the 1990s it was partially owned by the French state and has a long history of cooperation with the French foreign ministry, see Nabil Wakim, Perrine Mouterde and Ynès Khoudi, "How TotalEnergies and France's Foreign Ministry Work Hand in Hand," *Le Monde*, June 4, 2024, https://www.lemonde.fr/en/environment/article/2024/06/04/how-totalenergies-and-france-s-foreign-ministry-work-hand-in-hand_6673776_114.html.

In Israel, domestic politics also shifted. By mid-2022 Prime Minister Naftali Bennett's fragile coalition unraveled, forcing him to step down from office. Foreign Minister Yair Lapid assumed the role of interim prime minister with elections just months away and hoped a diplomatic achievement that enhanced Israeli national security would boost his party's qualifications in the eyes of the Israeli public.

A new mediator also proved consequential. President Joe Biden appointed Amos Hochstein, a confidant who served as the US State Department's Special Envoy and Coordinator for International Energy Affairs during the Obama administration, as senior advisor for energy and tasked him with reviving maritime boundary negotiations.[26] As someone who had grown up in Jerusalem and served in the Israel Defense Forces, Hochstein was deeply familiar with regional politics as well as the minutiae of the energy industry, having previously supported efforts between Noble Energy and Jordan Bromine Company in 2012 (as detailed in Chapter 2). Hof observed that Hochstein's energy expertise shaped his initial approach in a decisive way: "his view was, from an energy point of view, what we really need to do is unitize the entire area in dispute."[27] That position – which diverged from the Hof Line's equidistance-based split – became the formal US position, and partially explains why the 2022 agreement ended up closer to Lebanon's original Line 23 claim than to the line Hof had proposed a decade earlier.

Hochstein's shuttle diplomacy intensified following Russia's invasion of Ukraine in February 2022, which heightened both American and European interest in Eastern Mediterranean

[26]See US Taps Israel-Born Energy Envoy to Mediate Israel-Lebanon Maritime Border Talks," *The Times of Israel*, February 7, 2022, https://www.timesofisrael.com/us-taps-israel-born-energy-envoy-to-mediate-israel-lebanon-maritime-border-talks/; US Embassy Beirut, "Amos Hochstein Interview – Al Arabiya/Al Hadath," October 21, 2021, https://lb.usembassy.gov/amos-hochstein-interview-al-arabiya-al-hadath/; Itamar Eichner, [Author name needed], "Machar: shaliaḥ Amerikani yevaker be-Yisra'el be-misgeret ha-masa u-matan 'al ha-gevul 'im Levanon [Tomorrow: an American envoy will visit Israel as part of the negotiations over the border with Lebanon]," *Ynet*, November 6, 2021, https://www.ynet.co.il/news/article/hkicgmvpf.
[27]Ambassador Frederic Hof, interview with author, June 30, 2023.

natural gas and reinforced the strategic importance of Israel's offshore energy.[28] Securing a maritime boundary agreement with Lebanon, Hochstein told his Israeli counterparts, would add more natural gas into the global market, reducing European energy prices and supporting the war effort.

The anticipated start of operations at Karish field also influenced the tenor of negotiations. Karish field was discovered in 2012 but acquired by Energean in 2016. The UK-listed company invested over $1 billion to commission a brand-new floating gas-production rig to extract the field. When the vessel, *Energean Power*, left port in Singapore for Haifa in the summer of 2022 Israeli officials understood they were on the clock; for the first time since the start of the maritime boundary dispute, an asset located within proximity to the disputed maritime space was about to go online. When it docked in Haifa on June 5, 2022, President Aoun declared that "activity in the disputed area represents a provocation and an aggressive action."[29] Other Lebanese officials mirrored Aoun's statement. In response, the Israeli ministers of defense, foreign affairs, and energy issued a joint statement declaring that the "rig will not pump gas from the disputed territory" and Israel was prepared to defend its "strategic assets."[30]

Hezbollah seized on this opportunity to reassert its role as a resistance actor. Delivering a special address on June 9, 2022, Hezbollah Secretary General Hassan Nasrallah claimed that the maritime boundary dispute was "not a local border dispute" but would determine the fate of Lebanon itself. He continued by claiming that the US and Israel were trying to deprive the

[28]See "US Envoy Meets Israeli Energy Minister over Lebanon Maritime Dispute," *The Times of Israel*, June 2, 2022, https://www.timesofisrael.com/us-envoy-meets-israeli-energy-minister-over-lebanon-maritime-dispute/; European Parliament, "Parliamentary Question on Israel-Lebanon Maritime Dispute," Question E-9-2022-002264 (2022), https://www.europarl.europa.eu/doceo/document/E-9-2022-002264_EN.html.
[29]"Lebanon Says Israel Creates Crisis in Disputed Waters," *Reuters*, June 5, 2022, https://www.reuters.com/world/middle-east/lebanon-says-israel-creates-crisis-disputed-waters-2022-06-05/
[30]Yuval Azoulay, "Mesar le-Levanon be-shalosh safot: "Yisra'el 'arukha le-hagen 'al nekhaseha ha-strategiyim [A message to Lebanon in three languages: 'Israel is prepared to defend its strategic assets]," *Calcalist*, June 8, 2022, https://www.calcalist.co.il/local_news/article/skttbvau9.

Lebanese people of their economic future and threatened force if Israel proceeded with operations at Karish field.[31] Hezbollah continued this escalatory behavior; in July 2022, Hezbollah sent multiple drones towards Karish field. In response, Israel delivered a number of messages – relayed by American and French diplomats – warning Hezbollah that any action taken against Karish field would provoke a strong Israeli military response. In a demonstration of strength to the Israeli public and to Lebanon, Prime Minister Lapid had his photo taken while flying over *Energean Power* in a helicopter.[32] Hof, who had observed Hezbollah's earlier posture firsthand, interpreted this escalation as a deliberate recalibration rather than a reflexive reaction: "Nasrallah and his colleagues made the calculation that they had to be explicitly threatening toward Israel to elicit from Israel the requisite amount of seriousness in coming to closure. Hence the drones."[33]

Hezbollah's threats increased throughout the summer of 2022, while Israeli media increasingly spoke of the possibility of armed conflict in Lebanon. The mediating parties tried to reduce tensions. French president Emmanuel Macron, out of commitment to France's historical legacy in Lebanon and a political commitment to TotalEnergies' investments in the region, delivered a special address to the Lebanese public about the risks of engaging militarily with Israel. [34] On August 19, Nasrallah called out Israel and "the American mediator, who has been

[31] "Head of Lebanon's Hezbollah Says His Group Has Capacity to Prevent Israel Extracting Gas from Disputed Fields," *Reuters*, June 9, 2022, https://www.reuters.com/world/middle-east/head-lebanons-hezbollah-says-his-group-has-capacity-prevent-israel-extracting-2022-06-09.
[32] See Prime Minister of Israel, "Prime Minister Yair Lapid Flies over the Karish Gas Platform," *YouTube*, July 19, 2022, https://www.youtube.com/watch?v=SsVvVfPKIRI.
[33] Ambassador Frederic Hof, interview with author, June 30, 2023.
[34] See Roi Kais, "Ma garam le-Nasrallah lenape'aḥ et ha-shririm mul Yisra'el? [What caused Nasrallah to flex his muscles vis-à-vis Israel?]," *Kan*, August 6, 2022, https://www.kan.org.il/content/kan-news/opinions/253554/; David Rosenthal, "Mafḥid tilim: k'she-Nasrallah yaḥdor le-ḥeder ha-mitot shelakhem [Terrifying missiles: when Nasrallah penetrates your bedrooms]," *Walla*, August 11, 2022, https://nadlan.walla.co.il/item/3523757; Itamar Eichner, "Makron mazhir et Levanon: "Sikhsukh ḥadash 'im Yisra'el yihyeh harbeh yoter katlani mi-2006 [Macron warns Lebanon: 'A new conflict with Israel will be far more deadly than 2006]," *Ynet*, August 5, 2022, https://www.ynet.co.il/news/article/bkqlvrypq.

wasting time" and stated that if Lebanon was denied its rights "we are headed toward an escalation."[35] Former and current Israeli security officials told the press that Israelis need to be prepared for a conflict with Hezbollah.[36] In response, President Biden met with Lapid on August 31, 2022, emphasizing – per the White House readout – the "importance of concluding the maritime boundary negotiations between Israel and Lebanon in the coming weeks."[37]

Hezbollah's escalatory behavior underscored the original Israeli logic behind pursuing a maritime boundary agreement: securing critical energy infrastructure from potential threats. In that moment for Israel, compromise became preferable to the ongoing risk of escalation that could endanger strategic and commercial assets. For Lebanon, a deal promised economic opportunity without formal recognition of Israel. For Hezbollah, coercive pressure allowed it to claim credit for defending Lebanon's national interest without having triggered a full-scale war.

Throughout the month of September 2022, Israeli officials and Energean executives communicated contradictory statements about progress at Karish field, at times indicating that natural gas production would be delayed, and on other occasions that only technical tests were being conducted at the site and did not constitute real production or that operations would proceed as planned. These different messages revealed the strained back-channel discussions between Energean and the Israeli government. For years, Energean executives had been silent on

[35]Shachar Kleinman, "Iran Deal or Not, Rejection of Lebanese Demands Will Lead to Escalation," *Israel Hayom*, August 21, 2022, https://www.israelhayom.com/2022/08/21/iran-deal-or-not-rejection-of-lebanese-demands-will-lead-to-escalation/.
[36]See Amos Yadlin (@YadlinAmos), "S'virut g'voha she-Nasrallah holekh lakhzor 'al shegi'at 2006. Iyumei Ḥizballah lifgoa' be-nekhasei ha-energia shel Yisra'el ba-Yam ha-Tikhon hafkhu la'aḥarona inyan she-be-shigrah, u-musbarim le-rav ke-nisayon litzbor hon politi be-Levanon, lehatzdik et neshek ha-irgun u-lizkot bi-tehilah k'she-yusag heskem 'al ha-gevul ha-yami she-yasbi'a et retzonah shel Beirut [There is a high likelihood that Nasrallah is going to repeat the mistake of 2006. Hezbollah's threats to strike Israel's energy assets in the Mediterranean have recently become routine, and are often explained as an attempt to accumulate political capital in Lebanon, justify the organization's weapons, and gain prestige when a maritime border agreement satisfying Beirut is reached]," *X (formerly Twitter)*, August 21, 2022, https://x.com/YadlinAmos/status/1561447088168247296;
[37]White House, "Readout of President Joe Biden's Call with Prime Minister Yair Lapid of Israel," August 31, 2022, https://bidenwhitehouse.archives.gov/briefing-room/statements-releases/2022/08/31/readout-of-president-joe-bidens-call-with-prime-minister-yair-lapid-of-israel/.

the Israel-Lebanon maritime boundary dispute. But now the company felt its investments were at risk. In late September 2022, Energean released a statement announcing a new offshore discovery just south of Karish field, a timely reminder to Israel of the economic opportunities at stake.[38]

On October 1, 2022, Hochstein presented what would be the final offer: "Line 23" would serve as the maritime boundary; Israel would retain full rights to Karish field; Lebanon would gain full rights to Qana field, with a side arrangement to be signed between TotalEnergies and Israel ensuring compensation should hydrocarbons be developed in any areas that extend into the Israeli side of the boundary.[39] The draft agreement was met with mixed reviews in Israel; two days later, Energy Ministry director-general Udi Adiri – who had been leading the Israeli negotiating team – resigned.[40] Despite the Lapid government's efforts to downplay Adiri's abrupt departure, former prime minister Benjamin Netanyahu accused Lapid of ignoring the advice of senior government officials for the sake of scoring diplomatic points on the campaign trail.[41] Several days later, Lapid delivered a public address together with Defense Minister Benny Gantz and Energy Minister Karin Elharrar announcing that the security cabinet and government

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[38]See "Energy Firm Starts Tests at Sensitive Israel-Lebanon Border Gas Field," *Asharq Al-Awsat*, October 9, 2022, https://english.aawsat.com/home/article/3921076/energy-firm-starts-tests-sensitive-israel-lebanon-border-gas-field.

[39]See "Full Text: Final Version of Israel-Lebanon Maritime Border Deal," *Haaretz*, October 12, 2022, https://www.haaretz.com/israel-news/2022-10-12/ty-article/full-text-final-version-of-israel-lebanon-maritime-border-deal/00000183-cb43-d8cc-afc7-ffef25f80000.

[40]See Anna Barsky, "Drama be-itzumam shel ha-maga'im: rosh tsevet ha-masa u-matan la-siḥot 'im Levanon hitpater mi-tafkido [Drama in the midst of the talks: the head of the negotiating team for the talks with Lebanon resigned from his position]," *Maariv*, October 3, 2022, https://www.maariv.co.il/news/politics/Article-949727.

[41]See Avi Bar-Eli, "Sliḥa, Lapid ve-Gantz: 'im kol ha-havana la-ka'as 'al Bibi — heskem Levanon mariaḥ lo tov [Sorry, Lapid and Gantz: with all the understanding for the anger at Bibi — the Lebanon agreement doesn't smell right]," *TheMarker*, October 2, 2022, https://www.themarker.com/news/politics/2022-10-02/ty-article/.premium/00000183-9960-d6d7-ab8b-99f264cf0000; Barak Ravid (@BarakRavid), "Menakhal Misrad ha-Energiya le-she'avar Udi Adiri, she-'amad be-rosh tsevet ha-masa u-matan shel Yisra'el le-masa u-matan 'al ha-gevul ha-yami 'im Levanon, omer ki "ha-heskem ha-mitgavesh hinu be-halima mele'a le-'amdat ha-dragim ha-miktzo'iyim k'fi she-huvu lifnei mekablei ha-hachlatot [Former Director-General of the Ministry of Energy Udi Adiri, who headed Israel's negotiating team for the maritime border talks with Lebanon, says that 'the emerging agreement is fully aligned with the position of the professional ranks as presented to the decision-makers]," *X (formerly Twitter)*, October 3, 2022, https://x.com/BarakRavid/status/1576919214568316928.

approved the agreement's framework. "This is a tremendous achievement," Lapid said, "which does not preserve our security, it improves it…instead of war, the agreement bolsters Israel's energy security and gives billions that every Israeli family will benefit from." Elharrar added, "There are no examples in the world where fields are successfully developed [along borders] between states without diplomatic relations, therefore it should be clear that without an agreement the odds of developing this field were tiny."[42]

Following several weeks of negotiations over the final details, Israel and Lebanon reached terms on October 27, 2022. The maritime boundary agreement was transmitted through separate letters to Washington and then delivered to the UN, preserving the indirect negotiation process and silencing claims in Lebanon that it constituted normalization with Israel.[43] While Israeli and Lebanese officials made the case for the agreement to their respective publics, Hezbollah also claimed that its actions delivered a victory for the Lebanese people.[44]

III. The Aftermath

In Israel, the agreement engendered immediate political backlash and legal action. In the weeks following the agreement's formal approval, both the Netanyahu-led opposition as well as mainstream Israeli media criticized the Lapid government's handling of the negotiations and asked for explanations around Adiri's sudden resignation. Two right-leaning civil society organizations petitioned the Israeli Supreme Court, arguing that the agreement was unlawful on

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[42]Prime Minister of Israel, "Rosh ha-Memshala Lapid, Sar ha-Bitachon Gantz, ve-Sarat ha-Energiya Elharrar be-mesibat itona'im 'al ha-heskem ha-yami 'im Levanon [Prime Minister Lapid, Defense Minister Gantz, and Energy Minister Elharrar at a press conference on the maritime agreement with Lebanon*]*," *YouTube*, October 12, 2022, https://www.youtube.com/watch?v=IyRDyLnZNv0.
[43]See Isabel Kershner, "Israel and Lebanon Reach Deal on Maritime Border," *New York Times*, October 27, 2022, https://www.nytimes.com/2022/10/27/world/middleeast/israel-lebanon-gas-deal.html.
[44]See "Hezbollah Declares 'Great Victory' after Israel-Lebanon Maritime Deal Inked," *The Times of Israel*, October 27, 2022, https://www.timesofisrael.com/liveblog_entry/hezbollah-declares-great-victory-after-israel-lebanon-maritime-deal-inked/.

three grounds: first, that it entailed the transfer of Israeli sovereign territory and therefore required a national referendum prior to approval; second, that Lapid's "caretaker government" on the eve of national elections lacked the authority to execute an agreement of national security consequence; and third, that the government was obligated to submit the agreement to a vote in the Knesset, Israel's parliament.[45] The Supreme Court rejected the petition days before the agreement was signed, clearing the way for the government to move forward.

Signed just days before Israel's elections, the maritime boundary agreement became an important topic on the campaign trail. Netanyahu denounced it as a "liquidation sale" and a "historic surrender," arguing that the Lapid government had traded Israel's national security in exchange for short-term political gains. Netanyahu repeatedly vowed that, if victorious, he would not commit himself to respecting the terms of the maritime boundary agreement.[46] Yet after returning to office following his victory in the November 2022 elections, Netanyahu quietly affirmed that he would respect the agreement. Apart from revealing the cynical nature of campaign politics, Netanyahu's decision to keep the arrangement in place suggests a pragmatic continuity with Lapid's decision: the value of an operational Karish field outweighed the risk of a potential escalation with Hezbollah, and by extension relitigating the terms of the maritime boundary agreement.

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[45]See HCJ 6654/22 Kohelet Forum v. Prime Minister (Dec. 13, 2022) (Isr.), https://supremedecisions.court.gov.il/Home/Download?path=HebrewVerdicts/22/540/066/m16&fileName=22066540.M16&type=4; Yuval Shany, "International Law of the Sea Meets Israeli Constitutional Law: The New Israeli-Lebanese Maritime Border," *Lawfare*, January 9, 2023, https://www.lawfaremedia.org/article/international-law-sea-meets-israeli-constitutional-law-new-israeli-lebanese-maritime-border.

[46]See Gilad Cohen and Yuval Karni, "Netanyahu: "Heskem ʻim Levanon lo yeḥayev otanu." Lapid: "Hodaʻa ḥasrat aḥrayut [Netanyahu: ʻAn agreement with Lebanon will not bind us.' Lapid: ʻAn irresponsible statement.']," *Ynet*, October 2, 2022, https://www.ynet.co.il/news/article/skqkpp8zj; Anna Barsky, "Netanyahu be-vikoret ʻal heskem ha-gevul ha-yami: "Kniʻa historit – mekhirat ḥisul shel Lapid [Netanyahu criticizing the maritime border agreement: ʻA historic surrender – a liquidation sale by Lapid']," *Maariv*, October 11, 2022, https://www.maariv.co.il/news/politics/Article-951056.

