

**REPORT**

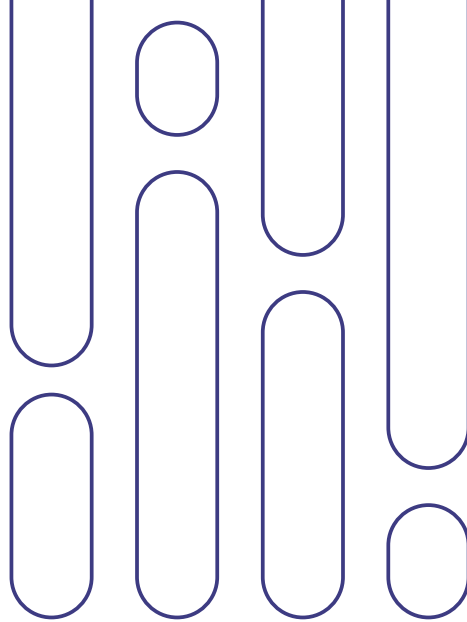
# **The Significance and Prospects of the Recent I2U2 Summit**

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## **Contents**

<b>Genesis and Formation of I2U2.....</b>	<b>3</b>
<b>Key Areas of Cooperation and Their Significance ..</b>	<b>4</b>
<b>Prospects for Mutual Cooperation .....</b>	<b>4</b>
<b>Limitations, Challenges and Opportunities .....</b>	<b>6</b>
<b>Conclusion.....</b>	<b>7</b>

On July 14, 2022, the first-ever [I2U2 Virtual Summit](#) was held with the participation of the leaders of the member countries: US President Joe Biden, UAE President Sheikh Mohammed Bin Zayed Al Nahyan, Indian Prime Minister Narendra Modi, and Israeli Prime Minister Yair Lapid. The summit occurred during US President Joe Biden's trip to the Middle East to help prepare the forum's member countries for a post-oil and gas economy and identify converging areas for cooperation, especially to improve connectivity, public health services, environmental sustainability, and attract investments.

## **Genesis and Formation of I2U2**

The forum's emergence can be traced back to the initial [meeting](#) between the foreign ministers of the member countries in October 2021. The forum was initially referred to as the International Forum for Economic Cooperation, with the aim to strengthen economic interactions in the fields of trade and investment.

As per [reports](#), a senior US administration official informed the media before the Virtual Summit that the gathering would be called I2U2; "I2" denoting India and Israel, and "U2" denoting the United States and the UAE. The formation of I2U2 was largely possible because of the signing of the Abraham Accords in 2020 which paved the way for the normalization of ties between Israel and several Arab countries. In the last two years the UAE has interacted with Israel on vital issues, thus increasing the prospects for deeper cooperation in both the economic and [security](#) fields. For example, the UAE and Israel have [proposed](#) to jointly develop unmanned military and commercial vessels and some recent [reports](#) also indicate that the UAE has invested nearly \$100 million in Israel's growing technological sector.

## **Key Areas of Cooperation and Their Significance**

The I2U2 member countries have [highlighted](#) six areas of cooperation including water, energy, health, food security, space and transportation as well as ways for developing low carbon emissions and the modernization of infrastructure. [Reports](#) indicate that the forum's member countries will advance a hybrid renewable energy project in India's Gujarat state, consisting of 300 megawatts (MW) of solar and wind capacity along with a battery energy storage system. The US Trade and Development Agency (USTDA) provided \$330 million to carry out a feasibility study of the energy projects. The United States also proposed the idea of developing an integrated food corridor in India funded by the UAE.

While India will provide the land and human capital to ensure the UAE's food security, the latter will meet the former's growing energy demands. The United States and Israel will support the aforementioned proposed projects by sharing their technical expertise and extending additional funding. The forum's member countries also intend to work together to increase the availability of opportunities in the private sector and several of the aforementioned proposed projects seem to complement India's ambition to transform into a global hub for renewable energy and boost its commercial aspirations.

