

THE MIDDLE EAST PROGRAMME

Cyprus in the eye of the storm

Militarised energy geopolitics in the Eastern Mediterranean

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The EU's efforts to increase its energy security have become urgent since the outbreak of Russia's war against Ukraine. The EU has turned to the Eastern Mediterranean, not only for securing the flow of natural gas to its markets, but also for utilising regional resources. This region is plagued by disputes, which complicate and militarise energy configurations. As the intersection for the security interests of regional and global powers, the case of Cyprus illustrates the challenges that the EU faces in establishing a cohesive energy security strategy.

Cyprus is subject to a protracted conflict between its two ethnic communities; the Greek-Cypriots and the Turkish-Cypriots, backed by NATO members Greece and Turkey, respectively. Since 1974, when Turkey invaded it, Cyprus has been partitioned. Its southern part is internationally recognised as the Republic of Cyprus, and is a member of the EU. Its northern part, self-declared as the Turkish Republic of Northern Cyprus, is recognised solely by Turkey. Tensions that stem both from Cyprus's having become an EU-member before resolving the "Cyprus problem," as well as from Turkey's occupation of the island's northern part, undermine NATO cohesion and prevent deepened EU-NATO cooperation. To date, all negotiations to resolve the conflict have failed. The discovery of gas reserves in Cypriot waters has further complicated the issue by reviving maritime boundary conflicts.

The importance of the Eastern Mediterranean for the EU's energy security has increased as the union seeks to diversify away from Russia. Natural gas developments in the Eastern Mediterranean face several obstacles, however, including questions about their commercial viability, EU efforts toward decarbonisation, and regional instability. Despite these complications, the EU's investment in regional resources is increasing. In 2022, the EU signed an agreement with Israel and Egypt for importing gas from the region.¹ The Republic of Cyprus (Cyprus hereafter) both facilitated the agreement

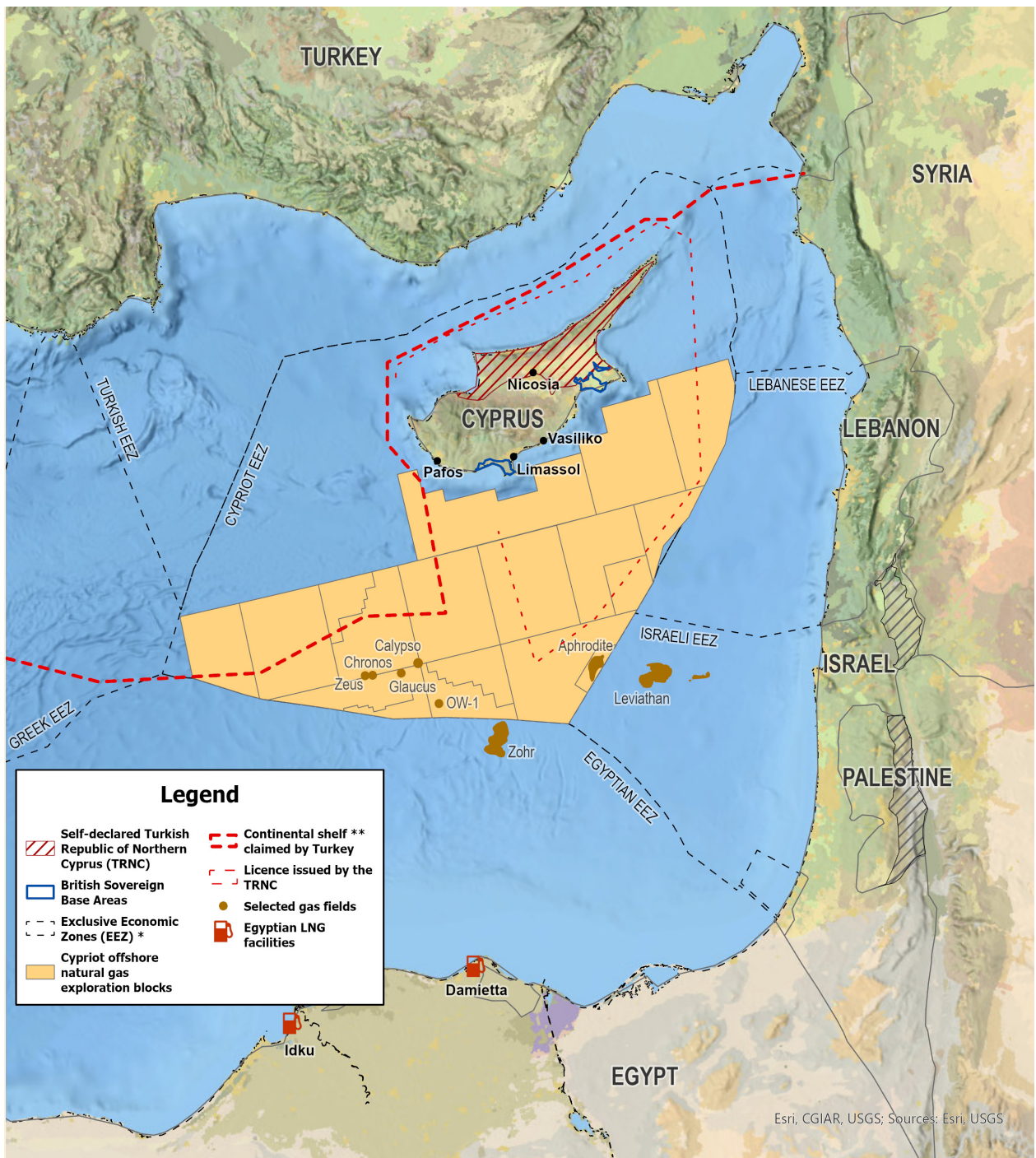
and is affected by it, since the island's own yet-to-be-exploited gas reserves can become part of this export network. However, the addition of Cyprus to regional energy arrangements entails various challenges for the (energy) security of the EU.

