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IMEC 2.0: A New Regional Vision After the Gaza War

A Strategic Policy Paper for Israeli Decision-Makers

Dr. Gedaliah Afterman | February 2026

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The India–Middle East–Europe Economic Corridor (IMEC) was launched as a transport and connectivity initiative linking India, the Gulf, and Europe. That logic remains relevant, but the post-Gaza regional environment demands a broader and more resilient design. Political constraints have tightened, Israel's room for manoeuvre has narrowed, and regional cooperation is increasingly shaped by risk management rather than visibility. In this context, IMEC cannot function effectively as a linear corridor alone. This paper argues for reframing IMEC as a networked regional architecture, IMEC 2.0, that integrates physical infrastructure with digital systems, energy transition, economic stabilisation, and diplomatic coordination. This approach reflects current regional realities more accurately, allows cooperation to advance unevenly and in sequence, and reduces political exposure without stalling momentum. For Israel, IMEC 2.0 offers a way to re-anchor itself in the region through practical contribution leading to political normalisation. The paper assesses the post-Gaza regional landscape, maps the constraints and opportunities facing Israel, and outlines how a networked IMEC can support regional integration, stabilisation, and long-term economic resilience. It argues that the central risk for Israel is not only exclusion by design, but marginalisation through delay. Early positioning, including credible action on the Palestinian front within emerging regional architectures, will determine whether Israel helps shape the systems that define regional connectivity or is forced to adapt to them later.

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A. Introduction: Why IMEC 2.0 Now

Israel is facing a critical strategic moment defined by constraint and possibility. After more than two years of fighting in Gaza, Lebanon and against Iran and its proxies, Israel has proven its military capability, yet has lost political ground. Regional and international partners view Israel as effective on the battlefield but increasingly constrained diplomatically. This has narrowed Israel's ability to shape regional processes and reduced the space available for visible cooperation.

This shift reflects a broader regional and global reordering. The Middle East is going through a period of rapid realignment shaped by economic diversification, climate transition, technological shifts and the rise of multi-alignment as a core regional strategy. The UAE and Saudi Arabia are advancing confident long-term strategies. India has become central to the region's economic geography. Europe seeks supply chain resilience and more strategic autonomy. China continues expanding its diplomatic and economic footprint. The United States is repositioning itself in the Middle East and expects regional actors to assume more responsibility for security and stabilisation.

In this environment, Israel needs more than military force. It needs a framework that reconnects it to the region, aligns with the priorities of its main partners, and anchors it inside long-term economic and technological networks that support regional stability and Israeli security. **IMEC 2.0** provides such a framework. It shifts the India-Middle East-Europe Economic Corridor (IMEC) from a narrow transport corridor to a regional architecture built around connectivity, digital integration, climate transition and economic stabilisation. It gives Israel and its partners a credible platform for shaping the region through shared interests and geoeconomics rather than crisis management and military force.

The original IMEC vision was announced in 2023² in an MoU signed between Saudi Arabia, the EU, India, UAE, France, Germany, Italy and the United States. Israel and Jordan are mentioned in the document but are not signatories to it. The announcement reflected the optimism of the Abraham Accords period. It assumed that regional integration could proceed with limited Palestinian involvement and that Israel's innovation economy would anchor new connectivity routes. The Gaza war overturned these assumptions. For regional and international partners, Palestinian inclusion moved from secondary to essential. Gulf states recalibrated. Europe hardened its expectations. The United States, under President Trump, at the demand of Arab states, linked normalisation to a defined pathway on the Palestinian issue and positioned Turkey and Qatar in central roles in ceasefire negotiations and Gaza day after planning, with Israel losing influence.

In this new environment, a regionally led IMEC 2.0 can serve as a strategic reset for Israel. It can support Gaza stabilisation through structured mechanisms that align with Israeli security needs and Gulf political requirements. It provides a credible framework for strengthening cooperation with the UAE, Jordan and Egypt, and for developing relations with Saudi Arabia through sequenced and realistic steps. It anchors Israel inside emerging digital and energy transitions. It strengthens ties with India and Europe and shifts Israel from a reactive posture to a value-adding regional partner. One path leads to growing isolation and a reliance on force without the political standing required to influence regional outcomes. The other path uses Israel's capabilities to help build regional architectures that support stability, economic growth and political cooperation. This paper and its development of the IMEC 2.0 vision sit firmly on this second path.

2 The White House, *Memorandum of Understanding on the Principles of an India-Middle East-Europe Economic Corridor*, September 9, 2023.

Part I: IMEC in Geopolitical Context

B. Understanding the Strategic Context

IMEC 2.0 sits at the intersection of several regional and global shifts that are reshaping the Middle East's strategic landscape. Understanding these shifts is essential for designing a corridor that serves Israel's long-term security and regional reanchoring.

The Abraham Accords opened the door to new forms of regional cooperation, but October 7 and the Gaza war reintroduced deep political constraints. Any visible regional progress now requires credible Palestinian inclusion, even as Gulf states remain focused on diversification, technology partnerships and pragmatic diplomacy rather than ideology.

The second Trump administration has paired assertive military postures with strategic dealmaking and economic leverage. IMEC, while originally introduced by President Biden, has been endorsed by President Trump³ and aligns with his interest in burden sharing, connectivity and countering China's Belt and Road Initiative.⁴ Yet Washington's approach is transactional. Israel cannot assume that U.S. support guarantees Israeli centrality. For IMEC to succeed, it must be anchored in genuine regional interests rather than relying solely on U.S. preferences.

China, while not a military player in the region, continues to expand its influence in the Middle East through infrastructure investments, energy diplomacy, and digital cooperation. Despite the ongoing war in Ukraine,

3 The White House, [United States–India Joint Leaders' Statement](#), February 13, 2025.

4 Launched in 2013 by China, the Belt and Road Initiative (BRI) is a global infrastructure and economic development strategy aimed at enhancing regional connectivity across Asia, Africa, and Europe. It consists of the Silk Road Economic Belt (land routes) and the 21st Century Maritime Silk Road (sea routes). The initiative seeks to boost trade, investment, and economic cooperation through large-scale projects like railways, ports, and energy pipelines.

