

# بارودي: اتفاق نفطي جيد من خلال وساطة يعني نصراً للبنان على إسرائيل



شدد الخبير النفطي الدولي رودي بارودي على أن التوصل الى اتفاق تفاوضي جيد من خلال وساطة أو تحكيم طرف ثالث، قد يعني نصراً أكبر بكثير للبنان بدل إسرائيل في النزاع الحاصل حول النفط والغاز في البحر.

واكد بارودي الذي شارك في مؤتمرات دولية عدة آخرها في قبرص، أن هناك عوامل أخرى تبشر بالخير بالنسبة إلى الآفاق القانونية اللبنانية القصيرة والطويلة المدى، بما في ذلك حقيقة أن الجزء من البلوك 9 الذي تهتم به توتال وآني ونوفاتيك ، يكمن بوضوح في المياه اللبنانية ، وهذا يترك مجالاً واسعاً لحل وسط وقصير الاجل، على الأقل يسمح بالاستكشاف في المناطق غير الخاضعة للنزاع مع ترك أسئلة أكثر صعوبة في وقت لاحق.

ولفت بارودي الى أن نوعية المعلومات التي قدّمها لبنان إلى الأمم المتحدة والأطراف الأخرى المهمة تعطي اهمية كبيرة لموقفها وبأكثر من طريقة. وأضاف بارودي إن الجانب اللبناني استخدم الرسوم البيانية للهندسة البحرية البريطانية الأصلية كنقطة انطلاق للحدود الجنوبية لمنطقتها الاقتصادية الخالصة، ما يضفي صدقيةً أكبر على معارضتها.

واوضح الخبير النفطي أن لبنان وقع وصادق على الاتفاقية الدولية الاساسية في شأن ترسيم الحدود البحرية عام 82 ، إلا أن إسرائيل لم تفعل ذلك ، وبناء على ذلك فإنه لا توجد آلية ملزمة يمكن بموجبها لأي من لبنان وإسرائيل ان تحيل الحدود البحرية إليها من أجل حلها ، من دون موافقة صريحة من الجانب الآخر.

ولفت بارودي إلى انه بما ان اسرائيل وقعت اتفاقية منطقة اقتصادية حصرية مع قبرص فإن لدى لبنان خيارات على هذا المستوى. وتحدث بارودي عن الجهود الدبلوماسية المعقدة بسبب العديد من العوامل التي تعيق طرق حل النزاع، خصوصاً أن لا علاقات دبلوماسية بين لبنان وإسرائيل.

وشرح الخبير النفطي الدولي أن تحفظات لبنان في ما يتعلق بتعيين محكمة العدل الدولية أو أي طرف ثالث لحل النزاع الحدودي البحري ذات شقين:

أولاً: المخاوف من أن تسعى إسرائيل لتشريع أي اتفاق لإحالة النزاع البحري إلى محكمة العدل الدولية أو أي محكمة أخرى بعد موافقة لبنان على إخضاع كل القضايا الحدودية لحل هذه الهيئة.

ثانياً: القلق من أن أي اتفاق مباشر مع إسرائيل على طلب مشاركة طرف ثالث على النزاع ، يمكن اعتباره اعترافاً بحكم الواقع وبحكم القانون لإسرائيل.

وأضاف بارودي: إن هناك عناصر معينة تجعل النزاع اللبناني الإسرائيلي مزيداً من بعض النواحي ، لكن الظروف العامة في هذه الحالة ليست عادية ، وشرح أن كل ولاية ساحلية على كوكب الأرض لديها منطقة بحرية واحدة على الأقل تتداخل مع منطقة أخرى، ولا يزال العديد من هذه النزاعات من دون حل.

وأشار إلى ان العديد من المعاهدات البحرية الثنائية التي تم التوصل إليها ، تعارضها البلدان المجاورة ذات المناطق المتداخلة، كما هو الحال مع معارضة لبنان للاتفاق الاسرائيلي-القبرصي.

# البروفيسور رودي بارودي الخير النفطي

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## ExxonMobil's Ocean Investigator sails for block 10 of EEZ



ExxonMobil's Ocean Investigator research vessel sailed on Tuesday night from Limassol port into block 10 of Cyprus' Exclusive Economic Zone (EEZ) to carry out hydrocarbon explorations for the US oil giant.

The Ocean Investigator had docked at the port of Limassol on March 14.

A second research vessel of ExxonMobil's, Med Surveyor also departed from Limassol on Tuesday and headed towards Piraeus, Greece, after having completed its environmental research in block 10.

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**Energy programme proceeding  
as planned, president tells  
oil and gas forum**



Cyprus is promoting three projects that were selected by the European Commission as projects of common interest, because of their benefits to the European energy market, President Nicos Anastasiades said on Tuesday.

The president was addressing the 9th Mediterranean Forum on Oil and Gas in Nicosia, telling delegates that recently, two of the projects had secured EU funding. Specifically, €101 million will be allocated to the CyprusGas2EU project, while

the EastMed Pipeline had been awarded €34.5m for technical studies.

The CyprusGas2EU” project aims at allowing the transport of gas from the Eastern Mediterranean to Europe. By 2020, Cyprus will construct a Floating Storage and Regasification Unit (FSRU) in order to import gas in the form of LNG from international markets, Anastasiades said. The EastMed Pipeline aims to transport gas from Cyprus and the Eastern Mediterranean to Europe via Crete and mainland Greece.

A third project, the EuroAsia Interconnector, is an electricity connection between Israel, Cyprus and Greece that is supported by all three governments.

“We intend to continue exercising Cyprus’ rights as an independent and fully integrated Member State of the European Union, proceeding with our exploration programme as planned,” said Anastasiades.

He said this was also part of a broader policy in that the discoveries of significant quantities of natural gas in the Eastern Mediterranean, as well as potential future discoveries, could be a driver for stabilization in the region.

“After all, together with the respect by all parties of international law and national sovereign rights, this is the kind of stable and predictable environment that we are obliged to jointly create, in order to bring in the multibillion investments needed for developing the East Med’s hydrocarbons wealth,” he said.

Anastasiades also addressed Turkey’s provocations in the island’s exclusive economic zone recently.

The president said Cyprus’ policy has traditionally been based on regional cooperation and the establishment of long-lasting relationships with all neighbouring countries.



“As we have always maintained, collaboration and synergies achieved in the hydrocarbons sector of the Eastern Mediterranean can feed into the political relations between countries, building the foundations for regional stability and peace,” he said.

Initiatives undertaken by Cyprus had been “highly successful” at the bilateral and multilateral levels, with countries such as Lebanon, Israel, Egypt, Jordan and Greece.

