

THE NEW ENERGY TRIANGLE OF CYPRUS-GREECE-ISRAEL: CASTING A NET FOR TURKEY?

A long-running speculation over massive natural gas reserves in the tumultuous area of the Southeastern Mediterranean became a reality in December 2011 and the discovery's timing along with other grave and interwoven events in the region came to create a veritable tinderbox. The classic "Rubik's cube" puzzle here is in perfect sync with the realities on the ground and how this "New Energy Triangle" (NET) of newfound and traditional allies' actions (Cyprus, Greece and Israel) towards Turkey will shape and inevitably affect the new balance of power in this crucial part of the world.

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A long-running speculation over massive natural gas reserves in the tumultuous area of the Southeastern Mediterranean and in Cyprus's Exclusive Economic Zone (EEZ) became a reality in December 2011 when official reports of the research and scoping were released. Nearby, Israel has already confirmed its own reserves right next to Cyprus' EEZ. However the location of Cypriot reserves with all the intricacies of the intractable "Cyprus Problem" and the discovery's timing along with other grave and interwoven events in the region came to create a veritable tinderbox.

A rare combination of the above factors and ensuing complications have created not just a storm in the area but almost, indisputably, the rare occasion of a "Perfect Storm" in international politics with turbulence reaching far beyond the shores of the Mediterranean "Lake".

The classic Rubik's Cube puzzle here is in perfect sync with the realities on the ground and how this New Energy Triangle (NET) of newfound and traditional allies' actions (Cyprus, Greece and Israel) towards Turkey will shape and inevitably affect the new balance of power in this crucial part of the world.

The Republic of Cyprus finds itself grappling with the mixed blessing. These rich findings can convey it over a long period of time, but it is also more like a novice treading a very slippery floor in the major leagues of global diplomacy. A multitude of variables, dependent and independent, have indeed created a puzzle on how to optimally handle this new environment of opportunities and threats, but there is indeed a lack of experience. Greece's current grave economic condition has essentially removed it from the chessboard as the traditional weighty leverage for the Republic of Cyprus for now and for some years to come. A new but familiar player, the State of Israel has made a thunderous entry in the traditional loud trio of Greece, Cyprus, and Turkey causing significant ruptures to the balance of the neighborhood. The astute observer cannot of course fail to note that this close and new alliance could not have been forged without at least the acquiescence of the U.S.

Russia's intensifying fears over possibly losing its traditional ally Syria and the benefit of its large naval base of Tartous with all the consequent strategic downsides, are alarming enough for it to send naval units to the area *en masse* to match the interest of other powers there which already have their own navies monitoring developments. Cyprus, the closest ally of Russia in the EU –recently labeled as "Red Sheep" due to its current communist president's infatuation with the long gone East-West rivalry– is an obvious "Plan B" in Russia's search for a new home in the

region. Stationing its naval units, along with getting deeply involved in the exploitation of the Island's rich new natural gas and oil reserves offers its own profound logic for a resurgent superpower, naturally to the concern of 'others' – who in this area, and at these turbulent times, are a complicated bunch indeed!

Monumental developments taking place in the region are basically dancing around the new energy findings in the EEZs of Greece, Cyprus, and Israel where massive geostrategic interests are being shaped in new alliances of interest, involving all major powers individually and organizations in a two-way mode.

The odd one out of the NET of Greece, Cyprus and Israel is not a lightweight actor, but the ever-important Turkey, –which is politically and economically stronger than before– flexing its muscles in the entire region led by the charismatic Prime Minister Recep Tayyip Erdoğan.

Criss-crossing interests in the above region, cannot –in any possible manner– leave Turkey out of the maze. This signals the inescapable truth for all parties involved. The NET of Greece-Cyprus-Israel as well as Turkey will only be able to manage the new order of things in the area optimally and to their own maximum benefit as parts of alliances and not alone. The new scene in the region is simply too global in impact and interest, and too long drawn in time for anyone of them to tread it alone.

