

# Energy: Turkish Continuous Provocations in the East Mediterranean



By Roudi Baroudi

Cypriot President Nicos Anastasiades made full use of the high-profile stage created by the latest summit in Cairo with the leaders of Egypt and Greece, issuing a very public call for Turkey to adopt a “constructive stance” in addressing regional disputes.

Recent Turkish intrusions into the internationally recognized Republic of Cyprus’s Exclusive Economic Zone (EEZ) – at a time when Nicosia is working with private companies to determine the extent of the divided island’s offshore oil and gas reserves – have prompted the ROC to suspend peace talks with the self-styled “Turkish Republic of Northern Cyprus” (TRNC), which is recognized only by Ankara.

With both Egyptian President Fatah al-Sisi and Greek Prime Minister Antonis Samaras at his side following their talks, Anastasiades said the repercussions of Turkish actions could be far-reaching.

“Turkey’s provocative actions do not just compromise the peace talks, but also affect security in the Eastern Mediterranean region,” the Cypriot leader said. “For the negotiations to succeed, Turkey needs to show positive intentions and adopt a constructive stance through positive and effective steps in this direction.”

The summit appears to demonstrate that the ROC is making progress in its efforts to build multilateral support in the face of Turkish intimidation.

Indeed, Turkey's latest gambit in the chess match over Cyprus' oil and gas reserves is pure obstructionism because no one – including Turkey and its ally, the TRNC – will derive any benefit from the move.

Unless the right people decide otherwise, in which case the potential crisis touched off by the Turkish move could be transformed into an historic opportunity.

Notwithstanding political and diplomatic complications, the legal facts of the case are fairly straightforward. In 1974, Turkish troops invaded the northern third of Cyprus following a coup in Nicosia whose leaders sought an unlikely unification with Greece. Since that time, the Turkish military and more than 100,000 settlers have occupied just over 36% of the island, not only denying displaced Greek-Cypriots the right to return to their homes but also engaging in an illegal policy of systematically exploiting their properties. Successive governments in Ankara have steadily entrenched the occupation, even going so far as to establish the aforementioned TRNC in 1983.

Just as clearly, both the international community and all competent and independent legal authorities have conclusively rejected Turkey's attempts to gain legitimacy for the TRNC. Resolutions by the United Nations Security Council have repeatedly declared the entity illegal and all of its actions null and void, and urged UN member-states to withhold both diplomatic recognition and all forms of assistance or facilitation. At the same time, a series of regional, national and international legal verdicts – including in the United States, the United Kingdom, several European countries, and the European Court of Human Rights – has comprehensively discredited 40 years of Turkish policy while unreservedly

endorsing the right of the ROC to be regarded as the sole legitimate government of the island. In addition, Cyprus' accession deal with the European Union specifies that although the ROC does not control the occupation zone, its residents are regarded as ROC citizens and therefore as EU ones.

This thorough refutation of Turkish claims enjoys virtually universal support, and until today, the TRNC is formally recognized by only one independent country: Turkey itself. The occupation zone uses the Turkish lira as its currency, direct air travel and many other forms of transport are allowed only from Turkey, and various embargos have resulted in badly stunted economic development.

Greek-Cypriots have yet to obtain redress for the depredations carried out against them, even the economy in the unoccupied two-thirds of the island has been prevented from realizing its potential, and the ROC's sovereignty remains subject to gross violation. Despite all this, no one has suffered more hardship from Turkish policy and the resultant isolation of the TRNC than Turkish-Cypriots, almost half of whom are estimated to have emigrated since the original 1974 invasion.

An on-again, off-again peace process was rebooted in February of this year, but Turkey's leaders demonstrated little enthusiasm, and now Ankara has erected yet another obstacle. At the beginning of October, Turkey issued a Navigational Telex (NAVTEX) declaring its intention to carry out offshore seismic surveys, between October 20 and December 20, in a huge area off the island's southern and eastern coasts. This area lies well within the ROC's internationally recognized EEZ and continental shelf, and overlaps substantially with undersea blocs already auctioned off for exploration by international energy companies, including Italian giant Eni and South Korea's KOGAS. Nonetheless, when October 20 rolled around, the Turkish survey ship Barbaros was reported to have arrived on scene, accompanied by at least one warship and two support vessels.

Once again, the facts render Turkey's actions null and void. Cyprus' EEZ is recognized in bilateral delimitation agreements, concluded under the provisions of the UN Convention on the Law of the Sea (UNCLOS), between the ROC and each of the sovereign states with any possible counter-claims, including Egypt (2003), Israel (2010) and Lebanon (2007). Conversely, Turkey has yet to join UNCLOS, proclaim an EEZ, define the extent of its continental shelf, or conclude bilateral delimitation pacts with any of its neighbors in the Eastern Mediterranean. Turkey has, however, concluded delimitation deals with its neighbors in the Black Sea, lending its own weight to the very same international legal precedents that it refuses to abide by in the Eastern Med.

What all this – and so much more – means is that for all of Turkey's bluster, any project to illegally exploit the ROC's offshore resources is likely to be stillborn: few respectable countries (if any) will purchase this oil or gas, the isolation of the TRNC will continue, and Turkey could face both damaged trade relationships and even sanctions. In short, Turkey has little to gain, and probably much to lose, if it maintains its current course. Ankara is fully aware of this, so the threat implied by the NAVTEX and the Barbaros cannot be interpreted as anything but a spoiling tactic aimed at hampering the ROC's own legitimate plans to develop an offshore energy sector by intimidating the government and its partners.

This is where the opportunity comes in. Previous attempts to settle the Cyprus conflict have failed, often reinforcing the kind of zero-sum-game approach that informs Turkey's latest provocations. With the right handling, however, this time could be very different. The possibilities opened up by Cyprus' own oil and gas reserves are highly lucrative, and now the EU has endorsed plans to make the island a major regional gas hub which would interconnect the output of several Eastern Mediterranean countries with markets in Europe via pipeline

and/or LNG shipping. The incentive to get a reunification deal done has therefore been expanded geometrically, and extended to more third parties.

Apart from both Greek- and Turkish-Cypriots, the primary beneficiaries of such a settlement would be EU consumers, who would gain several advantages from easier and more reliable access to cheaper and greener energy supplies from within the European family. And since Eni is Italy's largest industrial concern by market capitalization, that country in particular has a powerful motive to see the Cyprus mess cleaned up once and for all. Other major players like France's Total and Schlumberger, as well as America's Noble Energy and Halliburton, further widen the field of interested governments whose good offices could be put to good use. Above all else, the founding principles of both the EU and the UN demand that no effort be spared in ending this long and painful chapter of Cypriot history.