At the same time, he added, the recent deal struck between Israel and Egypt was concrete proof that collaborations between countries in the region were already taking place, “and Cyprus, I can assure you, will be an active participant in future developments”.

The developments were aligned with the EU’s recent Energy Union strategy, which has confirmed the Mediterranean as a strategic priority for reducing EU’s dependency on existing energy suppliers and routes, Anastasiades said.

“Our aim remains to support the EU in its diversification efforts, with Cyprus, as an EU member state, having a stable legal and political environment and constituting a reliable partner for both neighbouring countries and oil and gas companies.” It was also necessary to lift the island’s energy isolation, he said.

Next on the agenda would be the drilling activities of the ExxonMobil/Qatar Petroleum consortium in block 10, which included two back-to-back exploration wells during the second half of this year, Anastasiades said “Over the past few years we have, in fact, made some remarkable steps towards the realization of our exploration program, which we aspire will soon establish Cyprus as a natural gas producer and a transit country,” he added.

He referred to ongoing projects in the field. At present, the ministry of energy and the Aphrodite consortium were engaged in advanced discussions to establish, “the soonest possible”,

the development and production plan for Aphrodite.

Following the third licensing round and the decision to grant hydrocarbon exploration licences for blocks 6, 8 and 10, to ENI/Total, ENI and ExxonMobil/Qatar Petroleum respectively, “we anticipate with eagerness” the completion of the exploration programme of all licensed companies. The second wave of exploration in Cyprus’ EEZ was initiated by the Total/ENI consortium, he said.

After the renewal of its exploration license for block 11, in February 2016, the consortium went ahead with its exploration programme, drilling their first well between June and September 2017. The “Onesiphoros West 1” well resulted in a technical discovery that confirmed the existence of a petroleum system and the presence of a “Zohr”-like, reservoir, the president said.

“A mere two months ago, in January, we also had the completion of the first exploration well in Block 6 by the consortium of ENI and Total. The “Calypso” well encountered an extended gas column with excellent characteristics. This discovery also confirms the presence of the “Zohr”-like play in the Cypriot EEZ,” he added.

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**East Mediterranean Energy  
Development: Peace and  
Dialogue is in the interest**



# of the Region



The visit by Cyprus' foreign minister to Beirut this week is a reminder that several challenges lie between Lebanon and its dream of becoming an oil and gas producer. It also represents a welcome opportunity, however, to start clearing away some of the obstacles.

Without getting into the nitty-gritty details, the fundamental

problem is that a line needs to be drawn that will delimit the respective Exclusive Economic Zones (EEZs) of Lebanon and Israel, and it needs to be agreed without any direct contact between two sides that have never had diplomatic relations and remain in a legal state of war.

Cyprus could well be one of the keys that unlocks Lebanon's offshore riches, and not just because it's a friendly neighbor that maintains good relations with both parties to this dispute: it also happens to own the third EEZ in this equation, and none of them can be finalized until a so-called "tripoint" is fixed where all three areas come together. The good news on this score is that Cyprus already has EEZ agreements with both Israel and Lebanon. The bad news is that there is an overlap between the Israeli and Lebanese claims in those pacts.





Apart from being well-positioned to help achieve the peaceful resolution that would serve both Lebanese and Israeli interests, Cyprus also has a vested interest in doing so. Any reduction in regional tensions, for example, would make its own offshore sector more attractive to international oil companies (IOCs) and other investors. Perhaps even more importantly in the long run, the sooner other Eastern Mediterranean countries start producing gas in significant quantities, the sooner Cyprus stands to emerge as the best collection point for a pipeline terminating on mainland Europe – and most possibly for a liquefied natural gas plant that would serve not only Europe but also growing energy markets in Asia.



For all of these reasons, the visit by Foreign Minister Nikos Christodoulides gives Lebanon's leadership a perfect opening to investigate how Beirut and Nicosia might work together in order to further what is, at bottom, a shared cause. These should include purely bilateral steps designed to facilitate a solution and/or reduce tensions, but they also must be accompanied by a joint effort to enlist and retain the necessary outside support for what figures to be some difficult diplomacy.





The United Nations already plays multiple roles designed to prevent conflict between Lebanon and Israel, but there are other methods and mechanisms at its disposal. For several reasons, and always being careful not to prejudice its current or future positions, Lebanon would do well to investigate these options – including the provision for border mediation by the UN Secretary General contained in UN Security Council Resolution 1701 of 2006.

There is the matter, too, of the IOCs that have already won explorations rights off Lebanon's coast. These are TOTAL of France, ENI of Italy, and Novatek of Russia, making it more than reasonable to ask that their respective governments – as well as the European Union itself – participate in efforts to seek a diplomatic solution.

Last but certainly not least, Beirut should do everything in its power to keep the United States involved. Two consecutive State Department envoys have tried to mediate the EEZ issue between Lebanon and Israel, and while their efforts have come

up short thus far, this is one of those cases where America truly is the indispensable power. No other actor can so much as approach US influence over Israel, so its involvement is essential: even if an eventual solution is to come through a different diplomatic channel, the mere existence of an American one creates more time and space for other processes to play out.

As ever in such matters, it is impossible to predict the future. The Lebanese government can make a favorable outcome much more likely, however, by focusing on a few basic certainties. First, the best way to settle this issue is through diplomacy. Second, the safest way to conduct that diplomacy is in partnership with and/or via friendly governments, starting with that of Cyprus. Third, the surest way to give those partnerships time to succeed is to keep the United States at the table.

Given the number and severity of international crises raging around the world, this last point may require considerable effort. Washington has stakes in many of these hotspots, so the task is to make sure that this one receives all the attention it deserves. All the more reason to start now.