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Cyprus, from Orange Juice to... Natural Gas!

While participating in the First Session of the International Leadership Academy in Amman, Jordan organized by the UN University and the late King Hussein of Jordan in August 1997, the author had a short private discussion with former Foreign Minister Amr Moussa on the contradiction between the very willing alliance of many nations to rid Kuwait of the Iraqi occupying troops of Saddam Hussein in 1991, and the continuing occupation of a large part of the territory of the Republic of Cyprus by the Turkish Army since 1974. After an initial pensive discussion, Mr. Moussa retorted: “Well George, Cyprus unfortunately produces orange juice and not oil!”

Such *realpolitik*, even though reminiscent of less elegant times in diplomacy among nations, unfortunately, still holds true. Many age-old conflicts have come and gone, i.e. Vietnam War, the Irish Conflict etc. but the intractable “Cyprus Problem” has become even more so, with the passing of time after the Turkish invasion in 1974 on the pretext of a Greek Junta-engineered *coup d’état* against the lawful Government of Archbishop Makarios of the Republic of Cyprus. The passing of time has inevitably reoriented the parties’ ultimate vision on a solution of the “Problem”. Furthermore, the problem itself has become institutionalized as a permanent mainstay of daily life in both communities of Cyprus, Greek and Turkish, acquiring a weight of its own. Thousands of civil servants conduct daily work throughout their careers focused on the existence and assumed permanence of the “Cyprus Problem” in their lives after various *bona fide* efforts to resolve it failed.

“The ‘Cyprus Problem’ has been alive for so many years that people born into it literally know no other life”

alive for so many years that people born into it literally know no other life. Its permanence has created an illusory feeling of “safety,” thus keeping a hapless island divided and cheated from the tremendous potential it can offer its inhabitants. Distrust and disappointment between both communities have been at work, barring other even more important factors at play internationally.

The confirmation of vast reserves of natural gas in Cyprus’ EEZ and of, quite possibly, oil last December 2011 in the midst of unique events in Cyprus’ neighborhood, created a universe of opportunities, and quick sand stirred together in an explosive cocktail for Cyprus’ simple-minded leaders who had gotten used to their stale problem. Once in a lifetime events, such as the *tsunami* of the Arab Spring uprisings, virtually sweeping over the entire Arab World, the sudden collapse of a seemingly solid alliance between Turkey and Israel –both long-standing strategic U.S. allies– in a gunfight row over humanitarian assistance led by Turkey, to the 1.4 million Palestinians in the Gaza Strip in 2010, which is under a total and punishing blockade by the Israelis, indeed paved the way. Last but not least, the sudden departure of the lifetime President of Egypt and the U.S.’ closest Arab ally, Hosni Mubarak, taking place within a year’s time, created a new landscape filled with opportunities and risks almost overnight.

Even though the Republic of Cyprus –admittedly run and staffed by Greek Cypriots– theoretically gained a substantive strategic advantage over Turkey since Cyprus’ EU accession as a full member, it has not been able to make the fullest use of this, for various reasons, in its quest to resolve the “Cyprus Problem”. Furthermore, on 1 July 2012 it applied to Brussels for a bailout, both for its banking sector which was hit by exposure to Greece’s woes and for its own budget deficit, making it the fifth Eurozone country to turn to the bloc’s rescue funds for help. On the same date, the “Island Republic” was taking over the EU Presidency for six months; a symbolism that cannot elude observers.

With a bailout widely viewed as all but inevitable, Cyprus has for weeks been trying to juggle its options between a bailout from Europe’s rescue funds –the temporary EFSF and the permanent ESM– or a bilateral loan from either Russia or China. In fact, Russia had already lent 2.5 billion euros to Cyprus in 2011 in the form of a short-term loan that proved insufficient to avert a bailout. The new request to Russia for an additional 5 billion euros remains unanswered. The Chinese treated the Cypriot request for the same emergency loan with conditional generosity: they could lend 5 or even 15 billion euros to the Island on the condition that payment would be returned through the concession of natural gas at market prices from Cyprus’ new and massive reserves. The Cypriot Government kindly declined.

