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# The Lebanese Israeli Maritime Border Agreement Challenges Ahead

Unit for Political Studies

# The Lebanese Israeli Maritime Border Agreement: Challenges Ahead

Series: **Situation Assessment**

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## Unit for Political Studies

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Seeking to exploit what are believed to be huge reserves of oil and gas recently discovered in the eastern Mediterranean, Lebanon and Israel finally appear to have reached a US brokered agreement to demarcate the maritime borders between them. US President Joe Biden has described the Hezbollah sanctioned agreement, which was mediated by Amos Hochstein, as a “historic breakthrough”<sup>1</sup> but the deal suffers from several clear flaws.

## Historic Background of the US Mediation

For more than ten years, the US has been striving to conclude an agreement to demarcate the maritime borders between Lebanon and Israel, with Frederic Hof, Amos Hochstein, David Satterfield, David Schenker, and John Desrocher all having made attempts to mediate. Hochstein returned to the negotiating table in October 2021, in a fresh attempt to solve the matter in light of regional transformations and domestic policy changes in both countries. Debate has arisen regarding the format and content of these negotiations in recent years, with questions being asked about who runs these talks, where they are held, when the deadline would be for an agreement, and what the negotiation criteria is. But in the summer of 2022 the Lebanese position changed, allowing for the evasion of procedural issues in order to directly step into the core criteria for demarcating maritime borders. International, and especially European, pressure to find alternative sources to Russian gas following the Ukraine crisis, among other factors, has accelerated efforts to finalise the deal. Once this agreement is officially ratified, it will allow the foreign companies concerned to start drilling for oil and gas. Following US guarantees that it will oversee the implementation of the agreement, France has pledged that Total will move past its previous reluctance to operate in Block 9.

While Lebanon and Israel are still locked in a state of war that has persisted since 1948, with no diplomatic ties or clearly defined borders, the two countries have continued to negotiate specific issues in the past several decades. These negotiations included those held under the Border Control Commission of 1996, and the UNIFIL-chaired tripartite meeting in Naqoura at the end of 2020, when the two sides agreed for the first time to technical and military negotiations to demarcate the maritime borders. But the demarcation agreement is not an international agreement between two states following mutual recognition. It is rather an indirect deal dictated by economic considerations. Separately, both the Lebanese and Israeli parties sent letters of approval of the final draft agreement to the US administration and the UN Secretary-General ahead of meeting in Naqoura where they will formally sign the agreement under the auspices of the UN and in the presence of Hochstein. The Lebanese delegation will be limited to military representatives and technocrats, in a separate room from the Israeli officials, avoiding any misunderstanding that the agreement may indicate a step towards normalisation.

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<sup>1</sup> “Statement by President Joe Biden on Breakthrough Diplomacy in the Middle East, The White House, 11/10/2022, Accessed on 12/10/2022, <https://bit.ly/3g2Jcck>.



## The Formation of the Two Positions

The Lebanese position in the latest negotiations has been uncharacteristically marked by unity. Since June 2022, the Deputy Speaker of Parliament, Elias Bou Saab has coordinated attempts to demarcate the maritime borders between President Michel Aoun and Speaker of Parliament Nabih Berri, and through him Hezbollah, with mediator Hochstein. In contrast to the Lebanese unity, the Israeli position has been characterized by division. Israel's chief negotiator for maritime border demarcation with Lebanon, Ehud Adiri, resigned from his position on 3 October 2022, in objection to the Israeli Prime Minister, Yair Lapid's interference in the matter by way of National Security Adviser, Eyal Hulata, who took over the negotiations with Lebanon via Hochstein following Adiri's resignation.

This unified Lebanese position was cemented with the arrival of an Energean Power ship to the Karish gas field on 5 June 2022, seeking to move forward with the oil and gas exploration process. Lebanon objected this step being taken before the maritime border demarcation negotiations were concluded, which led Beirut to officially invite Hochstein to the country on 13 - 14 June. After the delayed the Israeli response to the official Lebanese proposal to give the Karish field to Israel in exchange for the Qana field, Hezbollah launched unarmed drones in the direction of the Karish field, which Israel claims to have intercepted.<sup>2</sup> The date set by the Israeli government to start developing the Karish gas field last September heightened tensions between the two parties. But US and French intervention prompted Israel to pause its plans to develop the field to make way for negotiations, while Hezbollah stopped making threats. Subsequently, the Lebanese side submitted a proposal to Hochstein, asking for recognition over Lebanon's full claim over the Qana field and accepting the area bounded within line 23. The proposal also stipulated no sharing of the wealth and fields with Israel and that exploration will begin immediately after the agreement is signed. These are all clauses approved in the draft agreement that the US ambassador to Beirut, Dorothy Shea, handed over to the Lebanese leadership on 1 October 2022.

