

ENERGY CHESS IN THE EASTERN MEDITERRANEAN

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Abstract

In the course of history, reaching and controlling energy and water resources has always been a forthcoming reason of wars and conflicts. Mediterranean, being located in the very heart of the energy demand and energy supply in its surrounding geography, continues to be an arena. Considering Kirkuk-Yumurtalik Oil Pipeline together with Baku-Tbilisi-Ceyhan Pipeline and other natural gas and oil pipelines plus water resources, it is easy to understand the vitality of Mediterranean in terms of energy with respect to the problem of sharing energy and natural resources in the world. In 2011, agreement signed between Greek Cypriot Administration of Southern Cyprus and Israel on search for natural gas in the Eastern Mediterranean underlines the vitality of the Mediterranean in terms of energy. In the article, paradigm change in the chess caused by recent developments on sharing energy resources in the Eastern Mediterranean is analysed and such a problematic in Turkish foreign policy is discussed.

Key Words

Eastern Mediterranean, Levant, Energy, Cyprus, Natural Gas, Turkey, Turkish Republic of Northern Cyprus (TRNC), Greek Cypriot Administration of Southern Cyprus (GCASC), Israel.

Introduction

Eastern Mediterranean is a term used to identify a region comprised of Cyprus island in the east of Mediterranean, Israel, Palestine (Gaza Strip), Jordan, Lebanon, Turkey and Syria. In general definition, it is a region located between ‘Anatolia and Egypt’, called as ‘Levant’ in the history since 1497 and this term is defined as the intersection point of West Asia, Eastern Mediterranean and North-eastern Africa. The first use of levant term dates back to 1497. Etymologically, it is a French word levant meaning rise, the rise of the sun. Throughout the history, the word used for the aforementioned geography by various civilizations, in 1920-46, it is used for Syria and Lebanon under French mandate. Currently, Cyprus region is under Levant Studies in researched held in several institutions such as UCLA, UCL, and British Council.

Considering Kirkuk-Yumurtalik Oil Pipeline together with Baku-Tbilisi-Ceyhan Pipeline and other natural gas and oil pipelines plus water resources, the term “strategic” meets its meaning

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dedicated to the island in terms of energy with respect to the problem of sharing energy and natural resources in the world. In 2011, agreement signed between Greek Cypriot Administration of Southern Cyprus (GCASC) and Israel on search for natural gas in the Eastern Mediterranean verifies what is written and told about the significance of the island. In the assessment by Turkish Ministry of Foreign Affairs, it is revealed as “drilling in the Eastern Mediterranean by Greek Cypriots in September 2011 being the most significant risk in terms of negotiations”. Ministry points out the damage given by the crisis on negotiation process by saying that “returning the constructive call for an equitable sharing of the natural resources, on 24 September 2011 and 29 September 2012, by President of the Turkish Republic of Northern Cyprus Dervis Eroglu, without a positive answer reveals once again that Greek Cypriots mentioning about giving a share to the Turkish Cypriots takes it granted that they solely bear the power of discretion on sharing natural resources and do not recognise Turkish Cypriots, whom they currently have comprehensive negotiations for resolution under the auspices of the United Nations (UN), as an intended partner.”¹

Energy Chess in the Eastern Mediterranean

First move in the energy chess in the Eastern Mediterranean was the oil affair of Spiros Kyprianu, Greek Cypriot leader with Egypt in 1979. But, after the statement by Turkish Cypriot leader Rauf Denktaş as “This will be casus belli” and involvement of the UN with regard to reaction by Turkey, Spiros Kyprianu, Greek Cypriot leader stated that “UN Secretary General requires us to step back and affirms that Turks are not making a joke” and Greek Cypriots stepped back.²

Later, in 2003, Serdar Denktaş,³ TRNC Democrat Party leader, State Minister and Former Deputy Prime Minister also pointed out the findings of research that the surrounding of Cyprus island has great oil reserves, European Union (EU) and United States of America (USA) seek to control these oil resources, thus, they make an effort for signing Annan Plan immediately, have all Cyprus as a member of EU in May 2004.

GCASC continued to sign oil and natural gas drilling agreements in the Eastern Mediterranean with Lebanon, Syria and Israel in 2007 after its agreement with Egypt. Greek Cypriot Authority began to have tenders for hydrocarbon search license in February 2007 and divided Eastern Mediterranean into parcels in her own terms, went out tender internationally. In 2009, there was news about interference by Turkish battleship to Norwegian search ship with Panama flag searching for oil in the name of GCASC within so called “exclusive economic zone” of Southern Cyprus.