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The current President’s close ideological affiliations to these two powerful economies also produced the interesting twist of a Eurozone member trying to avoid the full brunt of the Troika’s (the EU Commission, the European Central Bank, and the IMF) harsh corrective measures and their consequent political repercussions.

To date, the Troika’s two missions to the Island have already produced a grim picture of what is coming in terms of a cure that some fear may prove to be worse than the disease itself. Cyprus’ economy, once the biggest weapon in its strategic arsenal in its long running struggle to reunify the Island, even as a Federal Republic without any foreign troops, has now proven to be its “Achilles’ heel” due to the presence of many serious structural problems.

In retrospect it is understood that local Cypriot banks with outlandish international growth aspirations used Greece as a launching pad. Greece's severe woes and eventual economic collapse created the loss of many billions of euros for Cypriot banks in Greece and eventually pulled the Cypriot economy itself to its lowest point since the massive 1974 loss of its resources to the Turkish army. Extended loans by Cypriot banks to Greek borrowers that have to be written off run in the billions, and additional billions worth of Greek state debt that was mysteriously and foolishly bought by the banks' boards have now been trimmed by the Troika by an astounding 80 percent of their value. As a sign of how deep the problems are for both economies, there is now talk in Brussels of having to trim these bonds by another 10-15 percent.

Currently, the only glimmer of economic hope for the Greek Cypriots and the Republic of Cyprus is offered by the recent discovery of massive reserves of natural gas and –quite probably– oil reserves in its delineated and internationally sanctioned EEZ. The way matters have developed is directly linked to Israel's own plans and aspirations for Cyprus' wider role in Israeli geostrategic plans.

“Shalom Cyprus!”

The event that sparked a newfound interest by Israel in Cyprus was the definite signs of massive natural gas reserves in Cyprus' Plot No. 12 (code named fittingly, “Aphrodite”) right next to Israel's own EEZ and massive reserves in its “Leviathan” plot. This coincided with the serious problems in the Turkish-Israeli alliance brought on by the deadly *Mavi Marmara* incident off the coast of the Gaza Strip in which Israeli commandos killed nine Turkish activists. The first seeds of a possible collaboration between Cyprus and Israel were planted then. When the mission of the powerful American Jewish Committee (AJC) first visited Cyprus and met with President Christofias, eyewitnesses reported that the meeting was basically a monolog of what the AJC could do for Cyprus both in the U.S. and internationally.

While the downfall of Egyptian President Hosni Mubarak took everyone by surprise, Israel had lost its safest and only route out of an ocean of Arabs, almost overnight. Israel, greatly concerned, immediately moved to create alternatives. Cyprus, with its non-threatening stance towards Israel, its own singular problems with Turkey running deep, an EU member with access to the Eurozone, and status as the “new kid on the natural gas bloc” seeking alliances, offered Israel a tailor-made alternative to Turkey.

The next time the AJC delegation met with the Cypriot President, the agenda was already set by events and the urgency of clarifying to Cyprus what it could do for Israel, and vice versa. From then on developments were rapidly driven by two factors: actions over the new natural gas reserves in Cyprus in which two regional powers, Turkey and Israel, were now taking an interest, and the steady decline of relations between Turkey and Israel.

Ailing Greece joins the Natural Gas Fold

As these events were taking place in Cyprus and Israel, Greece was fully enmeshed in its own nightmarish prospects of total economic collapse after several economic aid packages from the Troika were proving to be inadequate to save it, mostly due to the sluggish reaction to the crisis and implementation by the Greek government. With options quickly running out, Greece developed a natural and acute interest in developments in Cyprus and its handling of the issue of its newly-discovered vast natural gas reserves.