In the contemporary security environment, economic, energy and national security interests intertwine. Cyprus uses energy to draw the boundaries of Turkish influence, as a medium to operationalise its sovereignty. The comprehensive exploration and exploitation of Cyprus's maritime gas resources would equate to determining the boundaries of the Cypriot state. To achieve this, Cyprus relies on security guarantees from three categories of actors: those with de facto influence on the island state, regional actors and global actors, all of whom have their own interests in the region.

The objective of this paper is to describe the relevance of Cyprus to EU energy security, how Cyprus is affected by Turkey's regional ambitions, as well as Cypriot strategies to counter Turkish pressure. It begins with descriptions of both the role of Turkey for regional energy configurations involving Cyprus and of the EU's measures for granting (energy) security to its members. It then proceeds to analyse the partnerships that Cyprus has resorted to for complementing those EU measures. In conclusion, it addresses the risks that some of the Cypriot strategies pose to the EU's energy security.

The impact of Turkey on Cypriot insecurity

In the 1950s, Cyprus was designated as a vital part of the Turkish homeland – literally referred to as *Yavru Vatan* (baby homeland) – thus establishing it as a national cause within Turkey's foreign policy. This was motivated both by anti-communist claims; aiming to prevent Cyprus from falling into the hands of Moscow, and through an Islamic-Ottoman prism; supporting the curtailment of Western expansionism.² Since the Turkish invasion, in 1974, Ankara has adopted various approaches in resolving the "Cyprus problem", finally



Map: Overview of Cyprus, in the Eastern Mediterranean. Design: Marianna Serveta, FOI.

Notes: * The EEZ presented in this map are designed according to the provisions of the 1982 United Nations Convention on the Law of the Sea (UNCLOS). Not all of these EEZ are accepted nor delimited by the parties concerned.

** Continental shelf is roughly an equivalent to EEZ.

Sources: The data shown in this map were partly provided by Cyprus Ministry of Energy, Commerce and Industry, and partly collected via open sources.

settling with the side that supports the partition of the island. Not resolving the “Cyprus problem” benefits Turkey, which prefers the increasing dependence of the self-declared Turkish Republic of Northern Cyprus on Turkish economic support and defence provisions.

Turkey maintains 33,800 troops on the island, almost three times more than Cyprus’ National Guard, i.e. the military force of the Republic of Cyprus. Turkey has also transformed a Turkish-Cypriot airbase into a Turkish drone base.³

For Turkey, natural gas development in the Eastern Mediterranean is a matter of sovereignty and national security. Turkey's engagement in the region's energy affairs is affected by the country's maritime zone disputes with neighbouring states. Currently, as part of its *Mavi Vatan* (blue, as in blue water, homeland) vision, Turkey has included some Cypriot waters in its maritime domain. Moreover, in 2007, Turkey issued an exploration license to the Turkish Petroleum Corporation, which since then has sent drill ships to explore for gas in these contested waters.⁴

Both Turkey and the self-declared Turkish Republic of Northern Cyprus claim that the island's resources belong to both the Greek-Cypriot and the Turkish-Cypriot sides. That is based on the desire to share control with Cyprus over the island state's gas policy. Moreover, Turkey denies the legitimacy of delimitation agreements signed by Cyprus with neighbouring states, as it considers that the rights of the Turkish-Cypriots are not represented in the agreements. Turkey has taken direct military action, including the deployment of military vessels to interrupt gas exploration in the area, in order to safeguard its claims. In response, Cyprus has suspended inter-communal negotiations and deepened its defence ties with Greece, France, Israel, the United States, and other nations, as discussed below.

For becoming an energy hub, Turkey's primary focus is on the Caspian Sea. However, all Turkish liquefied natural gas (LNG) imports cross Eastern Mediterranean waters. The area is also vital for the Turkish naval forces' security operations, connected as they are to maritime transportation security.⁵ This highlights the area's importance for Turkey's energy security objectives. The gas discoveries off the Cypriot coast currently complement Turkey's geopolitical aspirations, rather than its material needs. These objectives could change if more gas is discovered.

