

Chapter 2

Lebanon and Israel: Natural Resources and Security Interests as Catalysts for Conflict Resolution

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* This chapter has been written following consultations and interviews with Lebanese experts. Their perspectives on the issue are included in this chapter. We would like to thank them, together with our colleagues Dr. Nimrod Goren and Dr. Ehud Eiran, for their insights.

A. Introduction

In October 2022, mediation by American diplomat Amos Hochstein was successfully concluded by the signing of an agreement solving a decade-long maritime border dispute between two enemy countries, Israel and Lebanon. Lebanese officials announced victory, satisfied that Lebanon was able to obtain all that it demanded. They announced to the public that Lebanon was going to join the oil-producing countries. In Israel, then-Prime Minister Yair Lapid called this agreement a historic moment, and why not? After all, this deal between two enemy countries managed to focus on one item among many and solve it.

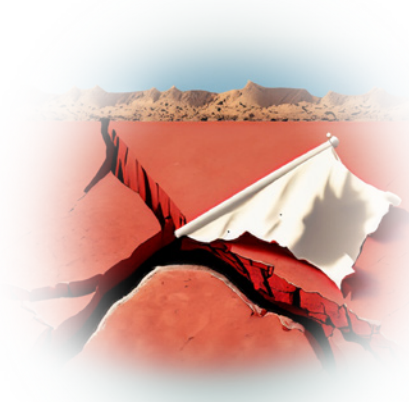
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The window of opportunity for the relevant actors could be exploited to promote bilateral or multilateral cooperation in a way that serves their national interests.

The oil and gas discoveries offshore the Eastern Mediterranean in the last decade created, in many respects, a new energy-economic-political reality in the region, establishing the Eastern Mediterranean as a distinct subregion within the international arena. Generally, the potential for natural resources often evokes dormant or existing disagreements, and sometimes triggers the deepening of those conflicts, or even an escalation. However, at the same time, this potential serves to illuminate the window of opportunity for the relevant actors, which could be exploited to promote bilateral or multilateral cooperation in a way that serves their national interests. The developments in the Eastern Mediterranean in recent years accelerated these two ways of action. They accelerated processes of cooperation, which led to a rather impressive regional architecture among a series of players, namely the EMGF, which recognised the window of opportunity that opened before them. At the same time, existing conflicts, which are naturally based on wider and deeper disputes, had escalated, and energy deepened the gap instead of helping the relevant players to be more pragmatic and constructive.

B. Lebanon and Israel: Two enemy countries with no outlook for peace

In the year 2000, Israel withdrew from Southern Lebanon after more than 18 years of occupation. A painful chapter was closed but it did not end the decade-long animosity between the countries. They remained enemies and even went to war in 2006, which lasted 33 days. Lebanon considered the withdrawal in 2000 to be partial and not comprehensive because the Israeli forces did not leave the Shebaa farms, an area of 25 square kilometres. According to Israel, that land was occupied from the Syrians and, therefore, is not part of Lebanese territories. However, after months of dispute over this issue, the UN announced the full withdrawal of Israeli forces from Lebanese land, which was refused by Lebanon and is still an unresolved issue. Over the years, both countries had rounds of discussions facilitated by the United Nations Intern Forces in Lebanon (UNIFIL) to solve the land border dispute between them; however, the Shebaa ownership is one complex issue that was blocking the final agreement. Still today there are approximately 13 points of disagreement along the land border.



Besides the Shebaa farms controversy, the other main border point dispute is that of Ras Al Naqoura, which is the overlapping border between the land and the sea between Lebanon and Israel, and the issue came to the frontlines after 2011 when Lebanon and Israel entered into another dispute, this time on the maritime border.

