

<u>The IMEC Peace Triangle:</u> An EcoPeace Strategy for Middle East Peace, Shared

An EcoPeace Strategy for Middle East Peace, Shared Prosperity and Inclusive Resilience

In the aftermath of October 7, the ensuing war in Gaza, and developments in the political realities of Lebanon, Syria and the broader region, EcoPeace Middle East has developed a strategy for a prosperous and resilient Middle East. This strategy aims to utilize the India-Middle East-Europe Economic Corridor (IMEC) as a means to promote regional stability and cooperation. By adding to IMEC the concept of a "Peace Triangle," focused on Israel, Palestine, and Jordan, EcoPeace envisions fostering economic interdependencies at several levels, across sectors and across regions. The success of IMEC is much dependent on unimpeded trade and connectivity between Asia, the Middle East, and Europe and the Peace Triangle concepts helps create the political and security arrangements needed.

Recent political developments allow broader buffer triangles to be created, extending from Egypt to Syria along the East Mediterranean coast with a triangular pinnacle to Europe in the west and a triangular pinnacle to the Gulf and India to the



east. Israel, Palestine, and Jordan are at the core where an inclusive IMEC corridor creates a diamond-shaped double triangle. The Peace Triangle is not only a linchpin



for regional cooperation but also a prerequisite for IMEC's viability, as it anchors the corridor's stability and mitigates risks posed by conflict. The IMEC corridor can thus help create a multi-layered network of healthy interdependencies, where geopolitical, economic, environmental, and security objectives for a peaceful, prosperous, and resilient Middle East can be realized and reinforced.

The IMEC Peace Triangle Rationale

IMEC, signed at the sidelines of the <u>G20 in 2023</u>, has created a unique political-economic coalition to stimulate economic development through enhanced connectivity and economic integration between South Asia, the Middle East, and Europe. Though implementation has been delayed due to the continuing wars in the Middle East, since February 2025, many important meetings initiated by US President Trump, Indian Prime Minister Modi, EU President von der Leyen, and Italian Prime Minister Meloni, have created much needed renewed momentum.

The work of French President Macron's IMEC Envoy Gérard Mestrallet resulted in the first collective IMEC sherpas meeting held in France in May 2025. The European Commission has committed to include IMEC within the framework of the new MENA strategy and the New Pact for the Mediterranean. Private sector mobilization, initiated by the Saudi company ACWA Power, is exploring joint projects in green hydrogen, renewable energy exports, and related infrastructures.

With such powerful actors involved, IMEC could play a critical role in advancing Middle East peace by incorporating a "Peace Triangle" - with regional integration between Israel, the future State of Palestine, and Jordan at its core. In the opinion of EcoPeace and several thought leaders (CEPS, ECCO, Carnegie, and more) without resolving the Israeli-Palestinian conflict and broader Israeli Arab conflict with Lebanon and Syria, investors will be reluctant to invest massive sums needed to move IMEC forward. IMEC therefore needs to incorporate the Peace Triangle to the same extent that regional peace requires IMEC.

Cooperation Structured under 4 Pillars

The IMEC Peace Triangle strategy to advance Middle East peace, shared prosperity, and inclusive resilience is based on four pillars:

1. A Geopolitical Pillar - This pillar identifies the pivotal role that IMEC can play in advancing the Two-State Solution, where the IMEC corridor projects become on the one hand part of the viable, irreversible pathway to a



Palestinian State, and on the other support the expansion of the Abraham Accords through additional Israeli-Arab state normalization;