*Roudi Baroudi is CEO of Energy and Environment Holding, a private consultancy based in Doha.*

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## **9th Mediterranean Oil & Gas Forum 2018 – Program**



## 9th Mediterranean Oil & Gas Forum 2018 Program

9th Mediterranean Oil & Gas Forum 2018  
27 & 28 March, 2018  
Hilton Park Nicosia  
Achaion 1, Egkomi  
Nicosia 2413, Cyprus

### Program



Tuesday, 27 March, 2018

09:00 – 09:50 Registration, Networking Welcome Coffee

09:50 – 10:00 Welcoming Remarks

10:00 – 10:30 Keynote Speaker: H.E. Nicos Anastasiades,  
President of the Republic of Cyprus

10:30 – 11:00 Israel Keynote Speaker: Ron Adam, Special Envoy  
on Energy, Israeli Ministry of Foreign Affairs, Israel

11:00 – 11:30 Networking Coffee Break

Prospects and Developments in East. Med., European, & Cypriot  
Gas Industry

11:30 – 12:00 Wolfgang Peters, fmr CEO, RWE Supply & Trading



CZ, & Managing Director, The Gas Value Chain Company GmbH, Germany

12:00-12:30 Toulia Onoufriou, President, Cyprus Hydrocarbons Company, Cyprus

Moderator: Anthony Livianos, CEO, U.S Energy Stream, Germany & United States

12:30 – 14:30 Lunch

United States and Europe in Eastern Mediterranean:  
Prospects of Energy Co-operation, & Geopolitical Risks

14:30 – 15:00 Kathleen Doherty, U.S. Ambassador to Cyprus, United States

15:00 – 15:30 Guy Broggi, Independent Consultant LNG Markets, fmr Senior LNG Advisor, TOTAL SA, France

15:30 – 16:00 Lou Pugliarese, President, Energy Policy Research Foundation, United States

16:00 – 16:30 Matthew Bryza, U.S. Ambassador (ret.), Non-Resident Senior Fellow, Atlantic Council, United States

Moderator: Wolfgang Peters, fmr CEO, RWE Supply & Trading CZ, & Managing Director, The Gas Value Chain Company GmbH, Germany

16:30 – 17:00 Networking Coffee & Dessert Reception

19:00 – 22:00 Exclusive Dinner (By Invitation Only)

Wednesday, 28 March 2018

08:00 – 09:00 Networking Welcome Coffee

09:00 – 09:45 Keynote Speaker: Averof Neofytou, President of Cyprus Conservative Party DISY, and Chairman, House Standing Committee on Financial and Budgetary Affairs, Cyprus

09:45 – 10:15 Developments in the Polish and European Gas Industry: Piotr Wozniak, CEO, PGNiG – Polish Oil and Gas Company, Poland

10:15 – 10:45 The role of natural gas towards sustainable energy systems: Andreas Poullikkas, Chairman, Cyprus Energy Regulatory Authority, Cyprus

10:45 – 11:15 Networking Coffee Break

11:15 – 12:30 The Future of Gas Exploration in East Med  
Roudi Baroudi, CEO, Energy & Environment Holding, Qatar  
Antonis Paschalides, fmr Minister of Energy, Commerce & Industry of Cyprus  
Managing Partner, Antonis Paschalides & Co LLC, Cyprus  
Moderator: Yanos Gramatidis, Managing Director, YG Justitia Advisory, Cyprus

12:30 – 12:45 Concluding Remarks:  
Matthew Bryza, U.S. Ambassador (ret.), Non-Resident Senior Fellow, Atlantic Council, United States

12:45 – 14:15 Lunch

14:15 End of the Forum

The 9th Mediterranean Oil and Gas Forum 2018 is a private, closed door, off-the record, non-attribution, and non-dissemination meeting.

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**Lebanon - Israel**

**maritime**

# dispute: Rules of (diplomatic) engagement



Thus far attempts to resolve the dispute have been unsuccessful, but while the challenge is clearly a difficult one, the situation is far from irretrievable if the parties practice restraint and resolve to settle their differences via diplomacy and dialogue.

BEIRUT: Tensions between Lebanon and Israel are flaring once again, this time over the demarcation of their maritime border and, therefore, the rightful ownership of offshore oil and gas deposits.

Thus far attempts to resolve the dispute have been unsuccessful, but while the challenge is clearly a difficult one, the situation is far from irretrievable if the parties practice restraint and resolve to settle their differences via diplomacy and dialogue, however indirect.

Diplomatic efforts are complicated by several factors which block many of the usual avenues of dispute resolution.

Awareness of these factors and the conditions they impose is a must, especially from the perspective of Lebanon, which will need to walk a virtual tightrope if it is to protect its rights while avoiding both further escalation of the conflict and any erosion of its refusal to recognize Israel.

First and foremost, Lebanon and Israel have no diplomatic relations, having remained in a legal state of war since 1948. Lebanon does not recognize Israel, armed non-stated groups have periodically used its territory as a staging area for attempts to liberate Palestine from Israeli occupation, and Israel has attacked, invaded, and/or occupied Lebanon numerous times, the most recent large-scale conflict having taken place in 2006.

The plain fact is that the absence of diplomatic relations is highly problematic for disputes over offshore resources. Most maritime demarcations are set out in treaties between the countries in question, which then serve as legal bases for any necessary adjudication of disputes. Israel and Lebanon have no such treaty, and there is no prospect in the foreseeable future of any kind of reconciliation that would allow them to so much as discuss one.

In addition, the two parties appear to disagree not just on the angle at which the southern boundary of Lebanon's EEZ should extend from the border along the coast, but also on where, precisely, that coastal border lies. Obviously, then, a purely bilateral process is out of the question. And as we shall see below, the absence of relations also throws up obstacles for the conventional use of international institutions.

Second, while Lebanon has signed and ratified the primary international agreement on maritime border demarcation, the 1982 United Nations Convention on the Law of the Sea (UNCLOS), Israel has not. Accordingly, there is no binding mechanism under which either state can refer the maritime border dispute for resolution without the express agreement of the other.

However, since Israel has signed an Exclusive Economic Zone agreement with Cyprus, Lebanon does have options on this level.

One could lodge some form of protest against Cyprus on the basis that its EEZ pact with Israel prejudices Lebanon's borders, but that seems unlikely and even more inadvisable as it would jeopardize Beirut's strong relations with Nicosia. Alternatively, Lebanon could invite Cyprus to join it in seeking conciliation under Article 284 of UNCLOS in order to resolve the dispute caused by the Israel-Cyprus EEZ agreement with Israel. Cyprus would have the right to reject such an approach, but it is certainly worth investigating what the Cypriot stance would be. If Cyprus has no objections, this kind of proceeding would demonstrate Lebanon's commitment to its obligation, under the UN Charter, to seek the peaceful resolution of disputes.

Third, while states regularly refer maritime border disputes for resolution to the International Court of Justice (ICJ) this is typically done by way of a special agreement between the states. This is because, as is, in fact, the case for Lebanon and Israel, very few states have signed up to the compulsory jurisdiction of the ICJ. Unless a state has accepted the compulsory jurisdiction of the ICJ, claims cannot be brought against it before the ICJ without its express agreement in relation to a specific claim.