Russia maintains a presence in Syria and strategic relationships with Iran, Egypt and Saudi Arabia.⁵

India views IMEC as essential to advancing its dual ‘Act East’ and ‘Act West’ strategies. Meanwhile, the European Union is pursuing alternative energy corridors and digital partnerships to reduce its reliance on China, Russia, and increasingly, the United States. In this complex and competitive environment, IMEC provides a promising, yet fragile, platform for navigating these trends.

Europe, particularly Eastern Mediterranean states, views IMEC as an opportunity, given that the EU’s “Global Gateway” connectivity initiative has faced challenges. Brussels remains cautious about multi-alignment, but France, Italy, Greece, and Germany are taking an increasing interest. Tensions between Trump and Europe over Russia, Ukraine, and trade could push European governments to deepen IMEC involvement, remaining engaged with the U.S. in the strategically important region while building links with the Middle East and Asia to hedge against U.S. unpredictability.⁶

The UAE and Saudi Arabia pursue diversified, multi-networked economic diplomacy. Both remain active in China’s Belt and Road Initiative, joined the Shanghai Cooperation Organization as dialogue partners,⁷ and are members of the expanded BRICS.⁸ They are simultaneously deepening

5 Gedaliah Afterman and Dominika Urhová, “[Is China Becoming a Political Player in the Middle East?](#),” *The Cairo Review of Global Affairs*, accessed December 8, 2025.

6 Gedaliah Afterman and Peter Hefe, [Rethinking Europe’s Middle East Strategy in a Changing World](#), Martens Centre, September 2025.

7 The SCO, originally founded in 2001 by China, Russia, and Central Asian states, has expanded in recent years to include observer states and dialogue partners. Notably, Saudi Arabia, Qatar, the United Arab Emirates (UAE), and Bahrain have joined as dialogue partners between 2021 and 2023, reflecting growing Gulf engagement with Eurasian multilateral platforms.

8 In 2023, the original BRICS countries (Brazil, Russia, India, China, South Africa) expanded to include six new countries—Argentina (later declined), Egypt, Ethiopia, Iran, Saudi Arabia, and the United Arab Emirates—creating BRICS+. The bloc now aims to strengthen Global South cooperation, reduce reliance on Western institutions, and assert greater influence in global governance.

ties with India and the United States. This multi-alignment reflects deliberate strategy for strategic autonomy. Saudi Arabia seeks firm security guarantees from Trump while solidifying its position as regional leader and diplomatic mediator. The UAE has carved a distinct niche in connectivity, innovation, and multi-alignment, positioning itself as a hub for logistics, AI, clean energy, and digital transformation, and becoming central to shaping regional technology standards through partnerships with the United States, China, and Israel.

Although their strategic approaches to China's rise and to regional challenges differ in nuance, the Gulf states do not view participation in U.S.-led initiatives such as IMEC as incompatible with their engagement in other corridors, including the BRI. Instead, their multi-alignment signals a continued preference for balanced diplomacy and diversified global partnerships amid intensifying U.S.-China competition.

Israel's position as a potential key participant in IMEC aligns with renewed U.S. efforts to expand the Abraham Accords and to facilitate Saudi-Israeli normalisation. After more than two years of war in Gaza and Lebanon, and direct military clashes with Iran, both Israel and Washington now view the expansion of regional integration, particularly Saudi involvement, as a strategic priority.

The recent visit of Mohammed bin Salman (MBS), the Saudi Crown Prince, to Washington underscored how limited Saudi enthusiasm for normalisation remains. Although the meetings focused on economic cooperation, defence ties, and the future of U.S.-Saudi relations, Riyadh avoided any commitment to advancing normalisation with Israel. The visit reinforced the sense that Saudi leadership will not move forward without tangible progress on the Palestinian issue and a clear regional framework that reduces political exposure.⁹

⁹ *Al Arabiya English*, "[MBS Says Normalization with Israel Hinges on 'Clear Path' to Palestinian State](#)," November 18, 2025.

Unlike the Gulf states, Israel’s dependence on the United States has become more evident over the past two years. It is also clear that Washington expects Israel to act in ways that support broader U.S. regional objectives, including steps that open space for future Saudi engagement.

One Corridor, Different Reason

<div style="border: 1px solid #0070C0; border-radius: 15px; padding: 5px; margin-bottom: 10px;">  United states </div> <ul style="list-style-type: none"> > Strategic Counterbalance Positions IMEC as a response to China's influence. > Regional Burden-Sharing Encourages Middle Eastern and South Asian partners to take greater agency. > Economic & Geopolitical Leverage Reduces direct U.S. resource commitments while maintaining influence. 	<div style="border: 1px solid #0070C0; border-radius: 15px; padding: 5px; margin-bottom: 10px;">  India </div> <ul style="list-style-type: none"> > Multi-Alignment Strategy Participates in both U.S.-led (Quad, I2U2) and China-inclusive (BRICS, SCO) groups. > Connectivity Expansion IMEC complements India's North-South Transport Corridor (INSTC) with Iran & Russia. > Economic Growth Reinforces India's role as the fastest-growing major economy. 	<div style="border: 1px solid #0070C0; border-radius: 15px; padding: 5px; margin-bottom: 10px;">  European Union </div> <ul style="list-style-type: none"> > Strategic Engagement Seeks deeper involvement to bolster trade and infrastructure links. > Global Gateway Initiative IMEC complements EU's efforts, offering an alternative to China's BRI. > Reducing U.S. Reliance Strengthens direct ties with the Middle East and Asia amid shifting U.S. priorities.
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<div style="border: 1px solid #0070C0; border-radius: 15px; padding: 5px; margin-bottom: 10px;">  UAE & Saudi Arabia </div> <ul style="list-style-type: none"> > Connectivity & Security Saudi seeks U.S. security guarantees; UAE leverages trade and diplomacy. > Multi-Network Diplomacy Engaged in both U.S.-led and China-backed initiatives (BRI, BRICS, SCO). > Strategic Autonomy Balancing ties with the U.S., India, and China to maximize global influence. 	<div style="border: 1px solid #0070C0; border-radius: 15px; padding: 5px; margin-bottom: 10px;">  Israel </div> <ul style="list-style-type: none"> > Regional Integration Positioned as a key player in U.S.-led regional integration efforts. > Abraham Accords Expansion IMEC aligns with U.S. efforts to advance Saudi-Israeli normalization. > Challenges Saudi ties contingent on Palestinian issue; need for concessions.
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C. IMEC: Current State of Play

IMEC was inaugurated at the G20 Summit in September 2023, outlining two distinct corridors: an eastern corridor connecting India to the Arabian Gulf, and a northern corridor linking the Arabian Gulf to Europe. Both are designed to supplement traditional maritime routes with a reliable ship-to-rail network.