- 2. An Economic Pillar The IMEC Peace Triangle creates the needed connectivity between wealthy European, Israel, and Gulf states with the struggling non-fossil Arab economies to become the economic engine needed to rebuild Palestine (Gaza), Syria, and Lebanon. If IMEC is inclusive of all East Mediterranean states, empowered by economically viable projects utilizing comparative advantages, and led by private sector investments rather than grants and donations, its connectivity can foster sustainable economic growth and prosperity for all parties;
- 3. An Environmental Pillar Creating a healthy Water-Energy-Food-Ecosystems Nexus (WEFE) is at the heart of an environmentally secure and climate resilient Middle East. IMEC connectivity linking renewable energy produced in the Middle East and exported to Europe can be the fulfilment of the Saudi and UAE vision of diversifying Gulf economies from fossils to renewables. At the same time, it will assist advancing RepowerEU policies of diversifying European energy sources and meeting Paris climate commitments. Within the Middle East, the connectivity created supports an expanded Water-Energy Nexus, where renewable energy produced in the desert hinterlands considered the best for green energy powers East Mediterranean coastal desalination plants, creating the climate resilience needed in the most water-scarce region on the planet;
- 4. A Security Pillar In the same manner that "Coal and Steel" forged European security, IMEC creating healthy interdependencies across a broader Middle East can foster regional security and stability. This is a linchpin pillar where by design the IMEC Peace Triangle catalytic cross-border projects, financed by private sector European and Gulf state investors, transform national security interests. Connectivity based on high-level investment in conflict prone states means that the success of Gulf and European economies become partially dependent on keeping the peace. The interdependency of all states will increase the shared mutual interest in combating spoilers and extremists on all sides to safeguard national security interests. In addition, the economic viability of the catalytic projects themselves require intense security coordination, helping to build trust by creating a new culture of much needed security coordination.



Forward Looking Framework Advanced by 3 Catalytic Projects

EcoPeace Middle East identified three catalytic projects whose implementation could advance the IMEC Peace Triangle with transformative results. Undoubtedly, more catalytic projects can and will be developed, such as developing data connectivity. The three projects identified by EcoPeace are seen as starters that highlight the strong value added that IMEC presents to the network of countries involved. With the support of partners in Sweden (SIDA) and Germany (KAS), during 2024/5 EcoPeace commissioned/participated in several external studies that assessed the economic, geo-political, technical, and environmental feasibility of these initiatives. As part of the study process meetings and roundtables were held in Israel, Palestine, and Jordan but also in European capitals, the Gulf, and US to get input and feedback from government, private sector, and civil society as well as extensively socializing the projects themselves.

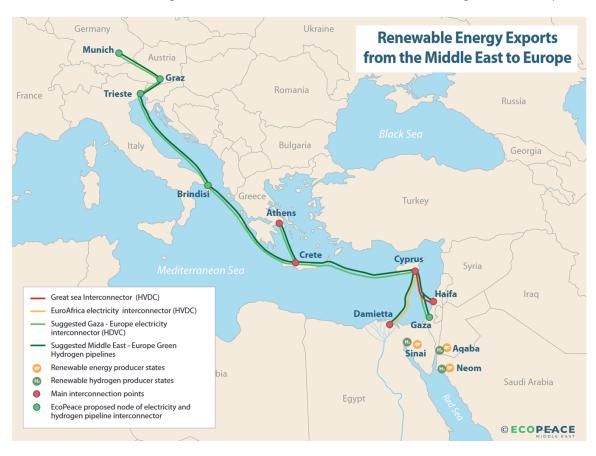
All three catalytic projects' studies - briefly described below and their executive summaries attached - show that public/private sector led investments can advance the four objectives set by EcoPeace resulting in transformative and inclusive benefits for all. These initial results create the opportunity for programs such as those of the EU Global Gateway, international development banks, and private sector to partner with governments along the IMEC network, to undertake more in depth feasibility studies, and start investing in aspects of the projects that are mature for implementation.

The three catalytic projects are:

Middle East Renewable Energy Export to Europe: The Neom area in Saudi Arabia, southern Jordan, and Sinai in Egypt - coined the "Sunrise Region" - has the best combination of solar and wind anywhere in the Mediterranean basin and constitutes a natural engine for large-scale renewable energy production. The Emirati consultancy Qamar Energy concluded that the Sunrise Region could fully supply the energy needs of Jordan, Palestine, and Israel plus 30% of the energy needs of southern and central Europe from Greece to Germany. The study confirmed the economic, technical, environmental, and geopolitical viability of electricity cables and green hydrogen pipelines from the Sunrise Region producing 170 GW of electricity and later green hydrogen, using Egyptian, Israeli, and Palestinian (Gaza) export nodes, connecting energy to Cyprus, Greece, and Italy (Brindisi and Trieste) on to Austria (Graz) and Germany (Munich). The size of the investment, contribution to climate resilience, economic contribution, and level of connectivity created between the Middle East and Europe all make this project catalytic. The study highlights the endeavour's bankability through the return on investment. Not