It is unlikely that either Lebanon or Israel would consider submitting the maritime border dispute to the ICJ for fear that this might set a legal and/or politico-diplomatic precedent. Israel has only ever invoked the ICJ's jurisdiction once, in 1953, while Lebanon has been involved in two cases before the ICJ, most recently in 1959. Since the ICJ's 2004 advisory opinion reprimanded Israel for the construction of its wall around the Occupied West Bank, it is unlikely that Israel would consider referring any dispute, let alone one with Lebanon, to the ICJ. Lebanon's reservations with regard

to appointing the ICJ or any third party to resolve the maritime border dispute are two-fold.

First, it has concerns that Israel would seek to condition any agreement to refer the maritime dispute to the ICJ or any other international tribunal provided that Lebanon agrees to subject all border issues for resolution by such body. Second, it worries that any direct agreement with Israel to seek third-party involvement to resolve the dispute may be considered as de facto and de jure recognition of the state of Israel.

Third, and perhaps most importantly, even if the Lebanese-Israeli dispute were to be heard by ITLOS, the ICJ, or some other legal forum (e.g. ad hoc arbitration), the process would have to root its decision(s) in a body of law that would necessarily include what is referred to as “Customary International Law” (CIL) – which neither Israel nor Lebanon accepts in its entirety.

Israel’s policy has long been to stay out of multilateral agreements that presume its acceptance of any international law – customary or otherwise – that might expose its occupation and settlement policies, inter alia, to independent scrutiny and/or sanction. In other words, when Israel “rejects” “accusations” that it’s settling of occupied land violates international law, it does not deny that it commits the acts in question: it simply states its refusal to be bound by a law it does not recognize.

In practice, CIL allows for countries to remain largely outside its reach, but only if they consistently reject its applicability; governments cannot “cherry-pick” which laws to obey based on how they are affected in a particular case. Once you accept CIL in any way, shape, or form, you risk coming under its jurisdiction – a fate that Israel has worked hard to avoid for more than 70 years.

Beirut's approach is subtly different. Basically, it is happy to enter into multilateral agreements that commit it to meet certain standards, but only provided that doing so neither implies any recognition of Israel nor subjects all of Lebanon's borders to the judgment of the ICJ, whose verdicts are final and cannot be appealed. That leaves room – not a lot, but some – for the Lebanese state to achieve satisfaction on the offshore issue without sacrificing its general positions vis-à-vis Israel and borders.

In addition, while there are particular elements that make the Lebanon-Israel dispute unique in some ways, the general conditions, in this case, are not unusual. Every coastal state on the planet, for instance, has at least one maritime zone that overlaps with that of another state, and many of these disputes remain unresolved. In the Eastern Mediterranean alone, several pairs of countries have yet to sign bilateral agreements on the boundaries between their respective EEZs, including Cyprus and Turkey, Cyprus and Syria, Greece and Turkey, and Israel and Palestine. Moreover, many of the bilateral maritime treaties that have been reached are opposed by neighboring countries with overlapping zones – as is the case with Lebanon's opposition to the Israel-Cyprus deal.

What these cases demonstrate is that even when there is plenty of bad blood but no delineation agreement between two states, there is no need to go to war. Quite the contrary, states with sharply opposed interests can and do coexist despite the absence of an agreed maritime boundary. All they have to do is show restraint and practice a modicum of common sense – which is what all states are supposed to do in any event, under their UN Charter obligations.

Restraint and (indirect) dialogue should be especially attractive in this case, not least because there is likely to be significant outside support for some kind of solution. In addition to the UN and US efforts, the involvement of France's TOTAL, Italy's ENI, and Russia's Novatek in the region means



that each of their respective governments, plus the European Union as a whole, has a vested interest in using their own good offices to mediate an understanding that would, at the very least, open up Lebanon's Block 9 – thus far its most promising acreage – for exploration.

The real difference between this dispute and others is in the urgency, and that works both ways. It is true, for instance, that the threshold for conflict between Lebanon and Israel is lower than those between other neighbors: threats and even the actual use of force are habitual features of Israeli foreign policy, memories of shooting wars are fresher in Israel and Lebanon than most other places, and the value of the resources means there is plenty to fight over.

On the other hand, those same memories should serve as useful reminders that war is an inherently expensive business, and that any future conflict will extract a heavy cost – human, financial, reputational, etc. – from all concerned. The same goes for the stakes: with so much to gain from drilling and so much to lose from fighting, both countries have a clear interest in removing obstacles so that their respective oil and gas sectors can be developed as quickly as possible.

The important thing for Lebanon is to keep showing good faith and demonstrating commitment to its obligations to uphold peace and security as a signatory to the UN Charter, and thus far it has lived up to this responsibility. While remaining consistent in its refusal to even tacitly acknowledge Israel as a state, Beirut has engaged with two consecutive US envoys who have used a form of shuttle diplomacy to mediate the dispute. It also has made repeated appeals to the UN to help settle the matter. Whatever happens in the future, it is crucial that Lebanon retains this cooperative stance, for it not only protects its legal rights but also helps contain tensions that might otherwise cause Israel to act unilaterally.

One of the levers Lebanon can use to keep demonstrating a constructive position is in UN Security Council Resolution 1701, which ended the 2006 war.

Paragraph 10 of that document gives Lebanon (and Israel) the option to request that the UN Secretary-General proposes the delimitation of the Lebanese-Israeli border. Beirut has indeed asked for the Secretary General's intervention, but it can help its cause by remaining focused on the issue, particularly the application of UNSCR 1701(10). Again, even if this effort falls short, it cannot but help to have a positive influence on tensions and to further burnish Lebanon's stature as a responsible state seeking peaceful resolution of a dispute with another party.