The Israeli-Lebanese conflict has additional, more unique characteristics. The relationship between the two countries is part of the wider Arab-Israeli conflict in the region. Over the years, there have indeed been significant developments in this context – the peace agreements between Israel and Egypt and Jordan and even a process (albeit faltering) between Israel and the Palestinians – but this has all passed over the Israeli-Lebanese level. There are many diverse reasons for this, which lie in the unique situation of Lebanon. The country is subject to an internal political crisis due to its complex demographic-ethnic fabric the long-standing involvement of multiple external actors in the Lebanese arena, which meant Lebanon was unable to take control of its foreign policies and delegated to foreign countries, mainly Syria, between 1990 and 2005, which was negotiating with Israel on its behalf. The establishment and strengthening of a non-state actor in the country, which holds considerable military power, such as Hezbollah, obviously added further complications.

It is extremely important to clarify the resulting narratives that have been established over the years on the Israeli side in relation to Lebanon. These focused on four main points: (1) Lebanon will be the last country to reach a peace agreement with Israel; (2) Lebanon is in reality a "failed state". The political discourse from the Israeli point of view takes place (not directly of course) with the Lebanese Government, but in practice a variety of actors, internal and external, dictate an almost impossible agenda in the country; (3) an Israeli-Lebanese military conflict, in fact against Hezbollah, is inevitable, and is a question of when and not if; (4) trauma prevails in Israeli society, which stems from the (many) years in which it operated and controlled part of the country, until the unilateral withdrawal in 2000.

On the Lebanese side, the narratives in relation to Israel focused on four aspects: (1) through the resistance of Hezbollah, Lebanon managed to force Israel to withdraw, a major Arab victory against the "unbeatable" Israeli army, and because of that perception Hezbollah was able to gain popularity for years until 2007-2008, when it started imposing its political agenda in the country; (2) Lebanon supports the Palestinian cause, and it wants to see an end to the issue of refugees – since 1948, Lebanon has hosted thousands of Palestinian refugees – who were often exploited in internal or regional political rivalries; (3) Lebanon considers Israel as the number one enemy and, since the control of Hezbollah, that idea of the enemy that we do not recognise was crystallised by Hezbollah and its allies to the point of not even allowing discussion of making peace if conditions are ripe; (4) any agreement with Israel, such as the maritime agreement, could not be achieved if there was no consent from Hezbollah.

C. Lebanon and Israel: Two enemy countries with natural resources and a disputed border

In the last two decades, the Eastern Mediterranean countries intensified their efforts to develop their hydrocarbon sectors after promising studies conducted mainly by the US geological survey of potential resources hidden in the deep waters of the region. That required the countries to identify their EEZ to delimit their offshore blocks that will be offered to international oil companies to start exploration.

In January 2007, Lebanon and Cyprus concluded an agreement to delimit their EEZs. Cyprus ratified the agreement, Lebanon did not. Three years later, in December 2010, based on the agreement made between Lebanon and Cyprus, Israel signed its own EEZ delimitation agreement with Cyprus. And in 2011 Israel submitted its proposed northern maritime boundary to the UN (commonly known as Line 1). Lebanon refused the Cypriot-Israeli agreement because the tripoint between the three countries was not agreed upon by all parties as stipulated in its article 1.e of the Lebanon and Cyprus agreement: “Taking into consideration article 74 of the UN Convention on the Law of the Sea of 10th of December, 1982, the geographical coordinates of points (1) and (6) could be reviewed and/or extended and duly revised as necessary in light of future delimitation of the Exclusive Economic Zone with other concerned neighboring States and in accordance with an agreement to be reached in this matter by the neighboring States concerned”. The agreement signed between Cyprus and Israel states in article 1.e: “Taking into consideration the principles of customary international law relating to the delimitation of the Exclusive Economic Zone between States, the geographical coordinates of points 1 or 12 could be reviewed and/or modified as necessary in light of future agreement regarding the delimitation of the Exclusive Economic Zone to be reached by the three States concerned with respect to each of the said points”. All three countries accepted the fact that the tripoint will be revised, but the disputed maritime zone still became the major issue between Lebanon and Israel. Lebanon based its argument on a provision in an agreement that it never ratified. In addition, and more importantly, Lebanon revised its maritime borders between 2007 and 2010. In 2011, following the Cypriot-Israeli agreement, Lebanon sent its new coordinates to the UN to be registered as the official borders. Israel disregarded all Lebanon claims and the 860 square kilometres disputed maritime border came to exist.