Turkey moves relatively unhindered regarding its military objectives in Cyprus. In the energy sector, Ankara might increase pressure on companies that are active in Turkey and have stakes in Cypriot waters. Increased military action cannot be ruled out, especially for defending what Ankara considers its sovereign areas. This can bring about military responses by neighbouring states which experience that their sovereignty is under threat. The possibility that Turkey will escalate its pressure against Cyprus has paved the way for various forms of partnerships that have a strong military component.

Fact box

According to the United Nations Convention of the Law of the Sea (UNCLOS), *Exclusive Economic Zone (EEZ)* is an area extending up to 200 nautical miles from a state's coast. In that zone, the country retains exclusive rights to the exploration and exploitation of natural resources. Considering the position of the Greek islands and of Cyprus, a Greece-Turkey and Turkey-Cyprus EEZ agreement would leave Turkey with almost no offshore stretch in the Eastern Mediterranean. Turkey is not a party to the UNCLOS. Turkey has reached an agreement with the Government of National Accord in Libya, which grants Turkey drilling rights within Greek-, Cypriot- and Egyptian-claimed EEZ.

EU measures for granting its members (energy) security

Russia's weaponisation of energy has made the EU's energy policy more geopolitically-minded. The EU engages in energy affairs in the Eastern Mediterranean through energy diplomacy by, e.g., being both an observer in the East Mediterranean Gas Forum⁶ and an investor; evaluating the feasibility of energy projects; and contributing to regional cooperation. In the long term, the EU is interested in unleashing the region's renewable energy potential and expanding interconnections with the African and Middle Eastern power grids. For the short to medium term, however, the EU is considering various gas infrastructure options and recently concluded an agreement with Israel and Egypt for importing gas from that region.

When it comes to responding to Turkish gas exploration off the Cypriot coast, the EU has imposed sanctions, cut funds and suspended negotiations with Turkey, e.g., on trade-related issues.⁷ EU regulation is also in place for safeguarding the security of energy supply and for defending infrastructure, including recommendations for Member States on cybersecurity preparedness measures in the energy sector.⁸

Moreover, the EU's mutual defence clause (Treaty of the European Union, article 42.7) is a solidarity obligation amongst member states for assisting each other in case of third-party armed aggression against their territory. In the case of Cyprus, activating the clause is particularly complicated. Recently, the EU and NATO agreed to create a task force on resilience and critical infrastructure protection.⁹ Due to the conflicting interests of Turkey and Greece on matters of Cypriot sovereignty and the fact that Cyprus is not a NATO member, both NATO and the EU's mandate for defending energy security in the region is challenged.

Cypriot security and diplomatic relations

In theory, Cyprus's defence should be supported by its fellow EU members. The EU mutual defence clause provides that all EU member states have an obligation of aid and assistance by all the means in their power if an EU country becomes the victim of armed aggression on its territory.¹⁰ The three problems for Cyprus here are that, 1) harassment of drilling ships and drilling in contested waters does not necessarily meet the threshold for armed aggression; 2) according to international law, the maritime area known as an Exclusive Economic Zone (EEZ), where Turkey is provoking Cyprus, does not form part of any state's territory; and 3) that the provision "by all the means in their power" does not necessarily imply the use of force. Considering that most EU members are also NATO members, it is questionable how they would react if Cyprus invoked the mutual defence clause against NATO member Turkey.

Thus, for efficiently defending its energy, and thereby national, security against the Turkish threat, Cyprus complements the EU defence provisions by seeking support from regional and global actors. This gives rise to different partnerships, with varying implications for the EU's capacity to defend its energy security.

Through a gradual and systematic policy of defence diplomacy, Cyprus has developed close security relations with its neighbouring states. The development of close security relations is encouraged by the gas discoveries in its territory and the frail relations between Turkey and some states in the region. Cyprus's ties to strong regional powers increase its value for the EU. Cyprus's primary ally is Greece. Secondarily, Israel, France and the UK are its strongest partners. More states contribute to the Cypriot security network, either occasionally or through institutionalised cooperation, some of which presents challenges to EU security. The discussion conducted below of the roles of eight countries is not exhaustive, yet it is indicative for this study's objective.

Three de facto security providers

Greece

Historically, the involvement of Greece in Cyprus was motivated on ethnic grounds, as circa 80 percent of the island state's population consists of Greek Cypriots. In 1967, the military junta in Greece abandoned the policy of Cypriot independence and embarked upon efforts to unite Cyprus with its "motherland," Greece. The control of the Cypriot National Guard from Greece facilitated the engineering of a Greek Cypriot coup, in 1974; this in turn sparked the Turkish military invasion of the island.

With the restoration of civilian government in Greece, in 1974, the relations between the countries were also reset. The countries' cultural ties are deep, as the Greek Cypriot community identifies with the Greek nation and its cultural heritage. Moreover, Cyprus and Greece's foreign policies are aligned in matters of national and regional security. Apart from sharing views about the resolution of the "Cyprus problem" through a bi-zonal, bi-communal federation solution, the countries maintain close coordination within the EU and regarding regional cooperation. The latter is noticeable through various cooperation mechanisms, in the form of the Cyprus-Greece-Egypt and the Cyprus-Greece-Israel military cooperation programmes.