After the statement made by Southern Cyprus Ambassador of the US on 27 May 2009 on “an-

1 <http://www.mfa.gov.tr/kibrista-3-eylul-2008-tarihinde-baslayan-bm-kapsamli-muzakere-sureci-baglamindaki-son-gelismeler.tr.mfa>

2 <http://www.sabah.com.tr/Gundem/2011/09/21/kibris-petrol-icinde-mi-yuzuyor#>

3 <http://www.sabah.com.tr/Gundem/2011/09/21/kibris-petrol-icinde-mi-yuzuyor>

nouncing an American company planning to begin oil search”,⁴ TRNC reacted with reprimand of US Ambassador. When Greek Cypriots defined oil related affairs as ‘using the right of independence’, Mehmet Ali Talat, TRNC President warned Greek Cypriots as ‘it is not wise to challenge Turkey’ on search for oil.

The fuse of the recent development which warms the waters in the Eastern Mediterranean, was lighted by Greek Cypriots willingness to accelerate the process after the signature of agreement defining the borders of exclusive economic zone on the sea on 17 December 2010 after hosting Dimitris Christofias, Greek Cypriot leader in Israel with high level protocol for the first time 11 years later on the eve of crisis between Turkey and Israel.⁵

Dimitris Christofias, GCASC leader announced their decision on forming a study group to discuss transporting Israeli natural gas to EU over Southern Cyprus in his visit to Israel in March. GCASC complained about Turkish reaction on search for natural gas in the so called ‘exclusive economic zone’ to the UN and EU in August. After Erato Kozaku Markulli, GCASC Minister of Foreign Affairs argued that ‘Turkey does not have courage to react’ on Greek Cypriots efforts for hydrocarbon search in the Eastern Mediterranean in August, Nikos Rolandis, Former Minister of Foreign Affairs called to take Turkey’s warns seriously on search for oil and natural gas in so called exclusive economic zone by saying that ‘Turkey suits the action to the word’ and it was so.

Although it was announced by GCASC to begin search for oil and natural gas on October 1, so called “independence day”, they advanced the date to September 18. Solon Kassinis, Energy Director of Greek Cypriot Ministry of Trade⁶ announced that drilling platform reached 1650 meters sea base and drilled the ground in 80 meters. Greek Cypriot radio announced that Israeli drones flew over platform of the Noble Energy, drilling company and ships of Israeli naval army were seen around the east of the platform.⁷ Before drilling, natural gas platform located in the parcel called “Leviathan” in Israel was moved to parcel 12.

3 days after drilling by American company Noble Energy which won the tender in September 2011 for one out of 13 oil search fields despite warns and calls for joint efforts, TRNC gave licence to Turkish Petroleum Corporation (TPAO) for searches around the Island and TPAO signed an agreement with Shell on November 2011 for search, production and sharing agreement in the Mediterranean and South-eastern Anatolia.⁸ Within the political decision taken by TRNC,⁹ drilling activities began in oil-well named Turk Yurdu-1 which aims to go down to 3 thousand meters

4 <http://www.sabah.com.tr/Gundem/2011/09/21/kibris-petrol-icinde-mi-yuzuyor#>

5 http://www.enerjihaber.com/israilin_kanatlari_altinda_sondaj-3-haber-258.html

6 <http://www.hurriyet.com.tr/ekonomi/18773690.asp>

7 <http://www.sabah.com.tr/Gundem/2011/09/21/kibris-petrol-icinde-mi-yuzuyor#>

8 <http://www.cnnturk.com/2011/ekonomi/genel/11/23/akdenizde.rumlara.karsi.dev.adim/637659.0/index.html>

9 <http://hurarsiv.hurriyet.com.tr/goster/ShowNew.aspx?id=20431272>

in Gazimagosa. Village named Sinirustu, where drilling is made, is located in the area where Shell Company had drilling with positive outcomes in 1973. TPAO and Shell will also work on shale gas in South-eastern Anatolia. It is announced that the cost of drilling will be met by Shell in the area with 2 thousand 500 meters sea depth and huge platform will also be brought by Shell.