President Aoun's term in office ended just days after the maritime boundary agreement was signed, ushering in a prolonged political vacuum in which parliament failed for nearly two years to elect a successor. After years of hyping up the maritime boundary agreement as a silver bullet that would solve the country's economic problems, the Lebanese public had high expectations for what would come after the agreement was signed. Instead, they were disappointed. In October 2023, TotalEnergies and partners Eni and QatarEnergy, announced that they failed to discover commercially viable quantities of natural gas in Block 9, including the prospective Qana field. This outcome fueled public criticism of President Aoun's decision to abandon the maximalist "Line 29" claim. Opportunistically, Hezbollah-affiliated politicians who a year earlier advocated for the agreement criticized the government for conceding its leverage without securing tangible returns.[47]

Hamas' surprise attack on October 7, 2023, and the ensuing war, triggered another major shift in Israeli-Lebanese relations. Although Hezbollah was unprepared to join Hamas' surprise assault, it nonetheless chose to open a second front along Israel's northern border. From October 2023 to November 2024, hostilities between the Israel Defense Forces and Hezbollah fighters intensified through artillery fire, rocket exchanges, drone strikes, and cross-border raids. Notably, however, the maritime domain remained insulated from escalation. Israel suspended operations at Tamar and Leviathan fields during periods of heightened risk and reinforced naval patrols, air defense systems, and surveillance around its offshore installations. Yet there were only a few reported incidents involving drone interceptions near Israel's offshore platforms.[48]

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[47]See Peter Stevenson, "Total-Eni's Lebanon Well Flops as Eni Eyes Key Egypt-Cyprus Drilling," *Middle East Economic Survey*, October 20, 2023, https://www.mees.com/2023/10/20/oil-gas/total-enis-lebanon-well-flops-as-eni-eyes-key-egypt-cyprus-drilling/ea2ed800-6f4b-11ee-b35b-8b6074df893f.

[48]See Emanuel Fabian, "Hezbollah Drone Apparently Heading for Offshore Gas Rig Downed by Israeli Navy," *The Times of Israel*, July 27, 2024, https://www.timesofisrael.com/hezbollah-drone-apparently-heading-for-offshore-gas-rig-downed-by-israeli-navy/; Liat Ron, "Yeri le-kivun "Karish"? "Im ya'azu ligrom nezek le-asedat gaz lo yihyeh ḥashmal be-Beirut [Fire toward 'Karish'? 'If they dare cause damage to a gas platform, there will be no electricity in

Karish field proved particularly significant. Unlike other offshore platforms that were periodically shut down, Energean's operation at Karish field continued uninterrupted during the war. This outcome provided the clearest empirical validation of the maritime boundary agreement for Israel. Israeli policymakers had accepted a territorial compromise in exchange for operational certainty, and that certainty held even under the most severe stress the agreement would face. The critics who argued that Israel had conceded sovereign rights under Hezbollah's coercion struggled to answer a simple question: what would the alternative have looked like? A disputed maritime boundary, an operational Karish rig, and an active war with Hezbollah would have constituted a far more dangerous combination than the settled boundary that actually existed.[49]

Hezbollah's entry into the war reshaped Israeli public discourse regarding the agreement and reinvigorated calls from the political right to abandon it. In August 2024, a month before Israel's ground invasion of southern Lebanon, Lapid published a column in *Makor Rishon* newspaper defending his decision to advance the maritime boundary agreement. Lapid argued that Israel had not conceded any sovereign territory, that the deal had protected Karish field's operability during wartime, and that strengthening the Lebanese state remained the most effective long-term strategy for countering Hezbollah. Referring to Lebanon as "an unlucky nation that gave us everything we asked for from the agreement, and received only salt water in

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Beirut]," *Walla*, September 30, 2024, https://finance.walla.co.il/item/3695021; Adiel Eithan Mustaki, "Menakhal Chevron: "Ḥizballah nisa lifgoa' be-asadot ha-gaz bizman ha-milḥama [Chevron's CEO: 'Hezbollah tried to hit the gas platforms during the war]," *Calcalist*, December 7, 2024, https://www.calcalist.co.il/local_news/article/hys5o0z4kg.

[49]See Adiel Eithan Mustaki, "Shnat ha-hafaka ha-mele'a ha-rishona mi-ma'agar Karish hiznika et totza'ot Energean [The first full production year from the Karish reservoir boosted Energean's results]," *Calcalist*, January 18, 2024, https://www.calcalist.co.il/market/article/ryxgujiyp.

return," Lapid framed the agreement as a national security achievement rather than an economic deal or politically motivated decision.[50]

Despite ongoing criticism, subsequent US diplomatic efforts to broker a ceasefire between Israel and Hezbollah closely echoed the mediation framework used in the maritime boundary negotiations. Hochstein, who had brokered the 2022 agreement, was again tasked by President Biden to facilitate indirect negotiations together with UN and French support. The ceasefire agreement signed in November 2024 by Israel and Lebanon did not resolve outstanding disputes along the land border, but it included language noting a joint Israeli-Lebanese request that the United States facilitate future indirect negotiations "with the objective of resolving remaining disputed points along the Blue Line, consistent with resolution 1701."[51] These land border negotiations continued under the Trump administration, a nod to the utility of the maritime boundary agreement's mediated, indirect formula even amid a renewal of hostilities.[52]

The repurposing of the maritime boundary agreement's mediation design for the ceasefire negotiations is noteworthy. It demonstrates that the 2022 agreement had established something more durable than its critics acknowledged: a mediation architecture and a precedent for indirect engagement that survived the outbreak of full-scale hostilities. For Hof, what made the 2022 agreement significant was not the maritime boundary itself: "what surprised me greatly was a written agreement where Lebanon basically acknowledges it has an official dividing line with Israel – that's something quite different from being in a state of war where no such lines exist." The ceasefire agreement's explicit reference to the maritime boundary framework confirmed

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[50]Yair Lapid, "Yair Lapid be-tur meyukhad: lo ḥizakti et Ḥizballah [Yair Lapid in a special column: I did not strengthen Hezbollah]," *Makor Rishon*, August 2, 2024, https://www.makorrishon.co.il/opinion/775655/.
[51]"Full Text: The Israel-Hezbollah Ceasefire Deal," *The Times of Israel*, November 27, 2024, https://www.timesofisrael.com/full-text-the-israel-hezbollah-ceasefire-deal/.
[52]See Adam Rasgon, "Israel and Lebanon Agree to Hold Talks on Border Dispute," *New York Times*, March 11, 2025, https://www.nytimes.com/2025/03/11/world/middleeast/israel-lebanon-border-talks.html.

what the 2022 deal had quietly established: that written, indirect arrangements were a viable model for managing Israeli-Lebanese disputes even in the absence of normalized relations.That Hochstein was again the mediator, that the UN and France again played supporting roles, and that the ceasefire agreement referenced the maritime boundary framework explicitly affirms that the 2022 deal created a framework that outlasted its more controversial results.

Together, the negotiation, implementation, and aftermath of the Israel-Lebanon maritime boundary agreement show how the deal functioned as a narrowly tailored risk-management instrument, designed to protect critical infrastructure, accommodate commercial investments, and reduce incentives for escalation, but ultimately did not – nor was designed to – address the deeper political and security dynamics that defined Israel and Hezbollah's conflict and Israeli-Lebanese relations. The ultimate measure of its success may one day to be linked to future negotiations over the Israel-Lebanon land border, the cessation of hostilities between Israel and Hezbollah, and any future diplomatic normalization between Jerusalem and Beirut.

Concluding Remarks

The 2022 maritime boundary agreement between Israel and Lebanon was not the product of shifting preferences, improved relations, or evolving strategic vision. It was the product of a narrow, time-bounded convergence of interests in which the costs of continued ambiguity over the maritime boundary briefly exceeded the costs of compromise for every party to the dispute. Lebanon's economic collapse undermined the maximalist position it had taken in 2020. The imminent operations at Karish field converted the maritime boundary dispute from an abstract legal matter into an acute security issue. Hezbollah's threats against that infrastructure – credible enough to be taken seriously but controlled enough to leave room for a negotiated outcome –

compelled Israel consider the merits of a deal over the risks of exposing itself to attack. American mediation, executed by an envoy deeply familiar with both sides, supplied the structure through which the parties could reach terms. The maritime boundary agreement did not cause any of these conditions; it arrived at the moment they briefly converged.

The result was an instrument of asset-protective diplomacy – a narrow agreement designed to secure existing offshore investments from credible threats, not to reshape the bilateral relationship or to establish a foundation for future cooperation. The framing matters because it explains the shape of the agreement itself: indirect, mediated end-to-end, communicated through parallel letters to the UN, carefully bounded to the maritime domain. Neither Israel nor Lebanon sought additions benefits beyond the terms of the agreement. As a result, both sides received what the framework was designed to deliver: a narrow commitment that one maritime boundary would be respected, decoupled from the larger questions of recognition, political reconciliation, and unresolved bilateral disputes that neither government was prepared to address.

The role of the United States was central to the negotiation process. As with Israel's energy diplomacy with Jordan, American mediation provided political cover, absorbed diplomatic risk, and supplied the implicit security guarantees that made indirect negotiations viable. The 2022 breakthrough required required Hochstein's personal familiarity with both the regional politics and the energy industry, the urgency created by Karish's imminent operation, and direct presidential engagement from Biden. UN participation and French diplomacy – the latter closely tied to TotalEnergies' commercial interests – reinforced the process in ways neither government could have sustained alone. The architecture's key feature was compartmentalization: framing the negotiations as technical-legal and security-oriented rather than political allowed both sides to justify compromise to their domestic audiences without conceding anything in the political domain – the same logic that had characterized Israel's energy diplomacy with Jordan (that Hochstein also helped facilitate). Without that architecture, difficult to imagine how two parties in a formal state of war, with no diplomatic relations and a non-state actor exercising coercive veto power, could have reached any agreement at all.

Commercial actors also shaped the outcome in consequential ways. Energean's operational timeline transformed the negotiations from a manageable legal dispute into an operational security crisis. TotalEnergies' commitment to explore in Lebanese waters, backed by French diplomatic support, gave the Lebanese government a credible post-agreement economic narrative through which to sell the deal's merits to the public. The financial logic of capital-intensive offshore projects – sunk costs, contractual commitments, and investor expectations - narrowed the range of politically acceptable outcomes and applied pressure on both governments that

The aftermath illustrated both the maritime boundary agreement's durability and its limits. In Israel, the deal generated immediate political backlash, legal challenges, and sustained criticism from the political right. Yet Netanyahu, having campaigned against the agreement, quietly chose to respect it upon returning to office – an indication that the security rationale for the agreement was more convincing than his campaign rhetoric had suggested. Karish field continued operating without interupuption throughout the 2023-2024 war with Hezbollah, validating the Lapid government's wager: that protecting a known, operational energy asset was worth more than preserving claims over disputed, unexplored waters. In Lebanon, the story ended less favorably. The October 2023 announcement that TotalEnergies and its partners had found no commercially viable gas in Block 9 deepened public disappointment and fueled criticism of the decision to abandon the maximalist Line 29 claim. That disappointment, the political vacuum following Aoun's departure, and the destruction wrought by the subsequent war together soured the agreement's legacy among many Lebanese.

The Lebanon case refines the path-dependent account advanced in this study. That account, developed in earlier chapters, holds that new energy resources rarely reinvent bilateral relationships. They merge into the trajectory already in place – deepening cooperation where its foundations exist, and reinforcing conflict or asymmetry where they do not. Lebanon reveals a third possibility: under sufficient commercial and security pressure, energy entering an adversarial relationship can yield neither deep cooperation nor straightforward entrenchment, but a narrow, risk-management arrangement whose function is itself dictated by the adversarial trajectory. The 2022 agreement is narrow, indirect, and limited to the maritime domain. These features are not incidental – they are what a negotiated accommodation can look like when the broader relationship remains adversarial. Path dependency determines not only whether diplomatic outcomes emerge but what form and function they can take when they do. The Lebanon case extends the account from the question of whether such arrangements occur to the question of what they look like when they do.

Chapter 6 turns to a case where energy operated along a different path dependency. Where the Lebanon case demonstrated how energy produces asset-protective diplomacy within an adversarial trajectory, Israel's relationships with Greece, Cyprus, and Turkey show how energy can give diplomatic form to a strategic realignment already in motion – partnerships that energy did not create but whose shape it helped to define. No export contracts for the sale of Israel's natural gas to Greece, Cyprus, or Turkey were signed during the period under examination in this study. Yet the process of pursuing those contracts reshaped Israel's regional alliances, deepened its integration into a European-oriented security architecture, and accelerated a strategic pivot that was already underway. How energy generated those effects without delivering any commercial outcomes is the central question of Chapter 6.

Chapter 6 – Not about the Gas: Israel's strategic realignment between Turkey, Greece, and Cyprus

In January 2020, the energy ministers of Israel, Greece, and Cyprus gathered in Athens to sign an agreement on the EastMed pipeline, a proposed 1,900 kilometer undersea pipeline that would carry Israeli and Cypriot natural gas to European markets. The ceremony generated considerable diplomatic fanfare. What it did not generate was natural gas. The EastMed pipeline was never built. Neither was the EuroAsia Interconnector that Israel, Greece, and Cyprus had been discussing since 2012. Not a single cubic meter of Israeli gas reached Greece or Cyprus during the entire period examined in this chapter. And yet Israel's energy diplomacy with these two states produced some of the most consequential strategic outcomes of its natural gas era, including deepened defense ties, institutionalized trilateral summits, US legislative endorsement, and a new regional architecture that outlasted every energy project that nominally justified it. This chapter examines how that happened, and what it reveals about the relationship between energy diplomacy and strategic realignment.

At the moment of the Tamar and Leviathan discoveries, Turkey was the obvious destination for Israeli natural gas exports. Turkey consumed roughly 50 bcm of gas annually, was already integrated into European energy infrastructure through existing pipelines, maintained full diplomatic and defense ties with Jerusalem, and had been identified since the 1990s as Israel's most consequential non-Arab regional partner. Greece and Cyprus, by contrast, were small consumer markets with no existing energy infrastructure connecting them to Israel, no tradition of strategic cooperation with Jerusalem, and – in Greece's case – a weak economy that cast doubt on the country's capacity for major infrastructure investments. By any ex ante prediction in 2009, Turkey was the partner; Greece and Cyprus were afterthoughts. The decade that followed challenged that prediction.

This chapter addresses a central question: why did the same offshore natural gas discoveries that facilitated Israel's strategic alignment with Greece and Cyprus simultaneously exacerbate tensions with Turkey, despite Ankara's geographic and economic advantages and its long-standing political ties with Israel? Conventional economic interdependence theories would suggest that shared energy interests should incentivize cooperation and reduce political friction. Yet in the Eastern Mediterranean, energy amplified a regional realignment process that was already in motion, accelerating Israel's pivot toward new partners while deepening its estrangement from others. In each case, energy's effects were conditioned by the prior trajectory of the bilateral relationship rather than by the properties of the energy resource itself.

This chapter argues that Israel's regional energy diplomacy was not shaped by commercial logic alone, but by perceptions of strategic risk and compatibility with changes in the regional geopolitics. Where shared political trust, shared threat assessments, and convergent strategic interests aligned, as in Israel's relationship with Greece and Cyprus, energy facilitated deeper cooperation and alliance-building. Where these conditions were absent, as in Israel's relationship with Turkey, energy became a source of contestation and exclusion rather than integration. In this sense, the chapter demonstrates how energy can operate as a mechanism for geopolitical realignment even when it delivers no commercial outcomes, and how the pursuit of energy projects can produce strategic dividends that are entirely independent of whether those projects are ever built. Within the dissertation's comparative framework, the Greece and Cyprus cases represent the realignment case: the bilateral context in which energy functioned not as a commercial instrument but as a vehicle for strategic repositioning, producing significant diplomatic and security dividends through the pursuit of energy projects rather than their realization - a process made possible because the prior bilateral trajectory with Greece and Cyprus was already oriented toward strategic alignment before energy diplomacy began. This chapter calls that mechanism declaratory energy diplomacy: cooperation whose value operated through the pursuit of energy projects rather than their realization, and whose strategic effects were felt entirely outside the energy domain itself.

At the time of Israel's offshore natural gas discoveries, Turkey was one of Israel's closest regional partners. Throughout the 1990s and early 2000s, bilateral relations were characterized by strategic cooperation, military coordination, and shared concerns over regional instability. Political differences, however, had already begun to surface, particularly following the collapse of the Oslo peace process and Turkey's growing regional ambitions under the Justice and Development Party (AKP). The major rupture in Israel-Turkey relations came in 2010 with the Mavi Marmara incident, during which Israeli commandos intercepted a Turkish-led flotilla attempting to breach the Gaza naval blockade, resulting in the death of ten Turkish nationals. The episode marked the collapse of the Israel-Turkey strategic partnership and set the stage for their subsequent competition for influence in the Eastern Mediterranean.

The emergence of offshore natural gas discoveries exacerbated these tensions. Like Egypt, Turkey aspired to be a regional energy hub linking producers in Central Asia, the Middle East, and the Eastern Mediterranean with European markets. Although intermittent discussions took place regarding the export of Israeli natural gas to Turkey, these talks never advanced beyond the exploratory stage due to the political mistrust between the two sides. Israel's pursuit of alternative energy arrangements that appeared to bypass Turkey and Ankara's increasingly assertive maritime posture further undermined the feasibility of Israel-Turkey cooperation.

In contrast, Israel's relationships with Greece and Cyprus, two countries with a history of conflict with Turkey, expanded rapidly in the aftermath of the Israel-Turkey rupture. Shared concerns over Turkey's regional behavior, overlapping interests in offshore energy development, and broader shifts in Eastern Mediterranean geopolitics created fertile ground for cooperation. Israel's rapprochement with Greece began under Prime Minister George Papandreou and deepened through sustained military, intelligence, and diplomatic coordination. High-level visits, joint military exercises, and expanding economic ties signaled a growing convergence of strategic interests. Cyprus also emerged as an important partner. The two states shared a common maritime boundary, and Cyprus' own offshore natural gas reserves, most notably the Aphrodite field discovered in 2011, created incentives for cooperation on energy development, maritime governance, and security. Cooperation with both Athens and Nicosia offered Israel a means of anchoring its Eastern Mediterranean energy strategy within a framework aligned with European Union interests and institutional norms.

Israel's bilateral relationships with Greece and Cyprus were eventually consolidated into a trilateral framework. Beginning in 2016, a series of trilateral summits institutionalized cooperation across energy, security, and regional diplomacy. This alignment received explicit backing from the United States, particularly through the 3+1 format that incorporated Washington as a strategic sponsor. The trilateral framework functioned not only as a platform for energy cooperation, but also as a diplomatic mechanism reinforcing Israel's integration into a Western-oriented security architecture and its alignment with status quo actors in the Eastern Mediterranean.

The proposed EastMed pipeline emerged as a symbolic centerpiece of this trilateral alignment. Designed to transport Israeli and Cypriot natural gas to European markets via Greece, the project faced significant technical, commercial, and geopolitical obstacles from the outset. Its importance, however, lay less in its viability than in its diplomatic utility. For Israel, the EastMed pipeline embodied a shared vision of energy sovereignty, European connectivity, and strategic cooperation that deliberately bypassed Turkey. For Israeli policymakers, the pipeline was as much a geopolitical statement as an energy project, an instrument for consolidating partnerships, counterbalancing Turkish assertiveness, and reinforcing its credentials as a reliable Western partner.

This realignment had tangible implications for Israeli foreign policy. First, energy diplomacy became a vehicle for regional integration. By deepening ties with Greece and Cyprus, both EU member states, Israel strengthened its standing in European political and security frameworks and diversified its diplomatic portfolio beyond its traditional regional relationships. Second, the trilateral framework enhanced Israel's deterrence posture in the Eastern Mediterranean. Joint military exercises, naval coordination, and intelligence sharing sent a clear message that Israel had alternatives to its security partnership with Turkey. Third, energy-based cooperation with Greece and Cyprus that merged with regional initiatives like the Eastern Mediterranean Gas Forum supported the Israeli government's domestic narrative about natural gas exports facilitating normalization and regional belonging.

