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Oil in the Mediterranean: First Come, First Served



Lebanon stands to lose with the Cypriot-Israeli agreement and US interference over determining the geographical criterion for the designation of its maritime boundaries. For one thing, this entails lost oil and gas resources. (Photo: Haitham Moussawi)

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After the discovery of large deposits of oil and gas in the eastern Mediterranean, Lebanon is engaged in a struggle with both Cyprus and Israel to prevent encroachment on its maritime boundaries.

At the University of Nicosia's Second Levant Energy Forum, Energy Minister Gebran Bassil requested that the Israeli ambassador to Cyprus leave the venue of a joint session between the Lebanese minister and Cypriot President Demetris Christofias.

But Bassil's request was not only about objecting to the presence of the Israeli ambassador.

According to political sources familiar with the situation, the objection was instead directed at both Cyprus and Israel.

This comes after Cyprus breached its agreement with Lebanon and signed an agreement with the Zionist state, which then attempted to gobble up 860km2 of Lebanon's maritime zone.

One goal behind the objection then was to reaffirm Lebanon's right to fully restore the zone wrongfully seized from it.

There has been a growing clamor in Beirut, after Lebanon managed to recover 500 out of 860km2 of its EEZ, while 360km2 remain effectively under Israeli control. This incident raises once again the need for Lebanon to assert the integrity of its maritime boundaries and to recover all of its Exclusive Economic Zone (EEZ) — currently being disputed by Israel following its agreement with Cyprus.

There has been a growing clamor in Beirut, after Lebanon managed to recover 500 out of 860km2 of its EEZ, while 360km2 remain effectively under Israeli control.

Lebanon stands to lose with the Cypriot-Israeli agreement and US interference over determining the geographical criterion for the designation of its maritime boundaries. For one thing, this entails lost oil and gas resources.

All this raises a fundamental question: Why are some attempting to downplay the issue, or exaggerate the futility of demanding that the remaining 360km2 in the EEZ be restored to Lebanon?

The same sources take us back to when the maritime boundaries were initially demarcated, after an agreement on the EEZ between Lebanon and Cyprus was signed in 2007.

The agreement delineated the Lebanese maritime boundaries, while taking into account the criteria for that in the UN Convention on the Law of the Sea (UNCLOS), the international conventions ratified by Lebanon, and its sovereign interests that include resources such as oil and gas.

But Lebanon failed to implement the agreement following pressure from Turkey and prime ministers Saad Hariri and Fouad Siniora. This is in spite of many revisions and communiqués submitted by the Ministry of Energy and Water (MEW) to the Lebanese government, and calls by the energy minister for the agreement to be approved.

The agreement stipulates that Cyprus must consult with Lebanon if it intends to sign an agreement with a third party; however, it went on to sign one with Israel without Lebanon's knowledge or consent.

The energy minister argued that the agreement with Cyprus would confirm Lebanon's maritime boundaries, allowing it to benefit from exploration and production operations in Cyprus, virtually without doing anything.

But the Lebanese government dragged its feet, ultimately forcing Cyprus three years later (December 2010) to seek an agreement with Israel instead.

According to the Lebanese view, Cyprus's agreement with Israel was in breach of its agreement with Lebanon (which the latter subsequently ratified under law No. 163 issued on 28 May, 2011). The agreement stipulates that Cyprus must consult with Lebanon if it intends to

sign an agreement with a third party; however, it went on to sign one with Israel without Lebanon's knowledge or consent.

The Minister of Energy had in fact informed the Lebanese government that Israel was in the process of signing an agreement with Cyprus, while cautioning the latter's government against such a move.

The Cypriot government, however, ignored the Lebanese request, as its interests lay in beginning exploration without delay, having chosen and agreed with the Israeli side. Partnership between the Mediterranean island and Israel was enhanced further with mutual visits by the two countries' leaders, most notably the visit by Israeli President Shimon Peres and then Prime Minister Benjamin Netanyahu to the island.

The Cypriot-Israeli agreement enabled Israel to foray into Lebanon's EEZ, although Israel had hitherto observed the same boundaries adopted by Lebanon in all its operations.

In theory, there was no dispute over maritime boundaries between the two sides. But when the opportunity arose, Israel encroached on Lebanon's zones as a result of the latter's failure to quickly ratify its agreement with Cyprus.

Reports indicate that Israel found a loophole in the agreement between Lebanon and Cyprus which stipulates that the triple point can only be determined through trilateral negotiations.

The triple point in question is point 23. Since there are no contacts between Lebanon and Israel, the determination of this point is pending negotiations, which means that Lebanon falls back to point 1. Israel's interpretation of this, however, is that Lebanon has lost 860km2.

While it may be natural for borders not to be final, it is hard to see any justification for Lebanon to miss the opportunity to recover the entire area in question.

This compelled Lebanon to delineate its boundaries through a law. Lebanon then notified the United Nations accordingly, as well as reaffirming its commitment to international conventions.

