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I2U2 and Shared Strategic Goals

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Introduction

Established in October 2021, the I2U2 group is an economic and strategic forum named after its founding members Israel, India, the United States, and the United States. The academic argument for creating a specific grouping like the I2U2 was first conceived in July 2021 by thinker Mohammed Soliman who called it an ‘Indo-Abrahamic’ framework.¹ The signing of the Abraham Accords between Israel and the UAE transformed international relations in West Asia. Putting differences on Palestine aside, Israel and the UAE saw common threats in an increasingly autocratic Turkey and a geopolitically ambitious Iran. Since the signing of the accords, Israel and UAE have announced a \$3 billion Abraham fund to invest in defence, technology, trade, and energy. The countries are also working on a new digital order² in West Asia to combat Iranian cyber threats and Turkish drones. India under Prime Minister Modi has seen an exponential improvement in ties with West Asia. US Secretary of State Anthony Blinken has highlighted the strategic importance of Israel, India, and the UAE in combating common concerns related to energy, climate change, trade, and regional security.³ This paper will focus on the present goals

¹ Mohammed Soliman, “An Indo-Abrahamic Alliance on the Rise: How India, Israel, and the UAE Are Creating a New Transregional Order,” Middle East Institute, July 28, 2021, <https://www.mei.edu/publications/indo-abrahamic-alliance-rise-how-india-israel-and-uae-are-creating-new-transregional>.

² Mohammed Soliman, “An Indo-Abrahamic Alliance on the Rise: How India, Israel, and the UAE Are Creating a New Transregional Order,” Middle East Institute, July 28, 2021, <https://www.mei.edu/publications/indo-abrahamic-alliance-rise-how-india-israel-and-uae-are-creating-new-transregional>.

³ Navdeep Suri and Kabir Taneja, eds., “I2U2: Pathways for a New Minilateral,” *Observer Research Foundation* (ORF, March 4, 2023), 9 <https://www.orfonline.org/research/i2u2-pathways-for-a-new-minilateral/>.

and challenges of the I2U2 group and use its trajectory to determine its future role and relevance in global politics.

I2U2: Not a West Asian QUAD

From the moment of its unveiling, the I2U2 has often (and wrongly) been compared to the QUAD. Of course, one cannot help but notice the similarities. Both groupings involve four nations with two of them in common. Both seek to increase economic and strategic cooperation. However, the purposes of both groupings are almost entirely different. The QUAD has a prominent military angle to its functioning. Its first edition was marked by ‘Exercise Malabar,’ one of the biggest maritime exercises to counter growing Chinese influence in the Indo-Pacific. The QUAD’s resurgence in 2021 was marked by the desire for a free and open Indo-Pacific and a rules-based order in the region. The other prominent areas of cooperation are COVID-19 recovery, critical technologies and climate financing.⁴ However, military security as a result of Chinese power projection is a core aspect of its existence. The I2U2 objectives are vastly different.

⁴ The White House, “Quad Leaders’ Joint Statement: ‘the Spirit of the Quad,’” The White House, March 12, 2021, <https://www.whitehouse.gov/briefing-room/statements-releases/2021/03/12/quad-leaders-joint-statement-the-spirit-of-the-quad/>.

Common and Diverging Interests

The I2U2's goal broadly spans six areas of interest – food security, clean energy, transportation, water, space, and healthcare.⁵ While the QUAD has a shared China concern, the member nations of the I2U2 are shown to exhibit strategic autonomy. For example, Israel and the UAE have strong security relations with the US, and economic relations with China. The US and India recognise that level of autonomy and continue to expand cooperation with Israel and the UAE in the six areas. Similarly, India has cordial economic relations with Iran as seen in the Chabahar Port trilateral agreement between India, Iran, and Afghanistan. The US has tense relations with Russia, but India, Israel, and UAE have strategic partnerships with it. However, the fact that it is a plurilateral congregation only strengthens the case for the establishment of more such groupings where nations can collaborate on various global issues, with no strings attached and guaranteed strategic autonomy.