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Greece has its own interesting history of oil and natural gas discoveries inside its sovereign territory and EEZ. Oil has been pumping from the Prinos oil field on the island of Thassos in the northern Aegean Sea since 1981, but it is producing scant supplies –5,000-7,000 barrels per day– due to low oil prices and financial instability. New explorations have shown that there may be substantial reserves in the Ionian Sea, off the coast of Southern Crete and the island of Kastellorizo. If these findings prove to be real and financially viable reserves, they could more than cover Greece’s 320 billion euros of crushing debt.

The latter was a very touchy issue recently when the Greek government was being called upon by political parties to finally delineate its own EEZs, thus conclusively legitimizing the reserves in its own zones. Greek governments had kept the issue at bay shying away from an outright delineation. Kastellorizo, a tiny Greek Island lying just south of the shores of Turkey could engulf a vast area south and southwest of Cyprus where international houses’ studies have demonstrated the presence of similar gigantic reserves of natural gas in the greater area amongst Crete, Cyprus

and Egypt that could potentially supply Europe. The sales pitch for this strategy would be to create its own supply pipeline, a third pipeline that would relieve Europe from relying on Turkey or Russia for its strategic supplies of energy for many years to come. This is in fact the most significant argument, from a European perspective, for the formation of the NET of Cyprus-Greece-Israel and its solidification by a joint pipeline network starting from Israel and reaching Europe *via* Greece (Crete or Peloponnese).

The sea depth of gas' reserves is a factor that increases costs of extraction and production. On the other hand, high pressure at source and amount extracted per drilling can reduce overall costs. In this case, the latter factor wins the day (i.e. high pressure and source and high amounts' size of gas) thus escaping the need to invest in a multi-billion-dollar sea platform.

It comes as no surprise that the possibility of the inhabited Greek island Kastellorizo having a full-blown EEZ of its own is highly disputed by Turkey. The importance of the issue at hand proved so important for Turkey that it decided to send 17 warships into the area at night in mid-September 2011. The move coincided with the first official visit of Turkish Prime Minister Recep Tayyip Erdoğan to Egypt after the overthrow of Mubarak. The visit was a huge public relations success even if the Muslim Brotherhood, –the most popular political movement in Egypt– stated that the Turkish Premier should not try and “plot the future of the region.” The Gaza Strip standoff between Israel and Turkey and the deadly *Mavi Marmara* incident were still a source of immense popularity for Erdoğan among the Arab World. Astute observers of the region speculated that Erdoğan, despite the small teething problems with the Muslim Brotherhood had secured upon his departure, the lack of any opposition in Egypt to his sending the Turkish flotilla into the natural gas and oil area above, i.e. south of the Greek island of Kastellorizo. If Kastellorizo cannot legally have its own EEZ then the area is to be parceled out by the vast continental countries engulfing it, Turkey and Egypt. Up until today, Summer 2012, the Turkish flotilla is still in the area.

The Israeli Link

For generations, Greek Cypriots witnessed nearby Israel displaying its prowess and have been concerned at the wars Israel had been waging with the Arab world over its right to exist both as a state and as a Jewish state from 1948 onwards. Never an enemy of Cyprus but also never a real ally due to the similarity of the fate of Greek Cypriots and Palestinians, the lingering question of how to engineer a closer relationship with Israel persisted through the years.

It is certain that the swift and unexpected warming of relations between Cyprus and Israel that started in 2011, and became fully established with the first ever official visit of Israeli Prime Minister Benjamin Netanyahu to Cyprus in February 2012, will prove to be the greatest catalyst for the Republic of Cyprus after its full accession to the EU in 2004. Even though it is hard to clarify cause and effect here, it is simply amazing how the coincidence of many unique events, regionally and internationally, brought David and Goliath firmly together with a common strategic agenda that would be hard to disentangle even if they wished to do so. Note also that Netanyahu brought Israel's Minister of Energy Uzi Landau to Cyprus to discuss the potential for energy collaboration between the two countries. As it will be argued later on in this article, natural gas was the tip of an iceberg of many other issues.