Conflicts over energy have fueled violence in many parts of the world, including nearby areas of the Middle East and North Africa. Now the international community has a chance to accomplish the opposite by leveraging energy wealth to end a decades-long dispute. That would serve the legitimate interests of all concerned, including Turkey, which could eventually gain the same access to attractive energy supplies as European countries. First, however, the warships have to return to port.

And stay there.

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# بارودي لـ «الجمهورية»: النفط موجود براً وقبرص بوابتنا الى أوروبا

## الجمهورية

شدّد الخبير الدولي في قطاع الطاقة رودي بارودي على أهمية تعزيز العلاقات بين لبنان وقبرص في ملف النفط والغاز، لأنها أقرب منطقة إلينا تسمح لنا بالدخول الى الاسواق الاوروبية. وركز على أهمية المسح البري الذي يجري راهناً والذي من شأنه تزويدنا بمعلومات مهمة عن النفط والغاز والثروة المائية لاسيما الينابيع البرية.

أنجز الخبير الدولي في قطاع الطاقة رودي بارودي دراسته الأخيرة لهذا العام حول «وضع الطاقة في المنطقة» بعد الدراسة السابقة التي أعدّها في هذا الشأن عام 2008. وفي حديث لـ «الجمهورية» أكد بارودي ان الدراسة لا تنحصر بلبنان فقط بل تتحدث عن التقدم الذي شهدته الدول المجاورة للبنان مثل قبرص اسرائيل غزة وسوريا في حقل الاستكشاف والتنقيب عن النفط، ومن حيث تحديد الكميات أو المخزون النفطي واستناداً الى دراساتهم ما هو المخزون النفطي المرتقب في لبنان.

وشدّد بارودي على أهمية المسح البري الذي يقام راهناً نظراً لأهميته من حيث مساعدة الحكومة على تأكيد احتمالات وجود النفط في لبنان.

ولفت الى انها المرة الاولى منذ 60 عاماً يحصل فيها تقدم في المسح بواسطة offshore 2 البري، لافتاً الى انه منذ العام 2002 بدأ مسح والمسح البري الذي يقام راهناً من شأنه تزويدنا بمعلومات D و3 مهمة عن النفط والغاز والثروة المائية من حيث الينابيع البرية، لذا من الضروري عدم تضييع الفرص في هذا المجال للإفادة من هذه الثروة إلى أقصى حد. وتشمل الدراسة خرائط تظهر أماكن تواجد آبار النفط والغاز في كل من سوريا وقبرص وفلسطين وغزة، وتظهر هذه الخرائط وجود النفط والغاز في كل البلدان المحيطة بلبنان، ما يؤكد ان في لبنان نفط وغاز.

**التعاون مع قبرص**

من جهة أخرى، شدّد بارودي على «أهمية تعزيز العلاقات بين لبنان وقبرص في ملف النفط والغاز، وتنمية أواصر التعاون خصوصاً في مجال

الغاز السائل والتصدير إلى أسواق أوروبا لأنها الأقرب على الإطلاق  
«لتسويق الغاز

أما عن جدوى التعاون مع قبرص في هذا الملف، أوضح بارودي أن لبنان  
في حاجة إلى تصدير الغاز عند بدء استخراجه لأن احتياطه من الغاز  
أكبر بكثير من حاجته، كما أن التصدير ضرورة لتوفير الأموال  
للخزينة وأقرب سوق يمكن أن تصدر إليه النفط أو الغاز هو أوروبا  
وأقرب بلد أوروبي في محيطنا هي قبرص التي تبعد 100 كلم عن لبنان

لذا نحن في حاجة للتعاون مع قبرص لأنها بوابتنا إلى أوروبا،  
خصوصاً وأن أوروبا تستورد الغاز من بلدان تبعد عنها أقله 4 آلاف  
كيلومتر.

واستيراد أوروبا من الغاز يمر بنحو 7 بلدان، حيث تضطر إلى دفع  
ضرائب إلى 7 بلدان أقله. انطلاقاً من ذلك، نرى أن للبنان موقعاً  
استراتيجياً في تصدير النفط إلى أوروبا، مروراً بقبرص

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## Lebanon onshore oil and gas 'promising'

**THE DAILY STAR**  
LEBANON

BEIRUT: The analysis of Lebanon's onshore oil and gas survey data revealed promising results, the CEO of the U.S.-based company tasked with the survey said Monday during a conference held at ESA business school in Beirut.

Jim Hollis, CEO of NEOS, told participants at the "Oil and Gas: Governance and Integration" forum that the company would be revealing the complete survey findings during a news

conference set to be held Wednesday.

The survey, which covers 6,000 square kilometers, including the onshore northern half of the country and the transition zone along the Mediterranean coastline, integrates 2-D seismic data with airborne geophysical datasets to determine prospective oil and gas resources, Hollis said.

A number of energy experts have argued recently that keeping the immediate focus on onshore oil and gas exploration could help Lebanon become an energy producer earlier than most observers expect.

Lebanon's government has yet to approve a draft bill on onshore petroleum resources before referring it Parliament for ratification.

The law governing onshore petroleum resources will complement the Offshore Petroleum Resources Law that was ratified in 2010.

While five years have passed since the ratification of the Offshore Petroleum Resources Law, the government has yet to issue two decrees that would pave the way for the first licensing round for offshore gas exploration in Lebanon's exclusive economic zone.

The first licensing round was postponed last August for the fifth time due to political disagreements over the decrees pertaining to the designation of blocks that would be open for bidding and the terms of a draft on the Exploration and Production Agreement.

Gabi Daaboul, head of the legal department at the Lebanese Petroleum Administration, said during the conference that Lebanon should proceed with the gradual licensing of the 10 blocks that form Lebanon's EEZ.

The gradual licensing of blocks would enable the Lebanese



government to secure better terms in future licensing rounds, experts argued.

Roudi Baroudi, CEO of Energy and Environment Holding, an independent consulting firm based in Qatar, told The Daily Star on the sidelines of the conference that political bickering and instability was denting the confidence of international oil companies in Lebanon.

“Only by acting in unison could the political establishment regain the confidence of major industry partners,” Baroudi said.

