



LEVAN MIKELADZE  
DIPLOMATIC TRAINING AND RESEARCH INSTITUTE  
MINISTRY OF FOREIGN AFFAIRS OF GEORGIA

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## **Mediterranean and Black Sea Energy Resources and International Cooperation in their Search and Recovery**

By Zaal Margvelashvili, Research Fellow at the Diplomatic Institute

### **1. Introduction**

Tensions escalated in the Eastern Mediterranean in summer 2020 after Turkey sent a survey ship, accompanied by warships, on 10 August, to the territory near the island of Kastellorizo, which Turkey declared as its own exclusive economic zone (EEZ).

Greece claiming jurisdiction over the island called on Turkey to return the ships to its ports and refrain from infringing on the sovereign rights of Greece. Moreover, the Greek government placed on full alert its armed forces monitoring Turkish warships and urged the EU partners and institutions for support.

The escalating tension between Turkey and Greece reflects competing interests around energy resources in the Eastern Mediterranean. Turkey and Greece are at loggerheads over territories and energy resource recovery in the Eastern Mediterranean

Vast deposits of natural gas were discovered across the coastline of Cyprus a few years ago. Some estimates put the size of the reserves at 3.5 trillion cubic metres, which would put the region on a par with Venezuela and Nigeria. Additionally, there is a further 5.13 trillion cubic metres of gas estimated to be in the Nile Basin. This prompted the Greek government of Cyprus, Greece, Israel and Egypt to launch cooperation in building a 2000-km-pipeline that would funnel gas to Europe. Turkey known for its go-it-alone policy in the region and interests that are sometimes different from those of its neighbors and NATO allies was pointedly not invited.

Egypt, Cyprus, Greece, Turkey, Israel, Lebanon, Jordan and the Palestinian authorities all want to secure for themselves at least some part of those resources and, it is with this goal in mind that they seek allies and forge alliances in the region. Egypt has started to exploit its reserves of gas and oil and is now a regional exporter. Lebanon, with the help of France and Russia, is

also about to start commercial drilling. Europe has long been wanting to cut its reliance on Russian gas, and the energy-hungry European Union would be an ideal market for eastern Mediterranean energy resources.

On 21 August 2020, Turkish President Recep Tayyip Erdogan announced discovery of large natural gas reserve off its Black Sea coast. "Turkey has made its biggest natural gas discovery in its history," said Erdogan. This discovery may make a marked impact on the extraction and distribution of Mediterranean and Black Sea energy resources.

## **2. Territorial disputes between Turkey and Greece**

Cyprus is at the crux of dispute between these two NATO member states. Cyprus has been partitioned since 1974: the southern part of the island densely populated by Greek Cypriots is controlled by the internationally recognized government of the Republic of Cyprus, whereas the self-declared republic of northern Cyprus that comprises the north portion of the island is dependent on Turkey for military, political and economic support.

Turkey continues to protest the Greek Cypriot administration's unilateral exploitation of energy resources in the Eastern Mediterranean. Turkey's position is that the de facto republic of Northern Cyprus has equal rights over the natural resources of the Island. Moreover, Turkey does not recognize the Hellenic Republic of Cyprus. Hence, it does not recognize its bilateral international agreements, including with Lebanon and Israel.

With its fastest growing population and myriad of economic problems, Turkey imports about 90 percent of its energy needs. Its economy, therefore, is heavily dependent on availability of energy resources. Deeply committed to enhancing its national and energy security, the Turkish government is focused on developing energy generation and recovery industry. Building up its armed forces and defence industry is the Turkish Government's yet another priority. Turkey's largescale shipbuilding project aims at manufacturing anti-aircraft destroyers, modern corvettes, light aircraft carriers and amphibious warfare ships.

NATO is boosting its military presence in the Black Sea. NATO conducts regular patrols and exercises in the Black Sea in a demonstration of its strong commitment to enhancing the national security of its Member States – Turkey, Romania, Bulgaria, and to strengthening defence support for its partners – Georgia and Ukraine. The Russian Federation also builds up its military presence in the Black Sea to gain an eventual control over the region. Hence the increased potential for military conflicts. The Black Sea region witnesses formation of alliances and escalation of territorial disputes, including around energy resources

Given the Turkish army's growing military capacities, Turkey is involved in the hostilities ongoing not only in North Syria but also in Libya. This creates a threat of incidents and military conflicts.

In 2019, Turkey launched drilling operations west of Cyprus – in the disputed territories over which both parties extend their sovereign rights. Reference here is to the disputed sections of the Continental Shelf claimed by both countries.