The discovery of the above-mentioned natural gas reserves rode on the pending discovery of significant oil reserves, and was a major event that significantly sped up the forged alliance. However, it was the *Mavi Marmara* incident –the single greatest blunder of the Turkish Foreign Minister Ahmet Davutoğlu's doctrine of “zero problems with neighbors”– that brought these unlikely partners together in a rapidly solidifying friendship. In theory, the doctrine is a well-targeted one and timely for Turkey's overall hegemonic aspirations for greater influence in the wider region of the Middle East and beyond. However, the specific blunder was in its execution and a godsend to Greek Cypriots and Greeks.

A series of additional mistakes made in the handling of the sudden confrontation between the two powerhouses and formerly close allies, Israel and Turkey, quickly drove such a wide wedge between them that Greece and Cyprus rushed to this window of opportunity, and/or were also sucked in by Israel itself.

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The issues and joint projects discussed between Cyprus and Israel on how to optimally produce, extract, and transfer the vast reserves found in Israel's “Leviathan” and “Tamar” plots and in Cyprus' “Aphrodite” plot were inevitably enmeshed with real political issues that in turn were laden with security considerations. The offshore concession of Cyprus' Plot 12, “Aphrodite” to the U.S. giant Noble Energy”was not a decision made singularly, in a vacuum by the Cypriot Government. Noble owns

70 percent of Block 12, and Delek Group energy exploration subsidiaries, Avner Oil and Gas LP and Delek Drilling LP each own 15 percent.

Energy experts have placed the value of the find at many tens of billions of euros at current natural gas prices. As stated, Israel first talked up the potential for collaborating with Cyprus to transport and sell their natural gas reserves to European and/or Asian markets through possible joint use of pipelines and a liquefaction plant built in Cyprus. Here lies the crux of the matter.

Such collaborations with massive amounts of invested capital that ride on vast infrastructures that need generations to be written off are not issues that are decided overnight or strictly on economic investment grounds. Governments carefully weigh their overall aspirations and guide these decisions using national interest arguments. This holds true for both Cyprus and Israel, David and Goliath. Since meetings started being held between the two sides either in Cyprus or Israel at an official and/or technical level, practical matters of what to do and how to get it done have been high on the agenda.

It became apparent right from the start that Israel naturally considered every issue as imbued highly with its own national interest. Thus, the decision to collaborate in order to treat the extracted natural gas and then transport it to Europe (from both countries' plots) came as a complete formula: pipelines would be part of a joint network; a vast specialized storage terminal, valued at 10 billion euros and funded almost completely by Israel, would be built at Vassilikos port near Limassol; and the approximately 10,000 highly skilled personnel needed would be, in their great majority, Israelis. Naturally additional issues have come up in the logical procession of things. The project will take about six or seven years to complete, and inevitably the thousands of Israeli personnel engaged in it will need to have their families near them, so the total number of Israelis in Cyprus would become even greater, at least 15,000. These Israeli citizens will need to be housed in safe and secure conditions near the working site. This essentially means constructing a highly-guarded compound emulating a town. With the interests of Israel becoming vast, serious and strategic, it is highly unlikely that the important issue of security for these Israeli citizens would be conceded to the Cypriot police. Israeli security forces would be stationed in Cyprus even if only for the safety of the Israeli nationals and the working site.

Any analyst can easily run the math on the size and nature of this security force. Recently, reports in the Turkish press made reference to 20,000 Israeli commandos being stationed in Cyprus for this project. Of course both sides denied the reports, but even if eight to ten thousand members of the Israel Defense Force

(IDF) are needed to guard the large number of Israelis and the project site, simply consider that Cyprus' own National Guard (regular Armed Forces) does not exceed the 12,000 mark.