India's western ports already serve as key gateways to the Gulf, while the UAE and Saudi Arabia continue to invest heavily in rail infrastructure. Ports such as Mumbai, Kandla, Mangalore, Mormugao, and Kochi are established transit hubs for Gulf-bound trade. This existing ecosystem, particularly the growing cooperation between New Delhi and Abu Dhabi, provides an immediate economic foundation for IMEC without requiring major new infrastructure. While Jebel Ali in Dubai is often seen as the corridor's centrepiece, Fujairah Port on the Gulf of Oman may also emerge as a strategic hub by providing a route that bypasses the Strait of Hormuz.

With Indian port facilities largely in place, much of the construction still needed relates to overland connectivity. The UAE's Etihad Rail network is advancing along the country's western coast, connecting Jebel Ali and Khalifa ports to Ghuweifat on the Saudi border. In Saudi Arabia, rail development is accelerating, though freight movement still relies significantly on trucking. Rail lines linking the Saudi-Jordan border, particularly at Al Haditha and Al Quorayat, are already complete or nearing completion. While gaps remain in the broader network, future plans aim to connect key ports and economic zones through expanded rail infrastructure.¹⁰

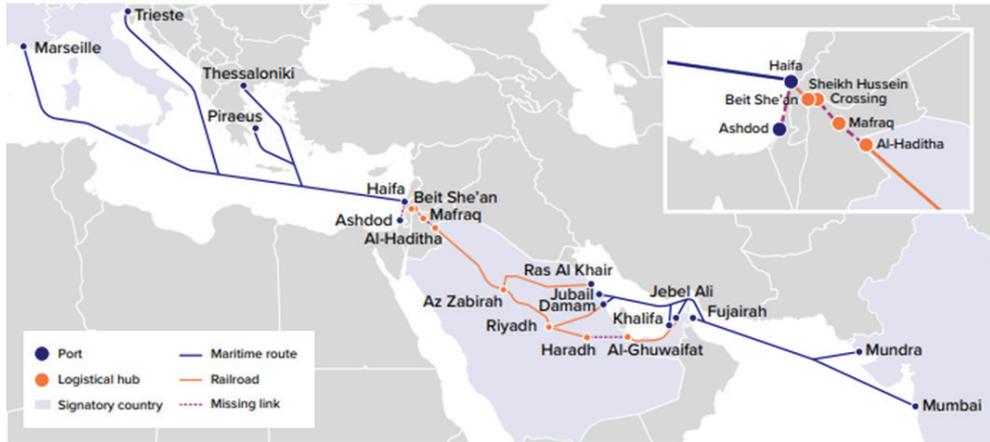
As the UAE and Saudi Arabia play central roles in overland freight movement, their rail and logistics systems are expected to extend into neighbouring states earmarked for IMEC participation, including Jordan and Israel. The recent rail agreement between the UAE and Oman, although Oman is not a corridor member, may offer a template for other countries interested in joining IMEC in the future.

India and the UAE formalised their commitment to IMEC by signing several bilateral agreements to accelerate corridor development, reflecting long-term confidence in its economic potential. However, implementation has been complicated by ongoing geopolitical tensions

10 Navdeep Suri, Nilanjan Ghosh, Kabir Taneja, Sameer Patil, and Promit Mookherjee, *India-Middle East-Europe Economic Corridor: Towards a New Discourse in Global Connectivity*, Observer Research Foundation, November 2023.

in Gaza, Lebanon, and Syria, which have impacted the broader regional climate.

The missing infrastructure link is currently mainly in Jordan and Israel. Without a clear Israeli and Jordanian pathway, the corridor remains incomplete and politically uncertain. This creates both an opportunity and a risk. The architecture is moving ahead, and the question is whether Israel will secure a place within it in time.



Map source Atlantic Council Report p.4¹¹

11 Afaq Hussain and Nicholas Shafer, *The India-Middle East-Europe Economic Corridor: Connectivity in an Era of Geopolitical Uncertainty*, Atlantic Council, August 27, 2025.

Part II: The Regional Architecture and the Strategic Space for Israel

D. The Strategic Map After the Gaza War

IMEC 2.0 must be shaped by the political, economic and security realities now defining the region. The Gaza war did not overturn the regional order, but it accelerated underlying trends, clarified partner expectations, and narrowed Israel's room for manoeuvre. Understanding this strategic map is essential for assessing what kinds of regional frameworks remain viable and where Israel can still shape outcomes.

Israel's military capability was demonstrated across multiple arenas, from Gaza, to Lebanon and Syria, to direct confrontation with Iran. Yet this battlefield competence did not translate into political leverage. Regional actors now view Israel as strategically important but politically costly. Moreover, particularly following the strike in Doha, perceptions have grown of Israel as an unpredictable and at times unreliable actor, one that risks undermining regional stability and established rules of the game. Gulf states, that once saw open cooperation with Israel as low-risk and high-reward, now face pressure from their publics and from the wider region. They will not completely disengage from Israel, but they will also not return to the pre-war atmosphere in which normalisation could advance without visible Palestinian progress.

Saudi Arabia's posture is central to this shift. Riyadh continues to view regional integration and economic corridors as part of its long-term strategy, but its approach is careful and sequenced. Progress requires tangible Palestinian dividends, credible American guarantees, and a framework that reinforces Saudi Arabia's leadership role rather than exposing it politically. Saudi decision-makers are also wary of Qatar and Turkey expanding their influence through Gaza. Any regional initiative that sidelines these concerns will struggle to gain traction.