Greece maintains a military force in Cyprus, consisting of 950 troops, which assists the Cypriot National Guard. Moreover, and as of the doctrine of the Joint Defence Area enacted in 1993, the Greek armed forces are committed to supporting Cyprus in protecting its territorial integrity in case of conflict.¹¹ The close defence ties of the countries were recently reaffirmed by the decision to activate a joint political body for consultation on defence matters.¹² The Greek energy company, Energean, is active in the region, and is an important mediator between regional states for gas commercialisation options involving Cyprus.¹³

France

While some EU members have favoured a conciliatory approach, France has adopted a confrontational stance against Turkey and a strategic cooperation with Cyprus and Greece. Franco-Turkish relations have been deteriorating since 2000, due to domestic issues and conflicting foreign policy priorities. France has criticised Turkish aggression in the Aegean and the Eastern Mediterranean, considering it a threat to the EU's sovereignty. The countries' naval forces almost clashed in 2020, when Turkish warships prevented a French frigate from completing its task during a NATO mission in the area.¹⁴ France's support for Greece and Cyprus in regional maritime disputes and energy configurations has solidified the three countries' cooperation into a strategic alliance.

The Franco-Greek strategic alliance concluded in 2021 is the peak of their rapprochement, and also frames the ties with Cyprus. The alliance entails a political aspect, of coordination within NATO and the EU, and a military aspect, including coordination of the countries' armed forces and enhanced defence-industrial collaboration. The mutual defence clauses of this strategic partnership reassure and complement the respective NATO and EU Treaty provisions, yet in a bilateral context.¹⁵

The 2020 French-Cypriot defence cooperation agreement deepened their collaboration in energy and maritime security, crisis management and anti-terrorism. The agreement also entails cooperation in armaments, military training and joint exercises. The French air force has been granted access to the Cypriot airbase in Pafos and the port of Limassol was modified to allow for the hosting of more regular visits of the French Navy.

A French petroleum corporation, Total SA, is one of the leading companies conducting exploration off the Cypriot coast. It has large stakes in the area, for instance a 50 percent interest in the exploration block where two Cypriot gas fields have been discovered.¹⁶ The involvement of French companies in regional gas affairs increases the mandate of France to intervene and protect the interests of those companies should an armed conflict occur. The same holds true for all states and their respective companies.

Together with Greece and Cyprus, France is a member of the East Mediterranean Gas Forum, aligning its regional energy policies with those of the forum's members. France is furthermore an influential actor within the EU, advocating for what it considers a favorable energy landscape, often reflecting the forum's views on regional energy matters. Moreover, France's deepened strategic ties with Cyprus and Greece will likely be reflected within the strategic planning of the future EU Command and Control Structure for EU military missions and operations.

The United Kingdom

The United Kingdom is another de facto provider of security guarantees to Cyprus, though in a less polarising way than France.

One of the conditions for the independence of Cyprus from the United Kingdom, in 1960, was that Britain would retain its military bases, known as Sovereign Base Areas, on the island. This was reaffirmed during the negotiations for the accession of Cyprus to EU.¹⁷ The sovereign base areas have the status of British Overseas Territory. Two permanent military bases are included in this arrangement. The bases support visits from the British Navy.¹⁸ These installations are of strategic importance for both the British forces and NATO operations in the wider region. This includes intelligence and monitoring activities in the Middle East and the Mediterranean.¹⁹ The UK plans to upgrade the infrastructure of the sovereign base areas in order to “update the allied defence posture in the Eastern Mediterranean.”²⁰ Until now, the UK has not declared territorial waters for the Cypriot sovereign base areas.

In the Treaty of Establishment of the Republic of Cyprus in 1960, Cyprus waived its own right to claim territorial rights over the waters of the British sovereign base areas. This has been preserved in later efforts to resolve the “Cyprus problem”, as for instance in the proposed Annan plan.²¹

The defence partnership between Cyprus and the UK deepened in 2019 through the signing of a memorandum of understanding, which established closer security and defence ties.²² However, considerable levels of mistrust run through the Greek-Cypriot community, which historically considers the UK to be aligned with Turkey.²³

Economically, British companies have large stakes in the region's energy sector. For instance, Shell holds a 35 percent stake in the Cypriot Aphrodite gas field.²⁴ Moreover, the UK has committed to making efforts to ensure European gas security. After Brexit, the UK remains in the northwest European gas market. Thus, the energy insecurity that the EU currently faces can spill over to the UK. The country has adjusted its laws to EU policies on matters of mutual interest, such as the sanctions regime against unauthorised Turkish drilling activities in waters that the EU considers as forming part of the Greek and Cypriot EEZs.²⁵

Reaching out to regional actors

Israel

Israel's contacts with Cyprus have been encouraged by its “periphery doctrine,” Israel's policy to counteract its isolation from the Arab states. Israel has formally favoured a non-aligned policy, maintaining flexibility regarding its regional collaboration options.