Industry sources have warned that some international companies that prequalified for the first licensing round were re-evaluating the situation in light of the repeated delays as a result of the government’s failure to issue the two decrees.

Energy and Water Minister Arthur Nazarian warned during the conference that due to political bickering Lebanon could be squandering significant economic benefits, and urged the government to swiftly launch the first oil and gas licensing rounds.

Guillaume Leenhardt, global head of business development at Geneva-based Mercuria Energy Group, told participants that it would take almost five years to start production once the exploration phase kicks off.

Last month, Nazarian told The Daily Star that there was no indication yet on whether the Cabinet would hold a meeting in the near future to discuss and approve the two decrees concerning the number of blocks that would be auctioned and the revenue sharing agreement.

Lebanon’s potential offshore natural gas reserves are estimated at 25 trillion cubic feet, according to initial estimates carried out in the country’s exclusive economic zone.

Baroudi urged the government to arrange for the drilling of a few exploratory wells – both onshore and off – to prove the potential indicated by geological studies.

“Regional experience gives us reason to put the odds of success at between 65 percent and 85 percent, and the rewards in terms of increased interest by international oil companies and higher auction revenues could be huge,” he added.

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## **Qatar's Energy Acumen Spells Prosperity at Home and Stable Prices Around the World**



by Roudi Baroudi

Qatar's growing stature on the international stage did not come about by accident, but rather as the product of a concerted effort to acquire a larger and more constructive role in the region and around the world. This greater capacity to exert positive influences has been made possible by the country's enormous gas reserves, but even these would not have sufficed without both effective management of those resources and many years of astute diplomacy.

There were never any guarantees that the story would have a happy ending. The first oil well, "Dukhan 1," was drilled in 1939, but Qatar did not gain full independence from Britain until 1971, and its flagship oil company, Qatar Petroleum (QP), was not formed until 1974. Like many resource-rich countries emerging from the era of colonialism, Qatar lacked many of the institutions and mechanisms required for effective governance, so for many years it did not derive maximum benefit from the production and export of crude.

Near the end of the 20th century, however, the country and its territorial waters were found to be sitting atop huge deposits of natural gas in what would become known as the North Field. The colossal North Field covers an area of some 6,000 square kilometres, making it the single largest non-associated gas reservoir on the planet. Coupled with a new leadership that had the vision to make far-seeing investments, this gas has offered Qatar an opportunity to more than make up for lost time. As of 2014, the country's gas reserves were estimated at more than 25 trillion cubic metres, surpassed only by Russia and Iran and equivalent to a whopping 14 percent of the world total.

It was foresight, though, not just raw reserves, that made Qatar what it is today. Not content with the country being "just" another major producer of fossil fuels, the ruling family threw its weight behind financial investments and technological choices that would make Qatar a global leader in several facets of the gas business. Accordingly, billions of dollars were spent to expand production, acquire the world's most advanced liquefied natural gas (LNG) trains, and build a fleet of ultra-modern LNG carriers to serve customers around the globe. As a result, Qatar now leads all nations in exports of LNG. In addition, the country has been the foremost partner in the pioneering of research, development and commercialisation of gas-to-liquids (GTL) technologies, including a jet-fuel blend that reduces both emissions and operating costs.

Even more than natural resources, then, it is sound judgement that has transformed Qatar into the worlds wealthiest nation-state on a per capita basis, winning it a choice seat at the table when major power discuss the most pressing matter of the day It has used this influence to promote both economic and political stability, striving to forge bilateral and multilateral relationships with which to address shared concerns like war/occupation, poverty, and the environment.

This level of economic and diplomatic ambition requires across-the-board engagement and, when appropriate, strong leadership. Therefore, in addition to having Joined the Organisation of Petroleum Exporting Countries just a year after OPEC's founding in 1960, Qatar also plays a central role in the Gas Exporting Countries Forum (GECF) set up in 2001, having hosted the GECF's Executive Office and Secretariat since 2009.

GTL capital of the world

The GECF was established to promote the interests of the world's leading gas producers by holding regular meetings to find common ground and develop solutions for shared challenges, but its selection of Doha to serve as headquarters reflected a different priority, that of improving ties and coordination with consumer nations. As a country that maintains warm relations with governments on both sides of several diplomatic divides, Qatar and its robust finances have been instrumental in initiating and sustaining useful discussions of issues affecting the international gas market, providing a platform of stability that has allowed the development of a healthy and prosperous energy market that benefits all stakeholders.

Despite the volatility of the hydrocarbon markets and their relationship to international politics, Doha, in particular with its energy policy, has been a focal point of cooperation among producers and consumers with a view toward adopting new standards, regularizing markets and prices, and ensuring both

stability and sustainability of supply so that demand is met in a mutually beneficial manner. The resulting safe and sustainable energy flows, with fewer interruptions due to wars or other forms of instability, yields a variety of certainties that serve the interests of all countries. So it was that in less than a decade, a tiny country of just 2 million inhabitants became the most important force for maintaining global security and price stability for all forms of natural gas. Given the ever-increasing importance of natural gas in the global energy mix, this also means that Qatar contributes mightily to economic growth and flourishing energy initiatives in virtually all corners of the world.

In addition, Qatar has employed skilful political leadership in urging its fellow gas producers to think long and hard about the difference between oil and gas prices. Oil remains the benchmark, as all other energy prices usually rise and fall under its influence. Qatar continues to study the causes that have led to gaps in the price relationship between oil and gas, and how collective action can both restore the link and achieve parity between the two. Given the many environmental and other advantages that gas offers over traditional energy sources – including being non-toxic, near-perfect combustion, no soil contamination, and an enviable safety record – greater parity would seem to be in the interests of all concerned, including the planet itself.

The GTL venture is a prime example of innovation designed to ensure that more and more applications can use cheaper, cleaner-burning natural gas. Qatar is carving out yet another niche for itself, this time as “GTL capital of the world.” Only two other countries – South Africa and Malaysia – possess similar facilities, and Qatar’s access to affordable feedstock will give it significant advantages for years to come. By 2016, national production of GTL will amount to 174,000 barrels a day, radically increasing supplies available to help airlines, local public transport and utilities to reduce their carbon footprints.

