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Jordan-Israel Relations: Normalization in the Shadow of Political Deadlock

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On September 26, 2016, Noble Energy announced that it signed a contract with the Jordan Electric Power Company. Noble Energy is the American partner in the consortium that holds the rights to produce natural gas in the Leviathan field, which is within Israel's exclusive economic zone. The supply of 3 billion cubic meters of gas per year will begin in late 2019 and continue for 15 years. The deal is worth \$10 billion, with the price of a cubic meter linked to the price of a barrel of Brent crude oil and a fixed price floor. This deal is of critical importance for Jordan, which encountered problems when its gas supply from Egypt was cut off due both to the bombing of the pipeline in the Sinai Peninsula by the Islamic State, and to Egypt's difficulties to abide by its agreements to sell gas to Jordan (and to Israel). The deal is also of critical importance to the consortium, which includes three Israeli companies along with the American company, because contracts for future sales enable it to raise the financial resources to develop the Leviathan gas field. Indeed, on November 27, 2016, the consortium's partners announced that they had signed letters of commitment with two large international banks that committed to provide the consortium with \$1.5-1.75 billion to fund the first phase of Leviathan development.

Since the announcement of the supply agreement, Jordan has seen ongoing demonstrations and a public campaign against the deal. As part of the protest, for example, Jordan's citizens were asked to refrain from turning on lights in their homes during certain hours, as specified in the media and social networks.

On November 24, 2016, the Jordanian government, headed by Hani Mulki, won a vote of confidence in parliament. Jordanian parliamentarians of Palestinian origin slammed the government, and called for the removal of the Israeli ambassador in Amman and for freezing diplomatic relations with Israel. Yet while evidence that the peace agreement with Israel signed in 1994 has only slightly changed Jordan's internal political reality, these are little more than a nuisance and not a real challenge for the regime. Indeed, in years past, such an occurrence would only receive secondary headlines in the Jordanian press, as the parliament was meant to serve as a rubber stamp for the royal house. Nonetheless, even the modest expression of the Arab Spring in Jordan prompted the King to make changes to the constitution. While not radical changes, they brought Jordan closer to a true democratic process. Moreover, these changes allowed the beginnings of political parties with a national agenda, and not just a local-tribal platform. Muslim

Brotherhood members, after committing a strategic mistake in boycotting the first elections after the constitution was changed, understood the situation. Thus even though their party was disqualified by the authorities, they joined with Christian and other candidates and in the last elections succeeded in creating a significant bloc in parliament.

After the Prime Minister presented his government's platform and requested the confidence of the parliament, a long debate among the 130 legislators ensued for three days (November 22-24), and many of them requested to speak. Even though most of the government's platform dealt with economic issues and internal reforms, some of the speakers saw fit to criticize the government for the Jordan Electric Power Company's deal with Noble Energy to acquire natural gas from the Israeli gas field. A senior Member of Parliament, Wafa Bani Mustafa, a lawyer by training, demanded the agreement be cancelled, claiming that it contradicts article 33 of the Jordanian constitution. Even though it gives the King the authority to sign treaties, it says that "Treaties and agreements that involve expenses to the national treasury or that impact the individual or public rights of Jordanian citizens will not go into effect unless approved by parliament." Member of Parliament Dima Tahboub of Amman claimed that the price of gas from Israel is higher than the price in international markets. During the parliamentary debate, a meeting of gas experts that included former Minister Ibrahim Badran and Member of Parliament Jammal Gammoh took place in Amman. During the event, initiated by the Jordanian chapter of the BDS movement, all of the speakers came out against the deal with the "Zionist entity," arguing that one of every three dollars paid by Jordanian citizens will go to the Israeli treasury, and that the Jordan's purchase far exceeds its needs. Bardan even claimed that most of agreement's clauses are secret. For his part, MP Gammoh, claimed that the goal of the agreement is to strengthen normalization with Israel, and that the majority of his colleagues in parliament oppose the deal. According to him, he asked Qatar's ambassador in Amman why his country is not helping to supply gas to Jordan, and the ambassador answered that the Jordanian government did not request such assistance.

In responding to the members of parliament at the end of the debate, Prime Minister Mulki hinted that in fact Jordan does not have good alternatives to the gas to be supplied by Noble Energy (he refrained from mentioning Israel). According to Mulki, Jordan is in talks with Iraq, Algeria, Egypt, and Palestine (as stated in the Arabic original), but he also noted the security issue in Iraq, which would delay the provision of gas by pipeline from Basra in southern Iraq to Aqaba in southern Jordan. Mulki added that Qatar made no offer that could compete with the price set in the agreement with the American company, and emphasized that the contract between Jordan Electric Power and the American company would save \$300 million a year throughout the supply period, hinting that the price agreed upon would be lower than the price of natural gas in international markets. At the end of the debate, the government received the confidence of 84 members of parliament (the constitution requires 66), while 40 voted against.

Before the ink had dried on the parliament's decision, the Jordanian Ministry of Water and Irrigation announced (November 27) that five groups of international companies had advanced to the next stage in the process of choosing who carry out the first phase of the project to transfer water from the Red Sea to the Dead Sea. The name is a bit misleading, since the first phase is to construct a facility in Aqaba for desalinating 80-100 million cubic meters of water. The announcement also does not mention an important detail, which is that Jordan, Israel, and the Palestinian Authority signed an agreement whereby Israel will receive almost half of the water desalinated in Aqaba for use in the Eilat area, provide a similar amount to Jordanians in the north, and increase the amount of water provided to Palestinians. The execution of the project's first phase is scheduled to begin in the first quarter of 2018 and end in the last quarter of 2020. The project's other objectives are to be implemented at a later stage; these include transferring the brine separated from the desalinated water, and additional water from the Red Sea, to the Dead Sea, in order to preserve it and to produce electricity. Thus, according to the Jordanian announcement, at this stage full funding for the project has not yet been achieved, and aside from the American commitment of \$100 million (out of a total that by conservative estimates will reach \$500 million) there are no other commitments. In addition, while there are no disagreements between experts on the rationale for desalinating water in the Aqaba-Eilat area and the water exchange agreement between Israel and Jordan, many doubt whether transferring water from the Red Sea is the cheapest and most efficient way to preserve the Dead Sea.

At any rate, progress on implementing these two infrastructure projects for water and energy between Israel and Jordan indicates the positive potential inherent in separating economic and infrastructure progress in trilateral Jordan-Israel-Palestinian relations from progress on a political solution to the Israeli-Palestinian conflict. This statement is not meant to detract from the urgent necessity of reaching at least a gradual solution to the conflict based on the idea of two states for two nations. Rather, it indicates a reality of shortages of energy resources, drinking water, ports; the need to prevent pollution of crowded population centers; and the irrationality of preventing solutions to these issues if they are made conditional upon comprehensively solving all of the core issues of the Israeli-Palestinian conflict. The water and natural gas agreements with Jordan, as well as the electricity agreement signed between Israel and the Palestinians (September 2016), prove that the sides can reach understandings and perhaps full agreements in many areas, and these can create a positive environment, even if they are not substitutes for political agreements. The Israeli side presumably "subsidized" and lowered the costs for the other side in the agreements, whether Jordanian or Palestinian. This is worthy subsidy, since in this way Israel contributes to the stability of its local geostrategic environment.