

LEBANON-ISRAEL MARITIME DEAL

By
Arhama Siddiq
Research Fellow

Centre for Afghanistan, Middle East & Africa (CMEA), ISSI

Edited by
Amina Khan

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(Views expressed in the brief are those of the author, and do not represent those of ISSI)



On 27 October, 2022, Lebanon and Israel reached a US-brokered agreement to end a long-running dispute over their maritime border by officially laying out their maritime boundary for the first time. What is being termed as a ‘historic agreement’¹ opens up the possibility for both countries to conduct offshore energy exploration in the Mediterranean Sea. Since no official relations exist between Lebanon and Israel, the agreement came in the form of a separate exchange of letters between the three parties which marked their maritime coordinates.

¹ “Historic Agreement Establishing a Permanent Israel-Lebanon Maritime Boundary,” *US Department of State*, October 27, 2022.
<https://www.state.gov/historic-agreement-establishing-a-permanent-israel-lebanon-maritime-boundary/>



The disputed areas include around 860 square kilometers (332 square miles) in what is known as each nation's "exclusive economic zone" or EEZ. These sit outside maritime borders but each country has special rights to what's inside them.²



Israeli Prime Minister Yair Lapid said the deal was a “political achievement” for Tel Aviv as “it is not every day that an enemy state recognises the State of Israel, in a written agreement, in front of the

² “Israel, Lebanon sign US-brokered maritime border deal,” *Al Jazeera*, October 27, 2022. <https://www.aljazeera.com/news/2022/10/27/israel-lebanon-sign-us-brokered-maritime-border-deal>

entire international community”.³ For him, the deal also serves the purpose of getting support ahead of the country’s general election in November - its fifth in four years. Meanwhile, Lebanese President Michel Aoun- whose six-year term ended on 31 October, 2022- insisted that the agreement did not constitute a peace agreement and said the deal was purely “technical and would have no political dimensions or impacts that contradict Lebanon’s foreign policy”.⁴ US Secretary of State Antony Blinken praised the deal in a statement, saying that it “meaningfully demonstrates the US vision for a more secure, integrated, and prosperous Middle East.”⁵

Of course the deal could not have been signed without the consent of the Lebanese political party Hezbollah, which had over the summer threatened to attack Israel if it began extracting gas from the Karish field before reaching an agreement. Tensions had risen over the disputed region in the summer, when an Energean (a London-listed power firm) vessel arrived in the Karish field to develop the gas field.⁶ Hezbollah’s leader, Hassan Nasrallah, said that the Lebanese government had made sure that no steps were taken that “even smelled of normalization”. In a televised speech, he said that the agreement was a “great victory for Lebanon and added that it is not an international treaty and also not a recognition of Israel”.⁷

The agreement does not include any formal recognition of Israel and is not in any way reminiscent of a peace deal. Lebanon and Israel have been at war for decades. Israel invaded Lebanon in 1982 during the latter’s civil war and occupied Lebanese territory until 2000. Their last major conflict was the 2006 Lebanon War. Beirut is a staunch supporter of the two-state solution to resolve the Palestinian issue. Lebanon hosts about 210,000 Palestinian refugees and according to UNRWA, poverty levels among Palestine refugees in Lebanon have jumped from 70 percent at the start of 2022 to 93 percent in October, 2022.

³ “Lebanon signs maritime border deal with Israel,” *TRT World*, October 27, 2022.

<https://www.trtworld.com/middle-east/lebanon-signs-maritime-border-deal-with-israel-62007>

⁴ “Israel, Lebanon finalise maritime demarcation deal without mutual recognition,” *Reuters*, October 27, 2022.

<https://www.reuters.com/world/middle-east/lebanon-israel-set-approve-maritime-border-deal-2022-10-27/>

⁵ “Historic Agreement Establishing a Permanent Israel-Lebanon Maritime Boundary,” *US Department of State*, October 27, 2022.

<https://www.state.gov/historic-agreement-establishing-a-permanent-israel-lebanon-maritime-boundary/>

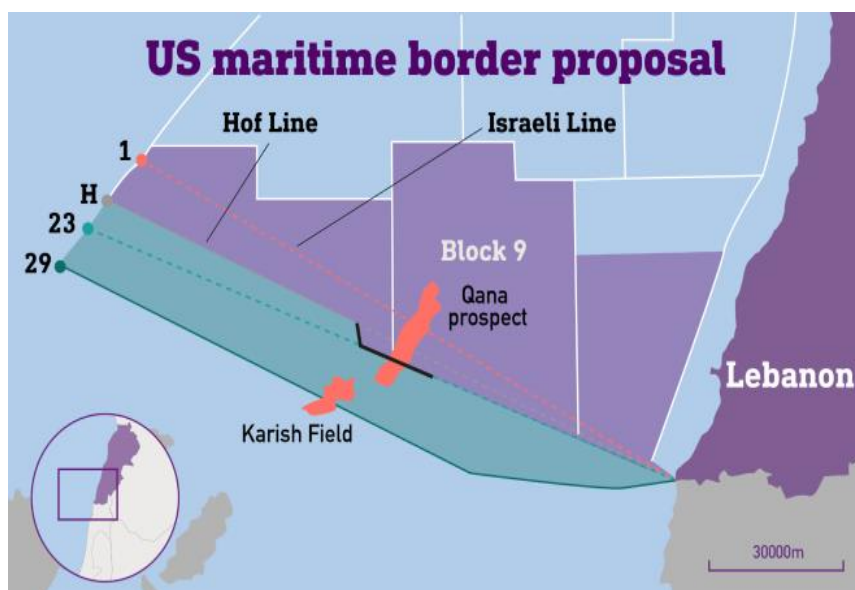
⁶ “Israel Moves Gas Vessel to Karish Field in Move Angering Lebanon,” *Bloomberg*, June 6, 2022.