The first tension between the two Member States of NATO was defused by Germany currently holding the presidency of the EU Council. After German intervention, there was a commitment to dialogue. But then on 6 August 2020 Greece signed a deal with Egypt to set up in the Eastern Mediterranean a maritime zone claimed by Turkey. The talks between Turkey and Greece were called off and Turkish vessels set sail for the disputed territory. This led to another flare-up of the escalation and sparked concern among Greece and Cyprus - both EU Member States. Greece responded by readiness to protect its sovereign rights.

Exclusion of Turkey and the republic of northern Cyprus from the region's energy processes is inadmissible, according to Turkey. In November 2019, Turkey signed a deal with Libya to create an exclusive economic zone from Turkey's southern Mediterranean shore to Libya's northeast coast. Egypt dismissed the deal as illegal. This position was reciprocated by Greece saying the deal ignored the presence of the Greek island of Crete between the coasts of Turkey and Libya. Egypt and Greece signed an agreement on 6 August 2020 designating an exclusive economic zone in the Eastern Mediterranean, which rules out the possibility of implementing the Turkey-Libya deal.

Many islands in the Aegean and the Eastern Mediterranean are within sight of the Turkish coast, so issues of territorial waters are complex and the two countries have come to the brink of war in the past.

If Turkey were to extend the breadth of the territorial sea up to 12 nautical miles in compliance with the 1982 UN Convention on the Law of the Sea, this would cause overlapping of Turkish and Greek maritime areas and would hamper Greece's sea traffic. But apart from territorial waters, there are exclusive economic zones in place, like that agreed between Turkey and Libya, and also like the Cypriot accords with Lebanon, Egypt and Israel.

Turkey does not consent to Greece's claims that Turkish vessels act in violation of International Law. The question relates to the water area between Cyprus and the island of Crete close to the coast of south-west Turkey over which both Turkey and Greece have territorial claims. The disagreement between the parties may be emanating from different interpretations of the relevant provisions of international law. The parties also disagree about issues relating to

migrants and Hagia Sofia which have brought Greek-Turkish relations to months-long standstill.

Greece argues that the Turkish survey ship is encroaching on its continental shelf, pointing to a large area off the Greek island of Kastellorizo, 2km from the Turkish mainland. While Greece has called on Turkey to leave its continental shelf immediately, Turkey insisted that "islands that are far from the mainland and closer to Turkey cannot have a continental shelf".

Early in 2020, representatives of Egypt, Cyprus, Greece, Jordan, Israel, and Palestine all met in Cairo to discuss the setting up of the East Med Gas Forum and East Mediterranean natural gas cooperation, and also to look into the building of a large undersea pipeline that would funnel gas to Europe.

Turkey was left out of the meeting. As Turkey claims Ankara will not accept being "locked" in the land section of the Mediterranean and will act in line with the UN Convention on the Law of the Sea. In response to the neglect from the regional countries, Turkey deployed armed drones to Northern Cyprus. The drones were intended to defend Turkish survey ships. In February 2020, French aircraft carrier 'Charles de Gaulle' held military exercises near Cyprus in a move to warn Turkey survey ships against acting in defiance of the European Union's interests. To show support to Greece, the United States announced its plans in July to conduct military training with Cyprus.

Against such background, Turkey's deployment of survey ships accompanied by warships to the waters off the Island of Crete only added fuel to the tension in the region. Turkey was considering conducting this operation already in July but refrained from it, in fear of international complications. However, after the signature of the Egyptian-Greek deal, Turkey hastened to realize its intentions.

If Greece-Turkey standoff spirals into armed confrontation, this will have disastrous consequences for the entire region, irrespective of the winner. Such confrontation will inflict a heavy damage on the regional economy and will further complicate Europe's relationship with Turkey growing increasingly isolated. The Republic of Cyprus has already appealed to the International Court of Justice for its decision on the persisting territorial disputes.

Urging Turkey to act with common sense, Greek Prime Minister Mitsotakis warned that hostilities in the region may lead to international incidents. He called on Turkey for a dialogue, saying that Greece does not seek to escalate the tension, but no provocation will remain unanswered.

Turkish Defense Minister Hulusi Akar said Turkey wanted to reach solution through peaceful means, in line with international laws. He also vowed to defend Turkey's rights, connections and interests.

Turkey claims it has the longest coastline in the eastern Mediterranean but that it is penned in to a narrow strip of waters due to the extension of Greece's continental shelf, based on the presence of many Greek islands near its shore.

Turkey says it will issue gas exploration and drilling licences for this section in the eastern Mediterranean despite Greece's claims of jurisdiction.