If underlying causes are revealed, it can be argued that GCASC prefers status quo in Cyprus issue when it removes attention from negotiation just before the negotiations to be held in October through de facto situation caused by oil and natural gas searches by signing so called exclusive economic zone agreement with Israel. For some experts¹⁰ it is called as “the strategy of moving Cyprus issue to the sea”.¹¹ On the other hand GCASC plans to provide electricity from drilled natural gas. Economy of the GCASC was heavily damaged when Vasiliko, the main electricity terminal was out of order in July 11 after munitions blew up during Greek National Security Army was handling the explosives and munitions to the sea base by Russian ship with GCASC flag called Monchegorsk in February 2009 carrying arms from Iran to Syria. Greek Cypriot administration was buying electricity from TRNC since July 16 in order to meet the gap.¹²

Turkish Prime Minister Recep Tayyip Erdogan¹³ commented on GCASC drilling oil and natural gas on the parcel 12 called “Afrodit” as “exclusive economic zone term is controversial; formerly we had delivered the message that it is fault to have such a step in such controversial area”.

Taner Yildiz, Turkish Minister of Energy and Natural Resources indicated that he disapprove of GCASC drilling out of their own territorial sea and also emphasised that search continue on the lands of Gazimagosa and in the offshore of Antalya in the Mediterranean systematically, under a program as well; besides more than 10 international companies applied for drilling oil and natural gas in the offshore of Mersin.

Another striking point to be discussed is the amount of energy resources in the Mediterranean. According to a senior official at Noble Energy Company, oil field on parcel 12 and 13 unilaterally parcelled by Greek Cypriots ‘massive’ and they can meet energy demand of the Europe in the next 100 years.

In news; Greek Cypriots were planning to search for natural gas in the parcel 3 and 9. GCASC signed agreements with Syria and Egypt both in 2007 for that. After it is announced Turkey harshly reacted to Syria and Egypt both. As a result of diplomatic contacts, Syria and Egypt stepped back in searching natural gas. Then, Greek Cypriots could not continue the search. Restlessness

10 <http://www.usak.org.tr/myazdir.asp?id=2327>

11 <http://www.sabah.com.tr/Gundem/2011/09/21/kibris-petrol-icinde-mi-yuzuyor#>

12 http://www.enerjihaber.com/israilin_kanatlari_altinda_sondaj-3-haber-258.html

13 <http://www.turkishjournal.com/i.php?newsid=11495>

of the Greek Cypriots in stepping back was mainly due to the fact that these parcels were close to Turkey. Parcel 12 was chosen after negotiations with Israel on searching natural gas because it was close to Israel and hard to intervene by Turkey.¹⁴

While Turkey and TRNC did not object the parcel defended the argument that “Greek Cypriots cannot drill and make profit by themselves despite a solution in the Island” based on the laws of Cyprus Republic in 1960. In each step, resistance is put forward based on the inexistence of the approval by the Turkish side according to Republic in 1960. In the official statement by Turkish Ministry of Foreign Affairs¹⁵ “drilling in the Eastern Mediterranean held in September 2011 is the biggest risk with regard to resolution process”. Ministry points out the damage caused by the perspective on the crisis to the negotiation process with the following statement “returning the constructive proposal for an equitable sharing of the natural resources on 24 September 2011 and 29 September 2012, made by Eroglu, the President of the TRNC, without a positive answer reveals once again that Greek Cypriots mentioning about giving a share to the Turkish Cypriots takes it granted that they solely bear the power of discretion on sharing natural resources and do not recognise Turkish Cypriots, whom they currently have comprehensive negotiations for resolution under the auspices of the UN, as an intended partner”.

In this manner, Dervis Eroglu, The President of TRNC and Turkish Prime Minister signed Mediterranean Continental Shelf Delimitation Agreement in order to preserve equal rights of Turkish Cypriots on the natural resources in the Island and its surrounding in September 21 in New York. Then, TRNC Cabinet gave licence to TPAO for searching oil and natural gas in the surrounding of the Island in September 22; so, TPAO began to geophysical search and seismic data collection by Piri Reis ship on September 26 in the licensed area called “Region G” in the name of TRNC and completed its mission by November 2 and collected data in 4 thousand square meters.¹⁶

M. Ergun Olgun, Former Undersecretary of TRNC Presidency¹⁷ mentioned in the meeting on search for oil and natural gas in the Eastern Mediterranean held by TEPAV and METU Center for European Studies on 3 February 2012 that “70 percent of the European oil is transferred over Mediterranean and estimated amount of the hydrocarbon is 60 billion barrels which meet 30 years of energy demand in Europe, also, 3.45 trillion cubic meters of natural gas and 1.7 billion barrels of oil closed to those fields in the area amongst Lebanon, Syria and Israel”.

