

# Europe's Green Transition: New Areas of Conflict and Cooperation in Divided Cyprus

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Until now, and for over a century, national energy strategies worldwide have depended on a reliable and affordable supply of energy, which invariably involved a heavy reliance on fossil fuels.<sup>1</sup> Now, the irrefutable evidence pointing to fossil fuels' damaging effect on the climate means that, sooner or later, these energy systems must be replaced by renewable energy or sustainable non-renewable energy systems. And in the world's urgent quest for decarbonization, geopolitics plays a significant role. In the fossil fuel era, and in Eastern Mediterranean affairs in general (including Cyprus), we cannot help but note power-political dynamics marked by disputed explorations, conflicting monetization options, and maritime jurisdiction disagreements. Now, in the renewables-led energy transition paradigm, although we see that there are new opportunities for joint projects on

## Key Points:

- It is vital that prompt action be taken to create a policy framework within which both sides can cooperate over the pressing issues of electrification of transport, building, and industry. Island-wide, deep, and cost-effective decarbonization of these sectors is an urgent matter that must be addressed in the short to medium term.
- Also necessary are more determined efforts aimed at island-wide cooperation in technological innovations for renewable energy and/or sustainable non-renewable energy systems.
- In the long term, it is crucial to complete all the legal and technical arrangements required to connect the whole island to a larger European grid via the prospective EuroAsia and EuroAfrica Interconnector projects.
- In the medium term, and once technical requirements are in place, green energy trade via the existing electricity interconnector can strengthen inter-ethnic cooperation, fostering political stability and economic prosperity. At the same time Cyprus would achieve a greater percentage of renewables in its overall energy mix.

issues such as cross-border regulations and joint investments, we also fear the clean energy transition may lead once again to competition and confrontation in Cyprus.<sup>2</sup> To avoid this, there must be a commitment to island-wide and regional energy market integration and cooperation, and with a greater focus on policies guided by climate neutrality.

Will energy in the new decarbonization era be conceptualized as a hard foreign policy tool in geopolitical affairs? Or might energy function as an element in soft foreign policy, as a way to strengthen international cooperation, especially on the issues of climate change, global political stability, and economic prosperity? The answer is particularly important in places where the fossil fuel paradigm has already worsened existing inter-ethnic grievances—seen especially in the context of divided Cyprus. In the 2010s, when offshore hydrocarbon discoveries were made in the Eastern Mediterranean, there was hope that this could potentially alter regional geopolitical dynamics and encourage cooperation among conflicting parties in the region, including the two ethnic communities in the *de facto*-divided Cyprus.<sup>3</sup> In fact, contrary to these expectations, the discovery of hydrocarbons led to disputed explorations, conflicting monetization options, and maritime jurisdiction disagreements in the region.<sup>4</sup> Tensions among Turkey, the Republic of Cyprus (RoC), and Greece have been high since 2011, the year when exploratory drillings offshore Cyprus began. Turkey responded with seismic research of its own and occasionally sent naval escorts on behalf of the Turkish Cypriot community to reiterate its interests and rights in the region. To sum it up briefly, the Turkish Cypriot community and the Greek Cypriot community are at a standoff over rights to the

island's energy resources; and furthermore, there are overlapping maritime claims between the RoC's EEZ claims and Turkey's maritime claims in the west and southwest of the island. Because Turkey has a different conceptualization of maritime jurisdiction areas, both in the Aegean and in the Eastern Mediterranean, it argues that the claims of Greece and the RoC regarding the regional maritime jurisdictions are incompatible with the equity principle of international law. On the other side, Greece and the RoC argue that Turkey's responses are illegal, provocative, and peace-threatening.

Nevertheless, elsewhere there has been a momentous transformation in the mechanisms controlling energy in societies with developed economies. These changes are mainly driven by decarbonization strategies and policies related to the way in which energy is provided, transported, and consumed.<sup>5</sup> Developments following the Covid-19 pandemic and the current Russia-Ukraine Crisis are among the important factors that will shape the development of global energy systems over the next several years. Despite these setbacks, however, a large-scale transformation of the global energy system has already begun, and we have seen its effects on regional political stability and economic prosperity in the Eastern Mediterranean. How might this renewables-led energy transition paradigm play out in the Cyprus context?