The UAE has emerged as one of the region's most influential economic and technological actors. It has built capabilities in logistics, digital infrastructure, AI governance, and clean energy, and it is comfortable managing multi-alignment across the United States, China, and other partners. At the same time, Abu Dhabi is sensitive to political exposure. Deeper and more visible cooperation with Israel now requires either meaningful Palestinian progress or a wider regional structure that diffuses political risk.

Jordan remains indispensable. Its stability is critical for Israel's security and for any land-based connectivity linking the Gulf to the Mediterranean. The kingdom faces economic pressures and is highly sensitive to developments in the West Bank and Jerusalem. Any regional framework that weakens Jordan's role or fails to deliver economic benefit will encounter resistance. Without Jordan's active participation, northern connectivity routes cannot function.

Egypt holds key decision-making levers. It must remain central to Gaza's humanitarian access, security coordination, and infrastructure planning. Egypt's economic crisis increases its interest in large-scale energy and infrastructure partnerships, but Cairo will protect the political and economic centrality of the Suez Canal. Regional initiatives that appear to bypass Egypt, risk obstruction rather than cooperation.

Beyond the immediate region, India and Europe are increasingly important system-level actors. India views westward connectivity and digital integration as strategic priorities and sees Israel as a reliable innovation partner. Europe seeks supply chain resilience, alternative energy routes, and greater strategic autonomy amid uncertainty in its relations with both Russia and the United States. However, European engagement remains conditioned on Gaza stabilisation, credible Palestinian participation, and a framework that contributes to regional stability rather than exacerbating tensions.

Global competition further shapes this environment. China continues to expand its footprint through infrastructure, energy investment, and

digital cooperation. Turkey is promoting its Middle Corridor linking Asia and Europe. Russia and Iran advance the North–South Transport Corridor. Qatar seeks influence over Gaza’s political future. These actors are prepared to fill gaps left by others. If Israel does not engage constructively in shaping regional frameworks, alternatives will move forward without it.

The strategic picture is therefore one of tightening constraints. Israel’s diplomatic space has narrowed, and regional actors are increasingly structuring cooperation in ways that minimise political exposure. Frameworks for economic integration and regional connectivity will continue to emerge, with or without Israeli participation.

E. Reframing IMEC: From Corridor to Network

IMEC was conceived as a multi-modal corridor linking India, the Gulf, and Europe. That vision remains valid, but it is no longer sufficient. A linear transport route alone cannot absorb political disruption, attract sustained investment, or support the broader economic and technological transitions now underway in the region.

IMEC 2.0 should be understood as a regional network architecture, not merely a physical corridor. This architecture is based on a physical connectivity spine, but its strategic relevance lies in the functional layers built upon it. These layers allow cooperation to continue even when formal diplomacy slows and reduce political exposure by enabling uneven progress across domains, rather than requiring synchronised political movement.

IMEC 2.0 consists of five interlinked elements.

1. Physical Connectivity

Ports, rail, and logistics infrastructure form the backbone of the network and are advancing across India, the Gulf, and parts of the Eastern Mediterranean. This layer enables the movement of goods and energy and provides the basic geography of the corridor. On its own, however,

physical connectivity remains vulnerable to political disruption and security shocks.

2. Digital IMEC

Secure digital trade systems, interoperable customs processes, and trusted data flows reduce friction and increase transparency across borders. This digital layer supports modern supply chains and allows economic activity to continue even when physical routes face disruption, strengthening the overall resilience of the network.¹²

3. Climate and Energy Transition

Investments in renewable energy, hydrogen, green ammonia, and grid modernisation are reshaping regional energy systems. IMEC 2.0 can also support regional circular-economy strategies by coordinating production, consumption and end-of-life resource management across the corridor, where scale and cross-border integration improve efficiency and resilience.

4. Humanitarian and Economic Stabilisation

Large-scale reconstruction and development efforts, particularly in fragile environments, require coordination, transparency, and integration into wider regional planning. Embedding stabilisation within the IMEC framework links humanitarian needs to long-term economic connectivity and reduces political exposure for individual actors.

5. Diplomatic Mechanisms

Minilateral working groups and functional cooperation mechanisms provide the institutional glue of IMEC 2.0. They allow progress in specific domains even when high-level political processes stall, ensuring continuity, reducing risk, and supporting gradual trust-building among participants.

A coherent narrative must anchor these layers. IMEC 2.0 must be framed not as a Western initiative imposed on the region but as a

¹² Elizabeth Heyes, *Digital Interoperability and Trade Facilitation in the India–Middle East–Europe Corridor*, ORF Middle East, Observer Research Foundation, accessed December 8, 2025.

shared-owned regional vision rooted in mutual benefit. This narrative aligns with Saudi Vision 2030, the UAE's industrial and digital strategies, India's Act West policy, Europe's Global Gateway, and Israel's innovation economy. When described in these terms, IMEC 2.0 becomes a natural extension of the region's own priorities.

A corridor based solely on physical infrastructure is not enough and would be difficult to materialise in isolation. A regional architecture built on multiple pillars can endure crisis, attract investment, and create shared interests that moderate instability.

F. Opportunities for IMEC 2.0

Within this networked architecture, IMEC 2.0 creates a set of opportunities that align closely with Israel's capabilities and with the trajectories of key regional and global partners. The issue is no longer conceptual feasibility, but timing and positioning. Many of the relevant processes are already underway, and delay risks leaving Israel outside the systems that will define regional connectivity, standards, and value chains.

The first opportunity lies in **regional economic and technological transformation**. India's growth, the UAE's consolidation as a logistics and technology hub, Saudi Arabia's economic restructuring, and Europe's search for resilient supply chains are converging. Israel's innovation ecosystem fits naturally into this environment. Advanced manufacturing, intelligent logistics, biomedical innovation, water management, and food systems can be embedded into regional value chains rather than remaining peripheral or limited to bilateral cooperation.