The US has been the most active mediator trying to solve this dispute between Lebanon and Israel. In 2011, Fredrick Hof, the US Special Middle East Peace Envoy, proposed a temporary solution to both countries that granted two thirds of the 860 square kilometres to Lebanon and two thirds to Israel. The Lebanese Government of that time, very divided politically, was unable to decide to accept or refuse and, after the prime minister resigned and his caretaker government

was paralysed, no one was able to take action. Later, Amos Hochstein, Special Envoy and Coordinator for International Energy Affairs and the Bureau of Energy Resources (ENR) at the US Department of State, proposed a more favourable deal for Lebanon (around 620 square kilometres). Lebanon at that time was stuck in its own political crisis that lasted from 2013 to 2016 and was unable to strike any deal with the Americans or with the Israelis. In 2018-2019, David Satterfield, Acting Assistant Secretary of State for Near Eastern Affairs, engaged in a shuttle diplomacy to solve the maritime dispute. Lebanon proposed parameters to agree upon before entering into negotiations with the Israelis.

The proposal included the following: (1) linking sea-land borders negotiations; (2) the US to play the role of the facilitator; (3) an active role of the UN and negotiations due to happen under its umbrella; (4) Israel to agree that no agreement is reached if all points were not solved; and (5) written guarantee from Israel that it accepts these conditions. Israel did not agree on points 4 and 5 and wanted to add a six-month timeframe that was refused by the Lebanese authorities. Israel would have loved to solve all disputed issues, including the land border, but linking it categorically to the maritime dispute was seen as destructive and might complicate the negotiations. Later, the Israeli authorities were preoccupied with the second parliamentary elections in September 2019. The shuttle diplomacy was dead.

Israel has been active since the late 1990s in activities related to exploration and exploitation of its offshore resources. Between 1999 and 2004, the Israel Planning Administration outlined legal policies and plans for offshore exploration. Small-scale production began in 2004, but explorations in 2009 and 2010 by Noble Energy and the Delek Group revealed two major fields – Tamar and Leviathan – that transformed Israel’s energy outlook from energy importer to potential energy exporter. This development impacted both Israel’s domestic and regional energy policies. It also incentivised Israel to delineate its maritime boundaries, notably with Cyprus, so as to maximise future offshore exploration. It also secured export agreements with Egypt and Jordan. These processes benefited Israel diplomatically, enabling it to be among the deciding voices in the Eastern Mediterranean’s new regional architecture.

Lebanon has a brief history of attempting to find oil and gas onshore, which was combined since the 1990s with offshore activities. Geological mapping first started in 1926 under the French mandate, and seven onshore wells were drilled between 1947 and 1967, but no discoveries were made. During the Lebanese Civil War from 1975 to 1990, there were no exploration attempts or any kind of plan to develop this sector. In 1993, the Lebanese Government resumed its activities related to oil and gas and it commissioned an international company Geco-Prakla to conduct a 2D Seismic Survey offshore Lebanon on the coast of Tripoli in the north. However, there were no further attempts due to the complicated political situation in the country and the control of the Syrian regime. Activities

in offshore Lebanon became more frequent starting in 2000, and the Lebanese Government took the strategic decision to invest in the seismic surveys and asked international companies, mainly the British company Spectrum and the Norwegian company Petroleum Geo-Services (PGS), to conduct 2D and 3D surveys along the Lebanese EEZ, a surface of 22,700 square kilometres. Based on these surveys, the Lebanese Petroleum Administration (LPA) recommended dividing the Lebanese EEZ into 10 blocks with surfaces ranging between 1,201 square kilometres and 2,374 square kilometres.

