INSS Special Publication

Uniting Fronts: The War and the Climate Crisis

Galit Cohen and Gal Shani | November 22, 2023

The surprise attack on Israel and the ensuing Swords of Iron war have created a dangerous geopolitical security crisis, which inter alia challenges the processes of reconciliation and normalization between Israel and Arab countries. However, the crisis could also provide a historic window of opportunity for a joint agreement between Israel, the United States, and the pragmatic Sunni states who seek the best for the Middle East and prefer to cooperate for the sake of regional calm and stability. The climate crisis is among the elements that threaten regional stability and highlights the interdependence of countries worldwide, including specifically among Israel's neighbors. Countries that recognize the destructive environmental, economic, and social consequences of climate change, particularly in a warming Middle East, also recognize that their future national resilience depends on their ability to promote regional cooperation on climate issues, especially in the light of predicted changes in the global energy system. Therefore, political cooperation between Israel and pragmatic countries in the Middle East can and must include working together on the shared climate threat. Collaboration in this context will serve not only Israel's political and security needs, but also its economic and social needs.

Israel is engaged in an intensive military campaign against Hamas in the Gaza Strip, while in the background are highly significant regional geopolitical changes. Yet from the very tragedy that struck Israel on October 7, there are signs of a regional and international strategic opportunity, namely, for a new partnership that can transform the Middle East. An Israeli partnership with an axis of moderate Arab countries, including Saudi Arabia, Egypt, the Gulf states, Jordan, and Morocco, with the support and patronage of the United States, could create deterrence and a counter front to repel the "axis of resistance" led by Iran. Such a coalition could enable Israel to destroy the Hamas regime in the Gaza Strip and subsequently sponsor Gaza's reconstruction. Changes in the role of the great powers in the region, combined with diplomatic circumstances and global changes in the energy system, could create an incentive for regional cooperation, not only on political and security issues, but also on climate issues, which threaten the entire region. The pragmatic countries recognize the heightened climate dangers confronting them and are prepared to work together for the region's future.

According to the annual report of the International Energy Agency (*World Energy Outlook 2023*), published in October, current actions are likely to have a significant effect on the global energy system by the end of the decade. The report, considered to be the most credible and authoritative analysis of global energy forecasts, describes the world of 2030 where clean technologies play a far more important role than today. The vision includes almost ten times as many electric vehicles on the world's roads; solar energy producing more electricity than the entire US electrical system generates at present; the share of renewable energies in the global mix approaching 50 percent compared to 30 percent today; worldwide sales of heat pumps and other electrical heating systems exceeding sales of fossil fuel boilers; and three times greater investment in new projects to harness marine wind energy than in new power stations powered by coal and gas. All this relies on countries meeting their commitments on energy and climate policy fully and in timely fashion.[1]

The combination of increasing momentum in the development of clean energy technologies and structural economic changes has major implications for fossil fuels, as global demand for oil, coal, and natural gas is expected to peak this decade. As stated by IEA Executive Director Fatih Birol: "The transition to clean energy is happening worldwide and it's unstoppable. It's not a question of 'if', it's just a matter of 'how soon' – and the sooner the better for all of us." Thus, "governments, companies and investors need to get behind clean energy transitions rather than hindering them."[2] In this context, China – a key actor with huge influence on global energy trends – is undergoing considerable structural changes as its economy slows down. According to the report, overall Chinese demand for energy should reach a record high by the middle of this decade, together with continuing dynamic growth in clean energy, leading to a decline in demand for fossil fuels and in emissions.

The Middle East and North Africa region (MENA) is considered a climate "hot spot," based on models that predict a rise of 20 percent in average global temperatures and increasing numbers of extreme weather events, including shrinking water sources, wildfires, rising sea levels, desertification, and sandstorms. Therefore, a successful transition in global energy requires that MENA countries scale back the production of fossil fuels and develop their own renewable and clean sources of energy. Considering its vulnerability to climate change, the region has an obvious

[1] *World Energy Outlook 2023*, IEA
[2] "The energy world is set to change significantly by 2030, based on today's policy settings alone," IEA.