Furthermore, a defense collaboration agreement has already been signed between Cyprus and Israel, allowing the latter use of Cyprus' military infrastructure, i.e. the "Andreas Papandreou" air base in Paphos and various other ports and facilities. Also, recent flights by Israeli fighters over the northern part of Cyprus are intended to convey a message to Ankara of Israel's presence in Cyprus from now on. In exchange for all this, Israeli leaders are promising to pass relevant legislation in the Israeli parliament that will outlaw all investments by Israeli individuals and companies in the northern part of Cyprus, currently occupied by Turkey.

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The nature of the engagement of Israel in Cyprus, –a permanent infrastructure for the extraction, treatment, and transport of the natural gas reserves of both countries in and through Cyprus– signifies that this partnership between the two parties will be long-lived. Furthermore, the adjacent arrangements in security and military collaboration confirm the inevitable interwoven web of relations that Cyprus will be cast into with Israel. Turkish political planners cannot turn a blind eye to this new reality in Cyprus.

Triad Power's Interests: U.S., Russia and the EU

The superpowers of the U.S. and Russia along with the EU are all inevitably affected by the events that are still unfolding in this area, some more directly linked to their interests.

The Arab Spring opened a veritable "Pandora's box" for all and an endless multilateral game of interests has been in full play for months, something that will continue with the change of status of one permanent element (i.e. the Assad regime in Syria, a loyal and crucial ally of the former Soviet Union and now of Russia for decades), thus laying open the field to many other interests and forces in the wider region dormant until now.

An issue rising on the agenda is the demand for territory and/or additional rights and representation of the various groups of Kurds scattered around Turkey, Iran, Syria and Iraq. The already Autonomous Area of Iraqi Kurdistan under the prudent and skillful government of historic leader Masud Barzani is enjoying an obvious favored status with Washington, thus becoming a model for other like-minded Kurdish populations in the wider region of the Middle East.

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Two inescapable streams of events have made news around the world in this regard: Operations by the PKK, based for years close to the eastern borders of Turkey, have become more frequent, daring and destructive in terms of casualties, with regular forays inside Turkey itself. Their recent kidnaping of a member of parliament from the Republican People's Party (CHP) in Turkey has unleashed a wave of similar incidents emulating this one, in Lebanon and elsewhere. Second, the Assad regime, increasingly losing a grip on events, recently passed control of a series of towns along the northern border

with Turkey to Syrian Kurds, thus creating a new major concern for Turkey which has now Kurdish insurgents on both sides of its eastern border as well as at its southeastern border.

The U.S. took a particularly open stance regarding the recent findings of massive natural gas reserves in Cyprus and Turkey's attempted involvement in this on behalf of the Turkish Cypriots in a new row with the Republic of Cyprus, which allows exclusive rights to the "RoC" until the age-old "Cyprus Problem" is resolved. This would also allow the Turkish Cypriot community in the northern part to directly benefit, and of course Turkey itself in many ways due to its very close relations with its brethren in Cyprus. The crucial choice of the U.S. giant, Noble Energy, as the major partner to be awarded the concession in "Plot 12" did not take place in a vacuum, but was a clearly favored choice by both the U.S. and Cypriot governments with Israel having a say as well. Furthermore, the U.S. and Israel maintain a common policy on the final outcome of the conflict in Syria regarding the post-Assad Era.

Russia has its own worries over the new order of things in the wider Middle East. The effects of the Arab Spring and the apparent end of the Assad Regime in Syria,

imperils its major naval base in Tartous. The discovery of natural gas reserves in Cyprus, its closest ally in the EU and a traditionally friendly country since the Soviet era, presents Russia with the rare opportunity of hitting many birds with one stone. Moreover the growing presence of Israel, the U.S.' closest and longest running ally, in Cyprus, does not seem to annoy the Russians.

On 3 May 2012, Moscow sternly criticized Turkey's plans to explore natural gas deposits around the divided island of Cyprus under the protection of Turkish naval and air power. Russian Foreign Ministry's chief spokesman, Aleksandr Lukashevich, cautioned Turkey that its actions "may exacerbate the situation on the territory of Cyprus."¹ Russia's dispatch of a flotilla into the Mediterranean towards Syria and docking in Cyprus is evident of its frame of mind. By flexing its muscle, it warns everyone that its Tartous base in Syria should not be harmed by anyone, irrespective of what finally happens in Damascus.