The natural gas industry is growing and globalizing as demand

expands and new technologies like GTL enable and inspire creative new ways to customize compatible products and services. Simultaneously, Qatar's backing of a positive global energy dialogue,

reliable production and massive investment in today's fuel of choice are bringing more stability and security of supply to regional and global markets because in the gas industry, volumes and prices are defined primarily by long-term contracts, consumers and supplies. In 2006, Qatar and two of its neighbors, Oman and the UAE, completed the first cross-border regional gas pipeline, linking the North Field to customers in Abu Dhabi, Dubai and Oman. This tri-nation sub-sea gas pipeline project was an unprecedented achievement and so set a fitting example of strategic inter-energy connecting grids.

The impacts go far beyond the energy business. For example, Qatar has worked very successfully to foster better environments for strategic partnerships, and to achieve greater energy security while improving climate protection in the discovery, development and production of cleaner and more efficient fuels. This combination imparts enormous value to society by inspiring confidence in the strength and durability of the national economy and the policies pursued by the government, both at home and abroad. Better fuels mean higher standards of living, greater social stability, and a cleaner environment. The revenues and cost savings can be a game-changer in reducing poverty, and the Qatari government has worked to ensure that the gas industry operates with due regard for social, moral and environmental impacts. On this last score, achieving a truly open global market for gas is perhaps the single greatest step government and industry can take to achieve genuinely significant levels of de-carbonization in the coming years.

Even as I write, the world is rapidly moving toward commercialization of energy technologies independent of carbon, such as photovoltaics and fuel cells. These will take

time to mature, particularly in terms of applications requiring large mobile energy supplies, so gas will be the natural bridge that joins the carbon and post-carbon eras. For now, the oil and gas industry continues to decide the future of our world economy, and energy and capital complement one other. Therefore, the emerging primacy of gas will only solidify Qatar's position as a global energy titan, and continue to fuel its diversification as an emerging business and logistics hub in today's highly competitive world. And if recent history is any guide, the same resources will help fund investments that make the country a player in tomorrow's world as well.

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## قدّم إلى سليمان دراسته الأخيرة حول "الطاقة في المنطقة" بارودي: "إعلان بعيداً اقتصادي" يجذّب الإنهيار



المركزية- تسلّم الرئيس العماد ميشال سليمان من الخبير الدولي في قطاع الطاقة رودي بارودي دراسته الأخيرة لهذا العام حول "وضع الطاقة في المنطقة" بعد الدراسة السابقة التي أعدّها في هذا الشأن عام 2008، وذلك خلال زيارة قام بها بارودي للرئيس سليمان في منزله في اليرزة قبل ظهر اليوم.

وتركز البحث في خلال اللقاء، على أهمية الإستكشاف والتنقيب عن الغاز والنفط في لبنان وخصوصاً البدء بالمسح البري بعد مدة زمنية فاقت الـ 60 عاماً منذ آخر عملية استكشاف، وضرورة عدم تضييع الفرص في هذا المجال للإفادة من هذه الثروة إلى أقصى حدّ.

وكانت مناسبة شكر فيها بارودي للرئيس سليمان محافظته على الثروة النفطية اللبنانية طوال عهده في سدة الرئاسة، ومتابعته الحثيثة لتطورات هذا الملف عبر مواكبة الإتصالات الجارية مع الدول المعنية بالتنقيب في المياه الإقليمية، سعياً إلى حفظ حقوق لبنان في حصته النفطية.

وشدد بارودي في خلال اللقاء، على "أهمية تعزيز العلاقات بين لبنان وقبرص في ملف النفط والغاز، وتنمية أواصر التعاون خصوصاً في مجال الغاز السائل والتصدير إلى أسواق أوروبا الأقرب على الإطلاق لتسويق الغاز"، مشيداً بـ "النشاطات الجبارة التي تقوم بها هيئة إدارة قطاع البترول في لبنان".

وأكد أنه "لا بدّ من إحياء ما طالبنا به منذ نحو سنتين، بضرورة صوغ "إعلان بعبدا اقتصادي" يجمع كل الأفرقاء ليشبكوا الأيدي وينكبوا على إبعاد شبح الإنهيار الإقتصادي عن لبنان وجبه كل التحديات والمشكلات التي تعوق نموه وازدهاره، وبالتالي الإفادة من كل الفرص المتاحة على أكثر من صعيد ولا سيما التنقيب عن النفط والغاز في البرّ وفي مياهنا الإقليمية".

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## Uncrossing wires – An emergency rescue plan for Lebanon's electricity sector

# Executive





Lebanon's electricity sector faces severe difficulties on multiple levels, making it an unsustainable burden on the economy in general and the state budget in particular. Problems extend across all stages of the business process, from production to distribution, even billing and collection, despite the latter having been franchised out to private companies.

Promising proposals – including some very comprehensive ones – to address these issues have been drawn up by and for successive ministers of energy and water, including the latest policy plan approved by the Council of Ministers in June 2010.

These plans can work, but only when the required political decisions are taken to revive this vital sector by insulating it against personal and private interests, be they direct or indirect. Only in this way can we honor both the spirit and the letter of legislation already passed by Parliament by getting on with the implementation stage.

Several matters require urgent attention, including financial and administrative difficulties that have held up construction of a planned 435-MW generating station at Deir Ammar and a similar facility at Zahrani, the combined output of which would provide the country with at least a bare minimum of its

power needs. Specifically, the Council for Reconstruction and Development should be tasked with securing the necessary funds from supporting institutions so that implementation can start immediately.

### **The politics of electricity**

The national interest demands that this be done as quickly and as cleanly as possible, because the last thing Lebanon needs is a dispute with a contractor that leads to court proceedings and/or arbitration that could take years to unfold. It is clear that franchising measures adopted by the Ministry of Energy and Water are tainted with a lot of gaps.

Easing Lebanon's chronic power shortages also calls for urgent action to expedite the delivery and installation of new generating units at the Jiyeh and Zouk plants. Timing is everything in such cases, because every day of delay increases the financial drain and other burdens on all consumers, from households and schools to companies and government offices. This directly undermines the productivity and competitiveness of the national economy, restricting GDP growth and soaking up resources.

Even more importantly, preventing future crises and enabling long overdue reforms demands that oversight be exercised by a duly constituted Electricity Regulatory Authority. Such a body has been created by legislation but successive governments have failed to appoint its five member leadership commission, as called for under Law No. 462 of 2002, preventing the authority from exercising its powers. There is an urgent need to appoint the Electricity Regulatory Authority, as more than 14 years have passed since the issuance of the law calling for its formation, without any legal or legitimate reason being provided for this delay.