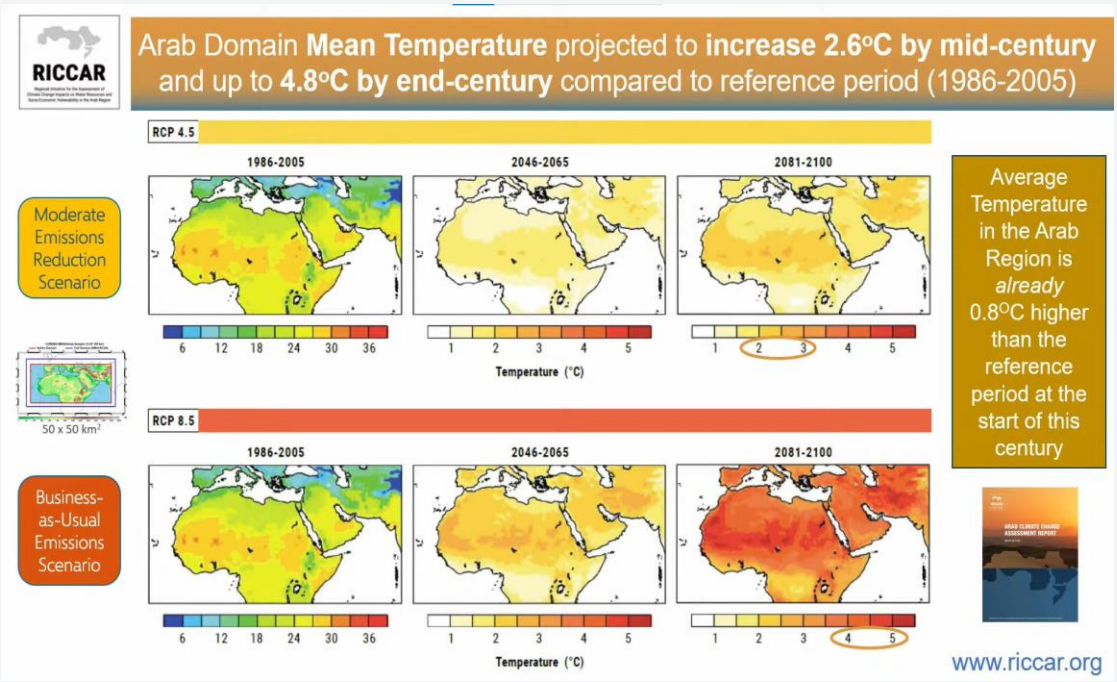
interest in the struggle against the harmful process and environmental decline. However, with its large and cheaply available fossil fuel reserves, the MENA region will probably be the last to abandon them.[3] Nor can the repercussions of climate change on the socioeconomic situation in countries be ignored, including mass migration, conflicts, the risk of humanitarian crises, religious radicalization, and a deterioration in political stability.

Against this background, there is a growing understanding in many Arab countries that they must adapt to changing energy trends. An example is the Saudi Green Initiative, which links to the Vision 2030 process under the leadership of Crown Prince Mohammed bin Salman, to reduce the use of fossil fuels and move to 50 percent clean energy.[4] Moreover, confirmation of the growing interest in climate change in MENA states and their motivation to cooperate on tackling the problem was provided by the COP27 Climate Conference in Sharm el-Sheikh in 2022, and will likely be evident at COP28 in the UAE in late November. Normalization of relations between Israel and the countries in the moderate Sunni camp, led by Saudi Arabia, would likely yield political treaties leading to climate collaboration, essential for reinforcing regional stability and the national resilience of each country involved. On October 8, the day after the outbreak of the war in Gaza, Riyadh hosted a planned regional meeting of MENA countries in preparation for the global climate conference. Delegates discussed the implications of the climate crisis for the region's countries, and the importance of finding regional solutions arose more than once, since climate does not recognize political borders.

There are two scenarios in response to regional global warming forecasts: "business as usual," meaning an absence of joint efforts and much higher regional temperatures; or a more optimistic scenario involving joint preparations, with consequently lower temperatures and more gradual warming (Table 1). Discussions indicate that scientific data should provide the basis for establishing a shared regional policy, and a planned national adjustment strategy is the key for dealing with the forecasts.[5]

[3] "MENA and the Global Energy Conundrum," Center for Global Development.
[4] "What Will it Take to Achieve an Energy Transition in the Middle East and North Africa?" (2023). Center for Global Development.
[5] MENA Climate Week 2023, "The Impact of Climate Change in the MENA Region."

