

CYPRUS AT THE CENTER OF THE WESTERN SECURITY AND ENERGY ARCHITECTURE IN THE EASTERN MEDITERRANEAN

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Cyprus has transformed into a frontline country during the Iran war, serving as a critical nexus for Western power projection, European defense operations, and Eastern Mediterranean energy security. Despite Cyprus's position not to engage in any offensive operation against Iran, the Iranian strikes against British sovereign base areas on the island have mobilized regional defense coalitions and European naval and maritime shields.

A coordinated European defense response occurred after Iranian drone strikes against the British Royal Air Force base at Akrotiri and involved Greece, France, Germany, Italy, the UK, and the Netherlands that positioned warships, air defense, and anti-drone assets in the Eastern Mediterranean to protect Cyprus. Greece deployed F-16 fighter jets and naval frigates to secure regional maritime traffic and protect Cyprus from incoming missiles and drones. France deployed the Charles de Gaulle carrier strike group, alongside eight frigates and two amphibious assault ships to secure maritime routes. France also sent ground-based anti-drone and anti-missile defense systems to Cyprus to fortify its airspace against low-altitude drone strikes.

Germany and Italy deployed the Navy frigate FGS Nordrhein-Westfalen and the Bergamini-class FREMM frigate Federico, respectively, while the Netherlands dispatched the air defense and command frigate HNLMS Evertsen (F805) and the UK deployed a warship and helicopters with counter-drone capabilities and anti-aircraft systems to protect British military installations on the island. Clearly, European countries positioned warships, air defense, and anti-drone assets in the Eastern Mediterranean around and in Cyprus to ensure maritime security, protect critical infrastructure, and secure the European outer borders.

Concurrently, Cyprus implemented a multi-layered defense strategy. Security protocols and asymmetric threat monitoring across Cypriot critical infrastructure and designated high-risk sites have been implemented to counter potential acts of terrorism or sabotage. The island has fully deployed the Israeli-made Barak MX air defense system into its National Guard network, upgrading its multi-layered interception capabilities against the Iranian threat, *de facto* proving that procurements from Israel are strictly defensive.

Cyprus Benefits from SAFE and FMS

Cyprus is a stable, democratic Western anchor and a strategic asset that limits Russian influence in the volatile Eastern Mediterranean. The U.S. and the EU have accelerated Cyprus's regional defense role through major military frameworks, most notably the EU's Security Action for Europe (SAFE) financial instrument and the U.S. Foreign Military Sales (FMS) program.

Cyprus has secured access to almost 1.18 billion euro in low-cost defense loans under the SAFE instrument that constitutes a key pillar of the European Commission's "ReArm Europe/Readiness 2030" strategy, to upgrade its defense capabilities and proceed with joint procurement of EU-produced ammunition, missiles, air defense, and land combat systems ensuring that EU Member States deliver collectively for European security. Cyprus received its initial pre-financing payment of 177.2 million euro in June 2026 prioritizing the development and acquisition of unmanned and counter-drone systems, and the protection of its critical infrastructure. To this end, Cyprus will reportedly co-produce with Greece a multicopter drone with intelligence, surveillance, target acquisition and reconnaissance (ISTAR) capabilities, in line with SAFE's regulations for co-production and joint procurement with at least one other participating country to improve interoperability, reduce duplication and streamline industrial cooperation.

The annual lifting of the U.S. arms embargo along with the American inclusion of Cyprus in the Foreign Military Sales (FMS) Excess Defense Articles (EDA) program enables Nicosia to shift away from Russian-origin military hardware. The U.S. suspension of the defense trade restrictions and arms embargo on the Republic of Cyprus is extended through September 2027, as Cyprus is certified with compliance by the American Secretary of State over continued cooperation with the U.S. on anti-money laundering and denial of Russian military vessels' access to Cypriot ports. The annual certification of compliance falls under the 2020 U.S. National Defense Authorization Act and the Eastern Mediterranean Security and Energy Partnership Act of 2019 that was signed into law by American President Trump.

Additionally, the U.S. European Command (EUCOM) has funded infrastructure upgrades at the Evangelos Florakis Naval Base to accommodate heavy-lift transport helicopters like the Chinook, and the Andreas Papandreu Air Base with the construction of a new aircraft apron to handle multiple heavy-lift military transport planes. These upgrades ensure contingency access and accelerate Cyprus's capacity to cope with emergency situations across the Eastern Mediterranean.

Cyprus's Offshore Hydrocarbon Program and the GSI

Cyprus's energy sector has been mostly unaffected by the Iran war, however, the island's infrastructure program falls behind its offshore exploration program. The development of the estimated 15–18 trillion cubic feet (tcf) of confirmed gas in Cyprus is impeded by repeated infrastructure delays. Prime among them is the stalemate in the construction of a liquefied natural gas terminal at Vasilikos due to contract termination and financial mismanagement, and the delays in the execution of subsea pipelines that are dependent on regional stability and cross-border commercial agreements.