In 2017, the Lebanese Government concluded the first licensing round. Fewer companies than expected participated in the bid round, with only one consortium, consisting of three companies, France's Total S.A, Italy's Eni International BV and Russia's Novatek, submitted bids. The consortium submitted a bid for Block 4, and a bid for Block 9. The first two Exploration and Production Agreements (EPAs) were signed on 9 February 2018, between the Minister of Energy and Water and the consortium of Total, Eni and Novatek, which were granted the rights to explore in Block 4 (North of Beirut) and Block 9 (South of Beirut on the border with Israel). In both blocks Total was the operator with a 40 percent interest, while the two non-operators, Eni and Novatek, had a 40 percent and a 20 percent interest, respectively.

On 29 January 2023, Qatar Energy CEO, alongside TotalEnergies and ENI CEOs, signed the agreement that allowed for Qatar Energy to acquire three percent of Block 9 in Lebanon. The signing ceremony in Beirut was attended by the Minister of Energy in Lebanon and the Prime Minister of Lebanon.

The President of TotalEnergies, the main operator, announced that the drilling in Block 9 will happen in Q3, 2023, and will take up to three to four months. Hopefully, by the beginning of 2024, the companies will come back to announce good news.

Lebanon is yet to become a producer, even though the president of the country on many occasions announced that Lebanon is an oil country and entered the oil producing club. The first exploratory well in Block 4 was drilled in March-April 2020. The result was a dry well but with the potential of finding gas in the area. The consortium did not announce any additional exploration activities in Block 4 or Block 9 after 2020.

But, since 2020, the country has changed dramatically. The decades-long mismanagement and state capture by the political class led people on the streets to call for reforms, a change of political regime, human rights and basic services. The authorities took advantage of demonstrations on the streets, closed the banks for weeks and announced drastic financial measures, such as dollar withdrawal caps missing on Eurobond payments, which had led among many other factors to the devaluation of the lira and a hike in food and petrol

prices never seen in the country since the end of the Civil War. The World Bank ranked Lebanon with its multiple crises (political, social, economic and financial) in the top three crises since the mid-19th century. Amidst these severe crises hitting the country and the inability of the government controlled by the political parties responsible for the collapse of the country's economy to undertake any serious reforms, and with the Beirut blast that was qualified as one of the largest non-nuclear blasts in history, the authorities saw the saviour in the oil and gas sector. They wanted to bypass painful reforms that would undermine their power, so they shifted the discourse in the country to the potentials of the oil and gas sector and how rich the country is and the need to remove all the obstacles to bring benefits to the population.

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But time is of the essence, and energy transition is here to stay.

With no discoveries, it is hard to say when the revenues will flow to the national coffers because we do not know when there will be commercial quantities discovered and when the development and production plans along with the marketing and infrastructure plans will be approved. We do not know what kind of plans will be required, so we cannot predict when the infrastructure will be ready. According to the Offshore Petroleum Resources Law, all revenues from the oil and gas sector should be put in a sovereign wealth fund (SWF), and currently there are three proposed laws for the SWF in parliament. But the officials are betting hard on this sector.

There is no national dialogue to decide what to do with the gas or the revenues from the gas. Everyone has their own views. Some want to use the revenues to pay the country's debts, others want to export the gas, and some want to use it for the local market, electricity and industry.

Whatever the destination for the gas or the revenues, these are long-term plans but the Lebanese might not have that long to wait. In addition, all options on the table, from paying debts to exporting or using locally, pose many challenges that are beyond the scope of this paper, but it is hard to think that the oil and gas sector will save the economy or the country. Only deep institutional political and financial reforms and a well thought-out and executed oil and gas strategy can sustain economic recovery. But time is of the essence, and energy transition is here to stay.

D. Catalysts for resolving the maritime border dispute

It is essential to analyse the substantial meanings of the maritime agreement between the two countries precisely due to these narratives and contexts, from the Israeli and Lebanese sides. The dispute over the maritime border between the two countries has been pondered for a long time. Indirect negotiations, with the involvement of a third party, mainly the US and with some assistance from the UN, have been going on for the last 20 years, but did not lead to an agreement. The current success is rooted in unique circumstances, which led to a meeting of Israeli-Lebanese interests, and, as mentioned, resulted in the signing of the agreement. These circumstances concern two main developments, which in an intriguing way were perceived by both parties as potentially serving their various interests:

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The political circumstances on both sides dictated a tight schedule, which largely forced a quick decision-making process.

