

# **Israel, Energy, and the Eastern Mediterranean:** Shaping a New Regional Foreign Policy

Gabriel Mitchell

January 2020



## Israel, Energy, and the Eastern Mediterranean: Shaping a New Regional Foreign Policy

## **Gabriel Mitchell\***

January 2020

This paper explores the nexus between Israel's energy policy and foreign policy interests in the Eastern Mediterranean. While regional energy cooperation has the potential to be one of the most significant and enduring Israeli foreign policy achievements in recent decades, a closer look at regional geopolitics reveals that energy cooperation is often transactional in nature, and rarely transformative. The discovery of offshore hydrocarbons has also aggravated existing tensions between regional actors. This subject deserves more serious discussion by Israeli policymakers and the Israeli public, who often accept the Netanyahu government's argument that energy exports will provide Israel massive strategic benefits. As this paper argues, in order to chart an optimal course forward, Israelis must first have a realistic conversation about energy's potential to catalyze changes in the Eastern Mediterranean that serve Israel's domestic needs and strategic interests.

Bereft of its own domestic energy supply and boycotted by the Arab League since its establishment in 1948, Israel was forced to cast a wide net in order to meet its energy demands. As a result, Israeli energy policy sought to balance the desire for affordable prices and the need to establish relationships with distant suppliers in a manner that would not harm Israel's core security interests. Since the beginning of Israel's history, most of the country's imports – energy or otherwise – arrived from the sea.

But in 2009, two energy companies – Houston-based Noble Energy and Israeli Delek Group – discovered the first of several natural gas fields off Israel's coastline. The first to be discovered was Tamar field, which holds an estimated 246 to 280 bcm (billion cubic meters) and today supplies more than half of the Israel Electric Corporation's (IEC) annual needs, providing power to Israel and the Palestinian Authority. Tamar is expected to service Israel's electricity needs for the next 30 years, and in 2014 an agreement was approved that would export natural gas to Jordan. However, it was the discovery of Leviathan field in December 2010 that convinced many experts that Israel's energy prospects were irreversibly altered. Estimated to hold between 470 and 620 bcm, Leviathan field guaranteed Israeli "energy independence" and offered the possibility of exporting its resources abroad.

The transition from consumer to producer was arduous. In contrast to states that have experienced the steady growth of a domestic energy industry and subsequently developed legislation that would manage that industry's role in the country's overall economic and political policies, Israeli energy policies in 2009 were outdated, state records strictly censored, and the Israeli government lacked significant experience with alternative development and regulatory models. To make matters more complicated, the opaque

<sup>\*</sup> Gabriel Mitchell is a Policy Fellow at the Mitvim Institute and a PhD candidate at Virginia Tech University.

negotiations between the developers (Noble Energy and Delek Group) and the government stoked public concerns of corruption and mismanagement. Faced with mounting criticism, the Netanyahu government had little choice but to hear out the often-divergent public perspectives on matters of energy taxation, regulation, export laws, and environmental implications. Leviathan's planned production date was delayed by several years as government-appointed committees and interest groups lobbied the government to adopt various policies. The original contract signed between the developers and the Israeli government underwent multiple amendments before a final framework agreement – that permitted the export of 40 percent of the discovered gas to foreign markets – was finally adopted in 2016.

The conclusion of these processes did not put an end to the debate over natural gas development in Israel; it remains a polarizing issue. Advocates of the government's plan emphasize the strategic benefits of energy cooperation with Israel's regional neighbors. Partnerships with Jordan and Egypt, they argue, will strengthen national security. Similarly, a pipeline to Europe will improve Israel's tenuous relationship with the EU. In contrast, opponents to the government plan often sidestep the foreign policy argument in favor of a discussion about the plan's problematic domestic implications, particularly the marginal change to the cost of electricity, continued monopolization of the energy market by a handful of companies, and the environmental implications of offshore drilling instead of greater government investment in renewable energy systems.

This piece argues that foreign policy considerations are an essential component to understanding the risks and rewards of energy development, and that this subject deserves serious discussion by Israeli policymakers and the Israeli public. Israelis should look favorably at the prospect of energy cooperation with other regional neighbors, but recognize that this requires long-term planning and a commitment to building and expanding those relationships in the years to come and beyond the limited scope of gas pipelines. At the same time, Israeli officials must be more realistic about the political, commercial, and technical obstacles that could hinder regional cooperation. The discovery of offshore energy reserves has transformed the Eastern Mediterranean into a contested geopolitical region. With potential rewards also come great risks. Only a choreographed diplomatic approach with other regional actors will succeed in reaching these long term goals.