Until 2008, as Israeli-Turkish relations were deepening, Israeli-Cypriot relations stagnated. After the deterioration of Israel's relations with Turkey, however, its relations to Cyprus began to strengthen. The gas discoveries in the Levant basin have contributed to this. In 2010, the countries signed an agreement on the delimitation of their Exclusive Economic Zones (EEZ), followed by an agreement between Israeli energy companies and Cyprus regarding exploration rights off the Cyprus coast.²⁶ Ever since, the two countries have negotiated multiple options for utilising the gas resources in their neighbourhood. The EU supports this cooperation by allocating funds for gas infrastructure and electricity interconnection between Israel and Cyprus, and thereafter Greece.²⁷ The US also supports this cooperation by participating as an observer to the East Mediterranean Gas Forum.

Energy deals have been framed by military cooperation agreements. The Israeli military has been granted access to Cypriot territory for guarding gas fields, holding joint military exercises, focusing on protecting energy infrastructure, as well as the sale and exchange of military equipment and knowhow for “assisting each government in forming an opinion” on gas exploration in the region.²⁸ The Israeli army uses Cypriot territory for simulating warfare in Lebanon, and the Cypriot, Greek, Israeli and French armed forces often perform naval drills off the Cypriot coast.²⁹

Due to its geographic location, Cyprus is of importance to Israel’s energy export options. One of the most prominent alternatives suggested is feeding Israeli energy resources to Turkey’s national grid, and thereafter connecting it to EU’s Southern Gas Corridor. The normalisation of the two countries’ diplomatic ties in 2022 facilitates this prospect. However, it would require either transecting Lebanese and Syrian territories, or the Cypriot EEZ. In the first case, an undersea link would need to traverse Syrian-Lebanese waters. A US-mediated delimitation agreement concluded between Israel and Lebanon in 2022 facilitates that option. Complications remain regarding not only Syria, however, but also impediments anticipated regarding drilling in the area by private companies who maintain agreements with the Cypriot government, yet desire to export gas to Turkey. In the second case, if a pipeline passes through the Cypriot EEZ, Cyprus acquires transit-state rights. This can lead to delays in evaluation and authorisation, due to legal and political complications.³⁰ Ad hoc arrangements between the involved states and private companies with backing from the US and the EU could push this scenario forward. Currently, there is no political will in Turkey and Cyprus for coming to such an agreement.

The complications involved with the aforementioned alternatives have boosted a third one; Israel’s energy cooperation with Egypt, with Cyprus as the contact point. Egypt, apart from owning the largest gas fields in the area, has a long industrial background in energy, with a developed export industry, integrated into its economic system. Currently, Israel exports gas to Egypt, a process that consolidates the revitalised Israeli-Egyptian relationship. In 2022, the EU enhanced this cooperation by signing an agreement with the two countries, whereby Israeli gas is exported to the European market through Egyptian facilities. This agreement was facilitated by the Cypriot mediation between Egypt and Israel that enabled the establishment of the East Mediterranean Gas Forum in the first place. Considering that Cyprus has agreements with Egypt similar

to the ones between Israel and Egypt, and given that the Cypriot gas reserves will be exploited, it can be expected that this cooperation dynamic will grow stronger.

Egypt

Egypt is the Eastern Mediterranean country with the largest known gas reserves. It is also the country with the only operational LNG infrastructure in the region. Moreover, the East Mediterranean Gas Forum is based in Cairo, and has developed a cooperative network that goes beyond the energy sector. Both Israel and Cyprus have signed deals with Egypt for transferring gas to its LNG plants and thereafter re-exporting it to the EU. Egypt’s energy sector is heavily militarised, due to earlier attacks on onshore infrastructure. The offshore gas infrastructure has not been targeted; however, Egypt is raising its naval profile through drills and by maintaining a significant posture along its coasts.³¹

Cyprus’ energy cooperation with Egypt has solidified the countries’ institutionalised alignment into an alliance. The 2003 Cyprus-Egypt EEZ delimitation agreement was followed ten years later by an agreement on joint exploitation of gas reserves, setting the framework for the countries’ energy cooperation.³² The latter enabled the discovery of Egypt’s Zohr Field, the region’s largest gas field. It was the discovery of this field that re-sparked the interest of energy companies regarding Cypriot reserves, as well. In 2018, Egypt and Cyprus signed a subsea pipeline agreement, aiming to transfer Cypriot gas to Egyptian infrastructure that will later be re-exported to the EU.³³

As with Israel, the Cypriot-Egyptian relationship began to deepen after the deterioration of Egyptian-Turkish relations, in 2013, following the Egyptian military’s overthrow of a Muslim Brotherhood-affiliated, Turkish-friendly president. Egypt’s need to deepen its ties with Cyprus and Greece became particularly urgent after the Turkish-Libyan delimitation agreement, which Egypt considers violates its maritime borders. Defence ties between Egypt and Cyprus have gradually developed, entailing various military cooperation agreements on search and rescue operations, training, and joint military exercises.³⁴