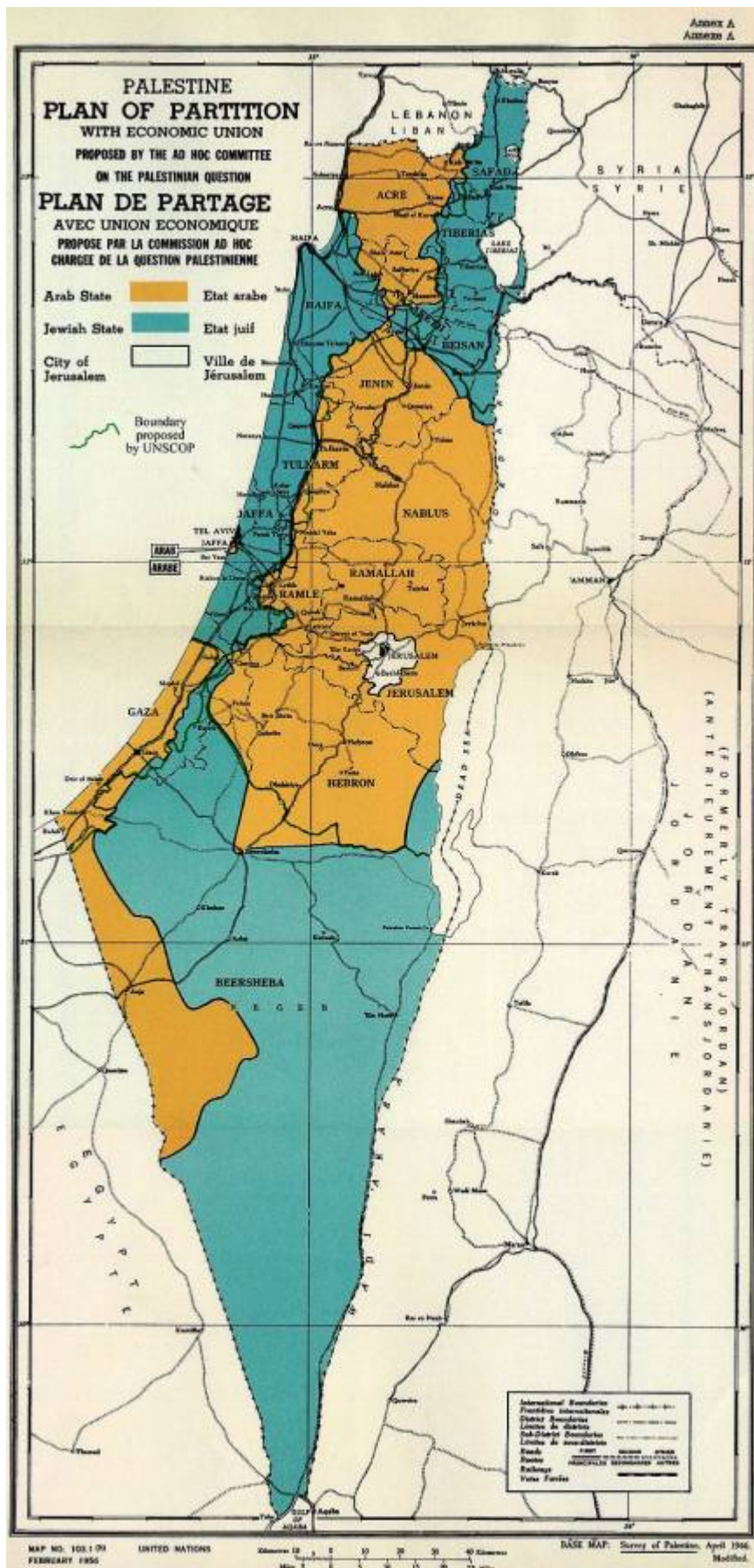
Apart from being meticulous about its commitment to peace and security, Lebanon's leadership also needs to be open and transparent with the general public, whose expectations for the oil and gas sector should be based on facts, not wishes. Educating public opinion will serve not only to address concerns that oil and gas revenues will be squandered by domestic mismanagement, but also reduce fears that Lebanese officials will sacrifice the national interest for the sake of their own personal gain.

The average Lebanese needs to understand that diplomacy often requires give-and-take, and that when it comes to energy especially, there are few zero-sum games: both sides often gain by accepting something less than their maximalist positions – or at least by allowing the time for due process to play out. In this instance, much has been made of the fact that Israel could end up sharing the revenues from any oil- or gasfield that straddles the eventual boundary between the two parties' respective EEZs. That is certainly possible, but it is also not especially relevant: the same rules of international law apply to straddling fields the world over, including some shared by mutually hostile nations. The same fact also cuts both ways because any agreement requiring

Lebanon to share straddling fields first identified on its side of the line would likewise require Israel to do the same. While Lebanon might indeed have to share the potential revenues of fields that have yet to produce (or even be explored), therefore, the same international law principle could well require Israel to share in those of fields that already are producing, possibly including some highly lucrative ones.

Of course, simply convincing Lebanese citizens that a fair settlement can be reached is not the same as promising that one will be reached. Nonetheless, it must be acknowledged that a) the Lebanese case is a strong one; and that b) Israel might well be convinced to accept an arrangement that falls well short of its stated demands.

The strength of Lebanon's position goes all the way back to the 1923 Paulet-Newcomb Agreement, which sets the border between what were then French Mandate Lebanon and British Mandate Palestine, and the 1949 Armistice Agreement, which ended hostilities in the 1948 war between an independent Lebanon and the recently established "state" of Israel. In the words of Israel's own Ministry of Foreign Affairs (website), the 1949 document "ratified the international border between former Palestine and Lebanon as the armistice line". This is important, not only because the Paulet-Newcomb pact sets Lebanon's southern border at Ras Naqoura, an advantageous point (for Lebanon) from which to delimit the two sides' EEZs, but also because in the absence of bilateral relations and therefore of a substantial record of cross-border trade, diplomacy, or other non-military interaction regarding the border, documents like these carry even more weight than might otherwise be the case.



Other factors also bode well for Lebanon's short- and long-term legal prospects, including the fact that the part of

Block 9 in which TOTAL, ENI, and Novatek are most interested clearly lies well within Lebanon waters – even if one were to accept Israel's maximalist claims. That leaves plenty of room for at least a short-term compromise that would allow exploration in areas not subject to dispute while leaving more difficult questions for a later time.