Israel has an opportunity to contribute to the construction of a new regional architecture, but that should not come at the cost of domestic needs and interests. Like many societies around the world, the Israeli public is becoming increasingly conscientious about the relationship between fossil fuel consumption and global climate change. Though the government may seek to exploit offshore natural gas fields, many Israelis are demanding the overhaul of Israel's electric infrastructure to accommodate renewable energy sources, primarily solar power. In a democratic system, the public should be the arbiter whether the foreign policy benefits of energy exports outweigh the domestic costs.

Rather than viewing offshore energy discoveries as an indisputable "game-changer", Israelis should view energy development as a tree with multiple branches. One branch offers the possibility of increasing bilateral energy cooperation, deepening levels of dialogue and coordination but not necessarily transforming the nature of any relationship overnight. Energy partnerships can be cancelled, altered, and disputed. There is no guarantee that they will produce maximum results. Other branches offer the chance to expand multilateral cooperation, to engage in processes that may turn the Eastern Mediterranean into a meaningful geopolitical region. There are even branches that present opportunities beyond

the boundaries of the Eastern Mediterranean and look towards Europe. There are, of course, branches that place a greater emphasis on the local market and the interests of the Israeli consumer. While it is possible to climb multiple branches simultaneously, each one offers distinct challenges that require a different set of government policies. Much of the conversation in Israel over the last decade has been about the promise these branches offer rather than charting a course to reach those end goals. Going forward, policymakers must place a greater emphasis on articulating what steps Israel must take to achieve its future energy policy in the Eastern Mediterranean.

### A. The realities (and limitations) of energy cooperation

Regional energy cooperation has the potential to be one of the most significant and enduring Israeli foreign policy achievements in recent decades. The logic of energy cooperation assumes that two or multiple actors can enter a win-win arrangement that serves to bolster domestic economies and strengthen bilateral or multilateral relationships. One of the most frequently cited cases is the role the European Coal and Steel Community played in supporting a framework for dialogue between European states after the Second World War. In today's economy, energy cooperation is not only limited to the physical pipeline that connects producers and consumers, but can include the wider expanse of industries that have carved themselves supporting role somewhere on the long tail of the energy industry. In order to achieve this degree of cooperation, actors must be willing to make long-term commitments.

It is important to keep in mind that energy cooperation does not always transform into something beyond a transactional agreement. Look no further than the energy partnership between Israel and Egypt between 2009 and 2012. While the transfer of Egyptian gas to Israel via the Arish-Ashkelon pipeline was viewed by some through a security lens, the primary purpose of the arrangement was economic in nature. When the commercial viability of the deal was no longer tenable, the contract was <u>cancelled prematurely</u>. Historically, Israeli-Egyptian relations relied upon mutual security interests. Energy cooperation did not positively impact the nature of this relationship. Despite the fact that Egypt's withdrawal from the arrangement caused tremendous anxiety in Israel and produced a lengthy <u>legal dispute</u>, it did negatively impact the security relations.

Of course, there are cases where energy partnerships become a source of tension between actors. A popularly cited example is Russia's recent use of energy to leverage EU policy visà-vis Ukraine and other Eastern European states. While the economic benefits of energy cooperation continue to be significant for both Moscow and Brussels, the political benefits are currently tarnished and EU states now seek <u>alternative sources of energy</u> that would alleviate the pressure felt from Russian leverage.

These cases demonstrate that while energy cooperation has a potentially high ceiling, the floor is also quite low. International energy projects generally affirm the nature of a bilateral relationship, cooperative or contentious. Israeli officials must set realistic expectations about the potential for energy cooperation, in addition to detailing the potential benefits and drawbacks of various export options to the Israeli public. If one of the constants in Israeli energy policy pre-2009 was realism, then there is no reason to abandon that approach now.

A good place to start is by examining Israel's current energy arrangements with the Palestinian Authority, Jordan, and Egypt. In all three cases, Israel found a nearby energy market in need of natural gas. In each case, the export of Israeli energy checked off the

minimal threshold for political, commercial, and technical feasibility. However, there is little evidence that energy cooperation alone will significantly impact the nature of Israel's relationship with these actors.