Cyprus needs Egypt for reaching its energy goals and for strengthening its defence posture against Turkey. Egypt needs Cypriot support in international fora and in the European Parliament, where Greece and Cyprus lobby for Egypt’s interests. A concrete effect of this is the 2022 EU-Egypt-Israel agreement signed under the umbrella of the East Mediterranean Gas Forum. The 2020 delimitation agreement between

Greece and Egypt nullifies the respective Turkey-Libya agreement (see Fact box p.3), and highlights the common Cypriot-Egyptian-Greek view on regional security threats.³⁵ This particular power dynamic can grow stronger in the event that Ankara does not effectively restore ties with Cairo in its effort to mend cooperation with US allies in the region. At this point, it is questionable whether Egypt would sacrifice the relationship it established with Cyprus and the EU, just to please Turkey. For Cyprus, this regional partnership is a significant deterrent against Turkey, yet the flexibility of its form necessitates that the country seeks more security guarantees.

Reaching out to global actors

The United States

The Eastern Mediterranean is the region where the US, historically, has put its containment strategy into practice, as an effort to contain Russian influence and prevent an escalation of Greco-Turkish conflict, thereby safeguarding NATO's southeastern flank.³⁶ The gas discoveries are a contemporary trigger, which causes the emergence of new balancing efforts by the US. Those discoveries have moreover formed the ground for renewed American interference in regional security dynamics. Several US policy documents address China and Russia as the main threats to American interests, suggesting even the strategic reorientation of the US on the Eastern Mediterranean.³⁷ However, the US also aims to keep regional powers, such as Turkey, in check.

The US maintains military bases in Turkey and Greece and military facilities in Syria, Israel, and Egypt. Moreover, the US occasionally utilises military facilities in Greece and Turkey either as part of their NATO obligations, or because of deepened bilateral ties.

Historically, the US, together with the UK, has supported the resolution of the "Cyprus problem" through NATO, rather than the UN, in order to prevent a Soviet-Cypriot collaboration within the Security Council. Moreover, the US has supported the maintenance of the British military bases in Cyprus as a necessary means for the defence of Israel and for maintaining stability in the region.³⁸

After the US Congress passed the 2019 Eastern Mediterranean Security and Energy Partnership Act, the bilateral relations of the US and Cyprus deepened considerably. The Act entails closer cooperation in maritime security, cybersecurity, and search and rescue operations. The US has opened the Centre for Land, Open-sea and Port Security (CYCLOPS) on Cypriot soil and uses

Cypriot ports for its navy. Moreover, Cyprus and the US perform joint military exercises, in which Israel has occasionally participated, and American forces train the Cypriot National Guard.³⁹ In 2022, the US lifted a three-decade-old arms embargo originally imposed against Cyprus to encourage the reunification of the island. The waiver of the embargo has further strengthened US security ties with Cyprus.

The US engagement with Cyprus also relates to curbing EU's energy reliance on Russia. The relations both between Israel-Turkey and Israel-Cyprus-Greece are of importance to the US. The US openly supports the trilateral cooperation of Israel, Greece and Cyprus. This has been formalised through the 3+1 mechanism, whereby ministerial delegations of the four countries annually meet and coordinate their cooperation in energy and security matters in the region. American engagement in energy exploration off the Cypriot coast is also noteworthy; for instance, Chevron owns a 35 percent stake in the Aphrodite Field, while ExxonMobil owns a 60 percent stake in the Glaucus Field and currently conducts exploration activities there.⁴⁰

American investments in Cyprus affect even the latter's economic sector, and aim to contain the Russian and Chinese grip on the Cypriot economy.

The combination of an American military and economic presence with support for regional partnerships is a balancing act against global and regional actors. Until recently, the US has been a booster of favourable regional power dynamics, rather than their driving force. The earlier stance was because the hegemony of the US in the Eastern Mediterranean was not at risk. The growing influence of China and Russia, however, challenges whether the US's current strategy suffices for securing American interests. It thereby also challenges how much of a security guarantee the US can provide in Cypriot affairs, and thus for EU energy security.

Russia

Russia and Cyprus have longstanding religious, economic and political ties, but in recent years these ties have been weakened.

Historically, Russia has supported the independence of Cyprus and constituted a provider of security for it against Turkish aggression. Russia has been supporting the Cypriot efforts to resolve the "Cyprus problem" through the UN and has used Cyprus to trigger tensions between NATO members.⁴¹ Reaching a comprehensive solution to the division of Cyprus would likely result in the accession of Cyprus to NATO. Naturally, that would cost Russia a stronghold for its Mediterranean strategy.⁴²

The military-technical cooperation between Russia and Cyprus is ongoing and regards technical support for the already purchased Russian-made military equipment possessed by Cyprus.⁴³ Following the renewal of existing agreements, a new military agreement was signed in 2015, whereby Russian warships and aircraft were granted access to Cypriot ports and airports.⁴⁴ Considering the regional instability resulting from the war in Syria, access to the Cypriot ports is an alternative to the Russian base in Tartous. Until March 2022, Russian warships used the port of Limassol for replenishment and resupply.⁴⁵ However, after the outbreak of Russia's war against Ukraine, Cyprus forbade the docking of all Russian warships in its ports.