Digital cooperation represents the fastest and lowest-exposure pathway for Israeli integration. Existing digital trade corridors in the region are expanding, and standards are being set in areas such as cybersecurity, data governance, and digital payments. Early Israeli involvement allows influence over systems that will persist beyond current political cycles.

Late entry would mean adaptation to rules shaped by others, with limited ability to affect their design.

Climate and energy transition offer a second major opportunity. Cross-regional investment in clean energy and hydrogen is accelerating, and European demand is becoming more structured. Israel's contribution lies not in scale, but in system optimisation, storage technologies, desalination, and energy efficiency. Embedded early, these capabilities become part of the network's design and operating logic. Embedded later, they risk becoming optional add-ons rather than structural components.

Food, water, and environmental resilience provide another domain for value creation. Climate pressure is already affecting domestic stability in Jordan, Egypt, and parts of the Gulf. Linking Israeli agri-tech and water innovation with regional financing and deployment capacity delivers tangible benefit in politically sensitive environments, where cooperation framed around basic needs carries lower political cost and higher durability.

Stabilisation, particularly in Gaza, represents a further opportunity when approached through a regional framework rather than fragmented donor mechanisms. The corridor can provide an institutional framework for coordinating reconstruction efforts, linking energy, water, employment, and logistics to shared planning, oversight, and accountability. Such a framework should operate in coordination with existing international mechanisms and complement parallel stabilisation and reconstruction tracks. For Israel, this approach reduces political burden, creates predictability, and supports security objectives by embedding Gaza's recovery within a wider regional system rather than treating it as a standalone humanitarian challenge.

Beyond stabilisation, IMEC 2.0 also creates an opportunity to connect the Israeli-Palestinian political process to the wider region. By embedding Palestinian participation within a broader regional architecture, the corridor can help shift the process from a narrowly bilateral framework toward one that is adopted and supported by

regional actors. Integrating Palestinians into the trade corridor and its associated value chains can contribute to the development of a more autonomous Palestinian economy, one that is less dependent solely on Israel and more connected to regional markets. Over time, such integration can strengthen Palestinian institutional capacity, financial resilience, and political stability.

In this sense, IMEC can serve as a practical platform that translates the pathway towards a Palestinian state from abstraction into a concrete pathway, linking economic integration, regional support, and political sequencing. Rather than resolving core political issues directly, the corridor provides a structured environment in which economic and regional dynamics can help sustain and shape a viable political process over time.

Finally, IMEC provides **diplomatic momentum**. It creates a shared project with Saudi Arabia, the UAE, Jordan, Egypt, India, and Europe at a time when traditional political channels are constrained. It enables engagement based on delivery rather than symbolism, supports gradual and sequenced cooperation with Saudi Arabia, reinforces Israel's partnership with the UAE, strengthens ties with Jordan through embedded economic benefit, and anchors Israel more firmly in India-Europe connectivity discussions.

These opportunities turn IMEC 2.0 into a source of strategic leverage, but only if Israel moves early. Connectivity, digital, and energy initiatives are already advancing across the region, and the standards and routes they set will shape the regional economy for decades. Israel can choose to be part of that process from the outset, or it can find itself adjusting later to systems shaped by others.

As alternative corridors, digital systems, and energy partnerships take form, Israel's ability to influence their direction will steadily erode. IMEC 2.0 is therefore not just an opportunity to re-anchor Israel in the region, but a narrowing window in which to do so on terms that serve Israel's long-term interests.

G. Israel and IMEC 2.0

Israel enters the IMEC conversation from a position of both capability and constraint. The past two years of conflict have underscored Israel's military strength, but they also narrowed Israel's diplomatic room for maneuver. IMEC 2.0 offers Israel a structured way to rebuild this space, anchor itself in emerging regional architectures and translate its technological and economic strengths into long-term strategic influence. To use this opportunity effectively, Israel must first understand its interests, the levers it holds, the challenges it faces and the risks it must manage.

1. Israel's Strategic Interests

Israel has several clear and interconnected interests in advancing IMEC 2.0. The first is to re-establish a credible regional role after a period in which political isolation grew and traditional alliances came under strain. The second is stabilising Gaza and the broader Palestinian arena in ways that are compatible with Israeli security requirements. A structured economic and infrastructural approach embedded within IMEC reduces the burden on Israel, creates a predictable and monitored environment for humanitarian and economic activity, and helps shape which countries are involved in the reconstruction process.

A third interest is rebuilding momentum with the UAE and opening a realistic, sequenced pathway with Saudi Arabia. Neither relationship can advance without a wider regional framework that offers political cover and shared benefit. IMEC provides that architecture.

A fourth is strengthening ties with India and Europe at a moment when Israel must diversify its diplomatic and economic partnerships. For both regions, IMEC is emerging as a central strategic priority. Israel needs to secure its place in these conversations.

IMEC also strengthens Israel's relationship with the United States at a moment when Washington expects regional actors to take more responsibility for stability, connectivity and economic integration.

By positioning itself as a constructive partner helping advance the administration's regional vision, Israel can shift its image from a source of friction to an enabler of U.S. strategy. This reinforces the U.S.–Israel partnership, aligns Israel with American geoeconomic priorities and ensures that Washington continues to view Israel as central to its long-term Middle East architecture.

Finally, Israel seeks to position itself as an integral part of the region, including playing a key role in the region's emerging digital, technological and climate transitions, rather than watching these architectures form around it. IMEC integrates Israel into systems that will define the regional economy for decades.

2. Israel's Levers

Despite political constraints, Israel holds powerful assets that can shape IMEC. Its innovation economy remains one of the most sophisticated in the world. Israel's capabilities in cybersecurity, artificial intelligence, water technologies, agritech, medical innovation and energy optimisation are directly relevant to IMEC's goals. These are not marginal strengths; they are central to the corridor's design. Israel's logistics infrastructure, particularly Haifa Port, provides a natural gateway between South Asia, the Gulf and Europe. Under Adani management, Haifa has the potential to become a key node in the northern leg of the corridor. Israel's private sector, agile, cross-border and accustomed to operating in complex environments, brings the kind of problem-solving expertise that IMEC requires. Perhaps most importantly, Israel brings reliability in technology and security domains, areas where regional partners seek predictable, long-term cooperation. These levers allow Israel to add value in ways that few other regional actors can.