1. **An unprecedented economic and political crisis in Lebanon.** Beyond the public outcry that broke out, it threatened the vital interests of the ruling elite, and of all the prominent players in the country, including Hezbollah. In a fascinating way, the stabilisation of the Lebanese arena is seen in Israel as essential and serving Israeli interests, which are related to its national security. In Lebanon, this was seen as a lifeline for all the political actors, even though the expected economic profits, assuming that gas is indeed found in the depths of the sea, will bear fruit only in the advanced timeframe. The positive economic message, which stems from merely reaching the agreement, is seen as serving the interests of all players.
2. **The war in Ukraine and the energy crisis in the Western world.** The Russian invasion of Ukraine, and the Western effort to greatly reduce energy dependence on Russia, exacerbated the energy crisis in Europe. The latter is trying to diversify its energy sources, which has increased the attractiveness of the East Med and its energy potential for the West. Even if gas quantities do not amount to a game-changer and are only manifested in the coming years, the settlement of the conflict between the two countries is perceived as serving American and Western interests and, as mentioned, "meets" the Israeli and Lebanese interests as well.

These circumstances, which were exacerbated through the maturity of the Israeli Karish gas field to a commercial stage and the beginning of its production, raised the level of tension between the two countries, aggravated belligerent rhetoric, and eventually helped both sides "climb down the tree", in a way that, as mentioned, served mutual interests.



Karish is seen in Israel as clearly within its EEZ and as a non-negotiable issue, especially at the present stage, but also throughout the negotiation process. In a way, the fact that the agreement "solved" the Karish field and enabled its development smoothly helped highlight the benefits of the agreement, albeit for the short term (for Karish).

The political circumstances on both sides dictated a tight schedule, which largely forced a quick decision-making process. In Lebanon, it was at the end of the president's term, who managed to take advantage of the unique circumstances as described above for a cohesive and unified Lebanese position. In Israel, it was the elections that took place the day after the end of the Lebanese president's mandate. Although the issue did slip into the election campaign in Israel, the outgoing government correctly recognised the unique meeting of interests and managed to complete the complex negotiations and approve the agreement.

The survival instinct of the political class in Lebanon pushed it to use winning cards to stay relevant internationally, to complicate any possible actions that the international community might take against officials and political figures in the country. To escape US sanctions and European actions, the Lebanese authorities came forward and announced that they were willing to negotiate a maritime deal with Israel. The Lebanese authorities considered that negotiating with the Israelis under the eyes of the Americans would help in two ways: (1) the US will continue talking to the political establishment because it will deliver on something that the US is keen on; (2) the political establishment will score "good points" with the US that in return will facilitate investments in the country, which will remove the pressure from the political class and move on to business as usual mode. That was the thinking early on when the negotiations started in October 2020; however, after the Ukraine-Russia war, the natural resource factor was re-emphasised and pushed the Lebanese to more pragmatism. Israel was constantly in favour of US mediation. It was (and still is) seen as the best effective mediator if direct negotiations (always the preferable path) are not possible.

It was clear from the beginning that US mediation was the most favourable path for both sides, even though the Lebanese were complaining of the US's bias towards Israel. That was mainly Lebanon's position because it did not want to use other legal mechanisms that could be understood as Lebanon recognising the State of Israel. The other mechanisms to solve the disputed maritime borders are: (1) arbitration; (2) the International Tribunal for the Law of the Sea (ITLOS); and (3) the International Court of Justice (ICJ). Anyway, there would be consent from both sides on any of these mechanisms.