Table 1: Two scenarios on MENA temperatures: "Business as usual" and "moderate emissions reduction"



It is absolutely imperative to pursue a forceful climate policy that takes full account of the socioeconomic ramifications and the repercussions of relevant global events, thus building resilience to withstand the effects of climate change. The OECD project *Net Zero+: Climate and Economic Resilience in a Changing World* provides analysis and insights for governments on how to accelerate the shift to net zero while strengthening climate change resilience in the context of the after-effects of COVID-19 and the extensive consequences of Russia's war in Ukraine. These global crises have highlighted the need to strive for climate resilience and ensure that systems can predict shocks, absorb them, adjust to them, and recover from them, with the help of the right political strategy and suitable tools for implementation.

MENA countries have the potential to take the lead on renewable energy and innovative technologies, attract investment for technological development, and position themselves as leaders in the global transition to green development. Some of the region's richest and most stable countries are aware of the implications of climate change for their economy and population, and are preparing for change. Preparations include identifying the potential for regional collaboration to tackle the climate problem, including with Israel, which has developed and continues to develop numerous technological solutions in this field. This comes against a background of shortages of water and resources that Israel has faced since its inception. According to the 2023 report on the hi-tech situation in Israel from the Innovation Authority, some 24 percent of climate tech

companies in Israel are active in the field of energy, and 37 percent are engaged in aspects of agriculture, food, and water. Within a decade the number of climate startups each year has doubled.[6]

The Abraham Accords offer an illustration of partnership between Israel and the United Arab Emirates, two countries that have similar approaches to the need for innovation, research, science, and technology, as the backbone of a productive and competitive knowledge-based economy. Israel, which generally seeks partners and investments in the United States, received a new playing field, a market that is not prepared to compromise on less than groundbreaking initiatives. In an attempt to reduce reliance on oil exports and diversify sources of income, the UAE market offers traders, investors, and entrepreneurs a wealth of opportunities with minimum bureaucracy, low taxation, and modern infrastructures, in its bid to attract businesses. But the potential is bilateral: according to the Global Innovation Index (GII), Israel is consistently among global leaders in certain aspects of innovation, such as venture capital, research and development, entrepreneurship, and hi-tech.[7] Both countries can exploit their potential and become a central source of innovation and technological solutions, including in the field of renewable energy, led with determination by Abu Dhabi.

Similarly, even before official normalization is achieved between Saudi Arabia and Israel, the Israeli company SolarEdge identified the potential for a joint venture in the field of renewable energy. The company set up a joint venture with Ajlan & Bros Holding, one of the largest private conglomerates in the Middle East and North Africa. The project is considered part of the Saudi Vision 2030 project and is intended to provide organizations and companies in the country with systems to generate, store, and manage solar energy, as well as planning and consultancy services on this subject. Israel could be a partner for other countries in the region seeking to tackle climate change, and in regional collaborations around the shared challenges.

The Hamas attack of October 7 damaged the progress toward normalization, though not necessarily fatally. In spite of the growing tension in the Middle East, it is still possible to see the regional shock as an opportunity to promote regional arrangements with an axis of moderate companies under United States patronage. Countries such as Egypt, Jordan, the UAE, and Saudi Arabia now have

[6] "Annual Report on the High Tech Situation in Israel 2023," Innovation Authority

[7] How Israel and UAE's innovation partnership is about to disrupt the region? Israel Innovation Authority.
https://innovationisrael.org.il/en/contentpage/how-israel-and-uaes-innovation-partnership-about-disrupt-region

an opportunity to join together in a collective effort to prevent the war from spreading and to achieve groundbreaking regional cooperation.

Tackling the climate crisis in the region together can and must be part of joint political-security arrangements. Israel and the other countries have a shared interest – all are threatened by particularly severe effects of climate change in the Middle East, all are producers of oil and/or gas, and all want to diversify their energy supplies and promote clean technologies and innovation. Recognition of the mutual economic gains and the great potential of collaboration in the field of green energy is likely to bring about climate-based partnerships as part of regional agreements, including normalization between Israel and the Arab world, which will contribute to the stability of the region and the national resilience of each country.