



## Can the US Dropping its Support from the EastMed Pipeline Change the Calculus of the Game in the Eastern Mediterranean?

Geopolitics Task Force Brief

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February 10, 2022

### BACKGROUND

- The US [notified](#) Greece regarding its decision to withdraw the support from the East Med Gas Pipeline project in a “non-paper,” a diplomatic term used for unofficial communication.
- A Greek government source confirmed the US move to Reuters by stating: “*The American side expressed to the [Greek side](#) reservations as to the rationale of the EastMed pipeline, [and] raised issues of its economic viability and environmental [issues].*”
- Although Cyprus, Greece, and Israel trio intended to finalize the project by 2025, they have yet to obtain necessary [financing](#) accounting for €6 billion, which are anticipated to be funded by private investors.
- Following the circulation of the news, Turkish state-owned TRT published a two-episode documentary titled “[Pipe Dream](#),” which features old footage of Amos Hochstein, an advisor in the US Department of State. In the video, he [states](#) that he does not support backing of the project as the pipeline was “totally driven by politics.”
- The project has long been a subject of contention not only between Greece and Turkey but also among experts since building a pipeline under the sea is an intricate and expensive process, and it counters the environmental ambitions set by the US and the EU.
- The East Med is expected to [cost](#) €6 billion with a capacity of 10 billion cubic meters per year (bcm/y). To make a comparison, the Nord Stream 2 has a capacity of 55 bcm/y and was [constructed](#) approximately for €9,5 billion.
- Moreover, Italian PM Conte [stated](#) his objection to the Poseidon gas pipeline, which will be the final section of the East Med from Greece to Italy.
- There are diverging reactions towards the US decision. Some Greeks find it an [opportunity](#) for Greece, or “[the obvious](#)” fact depicted by Washington. In contrast, many of the policymakers, analysts think “it’s not [about] the [pipeline](#)” and “for the [satisfaction](#) of the Turkish president.”
- Turkish side welcomed the decision since Ankara objects to the East Med pipeline. The Turkish government and press claim that the decision can help Turkey’s [inclusion](#) into the energy game in the region and trigger “a change in the [balance of power](#).”
- Is it a balancing act along with environmental concerns or appeasement for Turkey despite increasing strategic cooperation between the US and Greece?
- Or, is Ankara (and some in Athens) [misreading](#) Washington’s intentions, hence making a miscalculation for the way ahead?



### ANALYSIS

The US withdrew its support from the East Med Gas Pipeline project with a non-paper citing three reasons for such decision: the technical and financial viability, environmental concerns, and the tensions in the region. President Biden changed the environmental policy of the US profoundly after he came to office. One of the very first decisions he made was to re-join the Paris Accord from which Trump had pulled the US out of it in 2017. Another one was to revoke the Keystone XL pipeline project, which is expected to carry oil from Canada to the US.

In the US' non-paper, Washington reiterated its support EuroAsia interconnector, linking the regional electricity grids to Europe, for which the EU Commission was swift to [announce](#) a € 657 million grant for the project as strong leverage.

The East Med pipeline has been a contentious and intricate project considering that constructing a pipeline under the sea is more complex and expensive compared to those on the land. It also does not seem cost-effective to experts as well as policymakers as it foresees the construction of a submarine pipeline capable of pumping 10 bcm (billion cubic meters) annually with a price tag of € 7 billion. To give an idea about its financial efficiency, the Nord Stream 2 was constructed for 10 billion € and is expected to deliver 55 bcm per year.

These two reasons are self-explanatory. Nonetheless, in a profound crisis with Russia, in which Turkey's stance is vital despite the fluctuations in the relationship, the US does not want its allies to spend energy and time in a dispute and deepen the divergences existing within the Transatlantic Alliance. The US has thrown its weight into supporting the trio, Athens, Nicosia, and Tel Aviv, to create an alliance by fostering diplomacy as well as giving military support. Yet, it has limitations.

Turkey has been acting proactively in recent years in different regions. Many analysts have interpreted Turkey's policy vis-à-vis the East Med as an extension of this assertive strategy.<sup>1</sup> This view distorts the real picture and prevents a healthy analysis of the situation since the dispute in the Eastern Mediterranean is an old and much more complex problem, which existed when Turkey had a pro-EU and pro-Western policy. The issue comprises different and legitimate issues, e.g. maritime delimitation disputes, territorial uncertainty, and political disagreements over how the island will be governed, unlike Turkey's involvement in Libya, Syria, or the Caucasus.