From Ankara's perspective, the emerging Israel-Greece-Cyprus alignment was seen as threatening its own regional ambitions and began to challenge the strength of the partnership at sea. But Turkish naval harassment of exploration activities in Cyprus' waters only further alienated Israel and reinforced perceptions in Jerusalem that Turkey had become a revanchist and unpredictable regional actor. Although a limited diplomatic rapprochement between Israel and Turkey emerged in the early 2020s, the strategic realignment of the previous decade proved too significant to overcome. Deep-seated mistrust, unresolved maritime disputes with neighboring states, and competing regional visions with Turkey ensured that Israel's Eastern Mediterranean policy remained anchored in its partnerships with Greece and Cyprus. While Israel entertained Turkish proposals for future energy cooperation, these were no longer treated as credible offers.

The irony is that this realignment unfolded without a single commercial transfer of Israeli natural gas to Turkey, Greece, or Cyprus. Energy projects were proposed, debated, and politicized, yet in the period examined in this study none were realized. Nevertheless, the process of pursuing these energy initiatives delivered strategic dividends. Energy functioned as a mechanism for facilitating new alliances and reshaping Israel's regional orientation even as it failed to deliver a commercial windfall.

This chapter traces how energy became a critical but ultimately not determinative factor in Israel's strategic realignment in the Eastern Mediterranean. The chapter proceeds in five sections. The first section examines the political causes behind the collapse of Israel-Turkey relations and the initial impact of offshore natural gas discoveries on bilateral ties. The second section analyzes Israel's pivot towards Greece and Cyprus, highlighting how energy facilitated the construction of new strategic partnerships. The third section explores the role energy played in enabling a brief rapprochement between Israel and Turkey. The fourth section examines how Israel pursued parallel energy export negotiations with Turkey and Greece and Cyprus and why both initiatives collapsed. The final section explains why Israel ultimately consolidated its commitment to a new regional architecture centered on Greece and Cyprus. In doing so, the chapter demonstrates how declaratory energy diplomacy shaped Israel's regional positioning amidst changing alliances and regional tensions.

I. Israel-Turkey Relations (1949-2010)

Turkey was the first Muslim-majority country to recognize Israel, doing so in 1949; however, the so-called "golden era" of bilateral relations emerged in the 1990s, following the signing of the Oslo Accords between Israel and the Palestinian Liberation Organization. This period was marked by high-level diplomatic engagement, security cooperation, and a series of landmark agreements, including the Military and Training and Cooperation Agreement (MTCA) and a Free Trade Agreement (FTA), both signed in 1996. Turkey quickly became a leading destination for Israeli tourists, while business-to-business ties and civil society engagement flourished – dynamics that continued up to and even beyond Turkish Prime Minister Recep Tayyip Erdoğan's public admonishment of Israeli President Shimon Peres at the Davos World Economic Forum in January 2009.[1]

Energy cooperation did not play a central role in this period. Neither Israel nor Turkey possessed significant domestic fossil fuel reserves, leaving both states heavily dependent on energy imports. Nevertheless, officials in both countries periodically explored joint infrastructure and regional connectivity projects. In 2004, Israel and Turkey signed a memorandum of understanding (MOU) for the Manavgat Water Project, envisioned as a 20-year agreement to supply water from Turkey to Israel.[2] Although serious commercial and operational obstacles ultimately prevented its construction, the project opened the door to other conversations about multipurpose infrastructure corridors, including proposals for a pipeline capable of transporting

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[1]See Alon Liel, "Turkey and Israel: A Chronicle of Bilateral Relations," *Mitvim-The Israeli Institute for Regional Foreign Policies*, February 2017, https://mitvim.org.il/wp-content/uploads/Alon_Liel_-_Turkey_and_Israel_-_A_Chronicle_of_Bilateral_Relations_-_February_2017.pdf.
[2]See Ayça Ariyoruk, "Turkish Water to Israel?," *PolicyWatch* 782, *Washington Institute for Near East Policy*, August 14, 2003, https://www.washingtoninstitute.org/policy-analysis/turkish-water-israel; "Israel Signs Agreement to Buy Bulk Water from Manavgat, Turkey," *Institute for Agriculture and Trade Policy*, March 30, 2004, https://www.iatp.org/news/israel-signs-agreement-to-buy-bulk-water-from-manavgat-turkey.

water, oil, natural gas, electricity, and fiber-optic cables – some potentially sourced from third-party suppliers.[3] Turkish President Ahmet Necdet Sezer highlighted energy cooperation as a promising avenue for deepening bilateral ties during his 2004 address to Israel's Knesset, and in the following year Turkey facilitated the transit of Azerbaijani oil to Israel via the newly completed Baku-Tbilisi-Ceyhan (BTC) oil pipeline.[4] Even as relations began to show signs of strain, policymakers on both sides continued to view energy cooperation as a potentially stabilizing, mutual beneficial domain.

By 2007, a US political counselor based in Tel Aviv described the Israel-Turkey relationship to a "late-life love affair," citing an unnamed academic who likened it to "two parties who have known each other for years and suddenly develop a near-passionate relationship, to the astonishment of their friends-and their enemies. However, after a while, passion cools and one party may be playing the field."[5] While evocative, this metaphor obscured the structural and political forces that had been eroding the foundations of the Israel-Turkey relationship, specifically the rise of new political elites in Turkey and the collapse of the Israeli-Palestinian peace process.

The rise of the Justice and Development Party (AKP) in 2002 brought to power new leadership with a more religious-conservative worldview. Led by Prime Minister Erdoğan, the AKP pursued a Western-oriented foreign policy, but events such as the Turkish parliament's 2003 vote to block the deployment of US troops from Turkish territory for the invasion of Iraq

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[3]See Republic of Turkey, Ministry of Foreign Affairs, *Turkey's Energy Strategy* (Ankara: Ministry of Foreign Affairs, February 2008), https://www.mfa.gov.tr/data/DISPOLITIKA/Turkeys_Energy_Strategy_February2008.pdf; *S&P Global Market Intelligence*, "Turkey, Israel Agree to Move Ahead with Med Pipeline; Gazprom Nears Supply Deal with Israel," July 18, 2008, https://www.spglobal.com/marketintelligence/en/mi/country-industry-forecasting.html?id=106596573.
[4]See Israel, Knesset, "Address by President Ahmet Necdet Sezer of the Republic of Turkey to the Knesset," June 9, 2005, https://m.knesset.gov.il/EN/activity/Documents/SpeechPdf/sezer.pdf.
[5]U.S. Embassy Ankara, "Cable 07ANKARA222," *WikiLeaks*, January 31, 2007, https://wikileaks.org/plusd/cables/07ANKARA222_a.html.

revealed a skepticism towards Western interventionism and a schism from US policy. Tensions with Israel intensified during the 2006 Second Lebanon War; Turkish officials sharply criticized Israeli military tactics and many Turkish parliamentarians resigned from a bilateral parliamentary friendship group in protest.[6] As Erdoğan and the AKP consolidated domestic power and influence, this critical posture became more pronounced, signaling a consequential shift in Turkey's strategic outlook.

A second source of strain on bilateral relations was the deterioration of the Israeli-Palestinian peace process. As prospects for a negotiation settlement with the Palestinians faded, Israel struggled to sustain cooperative relations with regional actors whose domestic publics were sympathetic to the Palestinian cause and accused Israel of undermining progress to a two-state solution. Turkey was no exception. Even during earlier, more secular eras of Turkish governance, Ankara felt compelled to respond to changes to the Israeli-Palestinian status quo. For example, following Israel's passage of the Jerusalem Law in 1980 – a decision that effectively annexed East Jerusalem under Israeli sovereignty – Turkey downgraded diplomatic ties. Although Turkey did not take similar action during the Second Intifada (2000-2005), it emboldened Ankara to openly criticize Israeli policy. In 2004, Erdoğan described an Israeli military operation in a Gaza refugee camp as "almost to the level of state terror."[7] Turkey's posture hardened further after Hamas' victory in the 2006 Palestinian legislative elections, following which Hamas leader Khaled Meshaal made his controversial visit to Ankara – a

[6]Ibid.
[7]See Özlem Tür, "Turkey and Israel in the 2000s: From Cooperation to Conflict," *Israel Studies* 17, no. 3 (2012): 45–79, https://doi.org/10.2979/israelstudies.17.3.45.

decision Turkish officials later claimed was coordinated with Israel, but which nonetheless generated unease in Jerusalem.[8]

Despite these mounting pressures, Israel and Turkey continued to conduct joint military exercises and diplomatic initiatives, reflecting a pragmatic belief that mutual security and economic interests – including the prospect of future energy cooperation – might preserve the relationship. This fragile equilibrium began to unravel in late December 2008 with Operation Cast Lead. Israel's military operation in Gaza sparked mass protests across Turkey and personally angered Erdoğan, who had recently been mediating secret peace negotiations between Israeli Prime Minister Ehud Olmert and Syrian President Bashar al-Assad. Not only did Israel's operation scuttle negotiations, but Olmert's failure to inform Erdoğan deeply offended the Turkish premier and, he felt, betrayed his trust.[9]

This downward spiral was further personalized later that month at the World Economic Forum in Davos, Switzerland. During a panel discussion on Gaza, Erdoğan confronted Israeli President Shimon Peres over Israel's conduct during Operation Cast Lead, accusing Israel of disproportionate violence. After Peres delivered a defense of Israel's actions, Erdoğan interrupted the exchange, declared that Israel "knew very well how to kill," and left the stage in anger as the moderator tried to stop his interruption. The incident – broadcast live and widely circulated in Israeli, Turkish, and international media – deepened the divide between the two countries. In Turkey, Erdoğan was celebrated for public challenging Israel and defending the Palestinian cause. In Israel, it was a warning of Turkey's shift from friend to foe. Although no

[8]See *Ynet*, "Yisra'el yazma et bikur Mash'al be-Turkiya be-2006 [Israel Initiated Mashaal's Visit to Turkey in 2006]," May 2, 2011, https://www.ynet.co.il/articles/0,7340,L-4063113,00.html; "Hamas Delegation Heads to Turkey," *Los Angeles Times*, February 17, 2006, https://www.latimes.com/archives/la-xpm-2006-feb-17-fg-hamas17-story.html.
[9]See Gabriel Mitchell, "Turkey: The Almost Mediator State," *Turkish Policy Quarterly* 14, no. 1 (Spring 2015): 169–177.

formal policy shift followed the Davos incident, it marked a clear departure from the norms that had previously characterized Israel-Turkey relations, accelerating the erosion of trust and narrowing the space to repair bilateral relations.[10]

The confluence of shifting domestic politics, ideological differences, persistent regional conflicts, and personal grievances transformed what was until 2009 a strained but functional partnership into an open rupture. For example, Turkey cancelled joint military exercises with Israel – including those under NATO auspices. The increasingly tense dynamic between Israel and Turkish officials boiled over during the May 2010 Gaza flotilla incident, where Israeli naval forces intercepted six civilian vessels, led by the Turkish-flagged *Mavi Marmara*, attempting to breach Israel's naval blockade of Gaza. The flotilla was organized by the Turkish Humanitarian Relief Foundation (IHH), a conservative-Islamist NGO with close ties to Hamas and the AKP, and with a record of political activism on the Palestinian issue. The raid resulted in the deaths of ten Turkish civilians. Within a matter of months, ambassadors were recall and diplomatic relations downgraded. For Ankara, the incident reinforced a narrative of Israeli aggression and injustice; for Jerusalem, the involvement of IHH confirmed suspicions that the flotilla was a cynical, politically motivated provocation enabled – if not endorsed – by Turkish officials.

The *Mavi Marmara* episode marked the definitive collapse of strategic trust between Israel and Turkey. But Israeli policymakers were divided on how best to respond. Officials in the Prime Minister's Office, Ministry of Defense, and Ministry of Foreign Affairs disagreed over whether Turkey's transition required Israel to totally reimagine regional policy around alternative partners or whether Turkey's geostrategic value was too great and Israel needed to find a way to work with Ankara. In the end, Israel adopted a two-track approach: it sought to

[10]AP Archive, "Turkish PM Leaves Stage after Clash with Moderator on Gaza Debate," YouTube video, January 29, 2009, https://www.youtube.com/watch?v=9Tr5mqI7D0w.

repair relations with Ankara where possible while simultaneously cultivating new partnerships to offset Turkey's estrangement. In this context, energy assumed a strategic – though still secondary – role, providing a narrative that supported Israel's emerging alignment with Greece and Cyprus and laid the groundwork for its pivot in the Eastern Mediterranean.

II. The Greece and Cyprus Track (2010-2016)

In 1987, Israeli political scientist Amikam Nachmani characterized relations among Israel, Turkey, and Greece as a triangular dynamic in which two actors "ganged up" against the third to counterbalance shifts in regional power.[11] Despite their cultural affinities and full diplomatic relations, Israel and Greece spent much of the twentieth century maintaining a cautious distance, marked by what Nachmani described as "aloofness verging on enmity".[12] Similar language could have described Israel's relationship with Cyprus, whose Greek-speaking population viewed Ankara as an existential threat following Turkey's 1974 invasion and subsequent division of the island and subsequently saw Jerusalem's strategic partnership with Ankara as a threat to Cyprus' survival as an independent state.

Greece and Cyprus could not match Turkey's economic or military weight. Nor could they replace its unique position as a Muslim majority state that was the first to recognize Israel in 1949. But they both offered Israel an array of strategic benefits, including defense cooperation, energy cooperation, and a critical link to its largest trading partner, the European Union – a critical selling point at the moment when Israel-Turkey relations were deteriorating.[13] This section examines how Israel responded to the collapse of relations with Turkey by hedging

[11]See Amikam Nachmani, *Israel, Turkey and Greece: Uneasy Relations in the East Mediterranean* (London: Frank Cass, 1987).
[12]Nachmani, *Israel, Turkey and Greece*, 90.
[13]Ambassador Michael Harari, personal interview with the author, July 16, 2023.

strategically towards Greece and Cyprus. It will outline how energy cooperation functioned as an instrument that fueled this diplomatic realignment, provided a rationale for deeper security ties, and later embedded Israel within a new regional framework aligned with European and American interests.

Greece and Cyprus' receptiveness to close ties with Israel cannot be understood without reference to their longstanding and adversarial relationships with Turkey. Greece-Turkey relations had been shaped primarily by centuries-long Ottoman imperial rule over Greece and the eventual independence and territorial wars fought between the two in the 19th and 20th centuries. In the modern era, the relationship was defined by recurring crises over sovereignty, maritime rights, and airspace access in the Aegean, as well as the unresolved Cyprus dispute following Turkey's 1974 military intervention and the island's subsequent division. For Cyprus in particular, Turkey's continued military presence in the northern third of the island and Ankara's non-recognition of the Republic of Cyprus constituted a consistent existential threat. These disputes extended into the Eastern Mediterranean, where the exploration of offshore hydrocarbons set off competing claims over maritime space and reinforced perceptions in Athens and Nicosia of Turkey's ill intent.

For Greece and Cyprus, closer ties with Israel served as both a hedge against Turkish assertiveness and a means of amplifying their own geopolitical standing. Strengthening relations with Israel offered a counterweight to Turkish military and diplomatic dominance in the Eastern Mediterranean, particularly when it came to the unresolved dispute on the island of Cyprus and their contested maritime boundaries. At the same time, cultivating ties with Israel enhanced their standing as credible intermediaries between Israel and the European Union. This was especially valuable following Greece's economic crisis and Cyprus' own efforts to revive its economy.

Israeli tourism, investment, defense cooperation, and energy cooperation promised tangible economic and security dividends. Joint military exercises, intelligence sharing, and participation in regional forums further signaled to Brussels and Washington that Athens and Nicosia were committed to regional stability, with Israel as a supportive partner in balancing Turkish influence.[14]

Once Israeli policymakers concluded that Greece and Cyprus could function as credible strategic alternatives for Turkey, the process of diplomatic engagement accelerated. In July 2010, just two months after the *Mavi Marmara* affair, Greek Prime Minister George Papandreou visited Jerusalem, followed months later by a reciprocal visit from Prime Minister Benjamin Netanyahu. These exchanges marked a dramatic reversal; as one observer noted, "six decades of Greek policy making [towards Israel] were overturned, almost overnight".[15] Between 2010 and 2016, Israeli and Greek heads of state and senior ministers met on at least eight occasions.[16] A parallel trajectory unfolded with Cyprus. In 2011, President Dimitris Christofias visited Israel, and in February 2012 Netanyahu became the first Israeli prime minister to visit Cyprus.[17] High-

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[14]Ambassador Michael Harari, personal interview with the author, July 16, 2023; Ambassador Shmuel Revel, interview with author, September 13, 2023.

[15]Aristotle Tziampiris, "The Beginning of Energy Cooperation Between Israel, Cyprus, and Greece," in *The Emergence of Israeli-Greek Cooperation* (Cham: Springer, 2015), 8; Barak Ravid, "Netanyahu's Big Fat Greek Wedding," *Haaretz*, July 1, 2011, https://www.haaretz.com/2011-07-01/ty-article/netanyahus-big-fat-greek-wedding/0000017f-db32-df9c-a17f-ff3ae3e50000.

[16]See Gallia Lindenstrauss and Polykarpos Gavrielides, "A Decade of Close Greece-Israel Relations: An Assessment," *Strategic Assessment* 22, no. 1 (April 2019), https://www.inss.org.il/wp-content/uploads/2019/05/Gallia-and-Polykarpos.pdf; Amikam Nachmani, "Israel, Turkey and Greece: Dramatic Changes in the Eastern Mediterranean," in *Israel and the World Powers*, ed. Colin Shindler (London: I.B. Tauris, 2014).

[17]State of Israel, Ministry of Foreign Affairs. "PM Netanyahu Meets with Cyprus President Demetris Christofias," March 14, 2011. https://www.gov.il/en/departments/news/eventcyprus140311; Barak Ravid, "Netanyahu yevaker be-Kiprus ladun be-avtachat kiduḥei ha-gaz[Netanyahu to Visit Cyprus to Discuss Security of Gas Drilling]," *Haaretz*, January 19, 2012, https://www.haaretz.co.il/news/politics/2012-01-19/ty-article/0000017f-e4d3-df2c-a1ff-fed3b1710000; *Reuters*, "Netanyahu eyes energy cooperation in Cyprus visit," February 16, 2012, https://www.reuters.com/article/israel-netanyahu-cyprus-idINL5E8DG04420120216.

level engagement quickly became routine, with at least eleven official meetings between Israeli and Cypriot heads of state or senior ministers during the same period.