Even though Russia and Turkey have been building a closer relationship –compared to that of the past– through a growing business activity, Russia seems willing to put this newfound friendship with Turkey at risk by endorsing the NET's position on zoning exploration rights. With a range of options for Russia, Moscow's minimal objective is access to Cypriot offshore gas deposits for state-owned Gazprom and Novatek in the framework of the Cypriot government's international call for bidding for twelve offshore plots. On the other hand, Moscow's maximum objective is to aggregate Cypriot and Israeli offshore gas volumes for transportation and reselling *via* Gazprom in international markets. Towards the achievement of that goal, Gazprom recently concluded a preliminary (non-binding) agreement to purchase liquefied gas volumes from Israel's own Leviathan project. Meanwhile, Gazprom is one of the bidders for Greek state-owned DEPA, the gas transmission pipelines in mainland Greece. If successful in that bid, Gazprom would undoubtedly strive to increase the intake of Cypriot and Israeli offshore gas, transport it (probably in liquefied form) to mainland Greece and use DEPA pipelines to resell it in European markets.

The European Union is now fortunate enough to see a full member (including the Eurozone) with massive natural gas reserves (and possibly oil) sufficient to supply it for many years thus, removing the Union from the uncomfortable position of being supplied from pipelines in Russia and Turkey. This alternative "European route" is much more appealing to it and enticing indeed. Its energy agenda is clear, and is both economics and security-driven. At this point it is still trying to balance the war

1 Vladimir Socor, "Russia Backs Greece-Cyprus-Israel Triangle against Turkey on Offshore Gas", *Eurasia Daily Monitor*, Vol. 9, No. 87, (8 May 2012), http://www.jamestown.org/regions/turkey/single/?no_cache=1&tx_ttnews%5Btt_news%5D=39345&tx_ttnews%5BbackPid%5D=408&cHash=74f1e15f7a050bdbc1555c63cba181dd

of words between its full member, Cyprus, and an accession candidate, Turkey, through its appeal to international laws, treaties and sovereign rights.

Conclusions – A True Rubik’s Cube

In a classic “Rubik’s cube”, nine stickers cover each of the six faces of the cube, each of one of six solid colors (traditionally white, red, blue, orange, green, and yellow). A pivot mechanism enables each face to turn independently, thus mixing up the colors. For the puzzle to be solved, each face must again consist of one color. The challenge makes the Rubik’s cube the world’s top selling puzzle game.

If one considers the complexity of the combinations of possibilities that could take place and the endless array of scenarios, most of them having to do with behavioral traits of the actors in play, the formation of the NET of Cyprus-Greece-Israel *vis-à-vis* Turkey and the tumultuous environment in which all this is taking place, one can understand what a huge and complex project management challenge this is.

What is obvious from the recent advent of the NET as it forms and operates is that its own plans and actions seem to unfailingly run into Turkey’s grand designs in the wider area. To further complicate matters here we have the very rare situation whereby events upon events continuously involve an increasing number of third parties, none of which are influenced to the same extent as the main actors.

We indeed have an amalgamation of dependent and independent variables in an ever-growing equation of complications that need extremely careful handling, regarding both the details and the main issues themselves. Worries that this growing confrontation between the NET and Turkey could lead to an explosion are, however, unfounded, as the stakes are too high for the U.S., Russia, the EU and Israel.

The more we analyze this matter, the more obvious it becomes that no single power can outright determine the day after. Even the “Triad of Powers” –the U.S., Russia and the EU– cannot have it all on its own terms. This is a safety net that will prevent things from going out of control even though it is these powers that will more or less prove to be the final catalyst of events.