The assertion is also supported by the claim that Ankara violates or does not abide the international law, which is equated to UNCLOS.<sup>2</sup> Describing what UNCLOS dictates regarding the delimitation from the perspective of maritime law, especially for the Eastern Mediterranean, exceeds the scope of this paper. Yet, as a reminder, two critical points are worth mentioning. The first one is the fact that the US signed the UNCLOS convention but has yet to become a [party](#) to it. It is also another issue discussed in the US with its benefits and

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<sup>1</sup> For some examples: Paikin and Rose, [Geopolitical Europe's Pathway To Strategic Autonomy?](#) CEPS, Danforth, [Turkey's New Hard Power Foreign Policy](#), Newsline Institute, and Sinem Adar and Ilke Toygür, [Turkey, the EU and the Eastern Mediterranean Crisis](#), SWP

<sup>2</sup> United Nations Convention on the Law of the Sea is a treaty that regulates marine and maritime issues, notably providing the legal framework for delimitation of maritime zones.



disadvantages. Israel, another country with which Greece and Cyprus are in close cooperation, is [neither](#) a party nor a signatory like Turkey. Beyond the specific provisions of UNCLOS, to what extent it can be accepted as a binding international law is also contentious.

Even if UNCLOS is accepted as a customary law as the most significant chunk of the convention is not contested by the nations, the delimitation of maritime zones can only be done with a bilateral agreement to agree on the conditions or go to the International Court of Justice.

The US already mentioned its position with respect to the Greco-Turkish disputes. In 2020, the US embassy in Turkey [stated](#):

*"The United States as a matter of global policy does not take positions on other states' maritime boundary disputes. With respect to the 'legal status' of the Seville map, the United States does not consider the Seville Map to have any legal significance. We understand the European Union does not consider the Seville Map to be a legally binding document," and Maritime boundaries are for the states concerned to resolve by agreement on the basis of international law. The United States strongly supports good faith dialogue and negotiation and encourages Greece and Turkey to resume exploratory talks as soon as possible."*

This brings us to the second point, which is trying to solve the issues politically, militarily as often named *fait accompli*. Turkey has a backsliding democracy and has been at loggerheads with many of its allies in recent years, making Ankara more isolated. Meanwhile, Greece has far better relations with the US since Mr. Mitsotakis took over the government from Mr. Tsipras. Athens strives to make the most of this relationship and improve its relationship with other regional countries. The East Med Gas Pipeline project is one of the most effective tools for Greece and Cyprus to solidify their positions vis-à-vis Turkey. It was also the basis of the trilateral pact composed of Cyprus, Greece, and Israel.

At this point, there is a huge question mark. Will Turkish Cypriots benefit from these lucrative resources if the pipeline starts to work? The existential problem lying at the heart of the East Med project is not only the maritime borders but also the sharing mechanism of this pie. The international community does not recognise the so-called Turkish Republic of North Cyprus, yet there is a Turkish community on the island which wants its share. The Turkish Cypriots believe that they should get their share regardless of the political disputes.

On the other hand, the Greek Cypriots think that the divide should be made after the solution of the Cyprus problem. In this context, Nicosia therefore does not have any incentive to make a deal considering that it is an internationally recognised state and a member of the EU.

As a result, the political deadlock on the island was a ticking bomb waiting for the pipeline project. Considering this picture, the decision and the way it was delivered also make sense. Ideally, the US is expected to consult the trio and the EU before it publicly announces a decision. Washington also does not allocate any funds to the project, so what is the point of addressing the financial viability. And why does it articulate the tensions in the non-paper?

It is evident that the US does not want itself and its allies to be distracted and waste their energy on a financially unfeasible project inconsistent with its environmental policy and can create disputes among allies.



### Implications of the US withdrawal for Cyprus, Greece, Israel, Turkey, and the EU

#### The European Union

After the decision, there was no official response from Greece, Israel and the EU except for the [grant](#) given by the European Commission for the five projects, including EuroAsia Interconnector, within the scope of Connecting Europe Facility (CEF). This might indicate that the EU shares some of Washington's concerns. Some analysts articulate that the Commission [declared](#) the East Med pipeline in the list of projects of common interests and [allocated](#) € 34,5 million for the technical studies, and the EU is hence supportive of the project. The results of these studies are expected to be presented this year. Yet, considering the given amount and the number of projects funded by the EU, it is not a substantial reason to support this articulation along with the environmental policy which the EU pursues.

Energy demand spiked during the pandemic, and we are in the winter with the tensions between the West and Russia. There is a tendency among the supporters of the East Med to mention the energy crisis and how the East Med could be pivotal to the EU's energy security. Yet, reading the whole project through this situation is misleading. The situation will not be acute in the spring or summer due to the seasonal changes. It is not only a supply and demand problem but also managing the [fluctuations](#). The EU is already pursuing an ambitious strategy under the European Green Deal goals, i.e., to reduce greenhouse gas emissions by at least 55% by 2030 and become climate neutral by 2050. Therefore, the pipeline's significance will not be the same in the coming years.

#### Cyprus and Greece

President Anastasiadis [stated](#) that they are ready to pursue alternatives if the project is not viable, but he also signalled his desire to see the result of the feasibility studies. It seems like an implicit acknowledgement since the President can not publicly accept the project's demise, which sits on a political fault line beyond a pipeline construction. The EastMed project served as a catalyst to cement the relationship between Cyprus, Greece, and Israel. Having an excuse and extending the acceptance over a while is crucial for domestic reasons because it is hard to explain a reversal to the constituents.