14 http://www.enerjihaber.com/israilin_kanatleri_altinda_sondaj-3-haber-258.html

15 <http://www.mfa.gov.tr/kibrista-3-eylul-2008-tarihinde-baslayan-bm-kapsamli-muzakere-sureci-baglamindaki-son-gelistmeler.tr.mfa>

16 <http://enerjigundemi.com/2012/02/turkyurdu%E2%80%99nda-ilk-kez-petrol-ve-gaz-aranacak/>

17 <http://www.tepav.org.tr/tr/haberler/s/2653>

Olgun pointed out the regulations by 1982 UN Convention on the Law of the Sea on “exclusive economic zone” as “areas that a state exercises privileges on exploration and utilisation of marine resources in a designated area” and the designation of the areas requires “bisector line”, “defining the area in agreement of the parties” and “equity principle based” considering comparative elements.

Olgun underlined the fact that it is unacceptable for GCASC to violate equity principle and the rights of the Greek Cypriots and concluding agreements based on bisector line. Olgun also mentioned that violation of equity principle is also valid for the people of Egypt, Syria, Lebanon, Israel and Palestine. After 1974, for the first time a Turkish company (TPAO) created a de facto situation in the Southern Cyprus through researches in the licensed area around the Island by Piri Reis ship. Considering the fact that it will be the end of 2012 to conclude search and 2014 to process, it can be argued that Cyprus will be on the agenda in the upcoming period.

Another resistance point for Turkish side is the rights provided by Turkey having the longest sea-shore in the region. Greek Cypriot’s decision on drilling is reclaimed as illegal and provocation, and by signing a continental sea shelf agreement with TRNC, a de facto situation is constituted. There was news that while Turkish war planes were monitoring the drilling since Greek part’s ‘Afrodit’ region is within the international waters, Israeli maritime and drones followed Turkish maritime as well. Such development which warmed the waters in the Eastern Mediterranean alarmed Greek, Turkish and Israeli armies.

It continued despite the efforts to calm down each side by the EU in various ways such as Stefan Füle, Commissioner Responsible for Enlargement and European Neighbourhood Policy in the European Commission personally calling Dimitris Hristofyas, Greek leader, Poland, holding as the EU Presidency briefed by Greek Cypriots and EU Commission and asking Greek Cypriots to suspend natural gas exploration, and also Maja Kocijancic,¹⁸ Spokesperson of Catherine Ashton, European Union High Representative for Foreign Affairs and Security Policy for the European Union “all parties should exercise restraint and do their utmost to facilitate successful completion of this process”.

The parcel on the sea rented by Noble Energy, American company together with Delek, Israeli company from Greek Cypriots is located in 200 kilometers south of the Cyprus island. Region is also next to Leviathan of Israel with huge natural gas reserves and exploration. It is stressed in the statements by Noble Energy Company that drilling is a long term process. In the first drilling to take more than two months, the following data is revealed¹⁹: Seismic data reveals that natural gas

¹⁸ <http://www.thefreelibrary.com/CYPRUS+-EU+Commission+calls+for+restraint+in+dispute+over+oil,+gas...-a0267371774>

¹⁹ <http://www.hurriyet.com.tr/ekonomi/18773690.asp>

reserves are located 2 thousand meters below the seabed. Drilling will be 2 thousand 300 meters below the seabed. Delek, Israeli company will be involved. It is targeted to transfer the natural gas through pipelines under the sea to the Greek Cypriots by Noble Energy and Delek in 2014 earliest. It is also on the agenda to transfer the natural gas from Israeli Leviathan to the Southern Cyprus through pipeline under the sea. If the quantity and quality of the gas to be explored from Afrodit region is appropriate, it will be connected to the line.

Turkish Foreign Policy and the Eastern Mediterranean Problematic

While drilling held by American Noble Energy company in the offshore of the Southern Cyprus caused a crisis in Turkey-Israel-GCASC, Turkish move was the signature of exploration, production and sharing agreement in Mediterranean and Southeastern Anatolia between national TPAO, oil company and Shell, world's leading oil company. Considering the fact that Cyprus providing a horizon for "becoming a regional and strategic power" in its surrounding geography, the meaning of the struggle for centuries can be exposed better.