### **Divided Cyprus in the Accelerated Clean Energy Transition**

Countries in the Eastern Mediterranean can potentially help mitigate climate change; this would be accomplished via an accelerated energy transition involving reduced fossil fuel consumption and increased renewable energy. This is an ambitious target, however, and it requires a

profound transformation in the relevant countries' energy policies and even their economic models. For countries in the region to achieve such a diversified energy mix, with more renewables and improved energy efficiency, they need financial support, technology transfer, greater regional energy cooperation, and energy market integration, all in proportion to shifts in demographic, socio-economic, and climate-related conditions in the region.<sup>6</sup>

It is essential to highlight the importance of renewable electricity trading at the regional level in the EU context.<sup>7</sup> The EU is particularly interested in the Eastern Mediterranean potential for renewables and is looking at projects for cooperation on renewable electricity trading, notably via the prospective EuroAsia and EuroAfrica Interconnectors. Given its geographical position, Cyprus could be an important part of both those grid communities and the regional hydrogen market. Yet, there is still the unresolved Cyprus Problem, which remains as an important —if not the main— barrier to the island playing a pivotal role in cross-border grids in a well-regulated and transparent regional market. With island-wide integrated energy and climate strategies, Cyprus could be an important actor in the context of regional energy transition, and thereby enhance its geopolitical role in the region.

The energy transformation age is marked by the interrelation of climate and energy systems, which means that cooperation is essential to address the two systems simultaneously and effectively. For Cyprus, a country with considerable potential for renewable energy production and high energy efficiency gains, this means that the two sides must work together and jointly plan their energy systems. Cyprus has both policymakers and relevant actors who could use the new energy transition path as an opportunity to create positive externalities in energy production and energy use. They could organize an enhanced dialogue across the UN-controlled buffer zone aimed at drawing up a framework in which both sides can cooperate on the issues of electrification of transport, building, and industry. These sectors require

significant and cost-effective decarbonization, best achieved through cooperation in technological innovation.

## **Policy implications**

Electricity interconnectors are important in the transition to a net-zero future. They act like energy superhighways, facilitating the flow of energy across borders. These high voltage cables transport energy produced from renewables to where it is most needed while reducing carbon emissions. Interconnectors are key for reliable, affordable, and decarbonized energy, and play a significant role in achieving national and global climate change targets. Today, when a broad and flexible electricity supply is so important, especially in terms of renewable energy, the need for a solution to the Cyprus Problem is urgent. Not only must we address current energy conditions, i.e., the existing interconnector between the northern and southern parts of Cyprus, but we must consider both the risks and advantages of the EuroAsia and EuroAfrica Interconnector projects with regard to Cyprus. The existing interconnector is an important indication of how cooperation on technical matters can be achieved despite the political divide in Cyprus, and the crucial role it plays for peace and stability on the island must be reaffirmed. Any proposed new interconnector project must not obstruct, but must promote and facilitate, the successful operation of the existing interconnector. In fact, upon completion of the technical requirements, we may even envisage a green energy trade via the present grid.

While the EuroAsia and EuroAfrica Interconnector projects would mean the end of the RoC's isolation from the European cooperation scheme of transmission system operators (European Network of Transmission System Operators — ENTSO-E),<sup>8</sup> the same projects could easily translate into further isolation of the Turkish Cypriot Community from any European project of clean energy transition and further electrification of important sectors. For example, the ENTSO-E may not approve a grid extending to a politically contested area; thus, were the RoC to be connected to Europe via these projects, the existing interconnector operation could well be terminated.

Likewise, once the RoC connects to a broader and more flexible supply of electricity, the rationale of being connected with the north could become redundant. Halting the operation of the existing grid is a serious risk, as it would retract an important motivation for the island's efforts for peace and cooperation. This point must be carefully considered by all parties, especially the European Union, as it deems the whole of Cyprus as EU territory. The lack of a settlement to the Cyprus Problem should not delay the renewables-led energy transformation across the whole island, including the northern part of Cyprus, which can only be achieved by connecting to a larger grid. Furthermore, the EU should construct a framework that supports a clean energy system island-wide and develop investment projects and initiatives that require cooperation across the border.