Turkey, the most successful combination of a secular democracy run by an arguably Islamist government, one of the world’s fastest growing economies, and a *bona fide* accession candidate for the EU, is well positioned to see its influence grow more in the region if it can realistically match its own aspirations and realities with the new order of things in the area as they stream through the NET and the

Arab Spring's reverberations. Even though Turkey is on good terms with an Iran that casts its heavy shadow on the turbulent Middle East, it is at odds with it over Syria, whose current regime's ousting will affect the standing of both countries in terms of influence and prowess. Both countries maintain hegemonic plans but they come from different ends. Furthermore, Turkey inevitably has annoyed the U.S. several times and is still at odds with its former ally Israel. However, both countries still have the requisite wisdom to understand that these two major powers in the region are still destined to revert to the fold again, driven by common strategic interests of their own or their greatest ally's, the U.S. Already voices to that effect have been heard, such as the recent announcement from the Israeli Prime Minister's Office that the two countries, i.e. Turkey and Israel "still share common interests and goals." Major internal and regional problems are knocking on Turkey's door and an urgent call to the country is being made to grade its interest and priorities prudently, as even significant powers should choose their fights wisely.

Israel is adequately mature as a powerful country to understand that it will not benefit from further acrimony with Turkey. On the other hand, it fully understands that the NET presents a constant stream of benefits that must be capitalized on. The NET opportunity came to Israel as the result of a very rare combination of events within a short period, unlikely to be repeated again anytime soon. This leads to the safe conclusion that Israel may be in Cyprus for the long run, thus making it an integral part of Israel's strategy of survival, security and prosperity.

Greece, in the middle of its gravest crisis since the Second World War, is fighting for its survival as a state, economy, and society. Under the new leadership of Prime Minister Antonis Samaras who is committed to keeping Greece's commitments to the EU partners and its bailout plan, better days seem to lie ahead, even though further painful adjustments are still needed for a more sustainable order. Greece can still play a key part in the realization of the NET and its evolution into a positive geopolitical force in the region. Greece's closer collaboration with Israel in the institutionalizing of the NET through the extraction of its own reserves and the joint pipeline that will transfer gas to Europe from all three associates need not alarm anyone.

Cyprus in the process of being bailed out by the Troika with onerous commitment terms, also has to be realistic about how the advent of natural gas reserves can do more for it than just fixing its finances. Turkey will never accept a Greek "sheikhdom" in its underbelly, so natural gas and perhaps oil should be used intelligently in the search for a permanent and viable solution of the "Cyprus Problem" and not as a weapon to solidify the Greek Cypriots' standing in a never-ending confrontation with Turkey. Obviously, economics can play a growing and positive role in the quest

for a solution. Ironically, after a solution, Turkey could act as a trading partner to such an extent that Cyprus would not need to have substantive others.

Things, however, are not as simple as they seem. As indicated in the private statements made by Prime Minister Netanyahu during his February trip to Cyprus, Israel seems to be uncomfortable with a solution that would bring Turkey's involvement with the natural gas reserves in Cyprus to a higher *plateau* through the back door. The back door referred to here is the kind of the final solution to be reached. The Government in Cyprus has a lot of careful treading to do on this new slippery floor of power politics, without diminishing its own prospects to reunify the island. The NET is not a tool of foreign policy to be cast on Turkey to either entrap it or isolate it. This would unfortunately boomerang on the two weaker links of the chain, Greece and Cyprus.

Nicosia indeed has a lot of thinking to do on how best to handle the new set of opportunities fate and God have cast upon it for the best results for both Greek and Turkish Cypriots. Thus, both communities have to reconsider the biggest institution in their lives right now: the "Cyprus Problem" and its various apparatus. The criticism of this rarely mentioned facet, the illusory permanence of the "Cyprus Problem" in the beginning of this article was not accidental. It is a real issue to grapple with. There may never again be such a great opportunity to resolve this problem to the benefit of a re-unified island state through mutual compromises. The tide of Cyprus' precious natural resources should lift all Cypriots and launch them forward into a brighter, happier future, leaving the tragedies they all lived through firmly behind.