Several perspectives exist on the impacts of the developments changing the status quo in the Eastern Mediterranean on Turkish Foreign Policy. In one of them, it is argued that it challenges the zero problem with the neighbours paradigm of Turkey in the Eastern Mediterranean.²⁰ Mustafa Kutlay, Political Economy Expert at EU Studies Center of USAK argues that it is the return to the reel politic principles in relations with Greek Cypriots with drilling crisis, and there are three reel politic lessons learnt in Eastern Mediterranean scale for Turkey: Firstly, Kutlay argues that "balance in the Eastern Mediterranean changed against Turkey once again" and makes a historical analysis by saying that "the balance in the Eastern Mediterranean is challenged after Greece becoming member to the EU in 1981, then in 2004, Southern Cyprus becoming member of the EU as "Cyprus Republic". If the latest move by the Greek Cypriots on drilling oil is left unanswered by Turkish side, the balance will be distorted against Turkey more". Secondly, Kutlay argues that zero-sum-game began in the Eastern Mediterranean initiated through drilling activities by the Greek Cypriots, and it is essential for Turkey to respond a similar strategy held by GCASC which is a policy highlighting realist power balance instead of solving the issues based a mutual dialog. Lastly, unless Cyprus issue is resolved Turkey will be faced with several more issues. Kutlay summarises his ideas as following:²¹ "Since GCASC is recognised as 'Cyprus Republic' by the UN as a sovereign state, Greek Cypriots argue that they use their rights originated from being 'state'. Leading countries such as UN, Russia, UK also mention that Cyprus Republic has right for exploration in the Mediterranean. But, Turkey fails to cooperate on the issue since it does not recognise Greek Cypriot side as a state. In short, unless Cyprus issue is resolved, Turkey may face

²⁰ <http://www.usak.org.tr/haber.asp?id=1229>

²¹ <http://www.usak.org.tr/haber.asp?id=1229>

with such issues.”

According to Kutlay, it will be valid for Turkey to express its decisiveness and seriousness in each platform persistently; especially, it will be convenient to have diplomatic pressure at EU, USA, UN, Russia, Egypt and Lebanon.²² Drilling must be held immediately based on the agreement signed with TRNC, and initiatives must be taken for signing agreements of exclusive economic zone in the Mediterranean with Egypt and Lebanon. Moreover, a foreign policy paradigm considering a zero sum game in the Eastern Mediterranean should be employed. It is obvious that Turkish foreign policy is in busy diplomacy traffic in various fronts recently. It requires Turkey to use its energy focused more on economy and result-oriented perspective. The primary area that Turkey should use its energy intensely is Eastern Mediterranean, and in that perspective, it should be mentioned that Eastern Mediterranean forms a sub-basin composing a lebensraum.

Perspectives of other countries on the developments in the Eastern Mediterranean are diverse. Resources in TRNC²³ argue that UK follows wait and see policy since they have two military bases, Agrotur and Dikelya in GCASC. Latest position of the EU is against Greek Cypriots. Drilling activity of the Greek Cypriots is supported by France, Germany, Greece, Denmark, Austria, Belgium and Holland. According to another perspective the reason of such support is based on the fact that energy necessary for Europe to decrease dependency on Russia will be provided from here and it provides to keep China, energy seeker away from Eastern Mediterranean.

Conclusion

Energy chess in the Eastern Mediterranean is not limited with 3 actors, as it looks like; primary actors of the energy wars such as USA, EU, Russia and China are also part of the game. It is interesting that riots called Arab Spring occurred in the other actors of the game namely Egypt, Syria in terms of timing. When it is zoomed, Greece-Israel-Turkey triangle is observed in the chess, in the big picture, it is a game with multiple games and players, calculation intertwined each other, but still, energy is the most pretentious element in the equation.

It can be argued that while Eastern Mediterranean forming a sub-basin (lebensraum) for Turkey may replace Turkish-Greek dispute on the Aegean Sea with improvements towards the resolution in Turkish foreign policy developments in the region on energy resulted in the formation of a new and active front in Turkish foreign policy. While Turkey expresses its decisiveness with concrete steps, it formed a new boiling point in tense relations with Israel deepened by Gaza Flotilla crisis. When the energy chess changing the current paradigm in the Eastern Mediterranean is revealed

22 <http://www.usak.org.tr/haber.asp?id=1031>

23 <http://www.ozgundurus.com/Haber/Haber-Analiz/04102011/Dogu-Akdenizde-petrol-savasi-kizisiyor-.php>

together with developments leading towards intervention in Syria, it will continue to be a region that the zoom is focused on together with the Middle East in the world politics. While the decisive attitude of the parties is a factor leading to a dead-end in the issue, ongoing process in Syria will lead countries to be hesitant about opening a second front of dispute in the region.

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