

# ENERGY WITHOUT ALLEGIANCE INVESTMENT, POWER, AND THE POLITICS OF PEACE IN A FRAGMENTED REGION

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## **Energy Without Allegiance**

# **Investment, Power, and the Politics of Peace in a Fragmented Region**

### **Energy as Intent, Not Neutrality**

In regions where borders blur and mandates clash, energy no longer travels alone. It carries recognition, legitimacy, and strategic alignment. In the post-conflict Middle East and Africa, pipelines and power lines are not just infrastructure; they are declarations. Energy is no longer a stabilizer in isolation; it is the language through which sovereignty and peace are negotiated.

### **The Mirage of Neutral Energy**

Neutrality is a technocratic myth. Engineers focus on grids and capacity; financiers on returns and risk. But in fragile territories, every contract is a political act.

A solar farm in northern Syria, a transmission line to Lebanon, and a desalination plant in Gaza each signal which authority is respected. The recent repeal of Caesar Act sanctions opens up limited energy trade in Syria but also highlights the tension between humanitarian recovery and political approval. Sudan's ASCENT initiative re-enters a fragmented landscape without resolving the question of legitimacy.

In Palestine, energy is both a symbol and a battleground. The Gaza conflict has changed regional cooperation. Jordan's suspension of the water-for-energy deal with Israel and the UAE shows how political trust can break down faster than technical feasibility. Clean energy can't thrive under occupation. Even neutrality needs clarity.

### **Conflict as Catalyst: From Destruction to Reallocation**

Conflict clears the slate. Ceasefires prompt reconstruction, not reconciliation, but reallocation. Recent U.S.–Saudi discussions depict Riyadh as more than just an oil stabilizer; it's also a guarantor of peace-related investments. Washington's effort to establish a Gulf-led corridor connecting Egypt, Jordan, and Israel aims to counter Chinese and Russian influence. For the Gulf, it's both a responsibility and a form of leverage, turning surplus resources into soft power.

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But peace also introduces its own instability. After the 1991 Gulf War, oil prices declined 33% in 100 days. During the 2003 Iraq invasion, they fell 10% before rebounding. Today's ceasefire arrangements, such as in Gaza, the Red Sea, and Sudan, could cause similar turbulence. Markets reevaluate risk premiums, insurance costs, and route stability. Peace, like war, causes disruption.

## **The Expanding Meaning of Energy**

Energy is no longer limited to oil and gas. The region's future resources include water, wind, hydrogen, and data, each vital to sovereignty.

Water is energy in liquid form, fueling agriculture, resilience, and influence. Solar and wind are the currencies of post-carbon diplomacy, forging new alliances in Jordan, Egypt, and the Gulf. Hydrogen corridors connect Gulf producers to Europe via Türkiye and the Levant, the next frontier. Digital energy such as fiber-optic, cloud, and AI support smart grids and merge cyberpower with state power.

Energy is not a sector. It is a system that shapes recovery, interdependence, and legitimacy.

## **Investment as Recognition**

In post-conflict areas, investment acts as recognition. Capital flows shape legitimacy. In Syria, Gulf investment signals cautious normalization without official approval. In Sudan, investment replaces mediation. In Gaza, reconstruction commitments depend on U.S.–Saudi consensus and Egyptian mediation.

The Gulf's sovereign funds, such as PIF, Mubadala, ADQ, and QIA, are no longer passive. They serve as tools for peacekeeping. Through infrastructure investments and international collaborations, they are opening a new chapter of subtle regional engagement, prioritizing partnership over patronage.

## **The Political Economy of Recovery**

Recovery is guided by five interconnected principles:

1. Sanctions as Selective Frameworks: Their application or suspension signals intent, as observed in Syria and Lebanon's energy corridors.

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2. Capital as Conditional Trust: Donor timing and transparency influence which side regains momentum. Trust becomes more financialized.
  3. Design as Diplomacy: Modular projects enable engagement without escalation. Flexibility is key to survival.
  4. Regional Anchoring as Insurance: Shared ownership by Türkiye, Iraq, Gulf trilaterals mitigates domination and builds resilience.
  5. Trust as Infrastructure: Communities measure legitimacy by light, water, and employment. Neutrality becomes visible.

### **Peace as Market Opportunity**

Conflict drives up risk premiums; peace reduces them. The International Maritime Organization estimates that insurance costs can increase by as much as 500% during active conflict. Truces in the Red Sea and Gaza help release liquidity for logistics and reconstruction.

This “peace dividend” moves in three directions: lower transportation and insurance costs, new investment opportunities, and cross-sector innovation in energy, water, and technology merging into integrated systems.

The challenge is to convert volatility into value, fragile truces into enduring partnerships that improve both energy security and social resilience.

### **Türkiye’s Quiet Credibility**

Amid changing alliances, Türkiye stays an essential intermediary. Its energy diplomacy is subtle but not hidden, linking the Gulf to Europe and the Levant to Central Asia.

Through LNG hubs, electricity interconnections, and mediation between rival blocs, Ankara offers something rare: pragmatic trust. Its restraint is not hesitation. It is a strategy.

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## **Infrastructure as Peace**

The future of energy in the Middle East isn't just about fuel, but about how nations turn resource management into peace management.

Neutrality now demands active designing and systems that prioritize people over politics, and partnerships that restore legitimacy rather than buy it.

Energy has long been used as leverage to pressure, reward, and isolate. But in a region marked by division, it now has the potential to unite states through shared interests. The same pipelines that once divided can now connect. The same grids that once symbolized control can foster coexistence.

This new era of energy diplomacy goes beyond oil and gas. It includes water, wind, hydrogen, and technology, which are the new lifelines of regional security. When energy is shared collectively, water is distributed fairly, and innovation replaces isolation, peace becomes more than just a promise. It becomes a living infrastructure.

When trusted actors handle it, energy becomes the foundation of peace, a subtle yet strong diplomacy that lights homes, supports life, and reshapes power without conflict.