

## ISHAI – APHRODITE RESERVOIR: WIN – WIN FOR ISRAEL – CYPRUS RELATIONS AND PROMISING POTENTIAL FOR REGIONAL COOPERATION

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The current regional layout in the eastern Mediterranean illustrates the impressive achievements made in the recent years, and the fascinating potential of regional cooperation. Israel's close relations with countries such as Greece, Cyprus and Egypt, reflect the mutual current interests they share. The clearest expression of the new array is the regional gas forum, which was established two years ago in Cairo, and includes seven members: Israel, Egypt, Greece, Cyprus, Italy, Jordan and the Palestinian Authority.

The relationship between Israel and Cyprus has undergone significant changes. The cooperation between the two includes a wide range of areas such as politics, security, economy, science, culture, and of course, energy. Furthermore, Israel and Cyprus share common values that connect the two societies in a unique way.

The discoveries of natural gas in the Mediterranean were among the main catalysts for tightening the relations. The agreement signed between the two countries on December 17<sup>th</sup>, 2010, regarding the demarcation of the economic exclusive zones, constituted a very significant development for the two countries. Among other topics, it was agreed upon the two countries to cooperate for future development and production of cross-border gas and oil reservoirs.

About a year after signing the agreement, a significant natural gas field was discovered (amounting to about 130 BCM), in the maritime border between the two countries (Ishai-Aphrodite Reservoir). The field is situated for the most part on the Cypriot side and the rest on the Israeli side. On April 28<sup>th</sup>, 2014, an agreement for the exchange of information of the findings on both sides was signed, intended to assist in determining the quantities on each side of the maritime border. Subsequently, the Israeli Ministry of Energy announced the Israeli part of the gas field a "discovery" from which commercial quantities could be extracted. Both sides recognized that it is a cross-border field.

Even so, there has been no progress in negotiations between the two sides. Furthermore, multiple reports indicate unilateral Cypriot moves wanting to advance the development of the reservoir before reaching an agreement with Israel. On April 2019, Cyprus ratified an agreement with Egypt, concerning the laying of an underwater gas pipeline from the reservoir to the Egyptian liquefaction facilities. Later, Cyprus approved the development plan for this field. Israel has clarified, both publicly and officially, that the reservoir should not be developed before reaching an agreement between the two countries.

It is extremely important to reach an agreement between the countries soon for the following reasons:

1. An agreement constitutes a "win-win" situation for both countries. This is, after all, a common and well-known procedure in the energy world.
2. An agreement will make it possible to illustrate the achievements of the mutual interests and cooperation between the two countries.
3. An agreement would accelerate a significant regional cooperation, seemingly between Israel, Cyprus and Egypt.
4. The agreement will send an encouraging and positive message concerning the possible regional cooperation, especially with the negotiations between Israel and Lebanon taking place in the background, concerning the maritime border, and the probability that cross-border fields could also be discovered between the two countries. In a way, difficulties for reaching an agreement between two friendly countries, like Cyprus and Israel might look strange if Israel and Lebanon will succeed with their negotiation.
5. The absence of an agreement will play into the hands of those seeking to undermine the regional cooperation that has developed in recent years, with Turkey at the forefront.

The Eastern Mediterranean went through dramatic developments in recent years. It gains the attention of the International Community, and quite a lot of actors, from within the region and out of it, are involved, not always positively. Israeli – Cypriot relations are, in many ways, a kind of corner stone of the regional cooperation and regional architecture which were developed in recent years. It is about time to remove an unnecessary obstacle for those relations, and the timing is perfect: welcoming Chevron's decision to join the club in the region, and the new administration in Washington.