Energy played a pivotal role in consolidating these relationships. Israel and Cyprus, whose offshore claims overlapped in the Eastern Mediterranean, signed an agreement delimiting their EEZs in 2010 in order to facilitate international investment in offshore hydrocarbon exploration.[18] The following year, Noble Energy discovered the Aphrodite field in Cypriot waters, estimated to contain 129 bcm of natural gas.[19] Encouraged by Israel's Energy Ministry and Ministry of Foreign Affairs, Israeli firms Delek Group and Avner Oil and Gas signed a memorandum of understanding (MOU) with the Cyprus government in 2013 to assess the prospects of constructing a liquified natural gas terminal on the island.[20]

Israel-Cyprus energy cooperation wasn't without friction. In 2014, Israeli companies, backed by their government, claimed that between 7 and 10 percent of the Aphrodite field extended into Israel's EEZ block Alon D, also known as Ishai field. Although Israel and Cyprus had agreed on a maritime boundary delimitation agreement, the two states had not concluded a unitization agreement, a separate legal arrangement that governs the joint development and revenue-sharing of hydrocarbon reservoirs that straddle maritime boundaries.[21] Without such an agreement, neither party could develop the shared portion of the field without risking legal

[18]Cyprus began considering offshore exploration as early as 2001. In 2003, Cyprus and Egypt signed an EEZ agreement. As detailed in Chapter 5, it later signed an EEZ agreement with Lebanon in 2007, though it was never ratified by Lebanon's parliament and complicated future maritime boundary negotiations between Jerusalem and Beirut. For the Israel-Cyprus Exclusive Economic Zone Agreement, see: United Nations Treaty Collection, "Agreement between Cyprus and Israel on the EEZ," December 17, 2010, https://treaties.un.org/doc/Publication/UNTS/Volume%202740/v2740.pdf.
[19]See Noble Energy, "Noble Energy Announces Significant Natural Gas Discovery Offshore Republic of Cyprus," *PR Newswire*, December 28, 2011, https://www.prnewswire.com/news-releases/noble-energy-announces-significant-natural-gas-discovery-offshore-republic-of-cyprus-136305648.html.
[20]Ambassador Michael Harari, personal interview with the author, July 16, 2023.
[21]A unitization agreement governs the joint development and revenue-sharing of hydrocarbon reservoirs that straddle maritime boundaries.

challenge from the other. This commercial dispute turned into a diplomatic conundrum, creating a cyclical pattern of negotiations between government officials and the companies to reach a resolution that to date remains unresolved. A minor episode in Israel-Cyprus relations, the dispute over Aphrodite and Ishai is a reminder that commercial friction is a common phenomenon, even between aligned partners.[22]

Israel and Greece also pursued connectivity projects aimed at enhancing regional energy security, though due to the geographic distance between the two countries these initiatives usually included Cyprus' participation as well. Two flagships project emerged: the EastMed pipeline and the EuroAsia Interconnector. First proposed in 2010, the EastMed pipeline was designed to transport Israeli and Cypriot natural gas roughly 1,800 kilometers across the Mediterranean to Greece and Italy.[23] Advocates argued the project would unlock Eastern Mediterranean resources, diversify European natural gas supplies, and promote regional cooperation.[24] In 2013, the European Commission designated the EastMed pipeline a Project of Common Interest (PCI), granting it access to European financial support and enhanced investor visibility.[25]

Parallel to the EastMed pipeline, Israeli, Greek, and Cypriot officials advanced plans for the EuroAsia Interconnector, an undersea high-voltage direct current (HVDC) cable designed to

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[22]Ambassador Shmuel Revel, interview with author, September 13, 2023; Amiram Barkat and Hedy Cohen, "Israel, Cyprus in Disagreement over Aphrodite Gas Field," *Globes*, October 13, 2015, https://en.globes.co.il/en/article-israel-cyprus-in-disagreement-over-aphrodite-gas-field-1001073460.
[23]Greek and Italian companies DEPA and Edison established a jointly owned company, IGI Poseidon, to be responsible for the design, construction, and operation of the EastMed pipeline and an additional pipeline connecting Greece and Italy.
[24]See Amiram Barkat, "Israel proposes undersea gas pipeline to Europe," *Globes*, August 30, 2010, https://en.globes.co.il/en/article-1000585066.
[25]See Agency for the Cooperation of Energy Regulators, "Opinion No. 15/2013 on the Ten-Year Network Development Plan," 2013, https://www.acer.europa.eu/Official_documents/Acts_of_the_Agency/Opinions/Opinions/ACER%20Opinion%2015-2013.pdf; Stuart Winer, "Israel Pitches Massive Natural Gas Pipeline Plan to Europe," *Times of Israel*, June 23, 2013, https://www.timesofisrael.com/israel-pitches-massive-natural-gas-pipeline-plan-to-europe/.

link Israel and Cyprus to the European electricity grid via Greece.[26] Energy interconnectors are physical links – usually high-voltage electricity cables – that connect the energy systems of adjacent countries, allowing them to trade power across borders. Interconnectors are valuable instruments because they improve energy security by enabling countries to import energy supply during shortages and export surplus energy when production is high, thus lower costs through more efficient energy use in an integration market. In addition, interconnectors support the integration of renewable energy by successfully balancing variable supply (e.g. wind and solar) across a larger geographic area. The highest concentration of global electricity interconnectors is on the European continent, but due to growing electricity demand the EU increasingly sought to invest in more ambitious interconnectors with its Southern Neighborhood (Middle East, North Africa, and the Gulf) to increase its energy security. Cyprus – an EU member state – and many of Greece's main islands in the Eastern Mediterranean were also not connected to the European grid, which further incentivized the need for a major Eastern Mediterranean interconnector project. In March 2012, the Israel Electric Corporation (IEC) signed a memorandum of understanding (MOU) with DEH Quantum Energy, a Greek-Cypriot consortium, to assess the interconnector's feasibility. At the signing, Israeli Energy Minster Uzi Landau declared, "Israel is connecting with Europe," framing the initiative as both an energy security and geopolitical

[26]See Gabriel Mitchell, "The EuroAsia Interconnector and Israel's Pursuit of Energy Interdependence," *Mitvim-The Israeli Institute for Regional Foreign Policies*, February 2021, https://mitvim.org.il/wp-content/uploads/2021/02/Gabriel-Mitchell-The-EuroAsia-Interconnector-and-Israels-Pursuit-of-Energy-Interdependence-February-2021.pdf; Sharon Udasin, "Israel, Cyprus, Greece Sign Electric Cable Deal," *Jerusalem Post*, March 4, 2012, https://www.jpost.com/Diplomacy-and-Politics/Israel-Cyprus-Greece-sign-electric-cable-deal; EuroAsia Interconnector, "Enthusiasm and Commitment in Israel for the Greece-Cyprus-Israel Energy Bridge," November 2012, https://euroasia-interconnector.com/news-enthusiasm_and_commitment_in_israel_for_the_greece_cyprus_israel_energy_bridge2period2012-11/.

statement.[27] The following year, energy ministers from all three countries signed a trilateral MOU encompassing cooperation on water and electricity infrastructure.[28]

Both projects faced formidable obstacles. Projected to be the world's longest subsea pipeline, the EastMed pipeline was estimated to cost between $7 and $10 billion, raising doubts about its commercial competitiveness without significant EU subsidies. The pipeline's proposed route also faced engineering challenges due to tectonic activity and uneven seafloor depths in the Eastern Mediterranean.[29] The EuroAsia Interconnector encountered repeated regulatory delays, financing gaps, and constructions setbacks. Apart from these technical and financial hurdles, Turkey also contested Greek and Cypriot maritime claims, deploying survey vessels and naval escorts into the Eastern Mediterranean to asset its maritime claims and deter international energy companies.

These obstacles didn't deter the parties from advancing these projects. At the first trilateral summit in 2016, Netanyahu told reporters "We've been blessed…with natural gas in the sea. We decided to explore this in a very audacious way, to form a trilateral committee between Greece, Cyprus, and Israel, to plan the possibility of a pipeline that would take our common resources of gas and export them to Europe by Greece."[30] But Israel, Greece, and Cyprus also didn't put all of their eggs in the energy basket. Under the direction of Israel's Prime Minister's

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[27] Alan Meskin, "Israel's Euro-Asia Interconnect," *Forward*, March 23, 2012, https://forward.com/life/153598/israels-euro-asia-interconnect/.

[28] See Stefanos Evripidou, "'Historic' Plan for Water and Electricity," *Cyprus Mail*, August 7, 2013, https://archive.cyprus-mail.com/2013/08/08/historic-plan-for-water-and-electricity/; Asher Zeiger, "Israel, Greece, Cyprus Sign Energy and Water Deal," *Times of Israel*, August 8, 2013, https://www.timesofisrael.com/israel-greece-cyprus-sign-energy-and-water-deal/.

[29] Ambassador Michael Harari, personal interview with the author, July 16, 2023; Ambassador Shmuel Revel, interview with author, September 13, 2023; Gabriel Mitchell, "EastMed Gas Pipeline Must Overcome Major Barriers." *Globes*, November 27, 2018, https://en.globes.co.il/en/article-eastmed-gas-pipeline-must-overcome-major-barriers-1001262309.

[30] AFP News Agency, "Cyprus, Israel, Greece close ranks with gas pipeline plan," YouTube video, January 28, 2016, https://www.youtube.com/watch?v=Qlf4lzWqBsA

Office and Ministry of Foreign Affairs, formal cooperation frameworks emerged, institutionalizing regular trilateral summits and interministerial meetings on defense, trade, tourism, health, and environmental issues.[31] This is because the diplomatic dividends outweighed the energy opportunities. From the perspective of Alexander Varshavsky, who served as the Energy Ministry's Petroleum Commissioner from 2011 to 2015, and Director of the Natural Gas Authority from 2014 to 2019, the EastMed pipeline had "absolutely no viability...From the critical point of view of gas export, from my point of view, it's close to zero. But it had some other positive consequences for the country from the point of view of diplomacy. There were many meetings at political levels – at the levels of ministers of energy, foreign affairs, and prime ministers between countries."[32] In other words, the trilateral partnership was primarily driven by security interests and common concerns about Turkey's regional engagement. If the energy projects failed to deliver, the partnership would identify alternatives to deepen their growing strategic partnership.[33]

The most credible way in which the Israel-Greece-Cyprus relationship was able to elevate itself was with the establishment of the "3+1" format, incorporating the United States within the trilateral model. This marked a critical shift from what had previously been ad hoc regional cooperation to a more structured and strategic alignment with Washington. For Greece and Cyprus, it was an unspoken expectation that closer cooperation with Israel would open doors with the US, which in turn would strengthen their deterrence against Turkey and embed their regional roles within a transatlantic security architecture. For Israel, US participation provided

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[31]Ambassador Michael Harari, personal interview with the author, July 16, 2023; State of Israel, Ministry of Foreign Affairs, "Trilateral Meeting between Israel, Greece and Cyprus-28 January 2016," January 28, 2016, https://embassies.gov.il/ashgabad/AboutIsrael/PressRoom/2016/Pages/Trilateral-meeting-between-Israel-Greece-and-Cyprus-28-Jan-2016.aspx.
[32]Alexander Varshavsky, interview with author, August 22, 2023.
[33]Amit Mor, interview with author, July 26, 2023.

greater political legitimacy to its diplomatic efforts, allowing Jerusalem to deepen cooperation with Greece and Cyprus while framing the arrangement as complementary to US interests for regional stability. From Washington's perspective the "3+1" served multiple objectives: promoting regional energy cooperation, reinforcing a rules-based maritime order in the Mediterranean, and consolidating cooperation among like-minded partners.[34] The US maintained close cooperative relations with Turkey, so its support for trilateral engagement reflected an understanding of the Eastern Mediterranean nuanced geopolitical situation while still wanting to advance American regional interests and satisfy domestic constituencies at the same time. Washington's management of relations with Ankara on the one hand, and its endorsement of the "3+1" was an implicit rebuff against the notion that this new platform would provoke Turkey in a manner contrary to US interests.

Israel was careful to avoid antagonizing Turkey. Though many Israeli policymakers felt that the collapse of bilateral ties was permanent, others felt that an understanding could be reached with Ankara. Both camps felt that it was unwise to unnecessarily provoke Erdoğan. For these reasons, Israel's cooperation with Greece and Cyprus during this period had clear redlines. Israeli diplomats were instructed to steer clear of the "Cyprus problem," and joint statements avoided anti-Turkish language.[35] When the Turkish navy challenged Cypriot maritime rights at sea in 2014, Israel called for "respect" of all countries' maritime rights under international law.[36]

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[34]Lobby groups in the US that had a close affinity to Israel, Greece, and Cyprus applauded these initiatives and endorsed them in Washington, DC, Ambassador Michael Harari, personal interview with the author, July 16, 2023; See Raphael Ahren, "Greece, Cyprus, Israel, US Pledge to Boost Energy Cooperation," *Times of Israel*, March 20, 2019, https://www.timesofisrael.com/greece-cyprus-israel-us-pledge-to-boost-energy-cooperation/; US Department of State, "Joint Declaration between Cyprus, Greece, Israel, and the United States after the Sixth Trilateral Summit," March 21, 2019, https://2017-2021.state.gov/joint-declaration-between-cyprus-greece-israel-and-the-united-states-after-the-sixth-trilateral-summit/.
[35]Ambassador Shmuel Revel, interview with author, September 13, 2023.
[36]Raphael Ahren, "Israel Urges Turkey to Respect Cyprus Gas Exploration," *Times of Israel*, February 13, 2018, https://www.timesofisrael.com/israel-urges-turkey-to-respect-cyprus-gas-exploration/.

In conclusion, energy cooperation between Israel, Greece, and Cyprus served more as an instrument for strategic realignment than as a purely commercial tool. It allowed Israel to hedge against the collapse of bilateral ties with Turkey, deepen its engagement with EU member states, encourage greater US involvement in Eastern Mediterranean affairs, and position itself as a power broker between different regional actors. At the same time, Israeli policymakers remained aware of the partnership's limitations and intentionally kept the door open for dialogue with Ankara. This dual-track strategy – deepening cooperation with Greece and Cyprus while preserving the possibility of reengagement with Turkey – set the stage for the next phase of Israel's energy diplomacy, in which competing export options and shifting regional calculations briefly reopened the prospect of rapprochement with Turkey.

III. The Turkey Track (2010-2016)

The period from 2016 to 2018 saw Israel pursuing energy cooperation on two tracks simultaneously: continuing to deepen ties with Greece and Cyprus while exploring the possibility of a pipeline agreement with Turkey following the 2016 reconciliation. These tracks are treated separately in this chapter for analytical clarity, but they were in practice deeply intertwined. Israel's ability to negotiate credibly with Turkey depended in part on the existence of the Greek and Cypriot alternative, and the credibility of the trilateral framework depended in part on the possibility, however remote, that Turkey might still be brought into the regional energy architecture. Understanding how Israel managed these competing tracks simultaneously is essential to understanding why both ultimately failed to deliver commercial outcomes while the strategic realignment with Greece and Cyprus succeeded.

While Israel pursued new relationships with Greece and Cyprus, it deliberately kept the door open for rapprochement with Turkey. This reflected a core strategic principle advanced by senior officials in Israel's Prime Minister's Office. Turkey's geostrategic location, demographic weight, and combined economic and military power was too significant for Israel to dismiss, regardless of Prime Minister Erdoğan's criticisms of Israeli policy. Israel's long-term interests required maintaining channels of dialogue with Ankara even amid deep political disagreement.[37] This section examines how Israel used energy diplomacy to preserve strategic optionality vis-à-vis Turkey as it cultivated alternative regional partnerships.

Following the *Mavi Marmara* raid, Turkey sought redress from Israel but did not wish for relations to deteriorate further. Ankara conditioned the restoration of full diplomatic relations on three demands from Israel: issue a formal apology acknowledging wrongdoing in the killing of Turkish citizens in international waters; provide financial compensation to the families of those killed and injured; and lift its blockade on the Gaza Strip.[38] Although these conditions were politically sensitive within Israel, they nonetheless created a framework for negotiations. After several years of direct and US-mediated diplomacy, Israel and Turkey restored diplomatic ties in 2016.

Analyzing the period from 2010-2016 reveals a striking disconnect between public hostility and economic cooperation. Despite sharp rhetorical exchanges, neither Israel's nor Turkey's underlying economic and energy interests fundamentally changed. Between 2010 and 2014, flights from Tel Aviv to Turkey increased by 166 percent, almost exclusively operated by

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[37]Ambassador Michael Harari, personal interview with the author, July 16, 2023; Ambassador Shmuel Revel, interview with author, September 13, 2023

[38]Ethan Bronner, "Israel and Turkey Expel Envoys after U.N. Report," *New York Times*, August 18, 2011, https://www.nytimes.com/2011/08/18/world/middleeast/18mideast.html.

Turkish airlines.[39] Following the outbreak of the Syria civil war in in 2011, Israel and Turkey established a special roll-on/roll-off (RoRo) route enabling Turkish commercial traffic to transit through Israel en route to Jordan and the Arabian Peninsula.[40] As part of an exchange for Israeli solider Gilad Shalit, who had been held in captivity by Hamas since 2006, Israel requested that Turkey take some of the released Palestinian prisoners.[41] Intelligence cooperation, trade, and civil society engagement continued, albeit in a more discreet manner. This contradiction between public hostility and practical cooperation between Israel and Turkey was perhaps most evident in the tacit understanding reached in 2014 to facilitate oil exports from the Kurdish Regional Government.[42] By sustaining economic ties beneath the surface, both sides preserved a narrow but meaningful window open for future rapprochement as well as for discussions on potential energy cooperation.

Energy played an important – though not determinative – role in the reconciliation process, motivating both sides during the later stages of negotiations as each recognized the potential economic and geopolitical benefits of cooperation. When relations collapsed in 2010, Turkey consumed 50 bcm of natural gas a year, with demand projected to rise steadily in the future. Israeli natural gas offered Ankara an opportunity to diversify away from heavy dependence on Russian and Iranian imports and complement Turkey's ambition to become a

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[39]Raphael Ahren, "Months after Deal, Israeli Airlines Still Not Flying to Turkey," *Times of Israel*, March 6, 2014, https://www.timesofisrael.com/months-after-deal-israeli-airlines-still-not-flying-to-turkey/.
[40]See Dan Williams, "Truck by Truck, Israel Builds Trade Gateway to Arab World," *Reuters*, July 3, 2014, https://www.reuters.com/article/world/truck-by-truck-israel-builds-trade-gateway-to-arab-world-idUSKBN0F63DF/.
[41]See "Palestinians Arrive in Turkey after Captive Swap," *Reuters*, October 18, 2011, https://www.reuters.com/article/world/uk/palestinians-arrive-in-turkey-after-captive-swap-idUSTRE79H4DC/.
[42]See Eli Lake, "Israel and Kurdistan's Alleged Oil Deal Putting U.S. on Notice," *New Republic*, June 30, 2014, https://newrepublic.com/article/118549/israel-and-kurdistans-alleged-oil-deal-putting-us-notice; "Turkey Not Sure Who's Buying KRG Oil," *Iraq Business News*, June 24, 2014, https://www.iraq-businessnews.com/2014/06/24/turkey-not-sure-whos-buying-krg-oil/; Christopher Helman, "How to Invest with a Rothschild in Iraqi Oil," *Forbes*, July 8, 2014, https://www.forbes.com/sites/christopherhelman/2014/07/08/how-to-invest-with-a-rothschild-in-iraqi-oil/.

regional energy hub. For Israel and the Leviathan partners, Turkey was a potential prize as both one of the biggest energy consuming markets in the region and as a gateway to the European energy market.

Together with the Leviathan partners, several Israeli and Turkish companies began exploratory discussions on the feasibility of an undersea natural gas pipeline to Turkey. From the perspective of the Leviathan partners, the commercial logic was compelling: supplying a large, proximate market already integrated into Europe's natural gas network would be an impressive accomplishment with high economic yield. Turkish conglomerate Zorlu Energy conducted feasibility studies estimating that a pipeline delivering 8-10 bcm of natural gas annually would be significantly shorter (500 km) and cheaper (estimated $2.5-4 billion) than the EastMed pipeline. By 2013, the Leviathan partners had begun to include Harel Locker, Director General of the Israeli Prime Minister's Office, in meetings with Turkish investors.[43]

Yet private-sector enthusiasm for an Israel-Turkey pipeline was not matched by political readiness in either capital, even after US President Barack Obama brokered Netanyahu's apology to Erdoğan in 2013. The prevailing view in Jerusalem was that talk of reconciliation – and especially energy cooperation – was premature. Oded Eran, a former Israeli ambassador to Jordan, concluded in 2014 that "…as along as tension between Israel and the Palestinians continues and no political resolution is found to the conflict, and as long as Israel persists in its policy toward Hamas, the tension between Ankara and Jerusalem will persist, even if a formula

[43]See Golan Hazani, "Ha-matara ha-ba'a al ha-kavenet shel Netanyahu: tzinor gaz im Turkiya [Netanyahu's Next Target: Gas Pipeline to Turkey]," *Calcalist*, February 13, 2013, https://www.calcalist.co.il/local/articles/0,7340,L-3595419,00.html.

for resolving the Mavi Marmara matter is found."[44] Future Israel-Turkey energy cooperation remained conditional on political changes rather than a substitute for them.