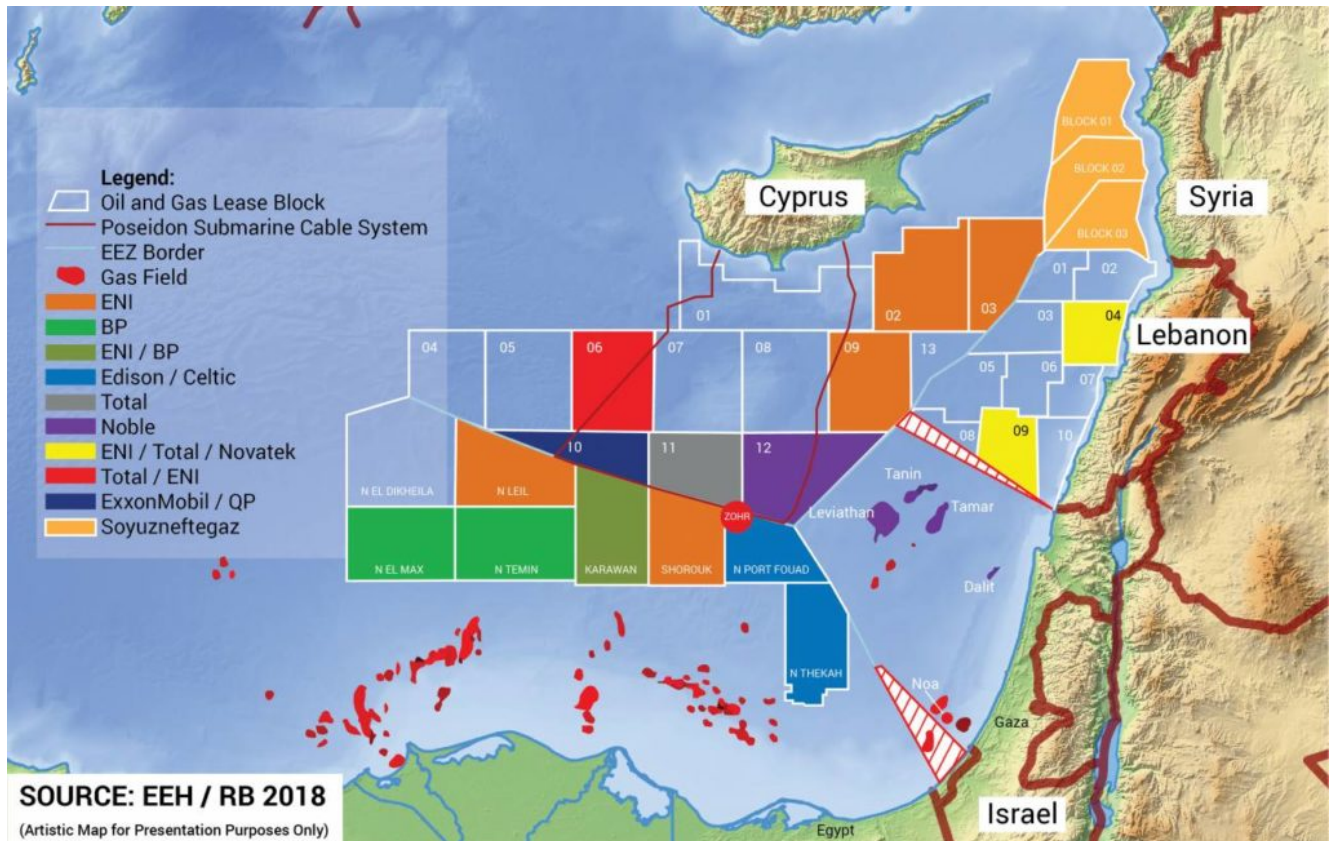
The quality of the information Lebanon has submitted to the UN and other interested parties also gives significant weight to its position, and in more than one way. The Lebanese side has used original British Admiralty Hydrographic Charts – widely recognized as the most accurate and authoritative available – as the starting point for the southern boundary of its EEZ, which lends even more credibility to its contentions. And by fortunate coincidence, the Israelis have relied on that very same source for their EEZ agreement with Cyprus (as have the Cypriots for their deal with Egypt).

Even on the issue of accepting CIL, there are signs that Israel may have relaxed its objections. In a March 2017 submission to the UN, the Israeli government said the dispute should be resolved “in accordance with principles of international law”. The missing “the” before “principles” indicates that Israel may well be trying to cherry-pick which elements of CIL it wants to recognize, but the language offers hope that it is ready to be more flexible. Given that there may now be agreement between the parties on certain principles of CIL regarding border delimitation, this could be an opening for a Lebanese submission to the UN Secretary-General to ask that he put forward a proposal.

Even before the 2017 submission, there were already indications of possible Israeli movement. In the December 2010 EEZ agreement between Israel and Cyprus, the preamble refers to both provisions of UNCLOS and principles of international law of the sea applicable to EEZs, even though Israel has never recognized either UNCLOS or international law itself. The same document also allows for review and modification if



this is necessary in order to facilitate a future EEZ agreement acceptable to “the three states concerned”, which cannot be interpreted to mean anything but the signatories and Lebanon.



This is not to pretend that the case is cut and dry. On one issue in particular, Israel can be expected to stress that its EEZ Agreement with Cyprus is based on the same maritime starting point that Lebanon used in its own EEZ agreement with Cyprus, which was reached in 2007 but has not been ratified by Parliament. This, however, is basically the only gap in Lebanon’s legal armor in this case, and Beirut has several strong arguments with which to close it: Lebanon could counter a) that in line with the Article 18 of the Vienna Law of the Treaties, which forms part of CIL, the 2007 EEZ agreement is not valid and binding as it was never been ratified by the Lebanese Parliament; b) that point 1 was chosen as the starting point for demarcation of the Cyprus/Lebanese EEZ in order to avoid either implicitly recognizing Israel or giving it a pretext for unilateral action; and c) that the line was

never intended to be a permanent one, just an interim solution until a triple point is defined among itself, Cyprus, and Israel.

In short, the average Lebanese needs to know that a well-negotiated deal through third-party mediation or arbitration would mean a far bigger victory for Lebanon than for Israel. The latter, one should keep in mind, is already producing gas from offshore fields, so opening up new ones represents only an incremental gain, making delay less meaningful. Lebanon, by contrast, has yet to start reaping such rewards at all, so the impact of an early start means an instantly massive improvement on the status quo; the sooner it can do so without fear of Israeli aggression, therefore, the better.

There is always the possibility that Israel could seek to short-circuit any diplomatic process in which it feels unable to dictate the outcome. It might not even have to use military force to achieve its ends, only to keep tensions high enough so that no drilling can even take place.

Even a spoiling strategy could cost Israel dearly, however, by further eroding its standing in the international community, alienating key allies, and discouraging investment in its own energy sector. A shooting war would be even worse for Israel, especially since its vulnerable offshore gas facilities would figure to be the highest-value targets of any conflict and would be almost impossible to defend. It is difficult to imagine how any combination of Israeli political and military objectives in Lebanon could justify losing these facilities, which constitute one of the Israeli government's most productive cash cows.

Once again, there are signs that Israeli officials have performed similar calculations. Most conspicuous has been the absence of Israeli drilling activity in the disputed areas: no licenses have been issued for any of the Israeli blocks that extend into waters claimed by Lebanon. At least for now, and



notwithstanding some of the more strident voices, most of Israel's leadership appears willing to take a wait-and-see approach.

To keep expectations in line with realities, then, Lebanese leaders need to be mindful of what they say in public. While being as transparent as they can for domestic purposes, they also must be politically astute to avoid compromising Beirut's negotiation position, sending mixed signals, and/or closing diplomatic doors. Measured rhetoric is not a common feature of the Lebanese political arena, but the country does have a first-rate diplomatic service, so perhaps some resources could be invested in a program of regular briefings seminars – for the president, prime minister, speaker, all Cabinet ministers and MPs, and relevant senior civil servants – on how to avoid such missteps, whether at a press conference or a gala dinner.