The failure to fully implement Law 462 has prompted the legislature to pass Law 288, which alters Article 7 of Law 462

by adding the following paragraph: “Temporarily, for a period of two years, and until the appointment of members of the Authority and giving them their tasks, the production permissions and licenses will be granted by a decision of the Council of Ministers upon a proposal of the Ministers of Energy and Water, and Finance.”

The establishment and empowerment of structures similar to the Electricity Regulatory Authority has been crucial to developing and implementing advanced energy and consumer-protection strategies in jurisdictions around the world – including Europe and our own Euro-Med region – so it remains a mystery why some parties insist on denying this proven setup to Lebanon and the Lebanese.

And as though all that were not sufficient to bring development of the sector to a standstill, a new board of directors has not been assigned for Électricité du Liban (EDL), the country’s state owned power company, since 2005. This has sharply curtailed or even eliminated follow up on the completion of major projects designed to help meet minimum requirements, and committed Lebanon to huge amounts of money.

Then there is the matter of the fuel required for the generating stations at Zahrani and Deir Ammar. Based on the advice of Électricité de France (EDF) and under the terms of the national energy strategy developed in 1992–1993, both facilities were designed and built to operate primarily on natural gas rather than diesel oil. This would impart several benefits, including lower production costs, less environmental impact and longer service lives for generating units.

Once again, however, political bickering and clashes of personality have prevented full implementation of the plan, in this case by failing to secure the necessary gas supplies. As a result, both plants have been run almost exclusively on oil derivatives, obviating some of their design advantages and burdening the treasury with massive bills for fuel that is

dearer, dirtier and less efficient.

An agreement was signed in 2009 to finally link Deir Ammar with the Arab Gas Pipeline, built to carry Egyptian gas to customers in Israel, Jordan, Lebanon and Syria, but the deal was never fully implemented. And in light of mounting instability in the region since 2011, it is highly unlikely that Lebanon will see any benefit from this for the foreseeable future: Egypt has been unable to meet its existing supply obligations for the past three years, and badly needed repairs and maintenance cannot be carried out on Syrian sections of the pipeline through which any Lebanese imports would have to traverse.

### **Regasification, regulation**

Since operation of the electricity plants in Zaharani and Bedawi that relied on natural gas has become impossible without the presence of gas pipelines, and the natural gas liquefaction near the production facilities has become indispensable and irreplaceable, it is imperative for the Lebanese state to start buying, renting or establishing a floating station(s) for liquified natural gas storage, and for its regasification – necessary for the two power plants in Zaharani and Deir Ammar. A floating storage regasification unit (FSRU) would need to be established in each, even if that required the expansion of the port, or the establishment of breakwaters to protect the station from marine factors.

The procurement of the two FSRU stations would allow enormous savings on the price of fuel, significantly reducing the need for public financial support for EDL. It also would substantially reduce the utility's debt ratio; a crucial requirement because the potential impact of government and EDL measures to improve bill collection remains limited. This would lead to the reduction of financial transfers to the EDL mitigating the debt to GDP ratio, particularly since the capability of the government and EDL to collect bills and

prevent electricity theft or attacks to the grid remains limited, reducing the ability to rein in the deficit.

Initially at least, both floating stations should be rented or leased, provided that the awarded contractor or promoter has both the requisite international experience and a demonstrated ability to supply the natural gas in addition to the stations simultaneously. This would translate into substantial cost savings for the control and supervision of the facilities. Any such agreement also should follow the “key in hand” method, which would leave the financing of construction to the contractor, reducing the risk to the state and allowing it to start paying only when it has taken delivery of fully operational facilities. And since we know in advance the amount of fuel required by the power plants, the contract should stipulate the dates, quantities and costs of gas deliveries. This formula has been tried and tested in several jurisdictions, including Dubai, Jordan and Kuwait, and there is no reason why it would not work in Lebanon.

Until steps are taken to regularize the electricity sector by implementing existing legislation, and until the almost year long vacancy in Lebanon’s presidency is filled, it is advisable that oversight be exercised jointly by the Parliament and the Council of Ministers.

No individual, though, no matter how influential, can make this happen without securing the trust and cooperation of others. Some features of the Lebanese political landscape are difficult to agree on, but this one is not. National pride, political responsibility and basic common sense dictate that we act quickly to end the mismanagement of this problem. Only then can we start eliminating all forms of waste, alleviating the losses of the state and meeting the needs of power hungry homes and businesses.

# دعا "اغتنام دعوة بري إلى التلاقي للحوار الإقتصادي بارودي: للإسراع في تثبيت حقوق لبنان النفطية



المركزية- فيما لبنان لم يطلق بعد صفارة البدء بالتنقيب عن النفط والغاز في المنطقة الاقتصادية الخالصة، صدر في الأيام الأخيرة كلام عن رئيس مجلس النواب نبيه بري مفاده أن إسرائيل تسرق الغاز اللبناني، الأمر الذي من المفترض أن يحث المسؤولين المعنيين على التعجيل في إتمام هذا الملف من جوانبه كافة، لأن الوقت ليس لصالح لبنان.

الخبير الدولي في شؤون النفط رودي بارودي شدد على وجوب تثبيت الحدود مع دول المنطقة كافة، لكنه لفت إلى أن "المشكلة تكمن في عدم توقيع ثلاث دول في المنطقة هي تركيا وسوريا وإسرائيل، معاهدة الأمم المتحدة لقانون البحر حتى اليوم، والتي تحدّد لكل دولة المنطقة الاقتصادية الخالصة، وما لدى لبنان اليوم هو تقريبا 20 ألف كلم<sup>2</sup> في البحر".

وأضاف في حديث لـ "المركزية": من أصل 854 كلم<sup>2</sup> من المنطقة المتنازع عليها مع إسرائيل، تمكن لبنان عبر الوسيط الأميركي، من تثبيت سيادته على ما يقارب 530 كلم<sup>2</sup>، لكن تم ذلك على وقع خلافات حول ترسيم مساحات أخرى بين لبنان وإسرائيل، ولبنان وسوريا، وبين تركيا وقبرص.