An exogenous shock unexpectedly altered the diplomatic calculus. In November 2015, Turkey shot down a Russian fighter jet near the Syrian border, triggering a severe crisis with Moscow. Russia responded with sweeping economic sanctions, suspended charter flights, and froze operations on the TurkStream pipeline. Given Turkey's dependence on Russian energy, the diplomatic crisis harmed the Turkish economy, giving it greater motivation to diversify its energy imports.[45] Within weeks of the fighter jet incident, reports of renewed Israel–Turkey negotiations – encouraged by the United States and featuring potential energy cooperation – returned to the headlines.[46] In April 2016, just weeks before the normalization of diplomatic ties were announced, Israeli Energy Minister Yuval Steinitz met Erdoğan at a nuclear summit in Washington, DC. It was the first meeting between Erdoğan and a senior Israeli official since the 2009 Davos outburst with Peres.[47] "One of the most attractive markets around is Turkey," Steinitz remarked shortly thereafter. "We have a huge economic interest here."[48]

On June 27, 2016, Netanyahu announce in Rome that Israel and Turkey had reached a reconciliation agreement. Israel agreed to pay $20 million in compensation to the families of the *Mavi Marmara* victims and to allow Turkish humanitarian aid into Gaza via Israeli ports. In

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[44]Oded Eran, Dan Vardi, and Itamar Cohen, *Political Feasibility of Israeli Natural Gas Exports to Turkey*, Memorandum no. 144 (Tel Aviv: Institute for National Security Studies, 2014), 23, https://www.inss.org.il/publication/political-feasibility-of-israeli-natural-gas-exports-to-turkey/.
[45]See "Turkey shoots down Russian warplane on Syria border," *BBC News*, November 25, 2015, https://www.bbc.com/news/world-middle-east-34907983.
[46]Udi Segal, "Ha-piyus im Turkiya: pegisha betokh shvuaim [Reconciliation with Turkey: Meeting within Two Weeks]," *Mako*, January 30, 2016, https://www.mako.co.il/news-military/israel-q1_2016/Article-c52b27338b39251004.htm.
[47]See "Exclusive: Erdoğan Meets with Senior Israeli Minister," *i24News*, April 19, 2016, https://www.i24news.tv/en/news/israel/diplomacy-defense/110322-160419-exclusive-i24news-image-Erdoğan-meets-with-senior-israeli-minister.
[48]Luke Baker, "How Gas Could Warm Relations between Israel and Turkey," *Reuters*, June 20, 2016, https://www.reuters.com/article/world/how-gas-could-warm-relations-between-israel-and-turkey-idUSKCN0Z60WI/.

return, Turkey restored full diplomatic relations and halted legal proceedings against Israeli officials. Energy cooperation featured prominently in Israeli messaging surrounding the deal. Netanyahu emphasized the need to export Israeli natural gas, noting that reconciliation "opens the way for cooperation on economic and energy matters, including the gas issue…gas is so important and contains the possibility of strengthening the Israeli economy and state coffers with vast capital…these are vast sums but we need markets…this could not have come sooner without this agreement and now we will work to advance it".[49] Steinitz echoed this assessment, arguing that normalization would advance "the development of Israel's natural gas market as well as the possibilities of finding and developing more gas fields beyond Leviathan".[50]

Following the agreement, Steinitz received a broad mandate from the Prime Minister's Office to pursue energy diplomacy with his Turkish counterpart and Erdoğan's son-in-law, Energy Minister Berat Albayrak. Steinitz became the first Israeli minister to visit Turkey since 2010, engaging both government officials and the Leviathan partners on the prospects of an undersea pipeline. Following this initial meeting, professional teams from both countries began discussions on the technical details of the proposed pipeline project. These working-level talks commenced in November 2016, focusing on the feasibility and technical aspects of building a natural gas pipeline between the two countries.

This section demonstrated how Israel pursued a deliberate dual-track strategy between 2010 and 2016: restoring relations with Turkey while simultaneously deepening ties with Greece and Cyprus. In both arenas, energy functioned as an important diplomatic instrument that

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[49]IsraeliPM, "PM Netanyahu's Statement at Press Conference in Rome," YouTube video, June 27, 2016, https://www.youtube.com/watch?v=zY9dFj8JSeA.
[50]Herb Keinon, "Despite Turkey-Israel Accord, Gas Deal Complex," *Jerusalem Post*, June 27, 2016, https://www.jpost.com/Israel-News/Politics-And-Diplomacy/Despite-Turkey-Israel-accord-gas-deal-complex-458002.

advanced Israel's strategic interests. But amidst the Eastern Mediterranean's volatile geopolitics, and the formidable technical and commercial challenges facing certain energy projects, Israeli policymakers tried to keep as many export options open as possible. By hedging across multiple partnerships, Israel maintained maximum maneuverability as an emerging energy player in the Eastern Mediterranean.

IV. Pipelines for All

From 2016 to 2018, Israel continued pursuing a dual-track energy diplomacy strategy that sought to reconcile two competing imperatives: restoring relations with Turkey while simultaneously deepening its strategic partnerships with Greece and Cyprus. This section examines that period as an important test case for Israel's use of energy diplomacy as a hedging instrument under the conditions of regional competition. It demonstrates that while energy cooperation can facilitate tactical reconciliation and create diplomatic optionality, it cannot override entrenched political mistrust or substitute for ideological or security-based alignment. The eventual collapse of the Israel-Turkey track, despite sustained engagement and commercial logic, underlines the limits of energy diplomacy when the core disputes in a relationship remain unresolved.

Following the passage of the natural gas framework agreement in 2016, Israeli policymakers were finally able to prioritize the export of surplus natural gas from Leviathan field. Israel began exploring multiple export routes – most prominently an undersea pipeline to Turkey and the EastMed pipeline route via Cyprus and Greece. Each option offered distinct economic and geopolitical advantages, but both were constrained by longstanding rivalries between Turkey, Greece, and Cyprus. Rather than attempting to mediate or resolve these disputes, Israel adopted a deliberate hedging strategy, advancing all plausible export pathways in parallel while avoiding excessive dependence on any single regional partner. This approach maximized Israel's flexibility as an emerging energy producer but left the region's underlying political tensions intact.

In the immediate aftermath of the 2016 reconciliation agreement, Israel and Turkey made a genuine effort to reset relations. Bilateral trade expanded, reaching approximately $9 billion by 2018. Ambassadors were reinstated in Ankara and Tel Aviv, Israeli tourism to Turkey surged by roughly 80 percent, and Ankara lifted its veto on Israel's official mission to NATO. These developments provided Israeli Energy Minster Yuval Stenitz with a mandate to pursue open negotiations with his counterpart, Turkish Energy Minister Berat Albayrak, on a potential Israel-Turkey pipeline project. Between June 2016 and May 2018, Steinitz and Albayrak held three official meetings – twice in Turkey and once in Israel – facilitating technical discussions between government officials and Israeli and Turkish energy companies. By 2017, these talks focused on routing natural gas from Leviathan through Turkey to subsequently connecting those pipelines with existing European energy infrastructure.[51]

However, the proposed Israel-Turkey pipeline encountered significant political and legal obstacles. The proposed pipeline route would have crossed maritime zones claimed by Cyprus as part of its EEZ. Without resolving the Cyprus disputes – or securing Nicosia's consent – the project faced inevitable legal challenges from Cyprus and resistance from the European Union.[52]

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[51]Nati Yefet, "Israeli-Turkish Energy Ministers to Meet," *Globes*, October 6, 2016, https://en.globes.co.il/en/article-israeli-turkish-energy-ministers-to-meet-1001155969; Lior Gutman, "Shtayinitz: yeshnam maga'im mitkadmim leyitzu gaz le-Turkiya im efsharuyot ha'avarato le-Europa [Steinitz: Advanced Talks on Gas Exports to Turkey with Options to Transfer It to Europe]," *Calcalist*, November 14, 2016, https://www.calcalist.co.il/local/articles/0,7340,L-3701753,00.html; Nati Yefet and Sonia Gorodisky, "Shtayinitz ve-sar ha-energiya ha-Turki: yu'atz ha-mo"m le-hanachat tzinor gaz le-Turkiya [Steinitz and Turkish Energy Minister: Negotiations to Accelerate Gas Pipeline to Turkey]," *Globes*, July 12, 2017, https://www.globes.co.il/news/article.aspx?did=1001196823.
[52]Ambassador Michael Harari, personal interview with the author, July 16, 2023; Ambassador Shmuel Revel, interview with author, September 13, 2023

These tensions surfaced immediately. In July 2016, just weeks after Israel and Turkey announced their rapprochement, Cyprus president Nikos Anastasiadis and Energy Minister Giorgos Lakkotrypis traveled to Israel to make clear that Nicosia would not permit a pipeline to Turkey to cross its waters, contradicting assumptions held by some Israeli officials. More importantly, doubts persisted within Israel about Turkey's reliability as a long-term energy partner. Erdoğan's continued support for Hamas and Ankara's increasingly assertive regional posture fueled Israeli concerns that a pipeline would entrench Jerusalem's dependence on an unpredictable neighbor. Critics warned that energy interdependence without political trust would expose Israel to Turkish coercion.[53] Having spent the better part of the decade building trust with Cyprus and reducing its dependency on Turkey, Israel was unwilling to go backwards.[54]

It is worth addressing a question the pipeline's failure raises directly. The proposed route to Turkey would have crossed maritime zones claimed by Cyprus as part of its EEZ, and Nicosia made clear it would not permit such a crossing. But it would be a mistake to treat the Cyprus routing problem as the pipeline's decisive obstacle. Had a viable alternative route existed, the other conditions for a durable energy partnership between Israel and Turkey were still absent. Israeli officials expressed privately that they would not commit to a multi-decade supply relationship with a state whose political orientation was actively shifting against Israeli interests.[55] The commercial terms were never agreed, with Israel's regulatory price floor making

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[53]Herb Keinon, "Despite Turkey-Israel Accord, Gas Deal Complex," *Jerusalem Post*, June 27, 2016, https://www.jpost.com/Israel-News/Politics-And-Diplomacy/Despite-Turkey-Israel-accord-gas-deal-complex-458002; Erez Zadok, "Bibi, Shtayinitz, nigmar ha-misḥak – ein yitzu mi-Leviathan. Putin ve-Erdoğan chasfu et ha-emet [Bibi, Steinitz—The Game Is Over: No Exports from Leviathan; Putin and Erdoğan Exposed the Truth]," *TheMarker*, August 11, 2016, https://www.themarker.com/blogs/erezzadok/2016-08-11/ty-article/0000017f-f8ea-d460-afff-fbee44130000.

[54]Itamar Eichner, "Yisra'el, Yavan ve-Kiprus yekadmu et tzinor ha-gaz ha-meshutaf [Israel, Greece, and Cyprus to Advance Joint Gas Pipeline]," *Ynet*, September 26, 2016, https://www.ynet.co.il/articles/0,7340,L-4858037,00.html

[55] This position was corroborated by several interviewees, one of whom said, "The problem [was] only political feasibility... From the very beginning, the owners of Tamar talked about the Turkey option as the best option."

the deal unattractive to Turkish investors regardless of routing. And the political relationship between Jerusalem and Ankara deteriorated again in 2018 before any of these obstacles could be resolved. The Cyprus objection was the most visible and legally legible barrier to the pipeline, but it was not the foundational one. It was the first obstacle to emerge publicly in a bilateral relationship that was producing new obstacles faster than any technical solution could address them. This is precisely what the path dependent account advanced in this dissertation predicts: where political trust is absent and the bilateral trajectory is deteriorating, energy cannot overcome the structural conditions working against it.

Parallel to its discussions with Turkey, Israel continued to institutionalize its cooperation with Greece and Cyprus. Bilateral ministerial meetings and trilateral summits generated agreements on energy cooperation, security coordination, and environmental policy, and innovation. Israeli forces conducted joint training exercises in Cyprus and on the Greek island of Crete, reinforcing security ties with Nicosia and Athens.[56] Here too, Steinitz was a central figure, promoting the EastMed pipeline as the flagship project of this emerging alignment despite its own technical and commercial challenges. Speaking at a trilateral summit in Athens in September 2016, he framed the EastMed and Turkey pipelines as complementary rather than mutually exclusive, arguing that Israel required "at least two" export routes to preserve flexibility and strategic depth.[57] In practice, however, Israel lacked sufficient natural gas reserves to support

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Senior Ministry of Foreign Affairs officials emphasized the commercial angle at the time. Alexander Varshavsky, interview with author, August 22, 2023. Aviv Ayash, interview with author, September 14, 2023;

[56]Gabi Siboni and Gal Perl Finkel, "IDF Exercises with Cyprus and Crete," *Institute for National Security Studies*, June 29, 2017, https://www.inss.org.il/publication/idf-exercises-cyprus-crete/

[57]Michele Kambas, "Greece, Cyprus, Israel Look into East Med Gas Pipeline," *Reuters*, September 27, 2016, https://www.reuters.com/article/markets/currencies/greece-cyprus-israel-look-into-east-med-gas-pipeline-idUSKCN11Y2FQ/.

both projects at once. This rhetorical duality reflected a calculated hedging strategy rather than a genuine confidence in parallel implementation.[58]

The fragility of the Israel-Turkey reconciliation process became evident in late 2017. Following the Trump administration's announcement recognizing Jerusalem as Israel's capital, Erdoğan threatened to again sever diplomatic ties. When the United States formalized the decision in May 2018, clashes along the Israel-Gaza border resulted in the deaths of 60 Palestinian protestors. Erdoğan condemned Israel's actions as "genocide," and Israel's ambassador was instructed to leave Turkey the following day.[59] Diplomatic relations once again deteriorated.

In retrospect, the 2016 reconciliation between Israel and Turkey contained the seeds of its own unraveling. The agreement resolved procedural grievances stemming from the *Mavi Marmara* incident but failed to address the substantive drivers of bilateral tension: Israeli policy towards the Palestinians and Turkey's ideological repositioning under Erdoğan. No summit-level meeting ever took place between Netanyahu and Erdoğan, and their personal antagonism permeated the bilateral relationship. While some government ministers were instructed to engage with one another, the atmosphere of interministerial and interparliamentary engagement that had existed in the previous decade had dampened. Publicly, officials attributed the stagnation of energy negotiations to pricing and feasibility concerns, but privately all parties understood that the core issue was trust. Without confidence in Turkey's long-term political orientation, Israel was unwilling to commit to a multi-decade energy partnership.

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[58]Ambassador Michael Harari, personal interview with the author, July 16, 2023.
[59]Itamar Eichner, "Shagrir Yisra'el she-hushpal be-Turkiya: "ha-hanchaya higi'a mi-lema'la" [Israeli Ambassador Humiliated in Turkey: 'The Instruction Came from Above']," *Ynet*, May 15, 2018, https://www.ynet.co.il/articles/0,7340,L-5262710,00.html.

By 2018, the strategic calculus had shifted decisively. Deepening ties with Greece and Cyprus had reduced Israel's reliance on Turkey. The landmark natural gas export agreement with Egypt diminished Ankara's leverage in energy negotiations. Israel had proven itself capable of both monetizing its gas and turning it into a strategic asset. As a result, Israel became less willing to accommodate Turkey's inconsistent and at times aggressive communications. Publicly, Israeli and Turkish officials began to walk back their interest in a pipeline arrangement, citing Israel's regulatory price floor – which prohibited natural gas export prices below domestic rates – as the reason for reduced investor enthusiasm. But a former Delek executive felt it was all about politics: "It was never an issue of pricing [with Turkey] ...We were open always to Turkish firms and to Turkish companies. You want our gas, we are happy to sell you our gas. But you need to take the political risk...I think everyone [was] afraid of Erdoğan, and [Turkish companies] are not willing to take this political risk."[60] This position is corroborated by Israeli officials working in the Energy Minstry at that time.[61]

The Israel-Turkey case highlights a key limit of energy diplomacy as a tool of statecraft. While energy cooperation can support diversification strategies by expanding diplomatic options and facilitating tactical engagement, it cannot compensate for political mistrust or unresolved conflicts. In the absence of trust, energy opportunities may keep a door open for dialogue but are unlike to anchor or transform bilateral relationships. Israel's experience with Turkey illustrates this constraint: despite sustained negotiations and strong commercial incentives, the lack of trust and persistent political frictions prevented energy cooperation from becoming reality. While officials occasionally cited other reasons for why an energy agreement wasn't realized, such as

[60]Aviv Kirshenbaum, inteview with author, July 19, 2023.
[61]Alexander Varshavsky, interview with author, August 22, 2023. Aviv Ayash, interview with author, September 14, 2023;

differences over pricing or concerns about potentially violating Cyprus' maritime rights, it is difficult to argue that any of those factors were are impactful as the absence of trust between Jerusalem and Ankara. When diplomatic relations collapsed again in 2018, Israel was able to absorb the shock precisely because it had already diversified its partnerships. Consolidating ties with Greece, Cyprus, and other like-minded actors offered a more stable foundation for Israel's regional energy strategy, demonstrating that the success of energy diplomacy depends less on technical feasibility than on political compatibility.

The Turkey case differs from the Jordan case in one important respect. In Jordan, energy cooperation succeeded at the transactional level despite the absence of deep political trust, because the structural conditions were sufficient to sustain a carefully compartmentalized arrangement. Geographic proximity, shared commercial interests, and US facilitation created just enough political space for a workable agreement to proceed, even if it never generated broader normalization. With Turkey, even those structural conditions were insufficient. The political mistrust between Jerusalem and Ankara was not merely deep but actively growing, and the commercial logic of a pipeline agreement could not generate the political bandwidth needed to contain it. Where Jordan illustrates the ceiling of energy diplomacy under conditions of constrained normalization, Turkey illustrates what happens when political deterioration accelerates faster than commercial logic can compensate for. Energy found no purchase because the bilateral trajectory was moving in the wrong direction too quickly for any instrument to reverse it.

V. The New Regional Architecture (2018-2023)

By 2018, Israel had largely abandoned efforts to balance competing interests among Greece, Cyprus, and Turkey and instead pursued a regional strategy that consolidated its partnerships with Athens and Nicosia. This section demonstrates how energy diplomacy facilitated that shift. What began as a hedging strategy designed to preserve multiple diplomatic relationships amid regional flux evolved into a more selective alignment based on shared interests with Greece and Cyprus, further enhanced by Israel's relationships with Egypt, the United States, and the European Union. This section also advances a central claim of this chapter: that energy diplomacy is most consequential when it locks in political alignments, attracts third-party backing, and reshapes strategic alternatives, and not when it only delivers economic benefits. Though Israel failed to realize a flagship energy infrastructure project with either Greece or Cyprus, energy diplomacy supported the relationship's transformation and, by extension, the creation of a new regional architecture.

Israel's pivot towards Greece and Cyprus rested on three mutually reinforcing pillars that had initially helped jumpstart cooperation: expanding security ties, the institutionalization of trilateral and regional forums that incorporated external actors, and sustained energy diplomacy.