The incentives from the Lebanese side were clear, and the US was ready to jump on the occasion. The first part of the mediation from October 2020 to October 2021 under the mediation of Ambassador John Desrocher could be

qualified as a position setting phase. The Lebanese negotiating team presented its maximalist claim, refusing to start with the decade-long accepted disputed area of 860 kilometres. It founded its new claim on international maritime laws using methodologies accepted internationally and by the UNCLOS based on the three-level approach: (1) equidistant line; (2) special circumstances; and (3) disproportionate impact. The mediator and the Israeli negotiators refused Lebanese claims. For several technical rounds the blockage was clear, and there was no progress. The second part from October 2021 to October 2022 under the mediation of Amos Hochstein could be qualified as the pragmatism phase, where Lebanon decided to move away from claims based on international law to a more pragmatic approach: it does not matter where the line is, what matters is how to benefit from oil and gas. This was a game-changer and altered the dynamics of the negotiations. The mediator used that pragmatism to propose solutions that were qualified as equitable and win-win. Lebanon wanted a deal that will guarantee investments and activities in its gas sector mainly in Block 9; Israel wanted a deal that will mainly guarantee its security. These different incentives made it easier for the mediator to find a solution. Lebanon was given what it wanted by guaranteeing that Total will resume its activities in Block 9, “discover Qana” and, if found, it would be exploited in the name of Lebanon alone. Israel got its security buffer zone near the shores of the border.

The role of the companies involved, mainly Total from the Lebanese side and Energean from the Israeli side, played a major role in securing the deal. Total was willing to enter into a deal with the Israeli Government in the case of discovery in Block 9 that expands into the Israeli EEZ, and it was ready to negotiate a financial deal with it; at the same time, Energean, which insisted on going forward with its plans for the Karish field without delays, pressured the Israeli Government to take action.

E. Lessons learned from the maritime border agreement

There was an overlap in timing: the Lebanese president wanted a deal before he left office at the end of October 2022, while the Israelis were under pressure from Energean, which wanted to start production by the end of October, and the US used it to seal a deal. The deal was signed on 27 October 2022, two years after the launch of negotiations on 14 October 2020.

So what can be learned from the Israeli-Lebanese agreement and to what extent does it provide insights or lessons for the Eastern Mediterranean and other conflicts within it? Beyond the unique circumstances, as described above, whose pivotal importance for the diplomatic success is clear in this case, it is appropriate to emphasise three relevant and interesting points:

1. **Energy potential as a catalyst for conflict resolution.** The Israeli-Lebanese case illustrated how the potential for energy resources, although combined with an acute economic crisis, can encourage a pragmatic and ultimately constructive thought process. This kind of tangible and real potential is absent in other conflicts in the region, especially in the Turkish-Greek conflict. In Cypriot economic waters, a significant potential was indeed discovered but, in many respects, this is an "existential" conflict, as it is perceived at least by some of the relevant parties.
2. **Mediation.** The US, which for many years led, and mediated, the indirect negotiations between Lebanon and Israel, was perceived by both sides, each in its own unique way, as an effective and preferable mediator, and in fact the only one capable of bringing results. The player who is capable of being perceived by the parties concerned as efficient, effective and capable of delivering in many cases plays a very significant and even critical role. No less important is the meeting point, if it exists, between the interests of the parties and the broker (and, as mentioned, it is not necessary to be a "fair" or honest broker).
3. **Crisis as an opportunity.** This is, in a way, maybe a philosophical question. However, circumstances that are perceived, even if only by some of the players, as critical, and as requiring an accelerated or concrete timetable, can be a positive trigger for creative and complex diplomacy. It goes without saying that such circumstances must be examined in a given case and under given circumstances.

F. Conclusions and policy recommendations

1. Energy dialogue and reforms

A national dialogue on energy in Lebanon is a must. There should be a unifying policy on the direction to take when it comes to oil and gas and renewable energy sources. This dialogue should include government, parliament, unions and civil society organizations (CSOs) to discuss the role of energy in the economic recovery of the country.

The Lebanese authorities should embark on the reforms related to the energy sector and to the management of the finances in the country and broadly work on the structural reforms needed from the independence of the judiciary to rebuilding the institutional capacities in order to enable a well-governed resources sector that could bring benefits to the citizens.

A gradual approach vis-à-vis Lebanon is essential. Stabilising the country is in Israel's interest, but without public or direct involvement in this process.