<https://www.bloomberg.com/news/articles/2022-06-06/israel-moves-gas-vessel-to-karish-field-in-move-angering-lebanon#xj4y7vzkg>

⁷ “Hezbollah chief says armed group's mobilization to end,” *Reuters*, October 27, 2022.

<https://www.reuters.com/world/middle-east/hezbollah-chief-says-armed-groups-mobilization-end-2022-10-27/>

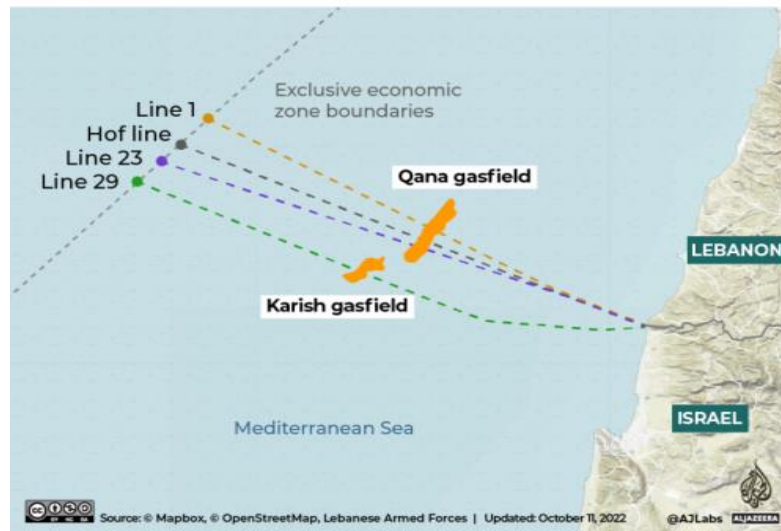
The maritime border was drawn from the sea, with the first five kilometers (2.2 miles) following the so-called “line of buoys” and then following along Line 23.⁸ Lebanon had previously opposed bringing Line 23 into negotiations as it would have meant ceding part of the Karish field to the Israelis, sharing the Qana gas field, and reducing the areas of Blocks 8 and 9 that belong to Lebanon. However, with the Lebanese economy in complete collapse, Beirut sees the demarcation of the maritime border as an opportunity to unlock foreign investment and lift the country out of the current economic crisis. The deal could also be a boon for Europe as it attempts to disengage from Russian gas over Russia’s invasion of Ukraine since the Karish field could be another resource to cover European energy needs.



Amos Hochstein, the US envoy who negotiated the maritime deal, stated that Washington would remain a guarantor for the resolution of any disputes resulting from violations of the deal.⁹ In the event of cross-border deposits being identified, both Lebanon and Israel agreed to mediate a solution through the US. Under the terms of the deal, Israel received full rights to explore the Karish field, which is estimated to have natural gas reserves of 2.4 trillion cubic feet (68 billion cubic meters). In turn, Lebanon received full rights in the Qana field but agreed to allow Israel a share of royalties through a side agreement with the French company TotalEnergies for the section of the field that extends beyond the agreed maritime border.

⁸ “The Israel-Lebanon maritime border deal explained,” *Business Hala*, October 15, 2022.
<https://businesshala.com/the-israel-lebanon-maritime-border-deal-explained/>

⁹ “U.S. envoy in Lebanon-Israel maritime talks says expects deal to hold even if top leaders change,” *Reuters*, October 27, 2022.
<https://www.reuters.com/world/middle-east/us-envoy-lebanon-israel-maritime-talks-says-expects-deal-hold-even-if-top-2022-10-27/>



In economic terms, the deal means that Energean can start working on Israel's Karish field almost immediately without fear of coming under attack and Israel should be able to start making money within weeks. For Lebanon, it is estimated that the Qana field is worth around \$3 billion altogether. This could bring Lebanon between \$100 and \$200 million a year.¹⁰ However, Lebanon is far from pumping gas at Qana. Even though the country has done a deal with French energy giant Total to work in the field, further exploration and infrastructure is needed before the Qana field makes any money. This could take up to another decade.

Critics of the deal have said it does little to address the issue of profit distribution but defers agreeing on what royalties Israel will get from the Qana field to a future date.¹¹ There is also the fear that the rampant corruption that has characterized Lebanon's governing system may prevent the money from ever benefitting about three million people living below the poverty line and that the Lebanese political leadership may use this agreement as a pretext to reject a deal with the International Monetary Fund to implement ten reforms in exchange for \$3 billion in relief that would help put the country on the road to economic recovery. Although this agreement is historic on many fronts, it does not mean a cessation of hostilities between Lebanon and Israel. For that to occur, the Palestinian/Israeli conflict will need to be first addressed.

¹⁰ "The Israel-Lebanon Agreement Could Be A Game Changer For Natural Gas Markets," *OilPrice*, October 26, 2022.
<https://oilprice.com/Energy/Natural-Gas/The-Israel-Lebanon-Agreement-Could-Be-A-Game-Changer-For-Natural-Gas-Markets.html>

¹¹ "Lebanon-Israel maritime border deal: what do we know?" *France24*, October 14, 2022.
<https://www.france24.com/en/live-news/20221014-lebanon-israel-maritime-border-deal-what-do-we-know>