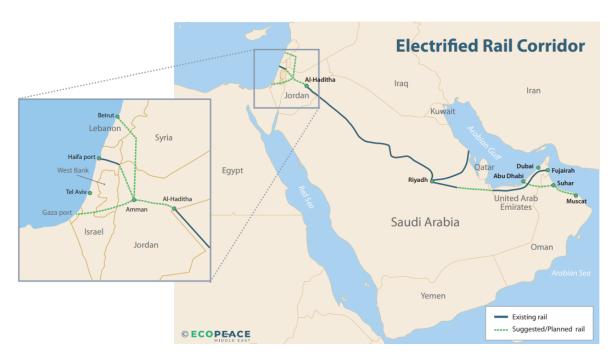


less important, through a Peace Triangle design adding Gaza as an export node - in addition to Egypt and Israel - this project transforms geo-political and security considerations, contributing to a pathway to a Palestinian State and Israeli-Saudi normalization. As a priority investment, advancing the Crete-Cyprus-Israel electricity interconnector would set an important precedent that gives the confidence needed to the private sector to move forward on much larger interconnectors from the Sunrise Region to Europe.



Electrified Rail Network: Mentioned in the original IMEC MoU, the ports of India would move container traffic to the Gulf, where 20 foot containers would be loaded on rail to Haifa port and then back on ships to the European ports of Greece, Italy, and France. Studies undertaken estimate a 40% saving in time, compared to container traffic moving via the Suez Canal, if the land rail route is seamless with coordinated security from India to Europe and Europe to India. Yet, the railway will constitute a complementary route for faster delivery in addition to the need for the main large-scale route of the Canal. The same study estimates a level of container traffic, initially 10 million TEU, that requires several East Mediterranean ports to handle the scale of traffic that in a later stage is estimated to increase to 25 million TEU. The adoption of the Peace Triangle concept of inclusion as a means to build shared prosperity and mutual security interests is found by the study to be economically justified,





potentially linking the IMEC proposed electrified rail network to the ports of Egypt, (Alexandria), Palestine (Gaza), Israel (Haifa), Lebanon (Beirut) and Syria (Tartus). The IMEC railway to Gaza, Beirut, and Tartus in particular can be the economic engines needed for the rebuilding of these economies,

emphasizing the catalytic nature of the investments involved. A priority investment here would be expanding the existing land crossings between Israel and Jordan, and Jordan and the West Bank to accommodate the humanitarian and rebuilding needs for Gaza that will act as a precedent and show the political will needed for investors to build the new rail, logistical and port infrastructure required in Jordan, Israel, and Palestine.

Water-Energy Exchange: A third study commissioned by EcoPeace proposes to expand Project Prosperity (a joint Israeli-Jordanian-Emirati MoU, originally authored and facilitated by EcoPeace) to fully include Palestine by constructing a large 200 mcm/annual desalination plant in Gaza, to meet not only Palestinian but regional water needs, including Jordan. The investment





here is catalytic as it creates a set of healthy interdependencies, where Israel and Palestine produce desalinated water for their own needs and that of Jordan, and Jordan sells large scale renewable energy to both Israel and Palestine to power the desalination and in general. EcoPeace's 2017 water-energy study and most recent study focusing on the economic and technical viability of building a 200 mcm desalination plant in Gaza both conclude that creating this level of interdependence between the core Peace Triangle countries is transformative in economic, geo-political, mutual security, and climatic benefits. Once agreed upon Palestinian governance and security arrangements take hold in Gaza, building the large desalination plant should be a priority investment project.

An Opportunity for Advancement

There is an opportunity to advance this strategy now as it aligns with the interests of key IMEC signatories. EcoPeace's underlying assumption is that IMEC serves national security interests. We are not alone in this; the eight IMEC coalition countries have identified IMEC as a national security issue. Though the interests of each signatory vary, there is a strong common basis, as evidenced here:

<u>The European Union</u> - IMEC offers trade and energy diversification for the EU, which it is seeking following the Russia-Ukraine war and Houthi attacks in the Red Sea. The Peace Triangle addition to IMEC is being adopted by the European Commission in the new <u>Pact for the Mediterranean</u> and the <u>EU Middle East Strategy</u>, with a strong focus on connecting IMEC to peacebuilding. The Peace Triangle should now be integrated into that thinking: <u>Global Gateway</u> and <u>Trans-Mediterranean Energy and Clean Tech Cooperation (TMED)</u> are funding opportunities that should be utilized to advance the catalytic projects. Therefore, the <u>Global Gateway Forum</u> in October 2025 offers a chance to move this forward.