## Conclusions

In Cyprus there exist a number of areas for cooperation in the clean energy transition; we might label these 'channels for a green dialogue.' Nevertheless, it is urgent that at least a *practical* degree of tolerance and understanding be maintained, as the consequences of delay and disruption will be irreversible. The global clean energy transition presents both a challenge to, and an opportunity for, cooperation in Cyprus. The island must devise and sustain more cooperative channels if we are to ensure a politically, economically, societally, and not least, environmentally sustainable future for the island as a whole.

## References

- <sup>1</sup> Högselius, P. (2018). *Energy and geopolitics*. Routledge.
- <sup>2</sup> In 1960, the Republic of Cyprus (RoC) was established as an independent bi-communal republic primarily made up of Greek-speaking Orthodox Christians (Greek Cypriots) and Turkish-speaking Muslims (Turkish Cypriots). In 1963, nationalist movements led to inter-ethnic violence between the two communities. In 1974, ethnic conflict caused further troubles where several thousands of Cypriots from both communities were killed, went missing and were displaced. The island has been divided into two parts by a UN-controlled buffer zone since then and the situation is identified as the Cyprus Problem. The Greek-Cypriot administration, which is also known as the Republic of Cyprus (RoC), is to the south of the UN buffer zone. The Turkish-Cypriot administration, which unilaterally established itself as the Turkish Republic of Northern Cyprus (TRNC) in 1983, lies to the north of the buffer zone. The TRNC is not recognized by any state other than the Republic of Turkey and is identified as a de-facto state. Formal negotiations in relation to the settlement of the Cyprus Problem have failed over the years. Therefore, creating some channels of dialogue between the two communities is extremely important for peace and the prosperity of the island as a whole.
- <sup>3</sup> Gürel, Ayla, Mullen, Fiona, & Tzimitras, Harry. (2013). The Cyprus Hydrocarbons Issue: Context, Positions and Future Scenarios, *PRIO Report*, 1. Nicosia: PRIO Cyprus Centre.
- <sup>4</sup> Ibid.
- <sup>5</sup> Hafner, M., & Tagliapietra, S. (2020). (Eds). *The geopolitics of the global energy transition*. Springer Nature.
- <sup>6</sup> International Renewable Energy Agency (IRENA). (2019). A New World. The Geopolitics of the Energy Transformation, IRENA, Germany, <https://www.irena.org/publications/2019/Jan/A-New-World-The-Geopolitics-of-the-Energy-Transformation>; International Energy Agency (IEA). (2021). Net Zero by 2050 A Roadmap for the Global Energy Sector. Special Report. [https://iea.blob.core.windows.net/assets/deebef5d-0c34-4539-9d0c-10b13d840027/NetZeroby2050-ARoadmapfortheGlobalEnergySector\\_CORR.pdf](https://iea.blob.core.windows.net/assets/deebef5d-0c34-4539-9d0c-10b13d840027/NetZeroby2050-ARoadmapfortheGlobalEnergySector_CORR.pdf).
- <sup>7</sup> Lazard, O., & Youngs, R. (2021). The EU and climate security: toward ecological diplomacy. *Carnegie Europe*, Available at: <https://carnegieeurope.eu/2021/07/12/eu-and-climate-security-toward-ecological-diplomacy-pub-84873> [Accessed 26 July 2021].
- <sup>8</sup> The European association for the cooperation of TSOs for electricity.

### THE AUTHORS

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### THE PROJECT

This project aims to explore the Eastern Mediterranean as a distinct geopolitical space in the context of global and regional transitions. It conceptualizes the Eastern Mediterranean's new geopolitical identity both historically and theoretically and looks at its security and politico-economic prospects. At the same time, it tracks the main challenges that regional states face, and attempts to re-imagine the patterns of conflict and cooperation by examining the potential of regionalism and inter-state cooperation in various sectors. Moreover, the project keeps monitoring conflict and peace-building dynamics (e.g. in Syria and Libya) as well as region-building/regionalism processes in the Eastern Mediterranean and the role of state and non-state actors.

### PRIO

The Peace Research Institute Oslo (PRIO) is a non-profit peace research institute (established in 1959) whose overarching purpose is to conduct research on the conditions for peaceful relations between states, groups and people. The institute is independent, international and interdisciplinary, and explores issues related to all facets of peace and conflict.