In the process, Lebanon has proclaimed to all the Lebanese that "these are our borders, and we will not compromise on them" – through parliament, the government, the armed forces, and the ministry of public works, as well as a widely representative committee.

In the meantime, the MEW was making all necessary preparations for exploration, including drafting the relevant law and decrees, in addition to marine surveys, data analysis, and the creation of an oil sector commission.

The ministry's efforts were moving quickly, establishing a data room, and beginning preparations for international conferences in Lebanon – including the one scheduled for next Tuesday with the participation of over 300 Western energy officials, business leaders, and experts.

Soon after, Frederic Hof, the US Special Coordinator for the Middle East, held several meetings in Beirut, in conjunction with successive mutual visits by officials in Lebanon and Cyprus, and increased talk of an imminent solution to the dispute.

Meanwhile, the stated position of the MEW has been that not a single inch will be compromised, particularly when, according to the MEW, a British and a Swiss group were hired alongside international experts to delineate the boundaries in accordance with

international standards and norms.

Last May, the Lebanese president called for a meeting to discuss the country's maritime boundaries at the Baabda Palace. The meeting was attended by the prime minister and the ministers of public works, energy, and justice, as well as representatives from the armed forces.

During the meeting, there was talk for the first time that the maritime boundaries can be revised, or that a blue line – i.e. a new separation line – can be created.

But the energy minister objected to this, saying, "How can we live for years according to the borders we adopted in the past, and then modify those?" He also asked on what basis or criteria can the boundaries be reconsidered, and questioned whether the conveners had the authority to make such a decision when a law on the matter had been passed in parliament – a law that cannot be amended at the discretion of any side, except the cabinet.

Returning to the meeting in Cyprus, Bassil addressed the Cypriot president during their joint session, and said, "Mr. President, we are determined to exercise our full rights on every inch of our EEZ".

He also said that Cyprus made a flagrant mistake without Lebanon's knowledge and approval, adding that the Lebanese side does not want the historical and special relations and joint interests to be jeopardized because of this mistake. Bassil then requested that the offense be corrected, for the benefit of mutual cooperation in the oil and gas sector.

The conveners then urged that negotiation efforts be stepped up dramatically in order to secure Lebanon's rights.

This means that the energy minister has linked future cooperation with Cyprus to correcting this mistake. Accordingly, talks with Cyprus concerning mutual cooperation (i.e. production sharing, whereby Lebanon would benefit financially from any joint wells drilled by Cyprus without any effort, and vice versa), cannot take place without this mistake being addressed first. More importantly, Lebanon must not compromise on 360km2 of its maritime zone.

On Thursday, a meeting of the committee in charge of Lebanon's EEZ convened at the government's headquarters. The meeting was presided over by Prime Minister Najib Mikati; the committee is currently being chaired by Minister of Public Works Ghazi Aridi, rather than the foreign minister.

Some in Lebanon are cheerful because Lebanon is winning 500km2, when in fact it is losing 360km2.

A report submitted by the committee concluded that the boundaries in place are correct and therefore must not be revisited. But at the same time, the committee implied that these boundaries are not final, and can therefore be modified.

The sources we spoke to said that while it may be natural for borders not to be final, it is hard to see any justification for Lebanon to miss the opportunity to recover the entire area in question, or to say that we recovered 500km2 instead of saying that we lost 360km2. This is while bearing in mind that the borders agreed upon by the Lebanese could have encompassed broader and larger areas than the present ones.

There are two possibilities then: Either that Lebanon's maritime boundaries are final, correct,

and have been duly delineated, and therefore Lebanon must not compromise on them especially as each square kilometer may contain an abundance of resources. Or, that there has been something more sinister at play for more than two years.

Nevertheless, some in Lebanon are cheerful because Lebanon is winning 500km2, when in fact it is losing 360km2.

Other questions about this situation include: Why does Lebanon fight for every inch on land, but then forfeit 360km2 of its territorial waters – practically giving it away? Are there any strategic or political grounds that justify this?

If so, shouldn't everybody be brought in on it to share the responsibility? Why rush to modify the boundaries, with some blaming the army for it, accusing it of conceding maritime areas that belong to Lebanon?

The American Proposal

According to the information available to the parliament's public works committee, which has endeavored painstakingly to assert Lebanon's rights, the source of the talk about modifying the boundaries is none other than the US envoy, Frederic Hof.

During his visit to Lebanon, Hof spoke about two techniques usually used in determining the triple point: the first involves drawing a perpendicular line from coordinates on the coast; the other is the equidistance method for the delimitation of maritime zones. Hof's advice was to follow the second method which would allow Lebanon to recover only 500km2 out of 860km2.

In other words, Lebanon would be losing 360km2, not gaining 500, because Lebanon has an otherwise solid claim to the initial area of 860km2.

This is what has given rise to the ensuing clamor, as Lebanon is currently attempting to assert its right to the entire maritime zone it is entitled to, as per international conventions.

This is while Hof's proposal seems to have met with a positive response by some.

This article is an edited translation from the Arabic Edition.

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