

Greece, Cyprus, and the Israeli-Palestinian Peace Process

Gabriel Mitchell*

April 2021

For decades, the US operated as the central mediator between Israel and the Palestinians. However, after decades of stalled negotiations, it is likely that future peacemaking efforts will be multilateral, reliant on an orchestra of international actors who can support specific processes that, in concert, could encourage Israelis and Palestinians to reapproach one another. This piece examines the role of Greece and Cyprus, two regional actors whose strategic relationship with Israel has strengthened over the last decade, could help advance peace. Though secondary players in the context of the Israeli-Palestinian conflict, there are concrete ways that both states – if invited by the central parties – could contribute to a more conducive environment for cooperation and dialogue.

A. Historical Background

For the better part of Israel's modern history, relations with Greece and Cyprus could be described as something between dormant and strained. Israel enjoyed full diplomatic ties with both countries, however Greek and Cypriot support for the Palestinian cause and Israel's cooperation with Turkey were obstacles that prevented the parties from fostering meaningful relations. In the 1980s, the governments in Athens and Nicosia were sympathetic to the Palestinian cause and frequently hosted PLO head Yasser Arafat. In 1988, Cyprus officially recognized the State of Palestine. Supporting the PLO was a red line for Israel, who was actively pursuing Arafat and trying to thwart his operations. At the same time, both Greece and Cyprus viewed Jerusalem's strategic cooperation with Ankara from the lens of their shared conflict with Turkey. These positions only began to soften during the 1990s, following the interim agreements with the Palestinians (1993-1995) and the peace agreement with Jordan (1994).¹ But even then, the continued partnership between Israel and Turkey in the 1990s and early 2000s seemed a bridge too far to cross.

It was only after 2009, following the collapse of the Greek economy, the Arab Spring, and the disintegration of Israel-Turkey relations, that a window of opportunity opened for the three countries to improve their ties. During this period of time, offshore natural gas reserves were discovered in the waters of Israel and Cyprus, further incentivizing cooperation between Jerusalem, Athens, and Nicosia. Today, the tripartite alliance is one of Israel's most significant strategic partnerships in the Eastern Mediterranean. This was not a welcome sight for the Palestinian Authority (PA), whose leadership had enjoyed positive relations with Greece and Cyprus for decades. Inter-Palestinian divisions between Fatah and Hamas had

* Gabriel Mitchell is the Director of External Relations at the Mitvim Institute and a doctoral candidate at Virginia Tech University. This report is part of an initiative funded by the UK Government, but the views expressed do not necessarily reflect the views of the UK Government. A special thank you to Jenna Kaplan for her research on this report.

¹ Gallia Lindenstrauss and Polykarpos Gavrielides, "[A Decade of Close Greece-Israel Relations: An Assessment](#)," *INSS*, April 2019.

weakened the PA's legitimacy and it had little leverage on the now pro-Israel governments in Athens and Nicosia. Despite the continuation of high-level meetings between Palestinian officials and their Greek and Cypriot counterparts, in 2015 the Greek parliament stopped short of fully recognizing Palestinian statehood.²

B. Contemporary Greek and Cypriot Policies on Israeli-Palestinian Affairs

The current policies of Greece and Cyprus on Israeli-Palestinian affairs are understandably nuanced. Both countries regularly engage with the Palestine Authority and are committed to the official positions of the EU (e.g., support for a two-state solution along the 1967 borders and opposition towards unilateral Israeli measures such as settlement construction and annexation). This reflects public support for a resolution of the conflict and sympathy towards Palestinian national aspirations. However, neither country is a leading voice within the EU on this issue and Israel has relied on each of them – along with members of the Visegrad Group – to soften (and sometimes block) European reactions to its policies in the West Bank and Gaza Strip. In 2015, for example, Greece defied European labeling policies on goods manufactured over the pre-1967 lines.³ Despite PA efforts to convince Greece to take an official stance against Israel's annexation ambitions in the summer of 2020, Greek Prime Minister Kyriakos Mitsotakis did not publicly reference the matter during his visit to Israel in mid-June, focusing instead on other aspects of the bilateral relationship.⁴ Similar efforts were reportedly made by Israeli Foreign Minister Gabi Ashkenazi vis-a-vis his counterparts in Nicosia.⁵

Greece and Cyprus do not require instruction from Israel to keep their distance from the conflict. Embroiled in their own ongoing disputes with Turkey in the Eastern Mediterranean and on the divided island of Cyprus, both countries prefer having a relationship with Israel that does not necessitate one party meddling in the affairs of the other. This approach should not be confused with a lack of interest. At an official level, Greece and Cyprus want to see a resolution of the Israeli-Palestinian conflict. The Greek Orthodox Church remains a principal religious institution and landowner in Israel and the Palestinian territories.⁶ Both countries enjoy robust commercial and strategic relations with Arab countries in the region. Despite being separated by the sea, the Israeli-Palestinian conflict is never too far away.