The diverging geopolitical interests of the I2U2 member states are only one challenge to the functioning of the group. Despite its focus on increasing economic and technological cooperation, nations like Iran and Turkey will continue to view the I2U2 as an alliance against them. To balance the I2U2 out, there are chances that Iran and Turkey may increase their collaboration with hostile nations like Pakistan, Russia and China, creating conflict in West Asia. India arguably has the most to lose. This split may lead to a strain in Iran-India relations and increased aggression from Pakistan and China. China is already increasing its influence in the UAE through Huawei's 5G investment, and Israel by gaining access to Haifa and Ashdod ports.

⁵ The White House, "Joint Statement of the Leaders of India, Israel, United Arab Emirates, and the United States (I2U2)," The White House, July 14, 2022, <https://www.whitehouse.gov/briefing-room/statements-releases/2022/07/14/joint-statement-of-the-leaders-of-india-israel-united-arab-emirates-and-the-united-states-i2u2/>.

I2U2's Projects: Food Security, Renewable Energy, and Defence

Another defining feature of the I2U2 is its focus on using private investment to fund its projects, making it distinct from other regional groupings today. The idea is not just to cooperate on the six areas of interest, but to increase technological capability, innovation, and entrepreneurship in its member nations. Although the heads of state have only had one summit so far, I2U2 sherpas Dammu Ravi (India), Jose W. Fernandez (USA), Ahmed Al Sayegh (UAE), and Alon Ushpiz (Israel) have met frequently and agreed to make I2U2's pet projects privately driven, with governments providing periodic physical and financial assistance and facilitation.⁶

The I2U2 is a relatively new grouping. But its first summit was a productive success. The grouping announced the creation of two new projects, both in India. The first is a food corridor project that seeks to address the food security area of interest. The second is a wind-solar hybrid project to increase cooperation in the clean energy sector.

I2U2 Food Corridor Project: Opportunities and Challenges

The I2U2 is working in a tense global environment. The threat of COVID-19, the Ukraine conflict, rise in prices, a potential global debt crisis and increasing temperatures are some of the most pressing problems that governments face today. However, these issues have collectively led to food deficits in countries that are highly dependent on food imports. Policies of global initiatives like the United Nations and the World Trade Organisation have had a marginal impact on dealing

⁶ Navdeep Suri and Kabir Taneja, eds., "I2U2: Pathways for a New Minilateral," *Observer Research Foundation* (ORF, March 4, 2023), 14 <https://www.orfonline.org/research/i2u2-pathways-for-a-new-minilateral/>.

with the crisis. As a plurilateral group, the I2U2 seeks to create a different path that would foster cooperation between its member states by capitalising on their strengths. The I2U2 aims to increase international food distribution through sustainable and climate-friendly channels.

The idea of the I2U2 food corridor project is to launch integrated food parks in India, run on clean energy sources. The goal is to use climate-savvy technology to reduce food wastage, increase food security, and conserve water. The project is likely to be funded by private firms in the US and Israel which seek to offer sustainable solutions and physical support for establishing these parks.⁷ As India is predominantly an agrarian economy, its goal is to expand its supply to UAE and Israel. As West Asia is mostly barren desert lands, increased food supply from India at reasonable prices will be advantageous for all I2U2 member states, including the US which is guaranteed a stable price for these food grains. The food corridor will not just improve food security and assure steady prices in the US and West Asia but will help Indian farmers gain access to international markets, increasing their productive output and income. The corridor, if successful, will create a perfect win-win situation for all stakeholders.