In the case of the Palestinian Authority, resource management and control has been a political issue with Israel for many years. Palestinians would prefer diversifying their sources of energy and electricity, yet the West Bank and Gaza are still dependent on Israel for stable supply. Compounding Israeli-Palestinian disputes on energy supply has been the Israeli government's opposition to most efforts to develop <u>Gaza Marine field</u> (located some 35km from the Gaza coastline). The flow of energy and electricity into the Palestinian territories is generally consistent enough to maintain the fragile status quo. The Palestinian Authority is in the process of asserting greater independence over its electric supply, but this progress is restricted to the West Bank; electricity crises occur often in the Gaza Strip, where outdated infrastructure and a tight Israeli security regime has left most residents with a limited power supply.

The same can be said about the influence of energy cooperation on the Israeli-Jordanian relationship. In 2014, <u>a deal was signed</u> between the Tamar field partners and Jordanian-owned Arab Potash and Jordan Bromine to sell 500 million USD of gas over 15 years (an additional deal was signed in 2018). In 2016, the Leviathan field partners signed a <u>10 billion</u> <u>USD deal with the Jordan Electric Power Company</u> for approximately 45bcm of natural gas over 15 years. While the influx of Israeli natural gas secures some short-term Israeli and Jordanian goals, Jordan is not dependent on Israeli natural gas. The Aqaba Liquified Natural Gas (LNG) terminal provides Amman an important access point to the global energy market, and there is a Memorandum of Understanding (MoU) between the Hashemite Kingdom and Egypt to resume energy ties.

The arrangement between Israel and Jordan has also been met with public resistance. Public protests against energy cooperation with Israel are a <u>frequent occurrence</u> on the streets of Amman, and Jordan's parliament has <u>made similar demands</u>. Energy cooperation with the "Zionist entity" will not bring an end to the Hashemite regime, but it is not going to give way to a new dawn in Israeli-Jordanian relations either.

Israeli-Egyptian energy cooperation appears to be following a similar pattern to that of Israel and Jordan. Israel is committed to supporting the a-Sisi regime, so recent decisions to export Israeli gas to Egypt (and to overlook Cairo's outstanding balance from the cancelled deal in 2012) should be viewed both from a commercial and a geopolitical lens. Israeli and Egyptian officials have expressed muted enthusiasm about the prospects of renewing their energy partnership and Egypt has welcomed Israeli participation in the Eastern Mediterranean Gas Forum (EMGF). Nevertheless, cooperation is more likely to support the existing pillars of bilateral relations – primarily security and defense cooperation – than to develop a new bridge upon which to expand ties. Even the most optimistic voices would not claim that a gas pipeline will impact <u>public attitudes</u>. That should not discourage efforts to strengthen ties with Cairo, but Israelis need to be realistic about the limitations of normalization with Egypt so long as the Israeli-Palestinian conflict remains unresolved. Israelis need to be equally concerned about a long-term partnership with an authoritarian regime whose future remains uncertain.

### **B.** Pipedreams and pipelines

The same dose of realism employed with Israel's existing energy agreements should also be applied to other potential energy partnerships in the Eastern Mediterranean.

In 2016, Israeli and Turkish officials cited the prospect of energy cooperation as a primary reason for patching up their differences. Though the downgrading of ties in 2010 was born out of the Gaza flotilla affair and the subsequent six years were spent discussing various mechanisms for resolving disagreements on Gaza, optimism that reconciliation would lay the groundwork for future natural gas contracts appeared to be one of the primary motivations on both sides. Three years later, officials and analysts have ceased discussing this export option. Commercial and political challenges between Israel and Turkey forced the parties away from the negotiation table. Moreover, the reconciliation process stalled and by 2018 diplomatic ties were once again downgraded.

One of the byproducts of strained Israeli-Turkish relations over the last decade has been the strengthening of bonds between Israel, Cyprus, and Greece. After the 2010 fallout with Turkey, Jerusalem's hope was to play diplomatic "moneyball" and recreate Ankara's strategic value in the aggregate by replacing it with other regional partners. Greece and Cyprus were both interested. Not only did both states share Israel's concerns vis-à-vis Turkey, they also sought potential energy cooperation with Israel. There was also a hope in both Nicosia and Athens that strengthening ties with Jerusalem would help open doors in Washington, DC. Over the last decade, the three states have expanded their diplomatic activities, including but not limited to tripartite meetings of heads of state, multiple MoUs on cooperation in energy, electricity, cyber security, business, education, communication, and other fields, and regular joint military training exercises (often participated by third parties).