## **Prospects for Mutual Cooperation**

The UAE had earlier proposed to establish a food corridor program with India in 2017 and the I2U2 forum's member countries have proposed to facilitate the building of agricultural parks in India. These parks will produce agricultural items in line with

the standards and quality requirements of the forum's member countries. [Israel](#) and the [UAE](#) foresee food shortages while as per several reports, India has reached a stage of [food surplus](#) that has also become a challenge for new Delhi to manage. With Israel's technical expertise in agriculture and water technology coupled with the UAE's and the United States' investments and capital support, the forum's member countries can benefit from developing mutually beneficial agricultural projects to ensure food security which is a growing concern.

Bilateral initiatives and programs can supplement the I2U2 forum's initiatives as the member countries have increased their cooperation in multiple fields over the years. Several [reports](#) indicate that the bilateral trade between India and the UAE is nearly \$59 billion and UAE features as one of New Delhi's top trading partners. Bilateral relations between the UAE and Israel have also seen considerable momentum post ratification of the Abraham Accords. The [signing](#) of the Comprehensive Economic Partnership Agreement (CEPA) between India and the UAE and the [Free Trade Agreement](#) (FTA) between the UAE and Israel reflect the growing bilateral partnerships among the I2U2 forum's member countries. Recently, a consortium of Adani Ports and the Special Economic Zone Ltd (APSEZ) from India and Israel's Gadot Group won the bid to privatize the Port of Haifa. As per the official [statement](#), by winning the bid, the joint consortium has "secured the rights to buy 100% shares of Haifa Port Company Ltd and the concession period of the Port of Haifa remains up to 2054." Moreover, both Israel and the UAE have increased investments in their space programs and their space cooperation with India becomes [critical](#), especially considering New Delhi's potential for [satellite launching](#).

## Limitations, Challenges and Opportunities

The I2U2 forum set its agenda against the backdrop of a volatile time for the Middle East, especially as Gulf states are preparing for new geopolitical changes amid new strategic alignments featuring a growing partnership between Israel and several Arab countries. Moreover, the Gulf states are seeking the creation of a new strategic architecture as well as greater security guarantees from the United States. Meanwhile, the US Senate is imposing extensive pressure on the Biden administration to withdraw US forces from the region and not to extend concessions to Iran.

The I2U2 forum is [seen](#) as the “Middle East Quad” akin to the Quad comprising the United States, India, Japan, and Australia. The latter is viewed as an alliance to counter China in the Indo-Pacific. However, when assessing the interests of the I2U2 forum’s member countries in the Middle East, one major divergence is evident. Unlike the United States, the UAE and Israel, India does not intend to cut its interactions with Iran, although ever since the reinstatement of sanctions by the former Trump administration, India has been forced to reduce its economic interactions and energy relations with Iran. Indian refiners have expressed their [interest](#) to buy Iranian oil once the sanctions on Iran are lifted by the United States.

India has several foreign policy interests with the UAE, especially after the Abraham Accords as both countries continue to increase bilateral relations with Israel in the fields of trade, investment, technology, and security. However, India does not share the security concerns or threat perceptions of the United States, the UAE or Israel concerning Iran. India’s response to the discourse around the formation of I2U2 reflects its own foreign pol-

icy equation that aims to balance between Iran and Israel. While responding to questions on whether the I2U2 forum can be seen as a “Quad in the Middle East,” India’s foreign secretary [said](#) that the forum is not intended to be against any particular country.

## **Conclusion**

In the current context, the larger objective of the forum is to expand economic cooperation and its underlying agenda has not featured security or strategic issues. However, as per the [joint statement](#) issued by the I2U2 forum’s member countries, the durability of the forum and the future of economic cooperation could eventually pave the way for a long-term strategic partnership. As Middle Eastern powers aim to increase their cooperation with Russia and China which reflects their ambition to achieve strategic autonomy from the United States, the latter realizes the strategic importance of revitalizing or forming new alliances and partnerships with regional countries such as the I2U2 forum or the [Negev Forum](#).