The project is expected to have a \$2 billion investment⁸, mainly funded by the UAE-based private company Abu Dhabi Developmental Holding (ADQ). ADQ has joined hands with various traders in the UAE to create warehouses to store food imports from India. ADQ CEO Mohamed Alsuwaidi has announced his collaboration with the Gujarat and Madhya Pradesh state governments to create joint working groups to look at logistics and exports. Specific details like product procurement,

⁷ The White House, “Joint Statement of the Leaders of India, Israel, United Arab Emirates, and the United States (I2U2),” The White House, July 14, 2022, <https://www.whitehouse.gov/briefing-room/statements-releases/2022/07/14/joint-statement-of-the-leaders-of-india-israel-united-arab-emirates-and-the-united-states-i2u2/>

⁸ Ibid.

prices, locations, and government role are still being discussed. However, the project is not devoid of challenges. International trade initiatives are complex due to tariffs, duties, taxes, and trade barriers. The food corridor project also requires vast spaces of land dedicated specially for export production. This may create issues for local farmers that want complete ownership of their land.⁹ I2U2 member states must have a clear understanding of the extent to which trade barriers may be imposed. The Indian government has a specific challenge of cultivating a policy that would foster local farmer support and involvement in realising the goals of the food corridor project.

I2U2 Wind and Solar Energy Project

The Wind and Solar Hybrid Energy Project is a \$330 million initiative that will be funded by the US Trade and Development Agency to establish a 300 MW low-carbon project in Dwarka, Gujarat. The 300 MW will be split into 200 MW of wind energy and 100 MW each for solar energy and storage. The project will receive private investment and expertise from Shivman Wind Pvt. Ltd and the Chicago-based Evergreen Power Solution Inc.¹⁰ The project will include the use of battery storage technology that would lead to high power output at low costs. The project is estimated to The I2U2 can expect many supply chain issues as the renewable energy and battery storage markets are Chinese-dominated. However, India has displayed remarkable promise in the solar energy sector with its spearheading of the International Solar Alliance. As solar power is among the cheapest sources of renewable energy¹¹, companies are now looking at using Artificial intelligence to strengthen solar panel functioning. Considering that the I2U2 can find a solution to

⁹ Navdeep Suri and Kabir Taneja, eds., “I2U2: Pathways for a New Minilateral,” *Observer Research Foundation* (ORF, March 4, 2023), 15 <https://www.orfonline.org/research/i2u2-pathways-for-a-new-minilateral/>.

¹⁰ Ibid. 16

¹¹ Ibid. 57

effective battery storage capacities, the project can put India years ahead of other nations in its goal of switching to renewable energy.

Expanding I2U2: Egypt and Saudi Arabia

Similar to how the QUAD is rumoured to have plans to include Japan and South Korea, there are speculations as to eventually including Egypt and Saudi Arabia in the I2U2 grouping. Scholars like C Raja Mohan have argued for the inclusion of Egypt in the I2U2,¹² citing shared strategic concerns. Since the rise of Recep Tayyip Erdogan, Turkey has seen itself as an aspiring leader of the Muslim world, seeking to replace larger nations like Egypt and Saudi Arabia. This signifies trouble for both Israel and the UAE. Erdogan has also been an open supporter of Pakistan on the Kashmir issue, making him a threat to Indian stability as well. To balance the Turkey threat out, Egypt's inclusion in the I2U2 framework may just do the job.

Egypt boasts one of the strongest militaries in West Asia as the world's third-largest arms importer.¹³ Since the signing of the Camp David and Abraham Accords, Israel has shared improved relations with both Egypt and the UAE. Egypt under Abdel Fattah Al Sisi launched multiple campaigns and finally thwarted the Muslim Brotherhood in 2014, a group that only Qatar

¹² C. Raja Mohan, "Making a Case for Indo-Abrahamic Accord," The Indian Express (The Indian Express, August 2, 2021), <https://indianexpress.com/article/opinion/columns/india-middle-east-relations-israel-uae-abraham-accords-7435298/>.