There was no official response from the Greek side about the decision. Yet, it raised a dust of controversy in the Greek media. Endy Zemenides, the chief of the [Hellenic American Leadership Council](#) (HALC), blasted the US administration with a [piece](#) in the eKathimerini newspaper titled "It is not the pipeline, stupid", referring to Clinton's election phrase. Paul Antonopoulos from Greek City Times, a conservative newspaper, composed the [article](#) "US once again abandons Greek interests with EastMed Pipeline to appease Turkey" and labelled the decision as "a major blow" to the camp in the Greek State in favour of a pro-US policy.

While there are balanced and objective articles, most Greeks mainly received the decision with [suspicion](#), [disappointment](#), and resentment. Some even claim that another decision like the East Med can damage the "[honeymoon](#)" between Greece and the US. These analyses depict that most Greeks tend to evaluate the developments through the lens of Greco-Turkish tensions (The same is also valid for Turkey).



Apart from the financial and economic reasons, Greece employed the East Med pipeline to mobilise regional and European countries and counter Turkey concerning the delimitation of maritime borders. Hence, Washington torpedoed an essential source of mobilisation with this decision as well as its financial aspect. That's why Mr. Zemenides speaks up to the decision by composing his article, "It's not the pipeline, stupid. "

The decision will not change the mind of the Greeks by pushing them to cooperate with Turkey. Yet, it will eliminate one of the contentious issues among the countries. It is not likely that the project partners can [move forward](#) despite the US objection. This is not a blow to Cyprus, Greece, or Israel; instead, it provides an excuse for Athens to reverse its course and facilitates Greece to give up an ill-calculated project.

### **Turkey**

The Turkish government welcomed the decision rapidly and stated that any plan excluding Turkey in the region is doomed to fail. The state-owned TRT circulated a documentary explaining the unfeasibility of the East Med pipeline, and Erdogan offered an alternative route in which Turkey will be on the transfer route. Like the Greek perspective, Ankara sees it as a zero-sum game and takes this issue political more than economic. Facing surging inflation and shrinking support, The Turkish government also strives to exploit any opportunity for domestic consumption and international politics.

These struggles are hard to materialise unless some concrete actions are taken. There is a profound resentment towards Ankara by the regional and European countries. They will watch their steps when normalising relations with Ankara. Turkey' role in a crisis with Russia can be important, but it is not enough to make things better. Turkey also needs to play along with NATO against Moscow for its own interests, and the Western countries know this fact very well.

The Turkish government already signalled that it would prioritise "[normalisation with regional rivals](#)" in its foreign policy. A couple of years ago, no analyst could anticipate a thaw in relations with Egypt, Israel, Saudi Arabia and the UAE. Even if the efforts have not reached a breakthrough, there are developments that can pave the way for further reconciliation. In this context, a normalisation with Greece could be a very beneficial but challenging strategy for the Turkish government with its nationalist ally.

Gauging the government's intentions is difficult in this context in which they can think about short term strategies and benefits. Ankara has hailed the US decision and pursued a campaign offering Turkey as an alternative route to the East Med. Yet, the US objected to the pipeline not for appeasing Turkey but as part of their environmental policy. Washington would not drop its support should this be a cost-effective and environmentally friendly project.

The East Med pipeline could be a dream, but the offered alternative put forward by Turkey is not different at all. The political deadlock in Cyprus is not going anywhere soon, so an alternative pipeline can trigger new disputes. Moreover, the East Med project is expected to be financed by private funders. Finding the investors will be an essential obstacle considering the climate strategy of the EU and the US. As a result, a strategy underpinned by this goal and the expectation that the US torpedoed the East Med but could support Turkey's offer could be a profound misjudgement.





### STRATEGIC FORESIGHT

- The realisation of the project becomes no longer possible after the US dropped its support, although it has no financial connection. Thus, the parties have no option other than [to admit](#) the demise of the project.
- The EU did not show any reaction except for the [grant](#) given by the Commission for the EuroAsia Interconnector. This might indicate that Brussels share Washington's concerns as the EU aims to shrink its dependence on fossil fuels. Therefore, no pushback can be anticipated from the EU side.
- Beyond the problem of the delimitation of maritime zones, the Cyprus issue lies at the heart of the project. The international community does not recognise North Cyprus, yet they have the right to benefit from the island's resources regardless of the political situation. There is no mechanism for sharing possible revenues between the two communities, which can spark tensions. The US withdrawal hence eliminates a future conflict.
- Analysts already believe the implementation of the project is very changeling if not impossible. Yet, it has meanings beyond its economic benefits. The project served as a catalyst and cemented the relationship among the trio. After this point, Cyprus and Greece will not be able to use this project as a mobilisation agent to push Turkey politically.
- The East Med pipeline could be a dream, but the alternative put forward by Turkey is not different at all. A strategy underpinned by this idea and the expectation that the US torpedoed the East Med but could support Turkey's offer may be a profound [misjudgement](#).
- The real winner of this situation may well be Egypt as LNG can play a crucial role as an alternative but a bit pricier way to transport the natural gas from the Eastern Mediterranean. Egypt already exports its own reserves and re-exports natural gas from Israel. Egypt can become a regional hub and have a [booming role](#) for LNG transportation to Europe.

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