3. Structural and Political Challenges

Israel must also confront several hard constraints. Regional legitimacy has weakened. The Gaza war reshaped perceptions among Gulf publics and elites alike. Visible engagement with Israel now requires credible Palestinian economic dividends and clear steps in humanitarian

stabilisation. Without this, regional partners, especially Saudi Arabia, cannot justify meaningful cooperation. Jordan, essential for the northern land route, faces sustained domestic pressure and heightened sensitivity to developments in the West Bank and Jerusalem. Without a clear economic benefit and visible respect for its stabilising role, Jordan is likely to adopt a cautious or restrictive approach that could complicate the corridor's viability. Integrating Jordan's interests into the corridor's design is therefore not optional but a prerequisite for effective implementation.

Egypt, which holds key levers over Gaza, must see tangible benefit from IMEC or it will oppose corridor elements that appear to bypass or diminish its position. If IMEC is perceived as bypassing Egypt or diminishing the strategic and economic role of the Suez Canal, Egyptian authorities are likely to resist or seek to constrain corridor elements. Securing Egypt's buy-in therefore, requires integrating its interests into the corridor's design rather than treating them as external or secondary considerations.

The United States remains a critical ally, but its Middle East priorities are shifting. The Trump administration is advancing a regional vision anchored in deals, burden-sharing and fast-paced diplomacy. Israel must be able to function within that environment without assuming automatic U.S. alignment.

Internally, Israel faces political fragmentation that complicates long-term planning. Partners hesitate to commit to multi-year projects when governments appear unstable or policy direction shifts unpredictably. Israeli leadership must also justify complex political steps related to the Palestinian arena to a divided domestic audience. In this context, IMEC is not merely an external initiative but a potential strategic dividend. If participation delivers clear security, economic, and regional returns, it strengthens the government's ability to sustain necessary political decisions. Without such clarity and consistency, IMEC will not anchor Israel's regional position, and others will move forward without it.

4. Competitive Pressures

Other actors are not waiting for Israel. China is expanding its digital, energy and infrastructure presence across the region. Turkey is pushing its Middle Corridor, linking Central Asia to Europe. Russia and Iran are promoting the North–South Corridor connecting the Indian Ocean to the Caucasus. Qatar is shaping the political arena in Gaza and deepening ties across key capitals. These initiatives are gaining traction because they offer predictable financing, political flexibility or strong diplomatic backing.

If Israel does not move decisively on IMEC, alternative routes and partnerships will take shape that exclude it entirely. The region is entering a period of accelerated connectivity building, and there is no guarantee that IMEC will remain the only or the dominant architecture. Israel must assume that corridors will be built with or without its participation.

IMEC 2.0 carries significant upside, but the risks must be understood and mitigated. There are political risks, including shifts in U.S. strategy, Gulf recalibration and instability within Israel's own political system. Such volatility can delay decision-making or impede implementation. There are security risks, from the targeting of infrastructure to cyberattacks on emerging digital systems and disruptions along key nodes. As IMEC expands its digital and energy layers, its exposure increases. There are economic risks, driven by global financial uncertainty and rising capital costs. But the greatest strategic risk Israel faces is doing nothing. Without movement, Israel risks long-term marginalisation from the regional economic and technological systems now taking shape.

Part III: From Strategy to Delivery

H. Implementation Strategy

IMEC 2.0 will only succeed if Israel builds the institutional capacity, diplomatic coordination and economic partnerships needed to translate the vision into concrete outcomes. The strategy must reflect regional sensitivities, U.S. expectations, Israeli comparative advantages and the political realities created after the Gaza war. A credible implementation approach strengthens Israel's position inside the emerging architecture and reassures partners that Israel can deliver consistent, value-driven cooperation.

Institutional Framework

To effectively shape and engage with IMEC, Israel should strengthen the high-level IMEC Steering Committee under the Prime Minister's Office, tasked with coordinating strategic vision, overseeing interagency collaboration, and ensuring policy alignment. It should include senior representatives from the Ministries of Foreign Affairs, Finance, Energy, Innovation, Regional Cooperation, Transport, Environment and Tourism as well as the National Security Council. An IMEC Special Envoy should be appointed to lead diplomatic and technical coordination with key regional counterparts, including the UAE, Saudi Arabia, Jordan, the Palestinians, India, and the EU. To anchor this structure, the government should adopt a formal cabinet decision designating IMEC as a national priority, creating the legal and administrative basis for cross-government coordination and ensuring that ministries align their planning, resources and regulatory tools with the corridor's development.

Financing and Partnerships

Playing to its strengths, Israel should position itself primarily as a **design and innovation partner** rather than a major infrastructure player. Leveraging its tech sector, regulatory expertise, and start-up ecosystem,

Israel can offer value-added contributions that attract international funding and private investment. Strategic partnerships should be built with the EU's Global Gateway initiative, Gulf sovereign wealth funds such as Mubadala and the Public Investment Fund (PIF), and multilateral development banks like the World Bank and the EBRD. To mobilise domestic capacity, Israel should also offer targeted incentives such as tax breaks, public-private partnership mechanisms, and export credit guarantees for companies involved in IMEC-linked projects.

Feasibility and Engagement

Technical and economic feasibility studies should be jointly commissioned with regional and international partners, especially in politically sensitive areas such as Gaza, the West Bank, and the Jordan Valley. These studies should assess infrastructure readiness, legal harmonisation, and economic viability. Concurrently, Israel should pursue trilateral and multilateral dialogue platforms including India-Israel-UAE and Israel-Greece-Cyprus, as well as region-wide business roundtables to generate buy-in from public and private stakeholders. Engaging influential think tanks and civil society actors can also help broaden support and inform policy design.

Narrative and Diplomacy

A strong public narrative is critical to sustaining IMEC momentum and legitimacy. Israel should publicly frame IMEC as a platform for peace, prosperity, and inclusion, reaching out to both domestic and regional audiences. Strategic communication should be coordinated with Gulf, Indian, and European partners to highlight shared gains and mitigate political scepticism. Specific emphasis should be placed on Israel's role as a solutions provider in areas such as energy security, climate resilience, digital innovation, and post-conflict reconstruction. A well-crafted narrative will not only secure political buy-in but also strengthen Israel's position as a constructive regional actor within the emerging IMEC ecosystem.

