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Civil society's interest in oil and gas growing

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While the political class has done nothing to move forward on exploring for potential offshore oil and gas reserves in the past year, Lebanese civil society organizations are taking more of an interest in the emerging sector.

“If you had asked me this question [about civil society interest in oil and gas] nine months ago, I would have told you it’s an emerging interest, it’s still too early,” Diana Kaissy, Lebanon representative of the international NGO Publish What You Pay, told NOW. “But I can tell you now the interest is there more and more. And even if you look at the media in general, more and more studies and ‘Q-and-A’s’ are coming out. People are asking questions.”

Lebanon has flirted with the idea of being an oil and gas producer for decades. Prior to the country’s 15-year civil war, prospectors even

Civil society is paying more attention to oil and gas in Lebanon. (AFP Photo/Mikhail Mordasov)



“I am very optimistic about how involved civil society is going to be in the future.”

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drilled several on-shore exploration holes in hopes of finding crude. Those efforts were for naught, and in recent years attention shifted offshore.

In 2010, Lebanon's parliament approved an offshore exploration and production law. In the following years, more regulations for the sector were drafted and approved. Additionally, in late 2012, then-Minister of Energy and Water Gebran Bassil announced the formation of the Lebanese Petroleum Administration (LPA), the sector's governing body.

2013 at one point looked like it would be the year to embark on Lebanon's oil and gas dreams. Under Bassil, the LPA held a prequalification round for international oil and gas companies interested in drilling Lebanon's waters. The regulator – and the Ministry of Energy – **planned to launch** the first offshore licensing round on May 2, 2103.

However, before the months-long bidding period could begin, cabinet needed to approve two decrees delineating offshore exploration blocks and approving a model exploration and production sharing agreement to be signed by Lebanon and whichever companies won rights to explore the country's waters.

Prior to both the bid round's launch and the approval of the decrees, former Prime Minister Najib Miqati resigned, collapsing the cabinet and ushering in a nearly year-long period without a government.

During this time, the LPA has **been busy** drafting regulations and holding meetings with various stakeholders, among other things. Most of the LPA's decisions, however, require cabinet approval so actual progress in the oil and gas sector has been minimal.

That said, Lebanon's oil and gas potential has drawn the interest of the wider world. Last year, 52 companies applied to pre-qualify to bid for exploration and production rights. 46 made the cut.

On top of that, foreign money has been coming in to aid civil society organizations keen to monitor the sector and push for transparency in an industry many link – rightly or wrongly – with corruption and back-
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room deals.

Mona Sukkarieh, an analyst with the local consultancy [Middle East Strategic Perspectives](#), told NOW in an email exchange that local civil society organizations need “more training” on oil and gas issues and noted that this “explains the availability of foreign funding, whether from international organizations, foreign NGOs or foreign governmental institutions.”

She noted that foreign NGOs – like Publish What You Pay, and others – have been “instrumental” in helping train local civil society groups on how to approach the sector.

Laury Haytayan, the Lebanon representative of Revenue Watch Institute, said her organization is not yet properly working in Lebanon but that she is partnering with the Lebanese Center for Policy Studies to create a Lebanon-based hub to help train and assist civil society organizations interested in monitoring and influencing not only oil and gas activities, but all extractive industries in the region.

“We’re working with LCPS on setting this up,” she said. “We’ll be training civil society, the media, and maybe later public sector employees.” Haytayan said instructional courses for civil society organizations on the extractive industry will be held in a few months. LCPS could not be reached for comment.

For its part, the Lebanese Transparency Association is keen to keep an eye on officials vis-à-vis oil and gas but has no specific program dedicated to the sector. Unlike the other sources interviewed for this article, Yehia Hakim, director of the LTA, told NOW the petroleum administration has not reached out to his group to discuss transparency issues.

Haytayan and Kaissy, from Publish What You Pay, told NOW the LPA has held several workshops with civil society organizations and, thus far, has a good track-record on transparency.

Speaking of the LPA, Haytayan said, “they’re well intentioned and really open to civil society and open to experts and reaching out to the population to explain what they’re doing.”

The LPA did not respond to a request for comment on this article.

As for what civil society organizations should be focusing on at the moment, Kaissy said, “the first thing, the obvious thing, is to have this bid [round] as open as possible. It shouldn’t be a closed bid. The tenders have to be very transparent.”

Sukkarieh, the consultant, however, cautioned that civil society organizations must also work to broaden their focus.

“Much of the activity that has been carried out so far, and activities being planned, revolve around promoting transparency in revenue management and combating corruption,” she told NOW. “There seems to be little interest in attempting to influence the decision-making process, or the drafting of legal texts, or designing future institutions and how they should work, adopting instead a more passive approach.”

For her part, Kaissy is hopeful that civil society will play a positive role as the oil and gas sector takes off in Lebanon.

“I am very optimistic about how involved civil society is going to be in the future,” she said.

**This article was amended on March 15 because Revenue Watch Institute was misidentified as Revenue Watch International and Laury Haytayan's name was misspelled. NOW regrets the error.*



COMMENTS (2)

NEWEST

OLDEST



POST COMMENT



LAR

No oil and gas has actually been found. It's just day-dreaming until anything is actually found.

March 19, 2014



MATTNASH

Very fair point, LAR. I don't, however, think I gave anyone the impression there was a guarantee. If you disagree, can you point out places in the text that suggest otherwise?

March 19, 2014

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