Apart from maintaining a united front and keeping the public informed, the other priority must be to leave no stone unturned in the search for a peaceful solution. This means that in addition to the US and UN avenues, Beirut would do well to enlist other participants as well, starting with the home countries (France, Italy, and Russia) of the companies forming the consortium that won the rights to Block 9. Then there is the European Commission, which knows full well that all of its member-states stand to benefit from the development of an East Mediterranean gas industry, which would diversify the sources of energy imports, improve the security of supply, and even put downward pressure on prices, adding higher living standards and greater economic competitiveness for good measure.

All of these players could potentially help mediate a formula that works for all concerned, but nothing is more important than reanimating and extending the US mediation role. Whatever one thinks of Washington's credibility as an honest broker in the Middle East, no other actor has its capacity to influence Israeli decision-making – and so to create sufficient time and

space for diplomatic efforts to mature.

*Roudi Baroudi is the CEO of Energy and Environment Holding, an independent consultancy based in Doha, and a veteran of more than three decades in the energy business.*

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# U.S. Energy Policy Will Drive Jobs, Clean Energy



RICK PERRY

Rather than preaching about clean energy, this administration will act on it.

The President and I agree on a fundamental tenet: rather than preaching about clean energy, this administration will act on it.

We are confident we can unleash our domestic energy sector, drive economic and job growth, and protect the environment at the same time. We know this not because of theory, but because of cold, hard facts. The data is evident in what I witnessed while serving as the governor of Texas.

During my 14 years as governor, Texas grew by 6.8 million people ... more than the population of all but 13 states. We also added 2 million new jobs during that time. In fact, from December 2007 to December 2014, Texas added 1.4 million jobs while the rest of the country lost 400,000.

Texas leads the United States' energy revolution, producing more than 3 million barrels of oil and more than 20 billion

cubic feet of natural gas daily.

But Texas is also the country's largest (and currently No. 6 in the world) producer of wind energy. Texas has two of the largest wind farms in the Western Hemisphere, and during my time as governor we invested \$7 billion in transmission facilities to distribute that new, clean energy.

At the same time, Texas power plants reduced their output of carbon by 17 percent, sulfur dioxide by 56 percent, and nitrous oxide by 66 percent.

That's a lot of people, a lot of new jobs and wealth, and a lot of new energy. And we accomplished this at the same time we addressed challenges to our environment.

Pennsylvania is also determining its own future, taking a leadership role in America's energy revolution. The development of Marcellus and Utica Shale has created thousands of jobs, billions of dollars in new investment, and is having a global impact.

This happened in Texas and Pennsylvania because of smart strategies and bipartisan leadership. It can happen across America if we roll up our sleeves and focus on American jobs and American families, as the President indicated Thursday.

Texas and Pennsylvania didn't become leaders in domestic energy production because they waited for any other state, or any other country, to lead the way.

The same holds true for the United States of America. This country has been and must continue to be a leader in energy technology, development, and delivery. This leadership will not occur if we disqualify sources of energy as we did through the Paris agreement, but only if we unleash America's know how and ingenuity to unlock our natural resources.

We don't need to rely on other countries to show us the way to

energy jobs or to a cleaner environment.

Under the President's leadership, the United States will serve as an example to the rest of the world on how to achieve economic, energy, and environmental goals simultaneously.

And in the process, he will allow us to determine our own future, and that future will indeed be brighter.

RICK PERRY

As United States Secretary of Energy, Rick Perry leads an agency tasked with maintaining a safe, secure and effective nuclear deterrent and reducing the threat of nuclear proliferation, overseeing the United States' energy supply, carrying out the environmental clean-up from the Cold War nuclear mission, and the 17 National Laboratories.

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## **Euromed: energy, sustainable development in Barcelon**

(by Paola Del Vecchio) (ANSAméd) – MADRID, NOVEMBER 11 – Hundreds of entrepreneurs and managers of public and private organizations will take part on November 26-28 in Barcelona in the VIII Mediterranean Week of economic leaders to discuss key factors for the social and economic development of the region.

The appointment is organized by the Association of the chambers of commerce and industry of the Mediterranean (Ascame), which announced the event, in cooperation with the Chamber of commerce of Barcelona, the Union for the Mediterranean (UfM), the European Investment Bank (EIB), and

the European Institute of the Mediterranean (IEMed).

The three-day event will include forums and working sessions on issues ranging from the green economy to renewable energy and sustainable development.

The Week includes the 4th summit of the green economy of the Mediterranean, which includes the Foro Solar, economic intelligence, Medacity, the global Eco Forum and Meditour, dedicated to ecological tourism.

Sectorial appointments will include the second summit dedicated to Islamic finance; the first Mediterranean forum of entrepreneurs and the forum for the economic development of North Africa (NABDF), which has reached its 11th edition.

As usual, Ascame will celebrate its general assembly within economic week, which will be attended by 300 chambers of commerce of the Mediterranean and representatives of 23 countries of the region.

The great challenges of the energy sector, the need to create an energy community in the Mediterranean will be at the center of the I forum on energy regulation scheduled on November 26.

Organized by Medgrer, the only organization of independent public authorities in the region, the forum vies to create a joint authority for electricity and gas to benefit consumers in 21 countries to be represented in it.

The appointment in Barcelona will be an occasion to address key issues for energy policies in the area, like the role of authorities regulating the region's interconnected market.

Another issue to be addressed is which investments and mechanisms should be funded to create infrastructures to respond to the growing demand for gas, electricity and renewable energy in the area. The objective is a road map for the creation of an energy community in the Mediterranean.

Centred on the essential aspects of sustainable development in the region, like the use of renewable energy and eco-efficiency, with particular attention to the green economy, the Week will also include the Mediterranean solar forum. The forum will "focus on the social and political impact, training and challenges of the solar sector", said sources from the organization. It will also compare for the first time "six strategic projects of the European Union's Neighbourhood Policy and their financial tools (ENPI) involving EU members and countries from the two shores of the Mediterranean".

These are projects of the ENPI CBC Med Solar Cluster set up in Amman, Jordan, in October 2013: Foster in Med, Shaams, Med Solaire, Didsolitpb, Sts-Med and Med-Desire.