The attractiveness of Cyprus for Russia is also based on its role as an offshore financial centre. The countries' economic relations are based on their agreeing to avoid double taxation of income and capital. Inward and outward foreign direct investments account for the strongest link in the countries' economies. This relates to the advantage that Russian investors gain from the loose financial system of Cyprus, which welcomes offshore companies and safeguards their interests through banking secrecy and a developed Trust-status system. This transpires according to the following practice: Russian nationals residing in Cyprus send their funds to Russia, wherefrom they return them to Cyprus in the form of direct investments. This also accounts for the massive Cypriot investments in Russia, which often exceed, many times over, the island state's GDP.⁴⁶

In the energy sector, Russia has no direct stake in Cyprus. Its interest is mainly economic, since holding companies of large Russian gas companies, such as Rosneft, use Cyprus as their base. Rosneft owns a 30 percent stake in Egypt's Zohr Field, which, considering the EU deal with Israel and Egypt for importing gas from the region, could complicate future energy supply.⁴⁷

Currently, Cyprus aligns itself with the West. A rapprochement with Russia in the near future seems unlikely, despite the large economic benefits that it would have for the island state. Cyprus has now violated agreements with Russia on two occasions. The first time was during the S-300 crisis in the late '90s, when Cyprus decided to dispense itself of two S-300 missile systems that it had purchased from Russia. The second time was through the Eastern Mediterranean Security and Energy Partnership Act, in 2019, whereby Cyprus committed to denying port services to Russian Federation vessels "deployed to support the government of Bashar Al-Assad in Syria."⁴⁸ This has recently resulted in the US lifting its arms embargo against Cyprus, although the Cypriot port

denial is mainly linked to the war in Ukraine, rather than directly to the agreement with the US. By closely defining the purpose of the deployment of Russian vessels, the US legislation has left an opening for future naval deployment in other areas where Cyprus is a beneficial stop for the Russian navy, e.g., the Red Sea.

Although Cypriot-Russian relations have currently deteriorated, Cyprus is still vulnerable to Russian influence. The extent to which this vulnerability can facilitate Russian interference in EU energy affairs through Cyprus depends on the coordination of Russia with other emerging actors in the region, such as China.

China

As part of its Silk Road strategy, China is expanding its outreach in the Middle East, Africa, Asia and Europe through the strengthening of economic ties and infrastructure. The Eastern Mediterranean region is vital for this strategy, since it is where the sea and land routes to Europe converge. Moreover, this particular region summons economically weaker EU and NATO members, who are receptive targets for Chinese debt-trap diplomacy. The Chinese involvement in the region is dissociated from earlier geopolitical competitions, but can be a part of future geopolitical dynamics. China has initiated critical infrastructure projects in the area, as well as growing military-technical cooperation with states in the region.

China's primary engagement with the East Mediterranean region concerns transportation and investments in critical infrastructure. The large-share acquisitions in eight strategically important ports in Greece, Turkey, Lebanon, Israel and Egypt are vehicles of Beijing's Belt and Road Initiative and highlight China's strategic interests in the Eastern Mediterranean.⁴⁹ In 2017, China was among the main bidders vying for the control of the Limassol port in Cyprus. Had China won the bid, the country would then have had a leading role in cargo shipping via the Suez Canal.

However, after the 2021 upgrade of the Sino-Cypriot bilateral relation to a strategic partnership, with reference to deepened investment cooperation, the possibility of similar investment projects in the future should not be ruled out.⁵⁰ In fact, Chinese companies are currently bidders for major projects in two Cypriot ports and an airport.⁵¹ Quite illustratively, advertisement boards and restaurant menus in Cyprus, which "were once written in Russian, are now written in Chinese."⁵²

When it comes to energy investments in the region, China has mainly focused on renewable energy, which will facilitate the "greening" of its Belt and

Road Initiative and secure future investment projects. However, even regarding hydrocarbons, a China-led consortium is currently constructing an LNG import terminal, with the necessary infrastructure, on Cyprus's Vasiliko coast.⁵³ Moreover, Chinese companies have invested in the Italian firm, ENI, one of the companies most active in exploring the fossil-fuel reserves of Cyprus.⁵⁴

What becomes particularly visible in the region is the Silk Road's Tech Arm, which has the aim to boost digital connectivity by promoting China as the provider of cutting-edge tech services. This includes telecommunication networks, surveillance technology and AI capabilities. Cyprus is the only state partner that the Chinese blockchain company, VeChain, has outside China.⁵⁵ The cooperation includes the implementation of various innovative solutions in parts of the Cypriot healthcare system, which expose the EU's data infrastructure to added risk. Cyprus is moreover the only EU country where 100 percent of the 5G access network is Chinese. Even the country's 4G infrastructure relies mostly on Chinese companies.⁵⁶ This poses risks to the NATO-allied intelligence operations conducted in the region, not least through the UK bases on the island.