In terms of exploration, the Cronos gas field currently leads development, outpacing the Aphrodite gas field that has faced years of delays primarily because of commercial disagreements, and political challenges. The final investment decision for the Cronos gas field, located in Cyprus's offshore Block 6, was made in July 2026 and production is scheduled to begin in 2028. The plan is for Cyprus to be connected to Egypt via a subsea pipeline so that Cypriot gas reaches the Damietta liquefaction facilities before it is exported to Europe. Once liquified, it is estimated that a portion of Cypriot gas could be directed to its domestic market to reduce reliance on heavy fuel oil and relieve some of the highest electricity prices in Europe.

Cyprus's right to develop its energy resources within its Exclusive Economic Zone (EEZ) is important and falls not only within its national security strategy but also within the scope of the trilateral Cyprus-Greece-Israel partnership that welcomes natural gas finds in the Eastern Mediterranean and their potential to contribute to energy security and diversification. The Great Sea Interconnector to end Cyprus's energy isolation and connect Israel to continental Europe via Greece constitutes a core infrastructure pillar of the 3+1 partnership, involving Cyprus, Greece and Israel along with the United States, whose strategic value has been highlighted amid heightened regional tensions and the Iran war. The Great Sea Interconnector envisions to link the grids of Greece, Israel and Cyprus with the European power grid delivering up to 2,000 megawatts of energy, thus enhancing security of supply and incentivizing Israel, which is currently not interconnected to its neighboring

states, to accelerate the participation of renewable energy resources in its energy mix.

A strategic agreement was signed in early August 2026 between the Independent Power Transmission Operator (IPTO/ADMIE), GSI, and cable manufacturer Nexans that enables the French investment group Meridiam to become the majority shareholder in the GSI project. The agreement foresees the expedition of submarine seabed mapping and bathymetric surveys. The entry of French Meridiam has granted the undersea electricity cable project a stronger financial support and an elevated European geopolitical leverage.

The “3+1” partnership, which signals sustained American commitment in the Eastern Mediterranean and institutionalizes cooperation could be fortified with the inclusion of Egypt and Jordan as observers, incorporating in its agenda the execution of cross border energy projects, protection of critical infrastructure and cybersecurity.

Maritime Delineation as a Catalyst for Regional Interconnection

Cyprus is a regional country that signed most agreements for the delimitation of its maritime boundaries with neighbors. Cyprus’s delimitation agreements that are based on the UNCLOS can, therefore, serve as a model for other regional countries to emulate. Cyprus signed its first agreement for the delimitation of maritime boundaries with Egypt in 2003 based on the median line principle under the United Nations Convention on the Law of the Sea (UNCLOS), setting a regional precedent. The second agreement for the delineation of maritime areas was signed between Cyprus and Israel in 2009. The third maritime demarcation agreement was signed between Cyprus and Lebanon initially in 2007, which remained unratified until late November 2025 when the deal was finalized.

The delineation of maritime boundaries with neighboring countries enables Cyprus to become more engaged in Eastern Mediterranean energy developments, particularly for the execution of interconnected energy projects and the attraction of investments. Cyprus constitutes a strategic corridor that is critical for the execution of the EU’s Orient/East-Med Corridor, and the India–Middle East–Europe Economic Corridor (IMEC). The Orient/East-Med Corridor envisions to connect by 2030 Central Europe with Northern, Baltic, Black, and Mediterranean Sea ports and related motorways. The decarbonization goals of the Corridor in terms of a 90% reduction in greenhouse gas emissions from transport are expected to be met by 2050.

The India–Middle East–Europe Economic Corridor (IMEC) envisions a multi-layered, resilient network of physical infrastructure interconnections, a shared energy grid and digital telecommunication pipelines that will link South Asia, the Middle East, and Europe. IMEC has surfaced India's efforts to position itself as a long-term partner in West Asia. But challenges remain in navigating regional conflicts, and an evolving multilateral diplomacy. Notably, Saudi Arabia has expressed unwillingness to proceed with IMEC as initially conceived reportedly opting for turning Syria's geographic location into a key energy, electricity and data corridor between the Gulf and Europe. Cooperation on multiple corridors rather than competition over a single route seems to prevail in the regional calculations, and Cyprus has a major role to play in this regard.

By Way of Conclusion

Unquestionably, Cyprus is a uniquely positioned country that pursues consistent policies that center not only on the development of its defense capabilities and indigenous energy resources but also on the solidification of its regional, European and American partnerships. It has become crystal clear during the Iran war that through active diplomacy and coalition building, Cyprus has transformed into an indispensable western ally and a valuable security producer that actively enhances stability in the Eastern Mediterranean and the Middle East.