The overall investment for the development of solar energy in the region is worth 25 million euros.(ANSAméd)

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## **Energy Strategy and Energy Union: Secure, competitive, and sustainable energy**



[Building the Energy Union \(/energy/en/topics/energy-strategy-and-energy-union/building-energyunion\)](/energy/en/topics/energy-strategy-and-energy-union/building-energyunion)

The Energy Union will help to provide secure, affordable and clean energy for EU citizens and businesses.

[Clean Energy for All Europeans \(/energy/en/topics/energy-strategy-and-energy-union/cleanenergy-all-europeans\)](/energy/en/topics/energy-strategy-and-energy-union/cleanenergy-all-europeans)

A package of proposed new rules aimed at providing the necessary legal framework to facilitate the clean energy transition.

[Governance of the Energy Union \(/energy/en/topics/energy-strategy-and-energyunion/governance-energy-union\)](/energy/en/topics/energy-strategy-and-energyunion/governance-energy-union)

Proposed new rules on the Governance of the Energy Union will help to ensure its objectives are met. [2020 Energy Strategy \(/energy/en/topics/energy-strategy-and-energy-union/2020-energystategy\)](/energy/en/topics/energy-strategy-and-energy-union/2020-energystategy)

The EU has set 20% targets for renewable energy, greenhouse gas reduction, and energy efficiency for 2020.

[2030 Energy Strategy \(/energy/en/topics/energy-strategy-and-energy-union/2030-energystategy\)](/energy/en/topics/energy-strategy-and-energy-union/2030-energystategy)

The 2030 Energy Strategy proposes targets for renewables, energy efficiency, and greenhouse gas reductions for the period between 2020 and 2030.

[2050 Energy strategy \(/energy/en/topics/energy-strategy-and-energy-union/2050-energystategy\)](/energy/en/topics/energy-strategy-and-energy-union/2050-energystategy) EU strategy for the transition to a competitive, secure and sustainable energy system by 2050 and for reducing greenhouse gas emissions by at least 80%.

[Energy Security Strategy \(/energy/en/topics/energy-strategy-and-energy-union/energy-securitystrategy\)](/energy/en/topics/energy-strategy-and-energy-union/energy-securitystrategy)



The EU Energy Security Strategy aims to ensure a reliable supply of energy for EU countries.

Clean Energy for EU Islands (</energy/en/topics/energy-strategy-and-energy-union/clean-energyyeu-islands>)

The Clean Energy for EU Islands initiative provides a long term framework to help islands generate their own sustainable, low-cost energy.

## Overview

The European Union's energy policies are driven by three main objectives:

- We want secure energy supplies to ensure the reliable provision of energy whenever and wherever it is needed
- We want to ensure that energy providers operate in a competitive environment that ensures affordable prices for homes, businesses, and industries
- We want our energy consumption to be sustainable, through the lowering of greenhouse gas emissions, pollution, and fossil fuel dependence.

These goals will help the EU to tackle its most significant energy challenges. Among these, our dependence on energy imports is a particularly pressing issue, with the EU currently importing over half its energy at a cost of €350 billion per year. Other important challenges include rising global demand and the scarcity of fuels like crude oil, which contribute to higher prices. In addition, the continued use of fossil fuels in Europe is a cause of global warming and pollution.

Key policy areas that will help us achieve our goals include:

- A European Energy Union that will ensure secure, affordable and clean energy for EU citizens and

businesses by allowing a free flow of energy across national borders within the EU, and bringing new technologies and renewed infrastructure to cut household bills, create jobs and boost growth

- A European Energy Security Strategy which presents short and long-term measures to shore up the EU's security of supply
- A resilient and integrated energy market across the EU – the internal energy market. To this end, new pipelines and power lines are being built to develop EU-wide networks for gas and electricity, and common rules are being designed to increase competition between suppliers and to promote consumer choice
- Boosting the EU's domestic production of energy, including the development of renewable energy sources
- Promoting energy efficiency
- Safety across the EU's energy sectors with strict rules on issues such as the disposal of nuclear waste and the operation of offshore oil and gas platforms.

To pursue these goals within a coherent long-term strategy, the EU has formulated targets for 2020, 2030, and 2050.

The 2020 Energy Strategy defines the EU's energy priorities between 2010 and 2020. It aims to:

- reduce greenhouse gases by at least 20%
- increase the share of renewable energy in the EU's energy mix to at least 20% of consumption
- improve energy efficiency by at least 20%

EU countries have agreed that the following objectives should be met by 2030:

- a binding EU target of at least a 40% reduction in greenhouse gas emissions by 2030, compared to 1990
- a binding target of at least 27% of renewable energy in the EU

- an energy efficiency increase of at least 27%, to be reviewed by 2020 with the potential to raise the target to 30% by 2030
- the completion of the internal energy market by reaching an electricity interconnection target of 15% between EU countries by 2030, and pushing forward important infrastructure projects.

Together, these goals provide the EU with a stable policy framework on greenhouse gas emissions, renewables and energy efficiency, which gives investors more certainty and confirms the EU's lead in these fields on a global scale.

On 30 November 2016, the Commission released a package of draft legislative proposals designed to help achieve these targets. The measures include draft proposals on electricity market design, renewables, and energy efficiency.

The EU aims to achieve an 80% to 95% reduction in greenhouse gases compared to 1990 levels by 2050. Its Energy Roadmap 2050 analyses a series of scenarios on how to meet this target.

## Progress

The EU has already made important progress towards meeting its targets:

- The 'State of the Energy Union' reports show the progress that has been made since the adoption of the Energy Union strategy in February 2015
- Between 1990 and 2015, the EU cut greenhouse gas emissions by 22% and is well on track to meet its 2020 target
- In 2015, the estimated share of renewable energy in the EU's gross final energy consumption was 16.4%, up from 8.5% in 2005
- The latest renewable energy progress report from 2017

states that 25 EU countries are expected to meet their 2015/2016 interim renewable energy targets

- Energy efficiency is also improving: in 2014 the EU's primary energy consumption was only 1.6% above its 2020 primary energy consumption target. Although there was a slight increase in primary energy consumption in 2015, if countries implement all the necessary EU legislation, the 2020 target should be reached.

## **Energy projections**

The EU produces market projection reports for 2030 and 2050 based on current trends and policies. They include information on possible energy demand, energy prices, greenhouse gas emissions and other potential developments.

Energy trends up to 2050

## **Related documents**

- Energy 2020: A strategy for competitive, secure, and sustainable energy [COM(2010)639]
- A policy framework for climate and energy in the period from 2020 to 2030 [COM(2014) 15]
- Energy Roadmap 2050 [COM/2011/885]
- European Energy Security Strategy [COM(2014)330]