Still, the importance of the strategic relationship with Israel, and the desire to marginalize Turkey's regional partnerships, has compelled Greece and Cyprus to take a back seat on Israeli-Palestinian affairs. Bilateral trade with the Palestinians – which was never robust – has decreased over the past two decades.⁷ PA officials now reference their strong ties with

² Raphael Ahren, "[Greece officially starts using term 'Palestine'](#)," *Times of Israel*, June 8, 2015 and [Representative Office of the Republic of Cyprus to the State of Palestine](#), *Republic of Cyprus Ministry of Foreign Affairs*, accessed on March 15, 2021 and [Greek-Palestinian Relations](#), *Hellenic Republic Ministry of Foreign Affairs*, accessed on March 15, 2021.

³ Raphael Ahren, "[Greece to defy EU order on labeling settlement goods](#)," *Times of Israel*, November 30, 2015.

⁴ "[Palestine urges Greece to oppose Israel's West Bank annexation plan](#)," *Middle East Monitor*, June 19, 2020 and "[PM Netanyahu's remarks at the joint statements with Greek PM Mitsotakis 16 June 2020](#)," *Israel Ministry of Foreign Affairs*, accessed on March 14, 2021.

⁵ "[Israel seeks Cypriot help in softening EU opposition to annexation](#)," *Times of Israel*, June 23, 2020.

⁶ The Greek Orthodox Church is an important institution in Jerusalem's religious landscape. In light of the Abraham Accords, one could imagine a scenario where Athen's interests in Jerusalem's interfaith balance results in a more proactive Greek role alongside the Gulf states.

⁷ "[Greece \(GRC\) and Palestine \(PSE\) Trade | OEC](#)," and "[Cyprus \(CYP\) and Palestine \(PSE\) Trade | OEC](#)," *The Observatory of Economic Complexity*, accessed on March 13, 2021.

Athens and Nicosia in the past tense.⁸ Other regional players, such as Egypt, Jordan, UAE, Turkey, and Qatar play a more central role in intra-Palestinian politics and delivering messages between various Palestinian factions and Israel. In sum, Greece and Cyprus have little incentive to involve themselves in Israeli-Palestinian affairs and are more likely to wait until international actors – or the Israelis and Palestinians themselves – renew their interest in negotiations and invite them to contribute to the peace process.

C. Potential Greek and Cypriot Contributions to Advancing Peace

Greece and Cyprus are limited both in their capacity and interest to perform a central role in Israeli-Palestinian peacemaking efforts. However, under the right conditions, they could support a number of focused elements in Israeli-Palestinian relations.

First, Cyprus could play a role in supporting the reopening of the Gaza Strip. Gaza remains under a strict blockade – facilitated both by Israel and Egypt – and the humanitarian conditions remain fragile. Israel's restrictive list of banned import/export goods hampers economic growth and is easy fodder for anti-Israel criticism in the international community. There is some evidence that Israel wants to change that. In February 2021, Qatar announced that it – along with the Office of the Quartet – had successfully negotiated an agreement with the Israeli government and Delek Group to construct a pipeline between one of Israel's natural gas fields and the Gaza Strip. Just a few days later, Egypt agreed to help develop the Gaza Marine field, a natural gas reserve located just off the coast. Both of these developments demonstrate that there are areas where regional actors can make an impact on the ground.

As recently as 2018, Israel and Cyprus were in discussions about establishing a floating dock in Limassol to receive and monitor goods bound for the Gaza Strip. The concept of the floating dock was a creative one, but the conditions – that Hamas return Israeli civilians Abera Mengistu and Hisham al-Sayed and the remains of two IDF soldiers killed in the 2014 war – were a nonstarter. It was also unclear whether the initiative was serious or just part of a public relations campaign to undermine Hamas' credibility in the Gaza Strip.⁹ Cyprus had its own set of concerns at the time and was reluctant to interfere in Israeli-Palestinian affairs.