وقال بارودي: على الحكومة أولاً أخذ ما أعلنه الرئيس بري في  
اليومين الأخيرين على محمل الجدّ وعدم التهاون في هذا الموضوع،  
وإجراء الاتصالات اللازمة للتثبت من المعلومات حول سرقة إسرائيل  
للغاز اللبناني، وبالتالي رفع شكوى إلى الأمم المتحدة في القضية،  
واتخاذ الإجراءات الكفيلة بمنع إسرائيل من ذلك. وثانياً استكمال  
الإجراءات وإقرار القوانين اللازمة ولا سيما قانون الإستكشاف البري،  
والإسراع في تثبيت حقوق لبنان النفطية، خصوصاً أن لا مبرر للتأخير  
في البدء باستكشاف اليابسة ولا مشكلة في ذلك، علماً أنه الأقل كلفة  
على الإطلاق مقارنة بالإستكشاف البحري.

وإذ حيا جهود الرئيس بري في هذا المجال، شاكرًا متابعته الحثيثة  
لهذا الملف لتجنب لبنان إضاعة هذه الفرصة الذهبية، دعا بارودي  
جميع السياسيين إلى الإفادة من فسحة الحوار والتلاقي التي دعا  
إليها بري مطلع العام المقبل لتذليل الخلافات السياسية، واغتنامها  
للتحاور والتوافق على إزالة العقبات الإقتصادية وحلحلة مسائل هامة  
عالقة وأولها ملف التنقيب عن النفط والغاز، والإتفاق على البدء  
باستكشافهما براً وبحراً.

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## خطة طوارئ لإنقاذ قطاع الكهرباء - جريدة النهار

النهار



## رودي بارودي - خبير في قطاع النفط والغاز

يعاني قطاع الكهرباء مشكلات عدّة ومصاعب لا تزال تلقي بسكنها على الإقتصاد اللبناني عموماً وعلى موازنته خصوصاً، على الرغم من الخطط التي وضعتها الوزارات المتعاقبة، كان آخرها الخطة التي أقرّها مجلس الوزراء في حزيران 2010. وتتسبب مشكلات القطاع من الإنتاج إلى التوزيع إلى الجباية، على الرغم من تلزيمها إلى الشركات الخاصة.

يحتاج هذا القطاع الحيوي أولاً إلى القرار السياسي، وثانياً إلى إبعاد المصالح الشخصية والآنية عن معالجة مشكلاته. من هنا، نرى واجب وضرورة إحترام القوانين الصادرة عن مجلس النواب وتنفيذها عبر:

1- بت وحسم كل الإشكالات المالية والإدارية، مع متعهد اشغال بناء معمل جديد في ديرعمار بقدره 435 ميغاواط في أسرع وقت ممكن والطلب اليه بدء التنفيذ فوراً، على أن يترافق ذلك مع تكليف مجلس الإنماء والإعمار العمل على تأمين المال اللازم من طريق الصناديق والمؤسسات الداعمة لتنفيذ معمل جديد بالقدرة ذاتها في حرم معمل الزهراني، لتوفير الحد الأدنى من الطاقة الكهربائية التي يحتاج إليها لبنان حالياً.

ولا بدّ من الإشارة إلى أنّ مصلحة لبنان تكون في عدم الدخول بخلاف مع المتعهد يؤدّي إلى محاكمات أو اللجوء الى التحكيم وانتظار نتائجه لسنوات، ويدرك الجميع أنّ إجراءات التلزم التي اعتمدتها وزارة الطاقة والمياه تشوبها الكثير من الثغرات.

2- الإسراع في استلام الوحدات التي جرى تلزيمها في معمل الذوق والجيّه وتشغيلها، تمهيداً لوضعها في الخدمة.



3- ضرورة الإسراع في تعيين هيئة تنظيم قطاع الكهرباء، وبدء تطبيق القانون 462/2002 بعدما عطل تنفيذه على مدى أكثر من 14 عاماً، من دون سبب قانوني أو شرعي وبمزاجية الخوف على صلاحيات مزعومة للوزير إذا ما مارست الهيئة استقلاليتها.

إنّ صدور القانون رقم 288 تاريخ 30/4/2014 يدلّ بطريقة لا شكّ فيها، إلى أنّ الحكومة عجزت بشكل كامل عن تطبيق القانون 181/2011، فلجأت إلى إصدار قانون ليحلّ مجلس الوزراء محلّ هيئة تنظيم قطاع الكهرباء، بعدما عجزت الحكومات المتعاقبة عن تعيين هيئة من خمسة أشخاص أو انزهاها لا تريد، وبشكل فاضح تطبيق القوانين الصادرة عن مجلس النواب. إذ إنّ عدم التنفيذ الكامل لبنود القانون 181 دفع المشرع إلى اللجوء إلى إقرار القانون رقم 288/2014 بمادة وحيدة ليعدل المادة السابعة من القانون 462/2002، كما أضاف إلى المادة السابعة من القانون رقم 462 تاريخ 2/9/2002 (تنظيم قطاع الكهرباء) الفقرة الآتية: «بصورة مؤقتة، ولمدّة سنتين، ولحين تعيين أعضاء الهيئة واضطلاعها بمهامها، تمنح أذونات وتراخيص الإنتاج بقرار من مجلس الوزراء بناءً على اقتراح وزير الطاقة والمياه والمالية».

كلّ ذلك زاد الأمر تعقيداً، خصوصاً أنّ إقرار كل هذه القوانين لا يهدف إلّا إلى التهرب من تعيين الهيئة الناطمة للقطاع الكهربائي، علماً أنّ الهيئات الناطمة لقطاع الكهرباء والطاقة في العالم أثبتت نجاحها في دول العالم عموماً وأوروبا خصوصاً، إذ استطاعت تنفيذ استراتيجيات ناجحة ومتقدمة في مختلف مجالات الطاقة.

4- التطبيق الإستنساخي لمواد القانون 181/2011 جعل منه أداة طيعة كما بينا ذلك سابقاً، وما زاد الأمر سوءاً هو عدم تنفيذ كامل الشروط التي وضعها القانون 181/2011 فلا تعديلات أدخلت على متن القانون 462/2002 خلال الأشهر الثلاث، ولا حتى في 4 سنوات. كما لم يعين مجلس إدارة جديد لكهرباء لبنان ولم يتم متابعة انجاز المشاريع التي لزمّت والزمّت لبنان بمبالغ مالية ضخمة.

5- بناء معمل الزهراني ودير عمار بنيا أصلاً تنفيذاً لخطة نهوض وطني وضعت عام 1994، ليعملا على الغاز الطبيعي وليس على الديزل أويل، بناء على نصيحة من شركة كهرباء فرنسا، لما يؤمنه استعمال الغاز الطبيعي في انتاج الطاقة من وفي كلفة الإنتاج، وتخفيف الضرر على البيئة، لكنّ المناكفات السياسية والمزاجيات الشخصية لبعض المسؤولين منذ عام 2002 عطلت المشروع، ما كبّد الخزينة مبالغ

طائلة عن مشتقات نفطية.