Security cooperation provided the most immediate and tangible foundation for this realignment. As relations with Turkey deteriorated after 2010, Israel intensified defense engagement with both Greece and Cyprus, conducting joint military exercises, expanding intelligence coordination, and deepening defense-industrial ties. These activities reflected overlapping threat perceptions, particularly regarding Turkish assertiveness in the Eastern Mediterranean. One example of this deepening security relationship was Cyprus' decision in 2018 to award Israel Aerospace Industries (IAI) a contract to supply and operate an advanced integrated training system for the Cypriot National Guard. In 2019, Israeli UAV manufacturer

Aeronautics sold Cyprus tactical drones to monitor its maritime space.[62] Israel also deepened its partnership with Greece through a 2021 agreement worth an estimated $1.6 billion that allowed Elbit Systems, one of Israel's most prominent defense contractors, to develop a flight training program and center for the Hellenic Air Force.[63] The combined effect of these deals communicated the high degree of confidence that Israeli security officials felt about the long-term trajectory of their relationship with both Greece and Cyprus, and how a once ad hoc defense relationship had become more institutionalized.

Routine trilateral engagement further institutionalized Israel's relationship with Greece and Cyprus, embedding them within a broader regional and transatlantic framework. Regular trilateral summits became a central diplomatic mechanism, producing bilateral and multilateral agreements for joint coordination across energy, security and regional affairs. Crucially, these trilateral summits increasingly incorporated the United States in the so-called "3+1" framework, answering Greek and Cypriot needs for counterweight to Turkish assertiveness in the Eastern Mediterranean. In March 2019, US Secretary of State Mike Pompeo participated in a trilateral meeting in Jerusalem focused on the EastMed pipeline project and regional energy security. Later that year, the Congress passed the Eastern Mediterranean Security and Energy Partnership Act (EastMed Act) designed to support a "strong and prosperous alliance between the United States, Greece, Israel, and Cyprus" in the areas of defense and energy security.[64] US participation

[62]See "Aeronautics Sells Drones to Cyprus to Monitor Turkish Threat," *Globes*, October 10, 2019, https://en.globes.co.il/en/article-aeronautics-sells-drones-to-cyprus-to-monitor-turkish-threat-1001303314.
[63]See Judah Ari Gross, "Israeli Firm Inks NIS 5.4 Billion Flight Training Deal with Greece," *Times of Israel*, April 5, 2021, https://www.timesofisrael.com/israeli-firm-inks-nis-5-4-billion-flight-training-deal-with-greece/; Burak Ege Bekdil, "Israel, Greece Sign $1.7 Billion Deal for Air Force Training," *Defense News*, January 5, 2021, https://www.defensenews.com/training-sim/2021/01/05/israel-greece-sign-17-billion-deal-for-air-force-training/.
[64]US Senate Committee on Foreign Relations, "Congress Passes Menendez-Rubio Bill Reshaping U.S. Policy in Eastern Mediterranean," December 20, 2019, https://www.foreign.senate.gov/press/dem/release/congress-passes-menendez-rubio-bill-reshaping-us-policy-in-eastern-mediterranean_-.

elevated the political importance of the trilateral process, lending it legitimacy and signaling that it aligned with broader American strategic interests.

Energy diplomacy continued to serve an important role in facilitating trilateral dialogue between Israel, Greece, and Cyprus. Despite having signed export contracts with Egypt and Jordan, Israeli offshore natural gas discoveries still provided a shared economic and strategic incentive for closer coordination with Greece and Cyprus, while also creating opportunities to engage with other regional and international actors. Initiatives such as the Eastern Mediterranean Gas Forum (EMGF), jointly launched by Israel and Egypt in 2019, institutionalized energy cooperation at the regional level and bridged commercial and political interests.[65] For Israel, the EMGF capped a decade of energy diplomacy efforts in the Eastern Mediterranean and offered a multilateral framework that aligned its energy strategy with European diversification goals and Egypt's existing LNG infrastructure. It was logical that Israel's trusted regional partners like Greece and Cyprus – who independently fostered their own cooperative triangle with Egypt – would take part in the EMGF's establishment. And of course, Israel continued to pursue flagship energy projects with Greece and Cyprus. In January 2020, a trilateral summit was held by the Israeli, Greek, and Cypriot energy ministers to sign the EastMed Pipeline Agreement.[66] Similar diplomatic statements were made about the EuroAsia Interconnector project, which was slowed by regulatory challenges in Greece. In sum, energy cooperation reinforced Israel's alignment with Greece and Cyprus even as technical, commercial, and geopolitical obstacles limited progress on large-scale infrastructure projects.

[65]Eastern Mediterranean Gas Forum, "1st EMGF Ministerial Meeting," January 14, 2019, https://emgf.org/pages/viewcontent/articalid.aspx?ArtID=2050; Michael Harari, "Mifgash ha-interesim ha-Yisra'eli-Mitzri meyatzér hizdamnut gam be-tchum ha-energiya [The Convergence of Israeli–Egyptian Interests Also Creates an Opportunity in the Energy Sector]," *Davar,* January 24, 2019, https://www.davar1.co.il/170770/.
[66]State of Israel, Ministry of Energy, "EastMed Pipeline Agreement," January 2, 2020, https://www.gov.il/BlobFolder/generalpage/east_med_topic/he/EastMed_Pipeline_Agreement.pdf

What distinguished this period from earlier phases of Israel-Greece-Cyprus cooperation was the degree to which the energy framework had become self-sustaining. By 2018, the strategic relationship between the three states no longer depended on the commercial viability of the EastMed pipeline or any other specific energy project. The trilateral summits continued, the defense agreements deepened, and the 3+1 format with the United States expanded regardless of whether a single cubic meter of Israeli gas was destined for Greek or Cypriot shores. This is the clearest illustration of declaratory energy diplomacy's distinctive mechanism: the pursuit of energy projects had generated institutional infrastructure, diplomatic routines, and political relationships that persisted independently of the projects themselves. The energy architecture had become the relationship, even as the energy infrastructure remained unbuilt.

Collectively, these developments deepened Israel's alignment with Greece and Cyprus. They also marginalized Turkey. While individual initiatives such as the EastMed pipeline or the EuroAsia Interconnector faced technical and commercial hurdles, Ankara interpreted the cumulative effect of both these regional projects and forums like the EMGF as a deliberate attempt to contain its regional ambitions and exclude it from the Eastern Mediterranean's emerging energy and security architecture.[67] Turkish officials openly criticized the EMGF as an "unrealistic initiative launched by some countries with political motives" designed to deny Turkey and the Turkish Republic of North Cyprus recognition of their maritime rights.[68] EMGF

[67] In 2018 the European Union committed $100 million to conduct feasibility tests on the EastMed pipeline but never released the results.
[68]See Turkey, Ministry of Foreign Affairs, "Statement on the East Mediterranean Gas Forum," January 16, 2020, https://www.mfa.gov.tr/sc_-3_-dogu-akdeniz-gaz-forumu-hk-sc.en.mfa; "Ankara Disparages 'Surreal' Steps by Eastern Mediterranean Gas Forum," *Daily Sabah*, January 17, 2020, https://www.dailysabah.com/business/2020/01/17/ankara-disparages-surreal-steps-by-eastern-mediterranean-gas-forum; After understanding that the Israeli position had changed, the Turkish Republic of Northern Cyprus's unofficial office in Tel Aviv closed, Ambassador Michael Harari, personal interview with the author, July 16, 2023.

member states rejoindered that Turkey could join the forum if it respected the maritime rights of Greece and Cyprus.

Turkey's response to these developments combined diplomatic protest with increasingly assertive unilateral action in the Eastern Mediterranean. Ankara deployed drillships and naval escorts into Cyprus' waters, at one point forcing an Israeli research vessel to leave the area.[69] When Cyprus objected to Turkey's behavior, Turkey doubled down, signing an EEZ agreement with Libya's Government of National Accord in late 2019.[70] The deal redrew maritime boundaries in ways that directly challenged Greek and Cypriot claims and was widely viewed as an attempt to disrupt emerging energy and diplomatic arrangements in the Eastern Mediterranean.

These actions set off a cycle of countermeasures and escalatory behavior. Greece and Egypt signed their own EEZ agreement in 2020, directly contesting the Turkey-Libya memorandum, while Israel, Greece, and Cyprus continued their progress with the EastMed pipeline despite its mounting feasibility challenges. Tensions soon spiraled into naval brinkmanship in the Aegean and Mediterranean seas, with Greek and Turkish warships shadowing one another until NATO intervened to facilitate deconfliction talks. Interested in lowering the flames, the Biden administration quietly withdrew US support for the EastMed pipeline in a 2022 "non-paper," endorsing the EuroAsia Interconnector as a more feasible

[69]See Judah Ari Gross, "Turkish Ships Said to Force Israeli Research Vessel out of Cypriot Waters," *Times of Israel*, February 13, 2018, https://www.timesofisrael.com/turkish-ships-said-to-force-israeli-research-vessel-out-of-cypriot-waters/.

[70]See United Nations, "Memorandum of Understanding between the Government of National Accord of Libya and the Republic of Turkey on the Delimitation of the Maritime Jurisdiction Areas in the Mediterranean," signed November 27, 2019, https://www.un.org/depts/los/LEGISLATIONANDTREATIES/PDFFILES/TREATIES/Turkey_11122019_%28HC%29_MoU_Libya-Delimitation-areas-Mediterranean.pdf.

alternative.[71][72] Throughout this period, Israel found itself navigating an increasingly polarized regional environment, actively promoting initiatives that strengthened its partnerships with Greece and Cyprus, while simultaneously seeking to avoid a complete rupture with Turkey, with whom it continued to enjoy significant economic ties. For this reason, Israeli Energy Minister Steinitz continued delivering signals implying that there was a still a future for Israel-Turkey energy cooperation and for Turkish participation in the EMGF, even though the parties couldn't have been further apart.[73]

This outcome underscores the central point of this section. Even as energy projects stalled and US support for the EastMed pipeline project flagged, the political impact of Israel's energy diplomacy with Greece and Cyprus proved to have staying power. Energy cooperation helped institutionalize the trilateral partnership, attract external support, and buoy Israel's strategic interests in the Eastern Mediterranean. By the time Turkey eventually sought regional rapprochement and normalized diplomatic relations with Israel in 2022, the contours of Israel's regional alignment had already been set. Talk of ambitious Israel-Turkey pipelines and energy cooperation was absent. Energy diplomacy, in this case, was a vehicle whose measurement for success was less the pipelines its constructed than the strategic alignment it facilitated.[74]

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[71]Michele Kambas, "U.S. Voices Misgivings about EastMed Gas Pipeline to Greek Officials," *Reuters*, January 11, 2022, https://www.reuters.com/business/energy/us-voices-misgivings-eastmed-gas-pipeline-greek-officials-2022-01-11/; "U.S. Tells Israel EastMed Not an Option," *Financial Mirror*, January 19, 2022, https://www.financialmirror.com/2022/01/19/us-tells-israel-eastmed-not-an-option/.

[72]In 2023 the EuroAsia Interconnector was renamed the Great Sea Interconnector (GSI) as part of a broader transition and transfer of management to Greece's electricity transmission operator IPTO/ADMIE.

[73]Steinitz was invited by President Erdoğan to participate in the 2021 Antalya Diplomacy Forum but the invitation was quickly cancelled following an escalation between Israel and the Palestinians. "Israel Says Ready to Cooperate with Turkey on EastMed Gas," *Daily Sabah*, March 9, 2021, https://www.dailysabah.com/business/energy/israel-says-ready-to-cooperate-with-turkey-on-eastmed-gas; Amichai Stein, "La-rishona mi-ze shanim: sar Yisra'eli huzman le-Turkiya le-khenes rasmi be-chasut Erdoğan [For the First Time in Years: Israeli Minister Invited to Turkey for Official Conference under Erdoğan's Auspices]," *Kan News*, April 21, 2021, https://www.kan.org.il/content/kan-news/politic/278765/; "Turkey Cancels Israeli Minister's Invite over Recent Aggression," *Daily Sabah*, May 2021, https://www.dailysabah.com/politics/diplomacy/turkey-cancels-israeli-ministers-invite-over-recent-aggression.

[74]Ambassador Michael Harari, interview by author, July 16, 2023.

Concluding Remarks

Between 2009 and 2023, Israel never exported a cubic meter of natural gas to Turkey, Greece, or Cyprus. The EastMed pipeline was never built. The EuroAsia Interconnector remained on paper. The promise of the proposed undersea route to Turkey, which looked viable for several years, evaropated before any commercial commitments were made. Yet over the same period, Israel's bilateral relationships with each of these three states were fundamentally transformed in opposite directions.

This chapter has traced how that happened. With Greece and Cyprus, energy cooperation became the connective tissue of a strategic partnership that predated the discoveries and accelerated rapidly after 2010. The collapse of Israel-Turkey relations created the strategic opening; Greece and Cyprus, already aligned against Turkish regional behavior and receptive to closer ties with Jerusalem, were prepared to move quickly. Energy projects provided diplomatic engagement a concrete agenda and a consistent cadence – delimitation talks, trilateral summits, ministerial meetings – even as the commercial viability of those projects remained questionable. By 2022, when the Biden administration withdrew its support for the EastMed pipeline, the institutional and political architecture it had helped create was already self-sustaining.

With Turkey, the opposite dynamic took place. Despite the commercial logic for energy cooperation, the diplomatic foundations had deteriorated before the first serious negotiations could begin. The 2016 rapprochement opened a brief window for exploratory talks, but the absence of trust could not be overcome by technical discussions. Commercial and legal issues were cited as the proximate cause of the lack of momentum, but they were secondary issues. The Israel-Turkey relationship had eroded beyond repair. Energy cannot reverse relations where there is an absence of trust – but can become one more arena in which the deterioration of bilateral ties is made visible.

Across both cases, energy cooperation functioned as a vehicle for political realignment even when infrastructure projects failed to become reality. Flagship projects such as the EastMed pipeline and the EuroAsia Interconnector played an important diplomatic role even as their commercial viability remained questionable. These initiatives did not deliver Israeli natural gas to Europe, however they reshaped Israel's strategic environment by creating new partnerships, attracting external support, and shrinking Ankara's influence in regional geopolitics. There was an understanding among Israeli, Greek, and Cypriot policymakers that the success of the trilateral partnership was not contingent on the viability of any single infrastructure project. This is declaratory energy diplomacy in practice: cooperation whose strategic value operated through the public pursuit of joint initiatives rather than their realization, and whose effects were ultimately felt outside the energy domain itself. That no Israeli gas reached Greece, Cyprus, or Turkey during the entire period under examination did not diminish energy's strategic significance.

As Israel's relationship with Greece and Cyprus deepened, it worked to embed those bilateral relationships within wider multilateral frameworks. The emergence of trilateral cooperation formats, later expanded into the 3+1 framework with the United States, and the establishment of the EMGF, reflected Israel's deliberate effort to maximize the potential of these partnerships. These arrangements offered Israel a means of anchoring its regional role within a rules-based order aligned with European and US interests while marginalizing Turkey's influence without engaging in direct confrontation. By strengthening ties with Greece and Cyprus and deepening its partnership with Egypt, Israel found itself at the center of multiple

Eastern Mediterranean cooperation frameworks – a position that provided an alternative form of strategic depth and reinforced its legitimacy as a regional energy and security actor. With Greece and Cyprus, energy diplomacy was less about specific export routes and more about reorienting Israel's regional environment.

The October 7 war and its aftermath exposed both the durability and the structural limits of this approach. The strategic realignment with Greece and Cyprus proved resilient: both states remained close partners throughout the conflict, and Cyprus emerged as a critical logistical and diplomatic node - facilitating humanitarian aid delivery and serving as a transit point for Israeli aircraft during periods of heightened regional risk. These roles reflected the depth of trust and institutionalized cooperation developed over the previous decade and confirmed the durability of the declaratory energy diplomacy architecture even under conditions of acute regional stress. At the same time, the war exposed a structural flaw that the previous decade of realignment had obscured. By the early 2020s, Israel's natural gas export strategy was concentrated through a single corridor - the Egyptian pipeline route - while the alternative pathways that energy diplomacy with Greece and Cyprus had nominally been building toward never materialized commercially. When the war disrupted offshore production and strained regional relationships, Israel lacked the redundancy that a diversified export architecture would have provided. Israel's energy diplomacy succeeded in creating new political alignments in the Eastern Mediterranean but failed to deliver the commercial infrastructure that would have given those alignments strategic redundancy. The gap between declaratory energy diplomacy and deliverable energy infrastructure ultimately left Israel strategically embedded in a regional architecture whose commercial foundations were never built.

The realignment chronicled in this chapter came at a price. By consolidating its regional strategy around Greece and Cyprus, Israel accepted a substitution that its own strategic assessments had long resisted: replacing, however gradually, a large and consequential regional power with two smaller EU member states whose geographic reach, economic depth, and military capacity could not match Turkey's. Israeli policymakers made this trade with eyes open, but it remained a trade. The deeper consequence was the accumulation of external dependencies that the partnership required to sustain its momentum. The architecture's viability rested on continued American willingness to maintain the 3+1 framework, on continued EU receptivity to Israeli participation in its regional initiatives, and on the political durability of governments in Athens and Nicosia – none of which was in Israel's control. The declaratory style of its cooperation with Greece and Cyprus compounded this challenge: a partnership whose strategic value operated through public statements rather than concrete actions had less to fall back on if its diplomatic foundations were destabilized. In this sense, the logic that enabled Israel's realignment with Greece and Cyprus also shaped its vulnerabilities: the absence of a joint energy project anchoring these relationship left them dependent on the geopolitical conditions that created them.

This outcome qualifies rather than undermines the chapter's central argument. Declaratory energy diplomacy produced real and durable strategic dividends – the trilateral architecture, the 3+1 framework, the defense agreements with Greece and Cyprus, and Israel's deeper integration into a Western-oriented regional order are all genuine achievements of this period – but energy's amplifying effects operated on the political and strategic dimensions of the relationship rather than the commercial ones, and the durability of those effects was ultimately contingent on the political alignments that had generated them rather than on the energy infrastructure that had justified them. The Greece, Cyprus, and Turkey cases together demonstrate the path dependent argument's most counterintuitive implication: that energy's strategic effects are determined not by what it delivers commercially but by the bilateral trajectory it enters. Even failed energy projects can produce real strategic dividends when the relational context is cooperative. Even commercially viable energy arrangements cannot sustain cooperation when the trajectory of bilateral relations has become irreversibly contentious. In these cases, energy was not the central driver of geopolitical activity. It was a vehicle through which competitive and cooperative trends already in motion were channeled, formalized, and given international legitimacy - consequential in how it shaped those trends, but never their source.

The concluding chapter draws the five bilateral cases into comparison and returns to this study's primary question about how energy discoveries shape state foreign policy. It examines when energy can reshape bilateral relations, when it cannot, and what conditions determine the difference. Where the path dependent argument holds most clearly, and where it does not, becomes visible only when there is structure comparative analysis between the cases. The chapter closes by assessing what the Israeli experience contributes to broader debates about the role energy plays in international relations.