However, the economic and humanitarian circumstances in the Gaza Strip remain the same (if not worse), and the recent announcements by Qatar and Egypt suggest that this project is worth reviewing once more. As highlighted by Ambassador (ret.) Michael Harari, a port solution would benefit all parties and should be “dissociated from the broader political process with the Palestinians.”¹⁰ This would require significant coordination between Israel, Cyprus and the PA, as well as other international actors like Egypt, the EU, and the US. If the project was revived under new US and EU leadership, this would be a feasible, low-cost way to reduce Gaza's isolation.

The recent news about potential Gaza Strip projects also relate to the second arena where Greece and Cyprus could play a constructive role: regional energy cooperation and Palestinian participation in the Eastern Mediterranean Gas Forum (EMGF). The forum is a regional body established in 2020 that includes both Israeli and PA representation, a rare

⁸ Nabil Sha'ath, “[Will Greece betray the Palestinians?](#)” *Ha'aretz*, January 27, 2016; “[Greece has historical ties of friendship and solidarity with the Palestinian people, Ambassador Toubassi says](#),” *ANA-MPN News*, April 7, 2019.

⁹ Stuart Winer, “[Israel reportedly agrees to set up seaport for Gaza in Cyprus](#),” *Times of Israel*, June 25, 2018 and “[Cyprus mulling Israeli request for port to send goods to Gaza](#),” *Times of Israel*, June 26, 2018.

¹⁰ Michael Harari, “[A port in Cyprus for Gaza's humanitarian crises](#),” *Jerusalem Post*, August 14, 2018.

phenomenon considering the current nadir in Israeli-Palestinian relations. Energy security is a serious matter for Palestinians – especially in the Gaza Strip, where electricity shortages are commonplace – and initiatives that improve reliability and affordability of supply would help stabilize the Palestinian economy and raise the quality of life. As mentioned above, there is already momentum in this space, so Greece and Cyprus would not be taking bold positions by offering to play a facilitating role on energy-related matters that come up in the forum, encouraging foreign companies to look into supporting the development of Gaza Marine field, and making sure that their Palestinian counterparts feel heard. The current mission of the EMGF focuses solely on energy issues, but its mission is likely to expand with time. It is increasingly obvious that Eastern Mediterranean states need to be in dialogue on a litany of topics, both economic and environmental, and this is an area where Greece and Cyprus could ensure a Palestinian presence.

As member states of the EU and the Union for the Mediterranean, Greece and Cyprus have a major voice in the formulation and execution of the European Neighborhood Policy in the Mediterranean as well as the Southern Neighborhood that includes Israel and Palestine. Within this framework, the Athens and Nicosia could proactively identify regional projects that include Palestinian and Israeli participation, increasing the engagement and interconnectivity between the two sides, as well as participate in initiatives that support the growth of trade opportunities, European investment in the Palestinian economy, and academic exchange. While commendable that Greece and Cyprus support Israeli positions within the EU, a neutral approach to the Israeli-Palestinian issue could better ensure a sustainable, long-term relationship.

In the past, Cyprus functioned as a location for Israeli and Palestinian civil society engagement. Student programs brought together Israelis, Palestinians – as well as Greek and Turkish Cypriots – to learn about one another's narratives, and map the successes and shortcomings of conflict resolution methods in other countries. Resuming these activities would allow Cyprus to serve as a neutral venue and draw from the Cypriot community's professional know-how. With US Congress approving 250 million USD in funding to Israeli-Palestinian peacebuilding efforts in December 2020, there is an opportunity for third-party actors to take part in new initiatives.¹¹

Finally, in the event that there is a genuine international effort to bring Israelis and Palestinians back to the negotiating table, Greece and Cyprus can support those processes as comparatively neutral parties, knowing that Israel will trust its Eastern Mediterranean allies to have its best interests at heart. This is no small thing. Often in negotiations, there is a concern that international actors are trying to force a solution that is not in the interests of one or both of the conflicting parties. Having the support of friends goes a long way to easing those concerns.

Greece and Cyprus' association to the Israeli-Palestinian conflict has changed in recent years, however they can play a constructive role in improving on-the-ground conditions in the Palestinian territories as well as supporting regional and international initiatives that encourage Israeli-Palestinian dialogue. Resolving the conflict is not only about final status issues. There are countless, smaller matters concerning the future of Israeli-Palestinian relations that have yet to be resolved and could benefit from external engagement. Greece and Cyprus are likely to wait until Israelis and Palestinians demonstrate a readiness to

¹¹ Jake Epstein, "[Israeli-Palestinian peacebuilders prepare for \\$250m US government injection](#)," *Times of Israel*, March 11, 2021.

resume negotiations, but future mediators should include them amongst the select number of international actors who can play a modest role in advancing the cause of peace.