Risks Assessment and Mitigation

As with any ambitious, multilateral initiative, the long-term success of Israel's integration into IMEC will depend on its ability to anticipate, manage, and adapt to a range of political, security, economic, and reputational risks. A proactive and flexible resilience strategy is essential to maintaining momentum, fostering trust, and ensuring broad stakeholder buy-in.

Political Risks

The political landscape across IMEC countries is dynamic and at times volatile. For Israel, domestic political transitions, including elections and coalition instability, could disrupt strategic continuity and delay implementation. Shifts in U.S. foreign policy or recalibrations in Gulf state engagement priorities may also pose challenges to project alignment and timelines. To mitigate these risks, Israel should institutionalise IMEC within its National Security Strategy and build resilience through multilateral and bilateral agreements, intergovernmental working groups, and sustained engagement with civil society and non-governmental stakeholders. Building bipartisan support domestically will also help ensure continuity across political cycles.

Security Risks

The IMEC corridor spans regions affected by instability, geopolitical rivalries, and the presence of non-state actors capable of targeting infrastructure or undermining trust. Cybersecurity threats to digital infrastructure, as well as physical threats to rail, port, and energy nodes, must be factored into all planning and operations. Israel should promote infrastructure redundancy, regional crisis coordination mechanisms, and joint threat assessments with key partners. Collaborative cyber cooperation, particularly in partnership with India and the UAE, can help secure critical digital assets and ensure business continuity.

Low-cost, High-impact Pilots, Blended Finance Models

The corridor's development depends on consistent funding, political confidence, and macroeconomic stability. Rising construction and material costs, global financial volatility, or donor fatigue could slow implementation or lead to underinvestment. Israel should manage these risks by starting with low-cost, high-impact pilots that demonstrate early success. It should also advocate for blended finance models that combine public funds, private investment, and development finance institution support to spread risk and unlock scalable capital flows. Avoiding over-centralisation and maintaining flexible, modular development plans will also allow IMEC to adjust to shifting economic conditions.

Reputational and Perception Risks

Perceptions of IMEC's legitimacy will be shaped by its inclusivity, fairness, and transparency. If the corridor is seen as overly Israel-centric or exclusionary, particularly with respect to Palestinian participation, it could provoke backlash in the region or be undermined by competing initiatives. To address this, Israel must ensure visible regional ownership, emphasise the benefits to all stakeholders, and communicate tangible gains for Palestinian communities and other vulnerable populations. Co-branding projects with Gulf, Indian and European partners and promoting joint leadership can help maintain IMEC's appeal as a truly collaborative platform.

Beyond institutional design, financing, and risk management, two cross-cutting principles should guide IMEC 2.0 implementation if it is to remain politically viable and strategically durable.

First, IMEC must deliver tangible benefits to local communities across participating countries. Reducing economic and social gaps within and between states is not only a normative consideration but a strategic one. If the corridor is perceived as primarily benefiting foreign corporations, financial elites, or external actors at the expense of the broader public, political resistance will grow and legitimacy will erode. Implementation

should therefore prioritise inclusive growth through local employment, SME participation, skills development, and fair distribution of economic gains. Ensuring that IMEC-linked projects contribute to poverty reduction, regional balance, and social resilience will be critical to sustaining long-term support.

Second, IMEC 2.0 should be designed and executed as part of a sustainable response to climate pressures, not as a short-term growth mechanism that externalises environmental costs. Infrastructure, energy, and logistics planning must be aligned with long-term climate resilience, emissions reduction, and resource efficiency. This requires favouring sustainable design, renewable energy integration, and climate-adaptive systems over immediate returns that come at the expense of future generations. A corridor that is framed as both economically enabling and environmentally responsible will be better positioned to attract international finance, public legitimacy, and enduring regional buy-in.

By embedding resilience across all dimensions—political, security, economic, social, and environmental—Israel can help ensure that IMEC not only survives turbulence but emerges as a durable framework for regional cooperation, innovation, and shared prosperity.

I. From Vision to Reality: From Foundations to Pilot Projects

Translating IMEC’s strategic vision into reality will require more than a single launch or comprehensive agreement. Progress is more likely to emerge through a combination of foundational projects that anchor the corridor and pilot initiatives that can be implemented early, demonstrate feasibility, and build trust among partners. These two tracks serve different purposes and operate on different timelines, but together they allow the architecture to develop in a sequenced and resilient manner.

Foundational projects establish the long-term structure of IMEC. They are not pilots in the narrow sense. They require political alignment,

regulatory coordination, and strategic commitment, and in some cases depend on improved geopolitical conditions. Pilot projects, by contrast, are modular, scalable, and politically feasible in the near term. Their purpose is not to complete the corridor, but to prove that cooperation is possible, to shift perceptions, and to create momentum that enables larger steps later.

Foundational Projects: Anchoring the Architecture

Rails for Peace

One of the most symbolically powerful and politically impactful projects is the Rails for Peace developed under the previous Netanyahu government, a phased rail corridor connecting Haifa to Amman, Riyadh, and Dubai, with linkages through Palestinian territories. This initiative would serve both as a functional logistics route and a potent symbol of regional coexistence and economic interdependence. Its implementation would require trilateral cooperation among Israel, Jordan, and the Palestinian Authority, with active Saudi engagement. While the entire network cannot be realised immediately, preparatory phases and limited segments could lay the groundwork for future expansion once political conditions allow. The project could begin with upgrades to the Haifa–Beit She’an–Jordan line before expanding eastward.

Hydrogen Corridor Demonstrator

The Hydrogen Corridor Demonstrator represents a strategic investment in the region’s energy transition. It would facilitate the production, storage, and export of green hydrogen along the Haifa–UAE–Saudi axis, combining Israeli innovation in storage and optimisation with infrastructure at Adani’s Haifa Port and Masdar’s investment ecosystem. This initiative is capital-intensive and long-term in nature. It is best understood as a foundational element of IMEC’s energy layer, with phased development over time rather than immediate pilot implementation.