وبما أن<sup>٣</sup> خط الغاز العربي الذي بدأ<sup>٤</sup> العمل على إنجاز بعض أجزائه، ونتيجة ما يجري في المنطقة، جعلت من المستحيل في المدى المنظور استكمالهِ والإفادة منه.

وبما أن<sup>٣</sup> تشغيل معامل الكهرباء على الغاز الطبيعي بات متعذراً<sup>٥</sup> من دون وجود محطات تخزين وتسييل الغاز الطبيعي بالقرب من معامل الإنتاج أمراً<sup>٦</sup> لا بد منه ولا بديل عنه، أصبح لازماً<sup>٧</sup> على الدولة أن تبدأ شراء أو استئجار أو إنشاء محطة عائمة لتخزين وتسييل الغاز الطبيعي لزوم معلمي الإنتاج في الزهراني ودير عمار، بحيث تقام محطة عائمة في كل<sup>٨</sup> منهما ولو احتاج ذلك الى توسيع المرفأ أو إنشاء سد<sup>٩</sup> للأمواج لحماية المحطة من العوامل البحرية.

توازياً<sup>١٠</sup>، إن<sup>١١</sup> إنشاء المحطتين يؤدّي إلى وفر هائل في ثمن المحروقات، ما يؤدي بدوره إلى خفض الدعم لمؤسسة كهرباء لبنان وتخفيف نسبة الدين والفوائد المترتبة عليها، لا سيما أن<sup>١٢</sup> إمكانيات الدولة، مؤسسة كهرباء لبنان، في مجال جباية مستحققاتها ومنع الإعتداء على شبكاتها لا تزال قصرة، ما يخفض قدرتها على لجم العجز أو مواجهته بتفعيل الجباية.

ونرى من الأفضل استئجار محطة عائمة في كل معمل، على أن يكون المورد صاحب خبرة عالمية في هذا المجال، ولديه القدرة على أن يورد الغاز الطبيعي بالإضافة الى المحطة في الوقت نفسه. لما في ذلك من وفر في الكلفة والإشراف والمراقبة، بحيث ينص دفتر الشروط الموحد على أن يتم التعاقد على طريقة مفتاح باليد، أي أن تحصل مؤسسة الكهرباء على الغاز الطبيعي الذي تحتاج<sup>١٣</sup> إليه معاملها بشكل واضح ومحدد الكميات والكلفة، وهي الطريقة التي اعتمدتها دول عدّة<sup>١٤</sup> بينها الكويت، دبي والأردن.

أخيراً<sup>١٥</sup>، إن<sup>١٦</sup> ملفاً<sup>١٧</sup> بهذا الحجم الوطني والخطورة في حال استمراره يستحسن أن يكون برعاية رئيسي مجلسي النواب والوزراء في الوقت الحاضر، خصوصاً أن<sup>١٨</sup> الرئيس نبيه بري أبدى اهتماماً<sup>١٩</sup> واسعاً<sup>٢٠</sup> في إنقاذ القطاع ولم يوفر جهداً<sup>٢١</sup> في هذا السبيل، على أن تتم مقاربته بشفافية وتقنية وحس وطني مسؤول لإنقاذه وحماية الخزينة من تداعيات الهدر الناتج منه، وتفادي الخسائر التي تتكبدها الدولة جراء معالجته.

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**« LE LIBAN DOIT PROFITER DE  
LA BAISSSE DES PRIX DU BRUT  
POUR LANCER L'EXPLORATION »**

**L'Orient  
LE JOUR**



les récentes déconvenues de Chypre – où Total et Eni ont coup sur coup annoncé des résultats de forage négatifs – sont-elles un mauvais signe pour le bassin levantin de la Méditerranée en général, et le Liban en particulier ?

Je ne pense pas que cela remette en cause le potentiel de ce bassin, même si Chypre a peut-être été trop pressé de faire de grandes annonces avant de valider la présence de réserves importantes. Total, qui a des décennies de présence dans la région, reste positionnée sur Chypre, et Eni va continuer ses forages dans les blocs dont elle a obtenu la concession. Pour l'instant, le fait que le bloc 12, attribué à Noble Energy, ne contienne que 4,5 TCF (milliards de pieds cubes) de gaz au lieu des 7 espérés a remis en cause le projet de construction

d'une usine de liquéfaction du gaz à Vassilikos. Mais Chypre, et tout le bassin levantin (hors Grèce), peut devenir l'un des principaux fournisseurs en gaz de l'Europe. Il pourrait assurer 20 à 23 % des besoins de ce marché qui cherche à diversifier ses approvisionnements, assurés aujourd'hui à 55 % par la Russie.

Le statu quo continue de prévaloir sur le plan libanais où le processus d'attribution de licences d'exploration est suspendu depuis novembre 2013. La chute des prix du brut ne va-t-elle pas accentuer encore le retard de Beyrouth par rapport à Chypre et Israël en repoussant la date du redémarrage de l'appel d'offres ?

Si l'on réfléchit en termes de production, la baisse des prix internationaux ralentit en effet les activités. C'est la raison pour laquelle Total a estimé qu'il valait mieux ne pas se lancer dans une phase commerciale à Chypre. En revanche, Total sait bien que c'est le moment de poursuivre l'exploration, car les coûts opérationnels et les coûts d'équipements sont au plus bas. C'est le même raisonnement que devrait tenir le Liban. Il doit saisir l'opportunité que représente la chute des cours pour lancer la phase d'exploration en attribuant des licences, sachant que les compagnies auront ensuite trois à cinq ans pour proposer des programmes de production. La priorité doit être de forer. D'abord dans l'idée d'approvisionner le pays pour ses propres besoins énergétiques, et ensuite pour réfléchir à une éventuelle stratégie d'exportation vers l'Europe. N'oublions pas que, juridiquement, ce marché est à 70 kilomètres du Liban. C'est un véritable atout. Il faut cependant au préalable transformer les estimations en matière de réserves en certitudes. Sachant que, tout autour du Liban, il existe des champs gaziers et pétroliers, il n'y a aucune raison de ne pas en trouver ici.

Le niveau des prix du brut devrait-il favoriser le lancement de l'exploration terrestre au Liban ?