One of the main reasons why Turkey dispatched its naval vessels to the Eastern Mediterranean was to send a signal to Greece and its partners that Turkey will defend its sovereign rights in the Eastern Mediterranean and that Turkey is not content with the way energy is distributed across the region.

Turkey's activities can also be assessed as a call for finding a common solution to the problem. President Erdoğan has repeatedly stated that this issue can only be resolved at the negotiating table.

Turkey refrained from drilling in the Mediterranean for some time at the request of Germany to reduce tension. However, after Greece signed a maritime jurisdiction treaty with Egypt, Turkey turned to active measures. Although with direct support from France and indirect support from the U.S. Greece is currently seeking to find a solution that best suits its own interests, Turkey needs to show a different reality to the international community.

In case of armed conflict, Turkey will have a military advantage over Greece. However, a lot will depend on the position of other members of NATO. There is no consensus within NATO over this issue. Confrontation, if continued, will entail losses for all parties concerned.

Adding to the complication is the fact that the island of Kastellorizo is located 570 kilometers away from the Greek mainland, and 2 kilometers away from the Turkish coast could not possibly generate a 40,000 square kilometer maritime zone. This puts Turkey in a somewhat advantageous position. So, Turkey cannot back down. If it does, it will cause irreversible damage to Erdoğan's chances in elections in the short term and to Turkey's sovereign rights in the long term.

### **3. Black Sea Energy Resources**

Minister of Energy and Natural Resources Fatih Dönmez said on 21 August 2020 that the economic value of 320 billion cubic meters of natural gas reserve discovered in the Black Sea

could reach \$65 billion. The gas find is located in waters 1200 meters deep and could be a part of a larger set of reserves to be determined by 2023.

The gas reserve labeled Tuna 1 was discovered in the Sakarya Gas Field, which is around 170 kilometers off the Black Sea coast. It will be exploited by the Turkish state company - Turkish Petroleum Corporation - TPAO. The Company will soon start seismic exploration of the field. There will also be an international tender to build a pipeline to bring the natural gas to the shore.

"We will remove the current account deficit from the agenda of our country," - Treasury and Finance Minister Berat Albayrak said commenting on the gas find.

"This discovery, even if we do not find any new source, will meet the needs of our country for about 7-8 years, even though Turkey's annual natural gas consumption comes to around 45-50 billion cubic meters. But of course, the explorations and drillings will continue," - the Minister of Energy and Natural Resources said.

The discovery is expected to draw the attention of international energy companies to the Black Sea, paving the way for future discoveries. Turkey has striven to increase domestic gas production as the country is 99% dependent on imports both via pipelines and liquified natural gas. In 2019 Turkey imported 45.3 bcm of natural gas last year, at a cost of approximately \$12 billion. The total bill for gas imports heavily relies on oil prices, and Turkey's gas imports from Russia, Iran and Azerbaijan directly contribute to the country's foreign trade deficit.

The amount of investment in the Sakarya Gas Field will be determined depending on the geological structure of the location as well as the number of the wells and technology to be used. Therefore, it is hard to estimate the exact amount of investment needed, since the discovery could be a part of a larger set of reserves in the area.

The Trans-Anatolian Pipeline – TANAP and the Trans-Adriatic Pipeline – TAP were interlinked on 21 November 2018 to bring gas from the Shah Deniz-2 gas field to Italy through pipes in Azerbaijan, Georgia, Turkey, Greece, Albania and the Adriatic Sea. This route could deliver gas to several South Eastern European countries, including Bulgaria, Albania, Bosnia and Herzegovina, Montenegro and Croatia. From Italy gas could be supplied to such important countries in Europe as Germany, France, Great Britain, Switzerland and Austria.

This marked the successful completion of yet another phase in the formation of the Southern Gas Corridor, which allowed not only South Caucasus but also Europe to diversify their energy sources. Turkey became a regional energy hub. This significantly increases the role of Turkey, as well as of Georgia in ensuring energy security across Europe.

Based on preliminary surveys of the late 20<sup>th</sup> century, the eastern Black Sea coast may also contain some reserves of natural gas, which could be recovered using modern technologies. This should be the subject of particular interest for the competent authorities of Georgia. There is an urgent need to pursue a targeted policy in this regard, including within the framework of the Black Sea Economic Cooperation – BSEC.

#### **4. The International Community's position on territorial disputes in the Eastern Mediterranean**

French President Emmanuel Macron reiterated France's full solidarity with Cyprus and also with Greece and denounced what he called Turkey's "violation of their sovereignty".