Representatives of the tripartite states advocate frequently for the "EastMed" pipeline, an export option that would theoretically carry Israeli and Cypriot natural gas via 3,000 kilometers of undersea pipeline through Greece and Italy to the European market. Notably, the tripartite relationship has received robust support from the US. Congressional legislation increasingly supports cooperation between Israel and the "Hellenic States" as well as positions shared by the three actors vis-à-vis other regional developments – specifically Turkish offshore drilling. The most recent meeting of Israeli, Greek, and Cypriot heads of state in March 2019 included the participation of US Secretary of State Mike Pompeo. In addition, US Secretary of Energy Rick Perry attended a July meeting of energy ministers in Athens. The tripartite relationship presently comprises the most important strategic triangle in the region.

The tripartite relationship, or "Energy Triangle", exemplifies one of the crowning achievements in contemporary Israeli diplomacy, but some in Nicosia and Athens worry about the day (likely after the political career of Turkish President Recep Tayyip Erdoğan) that Ankara decides to extend an olive branch to Israel. Will efforts to advance relations with Jerusalem over the last decade come up short if Turkey makes an offer that Israel cannot refuse? How would Israel balance a desire to rebuild ties with Turkey and its existing commitments to Greece and Cyprus?

Since the warming of ties with Greece and Cyprus, Israeli officials reiterated that regional energy cooperation is not designed to exclude any other state. This has been consistent with Israel's policy of neutrality on the divided island of Cyprus. But this position is increasingly put to the test as relations between Turkey and Cyprus sour. When Turkey

positioned a second drillship off the Cypriot coastline in July 2019 with the intention of exploring for offshore hydrocarbons, <u>Israel joined</u> Greece, Egypt, the EU and the US in expressing concerns about Turkey's actions. This was not a formality but an important first in Israeli diplomacy.

There is reason to believe that Israel's orientation towards Cyprus and Greece will continue after the end of Prime Minister Benjamin Netanyahu's political tenure. Blue and White party leaders Benny Gantz and Yair Lapid have little love for Erdoğan and if victorious over Netanyahu would likely pursue a similar set of policies as their predecessor. Lapid has consistently been one of the most <u>vocal critics</u> of the 2016 reconciliation with Turkey. For his part, Gantz frequently warned the Israeli public of the "Erdoğanization" of Israeli politics under Netanyahu. Even if Gantz and Lapid experienced an about-face on Turkey, they would still have to explain their position to both domestic and international allies.

The tripartite relationship has a higher floor than the energy cooperation Israel has fostered with the Palestinian Authority, Jordan, and Egypt. But the diplomatic and strategic momentum to the budding Israel-Greece-Cyprus alliance is not enough to unilaterally turn the EastMed pipeline into a reality. The project, which would constitute the longest undersea pipeline in the world, also needs technical and commercial feasibility. Both of these aspects of the EastMed pipeline are under review by the European Commission. Due to the decline of global energy prices and the availability of cheaper options for the European market, the <u>commercial feasibility</u> of the EastMed pipeline is a major question mark. Based on the current numbers, it remains doubtful that Israeli gas would maintain competitive prices by the time it arrived in Italy or elsewhere in the EU. Despite the political support for the project, at present the energy industry remains skeptical about EastMed pipeline.

The EastMed pipeline's fortunes notwithstanding, the tripartite relationship appears to stand on firm ground. Other energy cooperation options exist, including directing Israeli and Cypriot gas to Egypt for liquefaction via pipeline or <u>FLNG</u> (floating liquid natural gas) platform. More importantly, the efforts of Israeli, Greek, and Cypriot diplomats to diversify trilateral ties beyond shared energy interests appears to have planted enough seeds for the relationship to grow and endure in the coming years.

To date, Israel has effectively managed to use its proven natural gas reserves as a mechanism for increasing cooperation with many of its regional neighbors. As this survey demonstrates, the potential implications of energy cooperation were somewhat overhyped by the Israeli government. While contracts have been signed with the Palestinian Authority, Jordan, and Egypt, they do not carry significant enough weight to transform the nature of bilateral ties with the Jewish State. The confluence of interests between Israel and the Hellenic states has transformed a previously dormant set of relationships, but energy development may take a backstage to other aspects of the trilateral relationship. Commercial and technical questions could prevent these parties from seeing the fruits of their labor fully ripen. Consequently, Israel should consider the future role of the EMGF.