Israël vient de lancer la prospection sur le Golan. La Syrie a des réserves prouvées de 2,5 milliards de barils de brut. Le Liban n'a quant à lui toujours pas de loi pour encadrer l'exploration onshore. C'est pourtant le moment de la lancer. La production reste intéressante, même aux niveaux actuels du marché, car les coûts d'exploitation des gisements terrestres sont bien moins chers que ceux des gisements offshore.

(Lire aussi : Le pétrole bon marché, cadeau inespéré pour les consommateurs libanais ?)

Cette capacité de réactivité suppose une vision stratégique et une impulsion politique...

Les deux décrets nécessaires au lancement de l'appel d'offres (sur la délimitation des dix blocs composant la zone économique spéciale et le contrat devant lier l'État aux compagnies) sont prêts et font déjà l'objet d'un accord politique. La loi sur la fiscalité est en cours de finalisation et je ne pense pas qu'elle pose de problèmes majeurs. Ce qui manque, c'est le consensus politique pour redémarrer le processus. Au-delà, le pays doit se doter d'une stratégie nationale en matière énergétique. Et, là encore, le Liban devrait saisir l'opportunité de la baisse des coûts du brut pour réaliser les investissements indispensables en matière d'infrastructures. Je pense en particulier à la nécessité d'alimenter les centrales électriques du pays en gaz. Cela passe par la construction d'un gazoduc le long du littoral dont le coût serait réduit aujourd'hui de 30 à 40 %. Il faudrait aussi louer une centrale flottante de regazéification du gaz naturel liquéfié en attendant de trouver du gaz au large du Liban. Selon mes calculs, l'économie réalisée – coût de location de la barge compris – serait de 600 à 900 millions de dollars par an pour le Trésor,

sachant qu'à 90 dollars le baril, les pertes d'Électricité du Liban étaient de deux milliards de dollars par an.

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# **CYPRUS AND LEBANON PARTNERSHIP WOULD BE WIN-WIN – BY ROUDI BAROUDI**

**THE DAILY STAR**  
LEBANON



Lebanon's hosting of a key Cypriot Cabinet minister this week must have optimists in both countries hoping that in politics, at least, there really is no such thing as coincidence. Both sides have long experience with the various discomforts associated with being buffeted by outside forces, but only rarely – if ever – have both had so much to gain by joining forces to ride out the storm.

The minister in question was George Lakkotrypis, holder of the powerful Energy, Commerce, Industry and Tourism portfolio in the recently installed government, and while diplomatic sources were quoted as saying the visit was mostly “symbolic,” there is reason to believe that what it presages could be very concrete indeed.

Both Cyprus and Lebanon are just a few years from becoming producers of natural gas, and while their opening positions

and respective approaches have thus far been different, each is looking increasingly like the other's best friend.

Their relatively large banking system having been crippled by exposure to the meltdown in Greece, the Cypriots had to request a bailout and are still emerging from a bruising encounter with the so-called "troika" of the European Union, the European Central Bank and the International Monetary Fund. The government has managed to negotiate a better overall deal than that which the troika originally sought to impose, but it remains to be seen whether Cyprus can also secure the necessary time and space to meet its obligations without putting its economy through undue – and completely unnecessary – hardship.

The irony here is that while Cyprus is currently starved for cash and forced to implement strict measures against capital flight, the coming gas bonanza will soon make short work of its debt, a single undersea block having been reliably estimated to hold deposits of gas worth approximately twice the total cost of the bailout. And since these reserves are hardly a state secret, it is difficult to understand why the troika has been so insistent on enforcing such tough terms.

Some suggest that the motivations actually have little to do with Cyprus' finances but are driven instead by Europe's complex relationship with Russia.

Harsh as the bailout measures are, Cyprus had little choice in the circumstances but to accept and implement them in full to help the country emerge from the crippling financial crisis. There are useful lessons to learn from now on in economic management.

How early Cyprus emerges and bounces back to a new era of economic prosperity – which is for sure soon – will depend on the focus and attention given, as well as reinforcing the enabling environment to attract private investment into the large emerging oil and gas developments.

Cypriots should take consolation that the current hardships will be short-lived, if the appropriate measures are taken to tap its hydrocarbon reserves. There is still a lot of good

will in the international financial markets and the Gulf toward Cyprus. With the show of commitment and demonstrated will, and resolve to ride the current storm, the future looks bright. After the crisis, there are prospects for economic rebound and long-term steady growth.

Come what may, the combined logics of geology, geography and economics dictate that Cyprus will become a regional energy hub. That destiny may be delayed and/or diluted by other factors – including the U.S.-brokered reconciliation that is expected to open up massive sales from another emerging gas power, Israel, to the nation that still occupies a third of Cyprus' territory, Turkey – but it will not be denied.

All that remains to be seen is how soon the island nation will be able to build the liquefied natural gas plant and other infrastructure elements that only make sense on its shores, and the biggest obstacle is the troika's insistence on frontloading Cyprus' obligations under the bailout deal, which will make funding more difficult to secure.

For these and other reasons, many Cypriots feel they are being treated unfairly by their European partners, a conclusion that is difficult to question. Just as understandably, the Cypriot government will be casting about to see what gains it can realize by pursuing stronger economic and political ties with its friends outside Europe.

And here sits Lebanon, hemmed in between an ever-hostile Israel and a self-immolating Syria. Its people, too, dream of a more affluent future made possible by gas revenues, but it also faces constraints imposed by geopolitical factors.

Whatever the extent of the hydrocarbons locked off its coast, their practical value is largely a function of whether Israel will try to prevent their recovery; and how cheaply they can be got to market.

The Lebanese need Cyprus on both counts because the latter already has a signed deal delineating its maritime boundaries with Israel and could therefore be instrumental in mediating a Lebanese-Israeli understanding (even if unofficial); and its opening of the aforementioned LNG plant would provide a



necessary outlet for Lebanese exports.

As luck would have it, the Cypriots could use a little help from Lebanon too: a long-term deal for Lebanese gas as feedstock would further enhance the LNG facility's economic viability, and Lebanon's contacts in the Arab world might be useful in securing strategic investors for this and other projects, something that would pay added dividends by boosting broader international confidence in the recovery of Cyprus' economy.

The potential for a genuine win-win outcome is very real, but only if the Lebanese and the Cypriots recognize the need to work together – and avoid getting distracted by either local or international politics.

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