Conclusion

This study began with a question that sits at the intersection of energy and international relations: how does the discovery of new energy resources influence the formation and execution of state foreign policy? The question was prompted by a scenario particular to Israel but with broader analytical relevance. In 2009, the Tamar natural gas field was discovered off Israel's Mediterranean coastline, followed a year later by the even larger Leviathan field. As a result, a state that had spent most of its history managing the challenges of chronic energy scarcity suddenly became a potential energy exporter. The conventional expectation, advanced by both realist and liberal accounts of energy politics, was that this development would reshape Israel's foreign policy in predictable ways. Realism predicted enhanced strategic autonomy and a reduced appetite for external cooperation. Liberalism predicted new incentives for regional cooperation and the gradual erosion of political hostilities through economic interdependence. Israeli Prime Minister Benjamin Netanyahu's own framing before the Supreme Court captured this expectation most vividly – in his words, these natural gas discoveries represented a critical juncture, a moment of structural transformation that would redirect Israel's foreign policy in genuinely new ways.

None of these predictions proved adequate to describing what happened, which was more conditional, more varied, and more analytically interesting than the theoretical frameworks could have anticipated. Israel's offshore gas discoveries did not transform its foreign policy. They expanded the instruments available to pursue its foreign policy agenda. Where prior bilateral foundations were cooperative, energy deepened and institutionalized cooperation. Where they were adversarial or asymmetrical, energy reinforced existing patterns rather than transcending them. This study advanced a path dependency approach to energy and foreign policy to explain that variation: the influence of energy on relations between states is real, but contingent on the prior trajectory of those relations, the relative distribution of leverage between parties, the presence or absence of commercial actors willing to absorb political risk, and the availability of third-party facilitation when direct diplomacy is not feasible. This study traced that argument across five bilateral cases spanning more than a decade of Israeli energy diplomacy in the Eastern Mediterranean. What they found is that energy is neither a catalyst for peace nor a driver of conflict – it is a mirror, reflecting back the character of the bilateral relationships into which it is introduced.

I. Analyzing the Five Cases

To test that argument, this study examined five bilateral cases drawn from Israel's energy diplomacy in the Eastern Mediterranean between 2009 and 2023. The cases were not selected at random; together they provide a natural comparative framework within a single country case – one that holds constant the state, the energy resource, and the timeframe. The variable was the bilateral relationships themselves, both prior to the discovery of natural gas and following its introduction to Israel's foreign policy toolkit. That variation across cases, rather than any single case in isolation, is what allows the path dependent argument to be evaluated against empirical evidence.

The five cases fall into three analytical groupings. The first grouping – Jordan and Egypt – examined the range of cooperative outcomes that energy diplomacy can produce where prior bilateral foundations are nominally favorable. Jordan represents the floor of that cooperative potential: a case in which shared commercial interests and American facilitation produced a workable but transactional agreement, without generating the political momentum or broader normalization that deeper cooperative foundations might have supported. What this chapter introduced as compartmentalized interdependence – the deliberate separation of commercial energy transactions from formal diplomatic engagement – proved resilient precisely because it insulating the relationship from political disruption while simultaneously preventing it from generating wider constituencies for normalization. Egypt represents the study's strongest confirming case: a bilateral relationship already trending toward strategic alignment, in which energy deepened, institutionalized, and publicly legitimized cooperation that common security interests had set in motion. The 2018 Dolphinus agreement, the reconstitution of the EMG pipeline, and the establishment of the Eastern Mediterranean Gas Forum (EMGF) together mark the high point of what energy diplomacy can deliver when the diplomatic conditions are genuinely cooperative.

The second grouping – Palestine and Lebanon – examined the range of outcomes that energy diplomacy produces under contentious conditions. The Palestinian case represents the study's threshold case: the context in which the minimum conditions for energy to function cooperatively were entirely absent. Structural asymmetry was total, political trust was nonexistent, and Israel's consistent preference for conflict management over conflict resolution meant that energy functioned not as a cooperative instrument but as a mechanism of control. What makes this case distinctive is the gap between what Israel sought for itself and what it denied the Palestinians: reduced energy dependence, independent revenue, and a material stake in regional energy cooperation. By contrast, Lebanon represents the hard case: maximally hostile to cooperative energy diplomacy, but where a narrow diplomatic achievement nonetheless emerged. The 2022 maritime boundary agreement was not a breakthrough in Israel-Lebanon relations. It was the byproduct of asset-protective diplomacy, driven by a reactive need to protect existing offshore investments from risk rather than by any ambition to transform the relationship. The circumstances that allowed the maritime boundary agreement to go through – Hezbollah's coercive pressure, the mediation efforts between two states in a formal state of war, the role of energy companies like Energean – is what makes the case analytically significant.

The third grouping – Greece, Cyprus, and Turkey – examined a case where energy operated entirely outside the commercial domain. No Israeli natural gas reached Greece, Cyprus, or Turkey during the period reviewed in this study. Yet the pursuit of energy cooperation with Greece and Cyprus helped reshape Israel's regional alliances, deepened its integration into a European-oriented security architecture, and accelerated a strategic realignment whose effects were felt across diplomatic, security and commercial domains. This chapter introduced declaratory energy diplomacy to describe that mechanism: where the public pursuit of energy cooperation was more valuable to Israel than the realization of any particular energy project. Israel's balancing act with Turkey illustrates the same logic from the opposite direction, and in a way that is more analytically significant than a simple adversarial case would suggest. Unlike the Palestinian case, where the absence of cooperative foundations was both structural and historical, Turkey presented stronger commercial incentives for energy cooperation with Israel than either Greece or Cyprus: a shorter pipeline route, a larger domestic market, and existing infrastructure connecting to Europe. These ideal circumstances failed to produce an energy agreement. Despite the strong incentives reconcile for the sake of mutual economic and strategic benefit, bilateral ties between Jerusalem and Ankara continued the deterioration. Turkey demonstrates that the importance of the path dependency when assessing energy's amplifying effects; a deteriorating political trajectory could not be amelliorated by commercial opportunity, however compelling it appeared. Indeed, energy's amplifying effects in Israel's relationship with Turkey operated not only through the failure of bilateral cooperation but through what energy built in Turkey's absence: a regional architecture centered on Greece, Cyprus, and Egypt that gave Israel's strategic pivot both institutional form and durability.

Underlying all five cases is a finding that Chapter 1 established as the foundation for everything that follows. Israel's offshore natural gas discoveries did not immediately become foreign policy instruments. Before they could function as diplomatic assets, they had to endure several years of domestic political and legal deliberation over taxation, regulation, market structure, and export policy. The transformation of Israeli energy governance structure from the politics of scarcity, in which decisions were made by a small securitized elite with minimal public accountability, to the politics of plenty, where domestic energy resources democratized policy debate and expanded the range of actors shaping Israeli energy strategy, was not a precondition that this study took for granted. The political settlement over Israel's natural gas framework agreement directly shaped the timing, structure, and ambition of its regional energy diplomacy examined in the five bilateral cases. Understanding why Israel's energy diplomacy took the forms it did requires first understanding what Israel had to address domestically before it could pursue its interests abroad.

II. Path Dependecy and the Four Conditions for Energy Cooperation

Together, the five bilateral cases examined in this study support a path dependent account of energy and foreign policy that is more precise and more empirically grounded than either realist or liberal theory offers. The basis for this finding is not the outcome of any single case but the pattern of variation across all five cases. A realist account predicts that Israel, pursuing a consistent strategic orientation, should produce comparable outcomes across its bilateral relationships – uniform autonomy-seeking behavior regardless of partner. A liberal account predicts that wherever commercial incentives for energy cooperation exist, material interdependence should generate cooperative transformation. Neither prediction aligns perfectly with the evidence this study examined. What the five cases reveal instead is a systematically differentiated pattern – deepened strategic partnership with Egypt, compartmentalized interdependence with Jordan, entrenchment of asymmetrical relations with Palestine, asset-protective minimalism with Lebanon, declaratory realignment with Greece and Cyprus – that aligns more with the prior trajectory of bilateral relations rather than supporting an argument that bestows energy with unique cooperative properties. It is that variation, and the path dependent account's capacity to provide answers where realist and liberal theory come up a little short, that gives the central finding its analytical force. The central finding is clear: energy amplifies the existing trajectory of bilateral relations and rarely redirects them. Where cooperative foundations exist, energy deepens and institutionalizes relations between states. Where they do not, energy exacerbates preexisting tensions, asymmetries, and patterns of control. This finding holds across cases that differ substantially in their prior diplomatic history, their power configurations, their commercial structures, and their geopolitical contexts. Its consistency across that variation is what gives it analytical weight.

What conditions would allow a redirection of bilateral relations? Not necessarily stronger commercial incentives – the Turkey case demonstrates that these are not likely sufficient on their own. Redirection would require a structural shock to the bilateral relationship itself: regime change, a security realignment, or third-party intervention that alters the relationship's basic political character rather than managing it. Here too, the Turkey case is useful. The sudden collapse of bilateral relations between Jerusalem and Ankara following the 2010 Gaza flotilla incident forced a dramatic strategic shift, though energy was not a catalyst and the trajectory proved deeply negative within this specific context. Egypt's Arab Spring is another example which qualifies; President Abdul Fattah El-Sisi's ascent set in motion a warming of relations between Israel and Egypt which included an energy component. However, this relationship was primarily driven by security interests, to which energy initially supported and over time was given sufficient space to breath and growth on its own. Overall, the Eastern Mediterarnean experienced turbulence between 2009 to 2023. Several bilateral relationships were refashioned during this period. The distinction made by the path dependent account is that it does not claim that these trajectories are immutable – only that energy, as an instrument of statecraft, lacks the force to exclusivly remake them.

However, this study's contribution is not simply to demonstrate that history matters. This study's contribution is also to identify the specific conditions that determine how energy's amplifying effects operate, and why those effects vary in the ways they do across different cases. From this comparative analysis, four significant conditions emerge.

The first is the prior state of bilateral relations. This is the framework's antecedent condition and the one that does the most explanatory work across the five cases. The Egypt case demonstrates that where a bilateral relationship is already trending toward strategic alignment, energy can deepen and institutionalize that alignment in ways that produce genuine and durable strategic dividends. The Palestinian case demonstrates that where asymmetry is total and political trust is absent, energy cannot function cooperatively at all and instead becomes another space where the preexisting dynamics are reproduced. The variation between these two cases, the most cooperative and the least, captures the full range of the path dependent argument's explanatory value.

The second condition is the relative distribution of leverage between parties. Energy diplomacy is not only conducted between equals, and the distribution of leverage between the parties shapes both the form that cooperation takes and the outcomes it produces. In the case of Jordan, for example, Israel's leverage as the supplier and Jordan's vulnerability as an energy-poor state with limited alternatives produced a relationship of compartmentalized interdependence, workable and resilient but fundamentally asymmetrical. In the Palestinian case, Israel's leverage was so overwhelming that newfound energy resources could not generate more than a minimum of transactional engagements that in turn reinforced the asymmetry between the parties. However, the Lebanon case offers an important qualification: Hezbollah's coercive capacity gave the Lebanese side a form of leverage that partially offset Israel's advantages, creating the conditions, however fragile, for a narrowly achieved maritime boundary agreement with no formal recognition between the parties.

The third condition is the presence or absence of commercial actors willing to engage in these issues because of either the perceived financial reward of future energy development or the perceived risk to investments and assets in they event they don't intervene. Across multiple cases, private sector actors played a role that state actors could not. In the Jordan case, Noble Energy and the Jordan Bromine Company devised a commercial structure that insulated the energy relationship from public criticism, enabling cooperation to proceed where direct state-to-state engagement would have failed. In the Egypt case, Chevron's acquisition of Noble Energy signaled global confidence in the bilateral energy relationship and reinforced its durability. In the Lebanon case, Energean's investment timeline created the urgency that turned a deadlocked legal dispute into an active security dilemma, ultimately forcing a political compromise that years of diplomacy had failed to produce. Where commercial actors were absent or reluctant to engage, as in the Palestinian case, energy diplomacy lost a crucial element. This pattern is consistent with testimony from senior energy executives and government officials directly involved in the negotiations, who described the export agreements as commercial initiatives that state actors subsequently endorsed and facilitated rather than invented.[1]

The fourth condition is the availability of third-party facilitation when direct diplomatic engagement carries political costs. The United States appears in every chapter of this study as a facilitating presence, and its role varies systematically with each bilateral context. In the Jordan case, American mediation was constitutive of the outcome. Without American facilitation, energy negotiations would have faced an uphill battle. In the Egypt case, American diplomatic engagement operated at a more abstract level, endorsing and legitimizing new regional architecture through the EMGF rather than brokering a specific agreement. In the Lebanon case, successive U.S. envoys worked the file over a period fo twelve years before producing a breakthrough. In the Palestinian case, the U.S. facilitated individual episodes without challenging the underlying asymmetry of the Israeli-Palestinian relationship. The consistency of American involvement across cases is itself significant and worthy of more serious study. It suggests that Eastern Mediterranean energy diplomacy never operated as a phenomenon strictly at a bilateral level between states but as a trilateral one, in which the U.S. functioned as an indispensable third party whose engagement conditioned what regional actors could achieve independently.

One qualification the empirical record demands concerns the relationship between commercial initiation and outcome determination, and what the distinction implies for how the framework's conditions should be read. The finding that private sector actors consistently served as proximate drivers of energy cooperation – identifying opportunities, structuring agreements,

[1]Alexander Varshavsky, interview by author, July 22, 2023; Aviv Kirshenbaum, interview by author, July 19, 2023.

and often moving ahead of state-level political alignment – is important. It complicates any reading of this dissertation's framework that would cast state actors as the primary agents of energy diplomacy. But proximate agency and ultimate determinacy are different questions, and conflating them produces a misreading of the path dependent account. The antecedent condition – the prior state of bilateral relations – is not making a claim about who initiates the process. It is a claim about what binds it. The Turkey case demonstrates this distinct. The owners of the Tamar and Leviathan fields identified an Israel-Turkey pipeline as their preferred export route from the outset; by multiple accounts the commercial logic was sound and the commercialization option was pursued through sustained engagement over the course of a decade. What prevented its realization was not the absence of an interested commercial partner, but the challenge of financing an expensive, long-term infrastructure project with two countries whose bilateral relationship had become unpredictable. Commercial logic operated as an engine of energy diplomacy across this period, but prior bilateral conditions determined the track on which that engine could run. Where the track was cooperative and inviting, commercial initiatives produced durable outcomes. Where it was not – regardless of the economics – private sector actors ended up walking away.

These four conditions interact with one another, and their interaction produces outcomes that no single condition can predict on its own. They do not, however, interact as equals. The prior state of bilateral relations functions as the antecedent condition – it sets the ceiling of what energy diplomacy can accomplish – while the other three enabling conditions determine how close to that ceiling a given case can reach.[2] Conditions three and four – commercial actors and

[2]On antecedent conditions see James Mahoney, "Path Dependence in Historical Sociology," *Theory and Society* 29, no. 4 (2000): 507–548; Paul Pierson, *Politics in Time: History, Institutions, and Social Analysis* (Princeton: Princeton University Press, 2004).

third-party facilitation – proved capable of compensating for constrained or absent political foundations, but only to a point: they can sustain cooperation where the bilateral trajectory is merely limited, as was the case with Jordan and Lebanon, but cannot generate outcomes where the trajectory is actively deteriorating, as Turkey demonstrated. The Egypt case succeeded because all four conditions were present and favorable at once. Conversely, all four conditions were absent in the Palestinian case. The Lebanon and Jordan cases occupy intermediate positions, where one or two conditions were favorable enough to deliver tangible diplomatic results. The Greece and Cyprus case stands apart because it demonstrates that energy's amplifying effects can influence the political and strategic dimensions of a relationship even when the commercial conditions for energy cooperation are absent, suggesting that declaratory energy diplomacy may be a distinct mechanism within the path dependent account – one in which the pursuit of energy projects rather than their realization is what produces strategic results (see Figure 1).

III. The Limits of the Path Dependency Approach

It is important to qualify these findings by stating that this study does not claim that energy is the only variable shaping Israeli foreign policy in the Eastern Mediterranean, nor that the four conditions identified here are an exhaustive list. The bilateral relationships examined in this study were shaped by security dynamics, domestic politics, commercial interests, personal relationships between key officials, and the gravitational pull of American strategic interests – none of which can be reduced to a simple equation where energy is the dominant factor. What the path dependent approach claims is more precise and more defensible: that energy's effects on bilateral relations are not random or peculiar but conditioned by the prior state of those relations, and that the four conditions identified across these cases highlight a measurable pattern that determines the form those effects take.

The five cases together rule out two weaker alternatives. The first is the claim that outcomes in bilateral relationships are entirely determined by prior conditions and energy adds nothing analytically. That claim is too weak. The Egypt case demonstrates that energy was an important factor: it institutionalized a relationship that security politics had set in motion but had not formalized, it was utilized as the foundation for a multilateral regional architecture that would have no incentive to exist prior to the discovery of offshore natural gas, and it repositioned Israel as a regional energy actor in ways that generated strategic dividends that extended beyond the bilateral relationship. Energy was not a secondary instrument of statecraft, but an central one whose introduction into Eastern Mediterranean geopolitics produced some unpredictable outcomes.

The second weak claim is that energy determines outcomes – that the discovery of domestic energy resources reliably transforms bilateral relations regardless of their previous state. That claim is too strong and the empirical record across these five cases refutes it consistently. The Palestinian case demonstrates that the introductino of a new energy source in a relationship does not promise increased cooperation. The Turkey case demonstrates that the strong economic incentives for cooperation could not overcome the collapse of diplomatic ties. The Lebanon case demonstrates that even a narrow diplomatic outcome required the precise convergence of multiple incentives that energy alone could not generate. Energy is a powerful instrument, but it is an instrument – its effects depend on the conditions into which it is deployed.

What the path dependent account offers is a framework for understanding energy's role that is more compelling than the first claim and more honest than the second. Where bilateral relationships are cooperative, energy has the ability to accelerate and institutionalize them. Where they are adversarial or asymmetrical, energy often reinforces those strained relationships and patterns. Where they are mixed or partially favorable, energy often produces outcomes that reflect the specific balance of available conditions: compartmentalized interdependence with Jordan, asset-protective diplomacy with Lebanon, declaratory realignment with Greece and Cyprus. This variation is not noise, but evidence of the conditions that determine what energy can and cannot do as an instrument of statecraft.

One further qualification is worthy of note. The period examined in this study – 2009 to 2023 – coincided with a specific configuration of regional and global factors that shaped how energy, and specifically natural gas, functioned as a diplomatic instrument. American engagement in the Eastern Mediterranean, the post-Arab Spring reconfiguration of regional alliances, the rise of LNG as a commercially viable alternative to pipeline exports, and the particular domestic political conditions in Israel during this period all created an environment in which energy diplomacy took the forms it did. Whether the path dependent logic identified here would operate in the same way under different structural conditions – a less engaged United States, a different configuration of regional alliances, a more advanced renewable energy industry – is a question this study cannot fully answer. What it can say is that the four conditions identified here are likely to remain analytically relevant even as the specific context changes, because they reflect durable features of how states employ economic instruments in their foreign relations rather than contingent features of a particular historical moment.

IV. Future Research

This study opens several avenues for future research that its own scope and methodology could not fully pursue.

The most immediate and pressing concerns the post-October 7th reconfiguration of Israeli energy diplomacy. The war in Gaza disrupted the regional energy architecture that a decade of Israeli diplomacy had constructed, exposed the structural vulnerabilities of a single-corridor export strategy to Egypt, and raised fundamental questions about the future of Gaza Marine field, Palestinian energy governance, and Israel's relationships with its Eastern Mediterranean partners. This study's endpoint of October 2023 was analytically defensible – the war represented a genuine rupture rather than an arbitrary cutoff – but it also means that the study cannot assess how Israeli energy diplomacy adapts to a post-war environment that may look substantially different from the one it examined. Future research tracking how Israel reconstructs its energy diplomacy in the aftermath of this conflict would offer a critical test of the path dependent account's predictive as well as explanatory power: do the same conditions that shaped outcomes between 2009 and 2023 continue to determine energy's effects in a reconfigured regional environment, or does the war's disruption create genuinely new bilateral trajectories into which energy will be introduced?