#### C. Building blocks towards a more integrative future

The EMGF, established in January 2019, is a byproduct of the hydrocarbon rush taking place across the Eastern Mediterranean. Israel is not the only state that possesses offshore natural gas and oil reserves. Since 2009, fields have been discovered in Cyprus and Egypt's waters and there is an assumption that there are more to be found in the waters of other regional actors. The purpose of EMGF is to coordinate regional interests into the formation

of <u>cooperative energy policies and a regional gas market</u>. Given the complicated political, commercial and technical feasibility challenges facing many of the Eastern Mediterranean states, the sum of everyone's hydrocarbons may be more valuable than the parts. The first two meetings of the EMGF included participation by Egypt, Cyprus, Greece, Israel, Jordan, the Palestinian Authority and Italy.

The EMGF's formation is worthy of praise; in a region better known for its internal discord, this organization is a profound departure from the past. Yet, the organization's future is still uncertain. Will Israel, an OECD member, attach its economic policies to the comparatively weaker economies of its neighbors? How will the EMGF cope with the outstanding disputes between its member states? And how integrative and effective can the EMGF be if Turkey and Lebanon remain on the outside looking in?

For its part, Israel has tried to negotiate a settlement with Lebanon over their disputed maritime boundary several times over the last ten years. The two countries disagree over the angle of the demarcation between their maritime waters which has produced a space of 850 square kilometers of disputed territory. Despite their acrimonious past, Lebanese economic woes have forced the government to consider negotiating with Israel so that foreign energy companies will be interested in exploring in Lebanon's waters. Israel is happy to put the matter to bed; international disputes are bad for business and it would remove an important source of grievance between Israel and Lebanon. However, the most recent US-led efforts – under the mediation of then-Assistant Secretary of State David Satterfield – stalled before the two sides could agree to the <u>conditions for negotiations</u>.

Israel is adamant that negotiations be strictly limited to maritime boundaries and not include discussions over other territorial disputes (e.g. Shabaa Farms). There is also a disagreement about the timetable for negotiations and who should play the role of mediator. It remains unclear whether Hezbollah and its allies are truly interested in negotiating with Israel. This is a potential win-win for both sides; an agreement between Israel and Lebanon could <u>potentially open the door for increased foreign investment</u> in the region and encourage Lebanese participation in the EMGF. Pooling future Lebanese gas finds with those of the rest of the region is an important step that could potentially enhance the profitability and viability of a regional gas market.

The same can also be said about the Cyprus-Turkey dispute. Like the Israel-Lebanon case, Cyprus and Turkey have a long history of grievances against one another. The discovery of offshore hydrocarbons has similarly expanded existing territorial disputes into international waters. Although the estimated quantities of offshore energy in Cyprus' waters do not presently constitute the bulk of the region's reserves, the Cyprus-Turkey dispute lies at the axis of regional energy ambitions. Though difficult to imagine, if the dispute was resolved then the region's energy would likely flow north towards Turkey (itself a large energy consumer) and Europe. If unresolved, then the direction of the region's energy is likely to continue pointing southwards towards Egypt's existing LNG facilities. For this reason, the Cyprus-Turkey dispute remains a central issue on a regional and international level where actors like the US, UN and the EU continue to play a central mediating role between the parties.

Over the course of the past decade, Turkey has been left on the outside of regional developments, but in recent months has become forceful in its attempts to reinsert itself into the Eastern Mediterreanean arena. Ankara has placed <u>drillships at strategic positions in the</u> <u>Eastern Mediterranean</u> in order to stake out its territorial claims over maritime space near

Cyprus, and the recent MoU to <u>delineate maritime boundaries</u> between Turkey and Libya's UN-supported government elicited sharp language from Greece, Egypt, Israel and the EU. This behavior has aggravated existing tensions between Turkey and other Eastern Mediterranean states. Greeks and Cypriots are unconvinced, however, that European sanctions and American threats will be enough to stop Ankara.

Existing disputes between member states and other regional actors weakens the EMGF's short-term potential. It is impossible to ignore the limitations of a forum that lacks participation of the region's largest market (Turkey) and unexplored maritime spaces (Lebanon). Syria may not be in a position to participate in the EMGF today, but Russian investments in oil and gas will maintain Damascus' relevance in regional conversations. While the EMGF's efforts are laudable, its current composition sidesteps some of the region's more complicated political knots.