2. Regional stability and cooperation

Israel-Lebanon relations are extremely complicated because of the many domestic and mainly external actors involved. It is extremely important to follow closely the developments in the country in order to identify similar issues, or disputes, that may come to the forefront and be ripe for solution.

Israel has proved to be able to appreciate the very unique circumstances in Lebanon and adopted a flexible policy in solving the maritime dispute with its neighbour. It should draw relevant lessons and adopt a sophisticated approach vis-à-vis other disputes in the region, such as the Palestinian Gaza Marine field, for which the Israel-Lebanon maritime deal could act as a positive precedent. Natural resources were the driving force for a resolution to the border issue between Lebanon and Israel. It did not solve the whole problem but one item, moving away from the package deals approach. This approach could be an incentive for Cyprus, Türkiye, Greece and others in the region to delink issues and target one issue at a time.

The regional architecture built in recent years in the Eastern Mediterranean has played an instrumental role in this regard. It has been proved that it could also serve as a constructive tool for bilateral disputes, and especially for actors such as Israel and Lebanon with their "recognition issue". It may be duplicated to other conflicts in the region.

The Israel-Lebanon maritime deal could pave the way towards regional stability and cooperation. The diplomatic success can be leveraged to resolve other conflicting maritime border claims and reach similar transactional compromises in other regional conflicts, related or not to the exploitation of natural gas resources.

Besides, the constructive mediation context in which the deal has been reached could be capitalised on to discuss mutually beneficial solutions to pending issues. It could also pave the way to new mediation paths. For example, there is a visible and constructive role that France could play in the implementation phase of possible discoveries in the Qana field and maybe beyond, especially if there is no discovery. This in itself will require sophisticated diplomacy.

Despite initial opposition to the deal, Netanyahu's criticism about it is no longer voiced. The deal responds to Israel security concerns, prevents short-term escalating tensions, and positively impacts Israel's stance as an energy actor with the exploitation of Karish and exports to Europe. This is useful for Israel to strengthen its regional and international partnerships in the energy sector and beyond, and positively impacts future discussions. It positively impacts Israel's visibility as a cooperative partner that agrees to indirect mediation, implements deals and respects engagements, despite governmental changes.

3. Engagement of private companies

The engagement of private companies is playing a crucial role in the exploitation and developments of energy resources. They were critical to the success of the Israel-Lebanon maritime deal and acted as key brokers. The 29 January ceremony in Beirut with the presence of the CEOs of three major gas producers was seen as a victory for the political class, and it was perceived as the direct impact of the maritime deal. Therefore, for the Lebanese political class that negotiated the deal and made it happen, they accomplished what they wanted through the deal, at least in the short term. The hydrocarbons activities were relaunched, and the political class secured itself as still able to deliver on what matters for the US, which is the security of Israel, and, therefore, they were saved from any possible sanction or delegitimising efforts.

Stability and economic growth are two sides of the same coin. Beyond the essential expertise and technology that they provide, such companies can foster regional cooperation through cross-border trade. They can attract investment, promote innovation, and support emerging industries and local businesses. They can contribute to the economic growth and energy security of the region.

With a scattered government in Lebanon and unstable democracy in Israel, convening a cross-sector and cross-level business forum composed of the private companies, official and non-official representatives, CSOs, business community representatives, investors, experts and technicians involved could provide some necessary prospects on the potential benefits from peace and investments in the area. The capacity to liaise with a broad range of actors from different sectors could secure popular support, provide expertise on various related issues, mobilise business support and attract investors.

Such a forum, if appropriately supported by multilateral entities, can also create a conducive environment for indirect pragmatic talks and could be envisaged as a complementary process to governmental reforms and technical developments. A forum of this composition could influence structural changes through a collective discussion on proactive opportunities that could be created following the Israel-Lebanon maritime deal. In the meantime, the Lebanese population is hoping that these activities and the interest from the international oil companies and the countries that back them means a possible solution and a way to get out of the misery they are living in. But expectations should be carefully considered.

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