In an effort to balance Chinese influence in the Eastern Mediterranean, the US has increased its presence and investment in critical infrastructure. Considering hybrid security, and devoid a binding EU framework, the US has undertaken regulatory initiatives, e.g., the Clean Network Initiative, to limit intrusion by malign actors. Most countries in the region are signatories, except Turkey, who instead signed a deal with Huawei, in 2022, and deepened digital cooperation in Chinese-led fora. However, the efficiency of the US initiatives is questionable, considering that Chinese telecommunication companies are active even in some of the signatory countries, such as Cyprus and Greece. The partitioned island of Cyprus is at particular risk, since different rules apply in its northern and southern parts.

As an indication of China's strategy of military-civil fusion, it is the People's Liberation Army Navy (PLAN) that is in charge of protecting Chinese interests concerning "energy and resources, strategic sea lines of communication, as well as assets abroad."⁵⁷ Chinese law obliges Chinese firms to support military operations, which facilitates the integration of civil and military assets.⁵⁸ In the case of Cyprus, that obligation currently applies to the Chinese companies that are active in the energy, healthcare and telecommunications sectors. Considering the ongoing Chinese bidding for Cypriot ports and airports, China's integration of civil

and military assets could soon apply to all elements of Cypriot critical infrastructure.

Since 2011, the PLAN has been increasingly present in the Eastern Mediterranean, venturing into regional ports after operations in the Gulf of Aden. Moreover, the PLAN has participated in numerous drills in the region, such as the Joint Sea 2015-I naval exercise with Russian forces.⁵⁹ China's growing economic interests and the security of its infrastructure projects motivate the increased presence of military assets in the region. The Chinese military presence is still limited in comparison to that of the US and its allies. The case of Cyprus, though, illustrates China's increasing grip on critical infrastructure, which in turn highlights the risk of hybrid threats to the EU's energy security. In an escalated geopolitical crisis, Chinese influence would be particularly challenging. Considering China's deepened partnership with Russia, the possibility of Russia using assets built or owned by China cannot be overlooked.

Cypriot security against EU energy insecurity

After the outbreak of Russia's war against Ukraine, the EU has accelerated its efforts to increase its energy security. It has thus turned to the Eastern Mediterranean, exposing those efforts to the region's turmoil. Cyprus is caught in a storm of regional disputes, shifting energy configurations and great power competition. For Cyprus, energy has become a means to state power and a medium to operationalise its sovereignty. Turkey has resorted to military action for defending what it considers are its own sovereign areas. Due to the permanent Turkish threat and the fact that Turkey has until now been relatively unhindered in fulfilling its military objectives on the island, Cyprus seeks security provisions and leverage by deepening its cooperation with de facto, regional and global actors. This aims to complement EU defence provisions, which, in the case of Cyprus, are particularly difficult to invoke.

Greece, France and the UK are de facto security providers who are, each for different reasons, committed to the defence of Cyprus. Cypriot cooperation with Greece and France sheds light on the divisions within the EU regarding whether the EU can be – and, in that case, suffice as – a forum of collective defence.

Israel and Egypt are examples of regional actors that Cyprus has reached out to for defending its energy, and thereby national, security. Building partnerships with regional actors increases Cyprus's value for the EU and has a deterrent effect on Turkish threats. However, these partnerships are flexible, due to evolving intraregional

dynamics, necessitating additional layers of security guarantees to Cyprus.

The US is the actor who has shaped the regional power dynamics. The role of the US as a security provider to Cyprus has been mainly an indirect effect of not only the US efforts to contain Greco-Turkish conflict, but also the influence of its rivals on the island state. Due to the conflicting interests of Greece and Turkey in Cypriot affairs, the capacity of the US to interfere through NATO is also weakened, despite the increased engagement of NATO in defending energy security.

In the Eastern Mediterranean, the concept of a US-led camp against a diametrically opposite pole does not describe the current geopolitical realities.

Cyprus, like other countries in the region, seeks non-Western support in managing its geopolitical and economic struggles. Cypriot efforts to avoid overdependence on the US are a consequence of the engagement of the US with the region, historically, which has often been considered insufficient in resolving regional conflicts. Russia and China are two global actors from whom Cyprus has also sought support. Both countries have a grip on the Cypriot economy and

China also has a considerable grip on Cypriot critical infrastructure. Chinese investment on the island is welcomed by Cyprus, which, by cooperating with China, increases its leverage vis-à-vis its Western allies. Although Russian-Cypriot relations have currently deteriorated, Cyprus is still vulnerable to Russian influence. Through its cooperation with China, Russia could potentially use or interfere with Cypriot critical infrastructure. The situation could be further complicated if more, increasingly influential, regional actors, such as Iran and the respective countries they influence, e.g., Lebanon, are drawn into the mix.

The influence that regional and global powers have on Cyprus poses risks to EU energy security. This includes both conventional and hybrid threats to energy infrastructure. This regards even the infrastructure for future renewable energy projects in which Cyprus is already included. Moreover, the Cypriot choices for security providers weaken the EU's efforts to attain a cohesive energy security strategy. In any case, the strong military component of these energy partnerships and their deterrent effect on regional conflicts marks the militarisation of energy security in the Eastern Mediterranean. ■

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