Despite this, the EMGF's recent successes has drawn both praise and interest from the EU and the US. Due to Greece and Cyprus' membership in the EU and interest in testing the feasibility of various Eastern Mediterranean export routes to the European market, European institutions have played a more central role as project enablers and financiers. In contrast, the US has applauded regional initiatives but is comparatively less invested than its European counterparts. Happy to attend meetings and appear in photo-ops, <u>Washington's commitment</u> to the developing regional architecture has not yet been tested. In principle, however, both the EU and the US hope that energy cooperation will serve to strengthen their Eastern Mediterranean allies and thwart the advance of Russian and Chinese investments in the region.

Just like the other multilateral initiatives in the Eastern Mediterranean, the EMGF should be viewed as the first piece in the development of a broader regional architecture that could include cooperation in a multitude of disciplines, including but not limited to environmental protection, natural disaster and emergency response preparedness, deconflicting mechanisms, cyber security, maritime security, expanding renewable energy infrastructure, and marine research. It is important to be realistic about the limitations of energy cooperation (and the EMGF), however that should not dissuade regional actors from exploring a wide range of opportunities that this kind of cooperation encourages. Just as the European Coal and Steel Community provided a framework for dialogue for European states, if the member states empower the EMGF effectively, then the forum's impact could far exceed the economic benefits of regional energy cooperation.

### **D.** Conclusions

This paper briefly outlines some of the foreign policy implications of regional energy cooperation in the Eastern Mediterranean. While energy cooperation could be a catalyst that transforms the region, the results so far have been mixed. More efforts need to be made at the regional level, but also at the bilateral level and in particular between states with existing grievances. Whereas Israel's relationship with Greece and Cyprus has flourished, the same results have not been realized elsewhere. More can be done to improve and diversify communication with Turkey. Lebanon may outwardly appear to be the least likely partner for Israel, but limited progress could pay off at the regional level. Ties with Egypt, Jordan and the Palestinian Authority may not permit significant political gains without movement in other areas, particularly the Israeli-Palestinian impasse. Many of these relationships are, and may continue to be, transactional in nature. But committing to a long-term strategy that seeks to utilize multilateral agreements as a mechanism for expanding into other areas of cooperation

could tap into the economic, diplomatic and strategic potential of the Eastern Mediterranean region in a manner that supports Israel's interests.

At present, the Eastern Mediterranean is a hot topic in international relations. But one must remember that this is not the first time policy wonks were enthusiastic about the prospects of regional cooperation. Analysts made similar claims in the 1980s and 1990s. Will this time be different? Much will depend on whether Eastern Mediterranean states commit to long-term diplomatic and economic processes intended to benefit future generations. Israel can take a leadership role in forging a new regional framework, however multilateral institutions require reciprocity and a degree of equality between all of the involved parties. In a region steeped in historical disputes, today's optimism may not last forever.

In the short-term, Israel should continue deepening its relationships with states with which it shares common strategic and commercial interests. That means deepening its cooperation with Greece and Cyprus while also keeping a door open for Turkey's participation in regional cooperation. It also means exploring ways of diversifying ties with the Palestinian Authority, Jordan and Egypt, especially in undervalued areas of the energy sector and its subsidiaries. Much can be done to improve the energy security of Palestinians in the Gaza Strip; for humanitarian and security reasons this should remain a serious priority for Israel. Similarly, Israel should keep the option of direct negotiations with Lebanon on the table. The current economic crisis in Lebanon cannot be solved overnight, but a resolution to the Israeli-Lebanese maritime boundary dispute could encourage foreign investment that would provide some limited relief to the Lebanese economy and remove one source of tensions between Jerusalem and Beirut. Finally, Israel should continue to encourage the involvement of international actors like the EU and the US in the development of multilateral institutions like the EMGF. American support for the construction of a regional forum for dialogue is crucial, but so is the continued commitment by Washington to defend an open and rulesbased order in the Eastern Mediterranean.

In the long-term, the question Israelis must ask is whether the current set of policies is best suited to achieve the country's goals. Should future governments adjust these policies in the hopes of either maximizing the potential of regional energy cooperation, or out of concerns that domestic interests have been overlooked? Israelis need to ask whether their government should continue investing in these multilateral processes for the sake of national security, even if they will not positively impact their cost of living in the immediate future (or ever) and even if there is no guarantee that these energy projects will deliver additional diplomatic rewards. Considering the ongoing investigations connecting the country's political and national security elite with secondary aspects of the energy and defense industry, Israelis have just cause to remain skeptical about the motivations of their public servants and demand greater transparency. Healthy democracies should execute foreign policies with the intention of fulfilling public interests. An open discussion that considers both the domestic and foreign policy implications of Israel's energy policy would be a valuable first step.