Red Sea–Mediterranean Digital Cable Corridor

A Red Sea–Mediterranean subsea digital cable would provide secure, high-capacity data connectivity between Asia and Europe and significantly enhance IMEC’s strategic value. As core digital infrastructure, this project is binary rather than experimental. It requires regulatory coordination, geopolitical alignment, and substantial investment. While not a pilot, it is a project already underway and as such it serves as a foundational asset that can anchor IMEC within global data flows, particularly if supported by U.S. and European co-investment.

Pilot Projects: Demonstrators and Confidence Builders

Smart Border Infrastructure Initiative

A Smart Border Infrastructure Initiative is a clear example of a true pilot. By upgrading selected crossing points between Israel, the West Bank, and Jordan with digital customs systems, biometric clearance, and green logistics infrastructure, this project can improve security and efficiency in a contained and replicable manner. Successful implementation could provide a template for similar upgrades across the corridor, demonstrating immediate value and operational credibility.

Digital IMEC Pilot Zone

A Digital IMEC Pilot Zone linking India, the UAE, and Israel would create a limited but functional digital trade and fintech corridor. Using blockchain-enabled shipping verification, AI-powered logistics, and real-time customs and payments processing, this pilot would demonstrate how IMEC can operate beyond physical infrastructure. Its modular design allows for gradual expansion to Jordan, Egypt, and southern Europe as trust and regulatory alignment grow.

Cross-Border SME Innovation Hub

A Cross-Border SME Innovation Hub involving Israel, Jordan, and the Palestinian Authority can function as a pilot for inclusive economic integration. Located in the Negev, Jordan Valley, and parts of the West Bank, the hub would support startups in agritech, water technology,

and climate innovation. By linking entrepreneurs to venture capital, mentorship, and IMEC-enabled trade networks, this initiative tests how small-scale cooperation can generate local economic impact and regional buy-in.

Gaza Energy and Infrastructure Pilot

In Gaza, a flagship energy and infrastructure pilot should focus on modular solar microgrids, desalination capacity, and clean water systems. These scalable solutions reduce dependence on Israeli and Egyptian power grids and address urgent humanitarian needs in a structured and predictable way. A complementary project is the development of a functioning Gaza port that positions Gaza as an IMEC node over time. This port could be financed, built, and operated by Gulf partners together with the Palestinian Authority, with appropriate security screening arrangements. In addition, Gaza could be gradually developed as a limited free trade and logistics zone linked to regional trade routes. Positioned along IMEC-connected supply chains, such a zone could support light manufacturing, storage, and services, contributing to economic recovery while remaining embedded within a monitored and rules-based framework.

Supported by the UAE, the EU, the United States, and additional international donors, and drawing on Israeli technical expertise where needed, these initiatives would together form a stabilisation mechanism that links Gaza's recovery to a wider regional architecture and anchors IMEC's contribution to long-term peacebuilding and economic reconstruction.

Soft-Power and Societal Connectivity

Tech Diplomacy and Gaming Platform

Alongside infrastructure and economic pilots, a Tech Diplomacy and Gaming Platform could support societal connectivity and soft power objectives. Developed with Gulf innovation labs and Israeli start-ups, and Palestinian programmers, this initiative would use gaming, digital storytelling, and sport-tech to foster cross-border interaction among

younger generations. While not central to IMEC's physical architecture, it can complement other efforts by reinforcing a shared regional narrative and identity.

J. Conclusion: Israel's Strategic Choice

IMEC 2.0 is more than an infrastructure initiative; it is a geopolitical test of Israel's readiness to convert its position as the region's leading military power into a constructive regional power. For Israel, the corridor is not just a route from India to Europe; it is a platform for reimagining its regional posture, advancing innovation diplomacy, and anchoring itself in an emerging order built around connectivity, cooperation, and shared prosperity.

Inaction would leave Israel at the mercy of decisions made elsewhere, risking marginalisation in a corridor that could shape the economic and strategic future of the region. Proactive engagement, on the other hand, offers Israel the opportunity to shape the rules, norms, and partnerships that will define this strategic space. IMEC can serve as a vehicle not only for advancing trade and energy cooperation, but also for rebuilding political capital, strengthening economic integration, and reframing Israel's role from a security-focused actor to a solutions-oriented partner.

But this will not happen automatically. Israeli political leadership must make a deliberate and strategic choice to adopt IMEC as a national priority, including the political price it may entail in advancing visible Palestinian participation aligned with creating the grounds towards a political pathway towards Palestinian statehood. This means recognising that regional legitimacy and long-term inclusion require more than transactional diplomacy. It requires a clear pivot: from managing conflict to building shared frameworks.

To realise the full promise of IMEC, Israel must:

- › Expand IMEC's scope to encompass digital trade, green energy, and technological cooperation;
- › Promote visible Palestinian participation through inclusive pilot projects and cross-border development initiatives;
- › Re-anchor economic and diplomatic ties with Europe, India, and East Asia amidst global realignments;
- › Recast its regional image from isolated to indispensable by positioning itself as a bridge, not a barrier.

A successful IMEC strategy must also align with wider regional objectives. Joint projects in renewable energy, logistics, and digital infrastructure can provide the scaffolding for phased normalisation with Saudi Arabia and other Arab partners. Israel's role in multilateral clusters such as India-UAE-Israel, East Asian partnerships, and strategic ties with Europe should be leveraged to reinforce multidirectional integration.

Equally important is Israel's leadership in ensuring Palestinian economic inclusion. Infrastructure investments in Gaza, economic zones in the West Bank, and regional vocational hubs can anchor a new framework for growth, resilience, and diplomacy. These efforts are not peripheral; they are central to IMEC's long-term viability.

Ultimately, IMEC challenges Israel to lead not only with its assets but also with a new vision. The corridor's success will not be measured by container traffic alone, but by whether it enables a more connected, stable, and forward-looking region. Israel must meet this moment, not just to participate in the corridor, but to help define it.



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