The United States - The Peace Triangle strategy aligns with key strategies of the US. The <u>I2U2</u> is a partnership between India, Israel, the UAE, and the US focusing on joint investments in areas like water, energy, transportation, and technology. Coordinated governance between I2U2 and IMEC stakeholders would link climate policy, trade flows, and connectivity into a coordinated strategic architecture, resulting in business opportunities for American companies. The Peace Triangle also fits into the expansion of the <u>Abraham Accords</u>, which aim to foster regional cooperation and economic integration through the normalization of relations between Israel and several Arab nations. The Abraham Accords, therefore, have the potential to facilitate the implementation of IMEC.



<u>Italy</u> - The Peace Triangle aligns with Italy's economic ambitions in making Trieste a key IMEC port for goods, renewable energy, and green hydrogen. Trieste offers direct integration into the Central European supply chain. The dual connectivity strengthens Italy's positioning within regional and global trade networks. To this end, PM Meloni has appointed an <u>IMEC Envoy</u> in April 2025.

<u>France</u> - In February 2024, President Macron appointed a <u>Special IMEC Envoy</u> to shape IMEC and France's involvement in it, in order to benefit from the catalyst it is for concrete projects and investments for French businesses. France views Marseille as a key IMEC port for trade, which does not have to be in competition with Trieste but in addition to Italy. The French Special IMEC Envoy is adopting the Peace Triangle strategy into IMEC's implementation plan.

<u>Germany</u> - For Germany, the Peace Triangle aligns with its <u>goals</u> of identifying economic opportunities, supply chain diversification, and energy security. IMEC will provide Germany with access to a wider range of green energy suppliers, including those in the Middle East, supplementing its imports of low-carbon hydrogen. In July 2025, the German Ambassador to Israel publicly announced at a conference that Germany supports the Peace Triangle addition to IMEC.

<u>Saudi Arabia</u> - MBS' <u>Saudi Vision 2030</u> is a blueprint for diversifying the economy, creating a vibrant environment for local and international investors, and establishing Saudi Arabia as a global leader. The Peace Triangle strategy will advance these goals, and through normalization with Israel on the condition of a viable pathway for a Palestinian State, create healthy interdependencies and address security needs in the Middle East.

<u>The United Arab Emirates</u> - The UAE's <u>Future Roadmap</u> centers on doubling GDP, increasing non-oil exports, and expanding foreign trade. The vision also emphasizes sustainability and strengthening the UAE's global position as a key economic and investment hub. Here too, the Peace Triangle addition to IMEC strategy will promote the Gulf state's aims through interconnectivity and increased climate resilience.

<u>India</u> - India seeks to become a leader among developing countries and views IMEC as an opportunity to compete with China's <u>Belt and Road Initiative</u>. IMEC will enhance economic cooperation between India and G7, extend its trade with the EU and Gulf, and so support its industrial development. India and the UAE already moved forward the Eastern leg of IMEC by signing bilateral trade agreements.



Proven Effectiveness

The Peace Triangle strategy is built on a model of connectivity creating healthy inter-dependencies, such as the Coal & Steel Agreement that formed the foundation of today's European Union, and the <u>North West Greenway Network</u> connecting Ireland and Northern Ireland. Today we see the EU advancing a similar strategy in the Black Sea region - <u>EU Strategy for the Black Sea Region</u>.

EcoPeace's strategy is grounded in the idea that economic and environmental cooperation opens political pathways otherwise blocked by mistrust or stagnation. The Peace Triangle strategy offers win-win solutions for all parties involved and a foundation for stability in the Middle East.

Next Steps

High-level efforts are needed to champion the Peace Triangle strategy. To help create the necessary political will inside and outside of the region, feasibility studies must be conducted on the three catalytic projects - preferably involving leading financial institutions, including the World Bank and Development Finance Corporation. The Gulf governments must be convinced by research that a Gulf Marshall Plan for the region will boost their economies as the Marshall Plan did for the US. Now is the best time to pursue this paradigm-shifting approach precisely because of the renewed international political will for the Two-State Solution, the rejection of the "conflict management" status quo, and the opportunity to expand the Abraham Accords, including Saudi Arabia.