This was preceded by mounting tensions between France and Turkey over Libya. Hence, in addition to French aircraft carrier 'Charles de Gaulle', France sent one frigate and two anti-aircraft vessels to conduct joint exercises with Greek forces in the disputed waters. Greece and the EU condemned Turkey's actions as an encroachment on their territorial rights. France pledged to increase its military presence in the region to prevent any possible conflict.

On 4 April 2020, France and Cyprus signed Defence Cooperation Agreement which came into force on 1 August.

French President Emmanuel Macron called the situation "worrying" and urged Turkey to stop its unilateral activities and allow a peaceful dialogue between the neighbours. According to Macron, France's military presence aims at monitoring the situation in the region and marks its determination to uphold international law.

NATO secretary general of NATO Jens Stoltenberg, called for "finding a way to resolve the situation in the eastern Mediterranean, based on the spirit of Allied solidarity and international law". U.S. Secretary of State Mike Pompeo met on 16 August with Turkish Foreign Minister Mevlut Cavusoglu to discuss the ways to reduce tensions in the Eastern Mediterranean and the situation in Libya.

EU ministers of foreign affairs held a video conference on 14 August to discuss, inter alia, the developments in the Eastern Mediterranean. The conference was organized by High Representative of the Union for Foreign Affairs and Security Policy Josep Borrell. The discussions focused on three topics: solidarity, de-escalation, and dialogue.

During the video conference, the Ministers reaffirmed the EU's full solidarity with Greece and Cyprus. They reiterated that sovereign rights of EU Member States must be respected. They recalled EU common positions and the previous Council Conclusions of 22 March 2018 and June, July, October, December 2019, in addition to the Statement on the situation in the Eastern Mediterranean of 15 May 2020. At the same time, the Ministers stressed that the

serious deterioration in the relationship with Turkey is having far-reaching strategic consequences for the entire EU, well beyond the Eastern Mediterranean.

The Foreign Ministers stressed that recent naval mobilisations by Turkey do not contribute to finding any solutions. On the contrary, they will lead to greater antagonism and distrust. They create a heightened risk of dangerous incidents. Immediate de-escalation by Turkey was considered crucial.

The Foreign Ministers recalled the importance they attach to relations with Turkey. They underlined that issues related to delimitation of maritime boundaries and exploitation of resources therein can only be addressed through dialogue and negotiation, in good faith, in accordance with international law and in pursuit of the principle of good neighbourly relations, and not through unilateral actions and the mobilisation of naval forces.

Ministers recalled the outcome of the Foreign Affairs Council of 13 July. They reiterated strong support for High Representative Josep Borrell's efforts to re-establish dialogue and facilitate re-engagement with Turkey. At the same time, the High Representative is to prepare options on further appropriate measures in case tensions do not abate.

An informal summit of EU Foreign Ministers will be held on 27-28 August, in Germany to provide a broader discussion and analysis of the issues mentioned above.

The credibility of NATO's deterrence posture rests heavily on the solidarity and cohesion of the Allies. A potential adversary is likely to refrain from aggression if he believes—as the Washington Treaty states—that the Allies will indeed consider an armed attack against one Ally to be an attack against all Allies.

Turkey has recently distinguished itself by its aggressive pursuit of its own interests arguing that NATO urgently needs to address Turkey's problems. An example in point is Turkey's incursion in Syria and confrontation with Greece, Italy and especially with France over its involvement in the conflict in Libya; Turkey's extraction of Eastern Mediterranean energy resources, which the EU criticizes but which Turkey claims to be within its territory has also been a cause of much tension inside NATO.

Survey works in the Eastern Mediterranean is part of Turkey's new maritime policy called Blue Homeland Doctrine, which aims to ensure Turkey's control of the seas that surround it. The only option for NATO to deal with this situation is to talk behind closed doors and try to find a common language with the Allies. However, France's increased military presence in the Eastern Mediterranean is a clear indication that NATO Members do not rule out the use of force to influence the processes inside NATO.



As it follows from the foregoing, there is a fierce competition over the rights to energy recovery and military build-up in the Eastern Mediterranean-Black Sea region. It is still difficult to say how Turkey's discovery of natural gas deposits in the Black Sea will influence the given alignment of forces since a lot still remains obscure around these deposits.

Russia's efforts to rebuild and enhance the capacities of its naval fleet and the risk of hazardous incidents are factors that complicate the situation even further. In view of this, Georgia, through the support of EU and NATO partners, should continue building up its armed forces, including the navy. In addition, Georgia needs to further strengthen its European and Euro-Atlantic integration course in order to ensure that, if conflicts flare up again in the region, it can fall back on the support of its strategic partners, international organizations and friend-countries.