¹³ SIPRI, "International Arms Transfers Level off after Years of Sharp Growth; Middle Eastern Arms Imports Grow Most, Says SIPRI" (SIPRI, March 15, 2021), <https://www.sipri.org/media/press-release/2021/international-arms-transfers-level-after-years-sharp-growth-middle-eastern-arms-imports-grow-most>.

and Turkey support. Egypt has already proven itself to be a vital security ally in the region due to its size and geographic location. As one of the steadily growing economies¹⁴ in the Middle East and North Africa region, Egypt's proximity to the Suez Canal can provide a great boost towards improving trade relations between the I2U2 members and the rest of the world. Apart from Israel and the UAE, Egypt also shares historic ties with India since the 1950s. As the founding members of the Non-Aligned Movement (NAM), Gamal Nasser and Jawaharlal Nehru shared a strong relationship rooted in improving Afro-Indian ties and strengthening the NAM. Now with Sisi establishing a 'New Republic'¹⁵ in Egypt, India and the rest of the I2U2 members can rediscover Egypt's strategic significance and contribution to the grouping's projects.

Saudi Arabia is another crucial nation that can add value to the I2U2. Aside from being the de facto leader of the Arab World, its immense economic growth over the last decade has made it a formidable economic power and an important member of the G20 council.¹⁶ While it does not have Egypt's advantage of having normal relations with Israel, Saudi-Israel relations have significantly improved with both nations opening trade and airspaces for each other.¹⁷ Saudi Arabia could also play a crucial role in dealing with the Iran and Turkey threats as the former's arch-rival and defending its Arab World leadership from the latter.

¹⁴ Nafisa Eltahir, "Egypt's Economy Seen Growing Steadily over next Three Years," *Reuters*, July 21, 2022, sec. Africa, <https://www.reuters.com/world/africa/egypts-economy-seen-growing-steadily-over-next-three-years-2022-07-21/>.

¹⁵ Sofian Philip Naceur, "Al-Sisi's 'New Republic' " (Rosa-Luxemburg-Stiftung, October 2022), <https://www.rosalux.de/en/publication/id/47794/el-sisis-new-republic>.

¹⁶ Mohammed Soliman, "The I2U2 Needs Muscle. Cairo and Riyadh Can Help," Middle East Institute, August 22, 2022, <https://www.mei.edu/publications/i2u2-needs-muscle-cairo-and-riyadh-can-help>.

¹⁷ Ibid.

Looking Ahead

Despite the challenges highlighted in the previous section, the I2U2 shows immense promise in paving a new pathway for plurilateral diplomacy. The food corridor and solar wind hybrid projects show that the grouping creates a win-win situation for all its member states. As multilateral fora are riddled with corruption and unfair dominance of specific nations, platforms like the I2U2 show an alternative route for developing countries. It is also a response to nations that have accused the US of disengagement from West Asia. I2U2 is an important example of showing that power today is not just dependent on military strength but economic and technological cooperation between like-minded nations.¹⁸

Other than the UAE's food park investment, the US Trade and Development Agency's pledge to invest \$330 million in Gujarat's hybrid renewable energy project¹⁹ would be a crucial step towards India meeting its 500 MW non-fossil fuel energy capacity by 2030. The UAE has signed Comprehensive Economic Partnership Agreements (CEPAs) with India and Israel.²⁰ This means that India and Israel would have preferential market access and lower trade barriers. Cooperation between I2U2 members at the bilateral level is essential to ensure better overall functioning of the grouping. Although the I2U2 has a solid framework in place, the only way to its success is by ensuring that its member states remain future-oriented

¹⁸ Navdeep Suri and Kabir Taneja, eds., "I2U2: Pathways for a New Minilateral," *Observer Research Foundation* (ORF, March 4, 2023), 74 <https://www.orfonline.org/research/i2u2-pathways-for-a-new-minilateral/>.

¹⁹ Ibid.

²⁰ Ministry of Commerce, "Comprehensive Economic Partnership Agreement (CEPA) between the Government of the Republic of India and the Government of the United Arab Emirates (UAE)," Mcommerce, March 2022, <https://commerce.gov.in/international-trade/trade-agreements/comprehensive-economic-partnership-agreement-between-the-government-of-the-republic-of-india-and-the-government-of-the-united-arab-emirates-uae/>.

and understand that strategic autonomy does not signify hostility. As long as the grouping keeps the politics away by focusing solely on cooperation, the I2U2 can set a ground-breaking standard for regional diplomacy and an increased role for developing nations in shaping the world.

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