A second avenue concerns the generalizability of the path dependent account beyond the Israeli case. This study deliberately pursued depth over breadth, treating Israel as an analytically unique case rather than a representative sample. But the framework's core claim – that newfound energy amplifies existing bilateral trajectories without redirecting them – is a general proposition about how states use energy as an instrument of statecraft, not a claim that is specific to Israel or the Eastern Mediterranean. Testing that proposition against other states that underwent a similarly compressed transition from energy dependence to energy independence would both strengthen and refine the framework of this argument. For example, after ExxonMobil's 2015 Stabroek discovery, Guyana went from one of the poorest states in the Western Hemisphere to a major oil producer and as a result has been forced to reimagine its relationships with Venezuela, the U.S., and regional partners under conditions that in some important respects parallel Israel's experience. Mozambique and the joint Senegal-Mauritania development of the Greater Tortue Ahmeyim LNG project both represent cases of offshore natural gas discovery within existing and complex bilateral environments, where new energy wealth created diplomatic opportunities and pressures that past conditions may not have fully anticipated. Perhaps the closest structural parallel is Cyprus, which made its own offshore discoveries in the years following Israel's and had to navigate the same contested regional environment. In each case, the question the path dependent account would ask is the same: did energy transform those states' bilateral relationships, or did it amplify trajectories that prior political conditions had already established?

A third avenue concerns the role of the renewable energy transition – and the growing electrification that accompanies it – in reshaping the path dependent framework. This study examined a period in which natural gas was the primary vehicle for Israeli energy diplomacy, but Israel's own domestic energy future increasingly involves solar, wind, and other renewable sources whose geopolitical logic differs substantially from hydrocarbons. Crucially, the transition away from fossil fuels is accompanied by an accelerating electrification of transportation, heating, and industrial processes that creates new forms of energy interdependence: grid connectivity, electricity trading, and shared infrastructure whose diplomatic consequences may differ substantially from natural gas pipeline exports. Israel's own pursuit of electricity interconnectors to link Israeli, Cypriot, and Greek electricity grids, is itself an early illustration of how electrification creates energy diplomacy opportunities that are structurally different from natural gas supply arrangements. Whether the path dependent logic identified in this study applies to electricity-based energy diplomacy – where the instrument is grid connectivity rather than natural gas supply, and where the commercial logic, infrastructure requirements, and bilateral dependencies all differ – is a genuinely open question that contemporary researchers are currently addressing and future research will continue to address. The answer has significant implications not only for Israeli foreign policy but for the broader literature on energy and international relations as the global energy transition evolves.

A fourth avenue concerns the domestic politics of energy diplomacy in other Eastern Mediterranean states. This study focused primarily on Israeli decision-making and Israeli foreign policy, treating the Palestinian, Egyptian, Jordanian, Lebanese, Greek, Cypriot, and Turkish sides of each bilateral relationship as contextualized variables rather than as primary subjects of analysis. But the domestic political dynamics within each of these states – the role of public opinion, opposition movements, institutional constraints, and competing elite interests in shaping their responses to Israeli energy diplomacy – deserve greater analytical attention than this study could provide. The Jordan case in particular raises questions that remain partially unanswered: why did compartmentalized interdependence prove resilient against sustained domestic opposition, and under what conditions might that resilience no longer work? Addressing these questions from the perspective of the receiving states would complement this study's Israel-centric analysis and produce a more complete account of how energy diplomacy works in contested political environments.

A fifth and final avenue concerns the role of American facilitation in Eastern Mediterranean energy diplomacy. This study identified third-party facilitation as one of the four conditions that determine how energy amplifies the dynamics between states, and the U.S. was a an ever-present third-party actor in every case. While this study detailed American strategic interests in each case, this study generally treated American involvement as a given rather than as a phenomenon requiring its own explanation. A study cenered on the U.S.'s role would ask why there was consistent diplomatic engagement and facilitation in the Eastern Mediterranean across multiple administrations that had different approaches to the Middle East, what domestic political and institutional constraints shaped its interests and priorities at the regional and bilateral level, and whether American engagement itself exhibits the path dependent dynamics this study identifies in Israeli foreign policy. The answers would both test the generalizability of the path dependent framework and produce a more complete account of the conditions under which energy diplomacy succeeds.

V. Policy Implications

The findings of this study carry implications that extend beyond the academic literature on energy and foreign policy. For policymakers operating at the state, regional, and international levels, this study's path dependent account offers a framework for thinking about energy diplomacy that is more modest about its potential and more precise about its limitations than the frameworks that have regularly guided past policy in this domain.

At the state level, the most important implication is also the most counterintuitive: energy cooperation works best when policymakers treat it as an amplifier of existing political conditions rather than a substitute for them. States that pursue energy diplomacy as a shortcut to political normalization, expecting commercial agreements to generate the trust and political momentum that diplomacy has failed to produce, are likely to be disappointed with the results. The Israeli experience across five bilateral relationships makes this lesson difficult to avoid. Where cooperative diplomatic foundations were absent or deteriorating, energy found limited traction regardless of the commercial logic that supported it. Where diplomatic foundations were trending in a cooperative direction, energy deepened and institutionalized relationships. The practical implication for Israeli policymakers going forward is that the sequencing of energy diplomacy matters as much as its substance. Energy agreements should follow political progress, not precede it. Attempting to use energy as a substitute for political engagement, as Israel occasionally did during the scope of this study, produces outcomes that are at best transactional and at worst counterproductive, entrenching asymmetries rather than reducing them.

A second state-level implication concerns the structural vulnerability created by single-corridor export routes. Israel's decision to prioritize the Egyptian corridor as its primary export route – a commercially rational and diplomatically productive choice in the short term – left it strategically exposed when the October 7th war disrupted regional energy supply routes. The study's findings suggest that the strategic value of energy diplomacy is maximized when it creates redundancy and diversification rather than dependence on a single partner or corridor. For Israeli energy policymakers, the post-war period presents both an imperative and an opportunity to achieve greater export diversification that the pre-war decade failed to deliver, whether through accelerated development of interconnectors, renewed engagement with potential European partners, or investment in LNG infrastructure that reduces reliance on the Egyptian corridor. More broadly, any state pursuing energy diplomacy as a tool of statecraft should be careful to distinguish between creating interdependence and creating dependence. The former generates mutual stakes and durable relationships; the latter generates strategic vulnerability.

Looking further forward, a third state-level implication concerns Israel's need to strategically assess the successes and shortcomings of its energy diplomacy as it transitions from a period of peak gas toward a future with more limited domestic resources and greater reliance on renewable and alternative energy. Israel must weigh the difficult tradeoffs between the technical, economic, and political costs of preparing its national electricity grid to meet the needs of a growing population and increasing demand, and ask how diplomacy can once more play a consequential role in ensuring the country's future economic stability and national security. As this study illustrates, Israel was influential in establishing a new regional architecture in the Eastern Mediterranean. Maintaining and growing that regional architecture in a manner that serves Israeli and regional interests in the future will require greater ingenuity and cooperative spirit than the natural gas era demanded.

At the regional level, the study's most important implication concerns the relationship between energy cooperation and conflict resolution. A consistent finding across these cases is that energy cooperation, however successful in its own terms, does not automatically generate political progress on the deeper issues that define bilateral relationships between states, and energy agreements frequently remain transactional, addressing narrow needs without resolving core elements of a bilateral relationship or the historical grievances that may exist between parties. The Israel-Egypt partnership, the study's most successful case, produced a regional energy architecture of genuine strategic significance without resolving the fundamental tensions that continue to prevent full normalization between the two states. The Israel-Jordan agreements deepened institutional cooperation without altering public attitudes in Jordan toward normalization. The Lebanon maritime agreement established a narrow space for consensus without addressing the underlying conflict. This pattern carries a direct lesson for Eastern

Mediterranean policymakers and the external actors who engage in the region: energy cooperation can be a mechanism for stabilizing and deepening relationships where political progress already been made, but should not be confused as a vehicle for diplomatic progress in its own right. Multilateral frameworks like the EMGF are most valuable when they institutionalize cooperation among states whose political relationships are already trending cooperative, and least valuable when they are used as fig leaves to cover up disputes that energy cannot resolve.

A second regional implication concerns the role of third-party facilitation in energy diplomacy. Across every case examined in this study, the U.S. played a facilitating role whose influence often downplayed in public accounts of these agreements. But American mediation was not incidental to these developments. In Jordan and Lebanon it was an active and invested mediator, and in Egypt and Greece and Cyprus it provided the external legitimacy and security guarantees that made cooperation durable. For regional policymakers, this finding underscores the importance of cultivating and sustaining American engagement in Eastern Mediterranean energy affairs even as American strategic attention shifts toward other theaters. The post-October 7th period has demonstrated both the continued relevance of American facilitation (e.g. Hochstein's role in the 2024 ceasefire negotiations between Israel and Hezbollah and the Trump administration's pursuit of a ceasefire agreement in Gaza) and the risks of assuming that American engagement will be automatic or sustained. Regional actors who treat American facilitation as a given rather than a resource to be actively cultivated may find their energy diplomacy options constrained in ways that this study's findings predict but that are avoidable with appropriate strategic investment.

A third regional implication concerns the prospects for broader east-west connectivity initiatives that traverse the Eastern Mediterranean. The period examined in this study coincided with growing international interest in using the Eastern Mediterranean as a corridor for trade, energy, and infrastructure connecting Asia and the Middle East with European markets. The most ambitious expression of this interest is the India-Middle East-Europe Economic Corridor, announced at the G20 summit in September 2023, weeks before the October 7th war disrupted the regional environment in which it was conceived. But the connectivity impulse predates IMEC and extends beyond it, encompassing the energy pipeline routes, electricity interconnectors, and multilateral energy forums that this study has examined in detail.[3]

The study's evidence offers a sobering assessment of the challenges these connectivity initiatives face. The Eastern Mediterranean is far from being a stable platform for east-west trade infrastructure. It is a contested geopolitical space in which bilateral tensions, unresolved maritime disputes, and the exclusion of key regional actors from cooperative frameworks consistently undermine the commercial viability of projects whose political logic is otherwise compelling. The EastMed pipeline is the clearest illustration: a project with genuine strategic rationale that was championed by multiple governments and endorsed by the European Commission, yet never moved beyond the planning stage because the regional competition it was designed to navigate proved too complex and expansive to bypass. The EMGF's experience tells a similar story, a multilateral framework that succeeded in institutionalizing cooperation among like-minded states while simultaneously marginalizing Turkey, whose participation would have been essential to any genuinely regional connectivity architecture. The Israel-Turkey pipeline's

[3]See Gabriel Mitchell, "Making Deals, Building Corridors: Trump's Middle East Moment," *War on the Rocks*, January 28, 2025, https://warontherocks.com/making-deals-building-corridors-trumps-middle-east-moment/.

failure, driven by political considerations that commercial logic could not overcome, illustrates the same constraint from a different angle.

For the architects of east-west connectivity initiatives in the Eastern Mediterranean, this study's findings suggest a fundamental design challenge: connectivity infrastructure requires the cooperation of states whose bilateral relationships are often defined by precisely the kind of adversarial dynamics that energy diplomacy alone cannot resolve. IMEC, like the EastMed pipeline before it, depends on a chain of bilateral relationships, each of which must be sufficiently cooperative to sustain the infrastructure that passes through it, in a region where a zero-sum mentality often prevails over win-win opportunities. The October 7th war has already demonstrated how quickly a single bilateral rupture can disrupt an entire regional framework. Future connectivity initiatives in the Eastern Mediterranean will need to be designed with that fragility in mind, either by building redundancy into their routing to reduce dependence on any single link, or by investing as heavily in the political conditions that make connectivity durable as in the physical infrastructure that makes it commercially viable. The history of Eastern Mediterranean energy diplomacy between 2009 and 2023 suggests that the latter investment has consistently been undervalued.

At the global level, the study's findings contribute to a broader debate about the relationship between economic interdependence and political conflict that has animated international relations scholarship for decades. The Eastern Mediterranean sits at the nexus of international trade and major power competition, ensuring that the region will continue to attract sustained interest from the U.S., the EU, Russia, and China. Israel's energy policy choices are closely scrutinized within this context, both for their regional and global implications, and they contribute to a much larger picture of regional competition and cooperation that extends well beyond the narrow domain of energy. The liberal expectation – that economic integration reduces conflict propensity and generates cooperative political outcomes – is neither confirmed nor refuted by the Israeli experience. Energy cooperation between Israel and its neighbors produced genuine cooperative outcomes in some cases and aggravated existing tensions in others, and the difference between these outcomes was not a function of the energy relationship itself but of the prior political conditions into which energy was introduced. This finding has implications for how scholars and policymakers think about economic statecraft more broadly. The deployment of economic instruments, including sanctions, aid, trade agreements, investments, and energy cooperation, does not reliably produce political transformation. Policymakers who understand this are better positioned to use economic instruments strategically, deploying them where political conditions make them likely to be effective and withholding them where amplifying political conditions would lead to undesirable results.

Finally, the Israeli case offers a timely lesson for the global energy transition. As states around the world navigate the shift from fossil fuels to renewable energy, accompanied by an accelerating electrification of transportation, heating, and industrial processes, the geopolitical logic of energy relationships is also rapidly changing. New forms of energy interdependence, including electricity grid connectivity, critical mineral supply chains, and hydrogen export relationships, will create new opportunities for energy diplomacy and new risks of energy dependence. Whether the path dependent logic identified in this study applies to these new forms of energy statecraft is a question the next generation of energy diplomacy scholarship will need to answer. By making that logic visible in a single analytically rich context, the Israeli case provides a foundation on which that scholarship can build.

VI. Concluding Thoughts

Israel's offshore natural gas discoveries did not rewrite the country's foreign policy strategy. The relationships that energy deepened were already trending in a cooperative direction. The asymmetries were so deep that energy alone could not have dislodged them. The regional realignment that energy accelerated was already underway. And the threshold that energy could not cross was not defined by the absence of natural gas but by the absence of the political conditions that allow any instrument of statecraft to function cooperatively.

Energy cooperation succeeds where the political conditions support it – where bilateral relationships are already trending towards cooperation, where trust exists, and where diplomatic progress has created the foundations that energy can enrich. When those conditions are absent, commercial logic, third-party facilitation, and energy endowments alone rarely can substitute for them. In this sense, energy is most effective as a tool for statecraft when policymakers understand what it can do, rather than asking it to accomplish what only diplomacy can.

Israel now enters a new energy era. The war in Gaza has disrupted the regional architecture that a decade of energy diplomacy constructed. The global energy transition is reshaping the instruments through which states pursue interdependence. And the Eastern Mediterranean remains, as it has always been, a region in which the distance between commercial opportunity and political reality is greater than any single pipeline can bridge. The question is not whether energy will continue to shape Israeli foreign policy, but whether Israeli decisionmakers, and the scholars and practitioners who study them, will bring to that future a clearer understanding of the necessary conditions for energy cooperation that this study has sought to provide.

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Appendix A: Figures

Case	Condition 1 Prior Diplomatic Relations	Condition 2 Leverage Distribution	Condition 3 Commercial Initiation & Risk Absorption	Condition 4 Third-Party Facilitation	Diplomatic Outcome
Egypt	**Favorable** Trending toward strategic alignment	**Balanced** Egypt as transit hub, Israel as producer	**Present** Noble Energy, Delek Group, Dolphinus, Chevron	**Present** U.S. legitimizing; EMGF architecture	*Deepened strategic partnership; hub model; trilateral MOU with EU*
Jordan	**Mixed** Cold peace; public hostility, institutional cooperation	**Unfavorable** Israel as supplier, Jordan energy-dependent	**Present** NEPCO and Leviathan field partners	**Present** U.S. mediation constitutive	*Compartmentalized interdependence; workable but transactional*
Palestine	**Unfavorable** Total structural asymmetry, no political trust	**Unfavorable** Overwhelming Israeli advantage	**Absent**	**Present but Ineffective** U.S. moderated episodes, did not challenge asymmetry	*Energy as mechanism of Israeli control; Gaza Marine blocked; asymmetries entrenched*
Lebanon	**Unfavorable** Formal state of war, no diplomatic relations	**Mixed** Hezbollah's coercive capacity partially offsets Israeli advantage	**Present** Energean, TotalEnergies	**Present** Hochstein, UN framework, French diplomacy	*Asset-protective diplomacy; maritime boundary agreement; underlying dynamic unchanged*
Greece / Cyprus	**Favorable** Convergent security interests, trending cooperative	**Favorable** Shared interests, symmetrical	**Present but Noncommittal** Noble Energy/Delek and Chevron	**Present** U.S. support, EU integration	*Declaratory energy diplomacy; strategic realignment; defense architecture; no commercial outcomes*
Turkey	**Unfavorable** Deteriorating; Mavi Marmara rupture	**Unfavorable** Excluded despite geographic advantages	**Absent** Commercial logic present; risk absorption blocked by C1	**Present but Inconsistent** U.S. mediation but inconsistent	*Estrangement deepened; Turkey excluded from regional energy architecture*

Key: Favorable · Mixed · Unfavorable / Absent · Present but limited

Figure 1

Appendix B: List of Interviewees

Aviv Ayash: Served as foreign policy and international adviser to Israeli Energy Minister Yuval Steinitz from 2018 to 2021. Interview date: September 14, 2023

Member of Knesset Orit Farkash-HaCohen: Served as Chairperson and Director General of the Israeli Electricity Authority from 2011 to 2016. Interview date: July 9, 2023

Amir Foster: Executive Director, The Israeli Natural Gas Trade Association. Interview date: July 16, 2023.

Ambassador Frederic Hof (ret.): Served as special coordinator for regional affairs in the US Department of State's Office of the Special Envoy for Middle East Peace from 2009 to 2012, where he advised Special Envoy George Mitchell and led maritime boundary negotiations between Israel and Lebanon. Interview date: June 30, 2023.

Ambassador Michael Harari (ret.): Served as Israeli ambassador to Cyprus from 2010 to 2015. Interview date: July 16, 2023.

Ambassador Stuart Jones (ret.): Served as US ambassador to Jordan (2011-2014) and Iraq (2014-2016). Interview date: July 23, 2025.

Aviv Kirshenbaum: Served as Managing Director of New Ventures at Delek Drilling (later NewMed Energy), from 2011 until early 2023. Interview date: July 19, 2023.

Amit Mor: Managing director of Eco Energy, strategic energy consultancy in Israel since 1997. Interview date: July 26, 2023.

Ambassador Shmuel Revel: Served as Israeli Ambassador to Cyprus from December 2017 until 2021 and Special Envoy for Energy from 2022 to 2025. Interview date: September 13, 2023.

David Rosenberg: Economics editor and columnist for *Ha'aretz* newspaper since 2014. Interview date: July 23, 2023

Professor Eytan Sheshinski: Sir Isaac Wolfson Professor of Public Finance Emeritus at the Hebrew University of Jerusalem. Chaired the Sheshinski Committee, which shaped Israel's taxation of natural gas resources. Interview date: July 25, 2023

Alexander Varshavsky: Served as Israel's Petroleum Commissioner from 2011 to 2015, and Director of the Natural Gas Authority from 2014 to 2019. Interview date: August 22, 2023.