But Lebanon's acceptance of Line 23 as a basis for negotiation has sparked an internal Lebanese controversy, because some believe that "line 29 drawn up by the "Hydrographic Department" in the Lebanese Army is the only legal line, and which preserves Lebanon's rights in the exclusive economic zone."<sup>3</sup> Accepting the Line 23 border that was adopted by the Lebanese authorities as a basis for negotiations with the US mediator loses Lebanon 1,430 km<sup>2</sup> of its territorial waters between the two lines, as Line 23 does not start from the land border point in Ras Naqoura, between Lebanon and occupied Palestine, but 30 meters north of Ras Naqoura, also allowing Israel to occupy more than 3000 square meters in Ras Naqoura.<sup>4</sup>

<sup>2</sup> Joe Macaron, "Hezbollah's Calculations in the Maritime Dispute with Israel," *The New Arab*, 21/7/2022, accessed on 11/10/2022, at: <https://bit.ly/3yGVUnJ>.

<sup>3</sup> Assam Khalifa, "In Defence of the Lebanese People's Right to the Country's Water, Gas, and Oil," The Arab Center for Research and Policy Studies, 14/10/2022, accessed on 19/10/2022 at: <https://bit.ly/3sabRil>

<sup>4</sup> Ibid.

After the technical details of the agreement were concluded, steps were made towards politically sanctioning the deal. The Israeli Cabinet held a special meeting on 6 October to study the draft agreement on the maritime borders and the Lebanese observations thereon, during which it rejected the Lebanese observations. As a result, the Israeli Defence Minister, Benny Gantz, announced the mobilization of Israeli forces on the “Northern Border” in preparation for any possible confrontation with Hezbollah. But this reaction was a move to appease the domestic reception and improve negotiating terms, leading to increased US involvement in the negotiations. Washington was driven to push through an agreement before the presidential vacuum that will accompany the end of President Aoun’s term in late October and also before the Israeli elections on 1 November, where former Israeli Prime Minister Benjamin Netanyahu, who has accused Lapid’s government of conceding to Hezbollah, is seeking to return to power.

On 12 October, the Israeli Security Cabinet approved the agreement and referred it to the Knesset, where it was presented to the Foreign Affairs and Defense Committee, most meetings of which are kept secret until the agreement returns to the Cabinet for final ratification within 14 days. Accordingly, the formal ratification of the agreement will be on 27 October — three days before the end of Aoun’s term, and four days before the Israeli elections. The Lebanese President declared his approval of the agreement, circumventing the need for the Council of Ministers or Parliament to vote on it, which would have forced Hezbollah and its allies to take an official position on the agreement.

In an attempt to save face, Hezbollah worked to keep out of the spotlight in the negotiations, despite playing a vital role through its allies, especially Aoun and Berri. Hezbollah leader Hassan Nasrallah committed himself to Aoun’s position while denying any indirect involvement in the negotiations, stating “some have accused us of wasting rights and waiving lines, and we have nothing to do with the demarcation, and if you ask me where our sea is, I will tell you that our sea extends to Gaza.”<sup>5</sup> However, this statement could not conceal the fact that this agreement would not have taken place without the Hezbollah’s approval, with Nasrallah eventually forced to clarify his position. In a speech on 11 October, he announced his support for the maritime border demarcation agreement and indicated that he does not want to continue sending drones or upholding friction with the Israeli side, which, immediately after the agreement was announced, began conducting experimental operations to pump gas from the Karish field.<sup>6</sup>

## Text of the Maritime Border Demarcation Agreement

The text of the agreement, in six clauses, indicates that the maritime boundary line (MBL) will be defined “as agreed between the Parties for all points seaward of the easternmost point of the MBL, without prejudice to the status of the land boundary. In order not to prejudice the status of the land

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<sup>5</sup> Joe Macaron, “Lebanon and Israel Agree on a Flawed but Necessary Maritime Deal,” *The New Arab*, 18/10/2022 accessed on 12/10/2022, at: <https://bit.ly/3CLGr76>.

<sup>6</sup> “Nasrallah: As the Demarcation Agreement is Signed in Naqoura, We Can Say that There Is a Consensus or an Understanding that Has Taken Place,” *El-Nashra*, 11/10/2022, accessed on 12/10/2022, at: <https://bit.ly/3yLag6x>.



boundary, the maritime boundary landward of the easternmost point of the MBL is expected to be delimited in the context of, or in a timely manner after, the Parties' demarcation of the land boundary."<sup>7</sup>

The agreement indicates that Block 9, which belongs to Lebanon, has potential for production of "unknown commercial viability" of gas, and therefore the two parties agreed that exploration work in this field "shall consist of one or more reputable, international corporations that are not subject to international sanctions, that would not hinder U.S. continued facilitation, and that are not Israeli or Lebanese corporations." Lebanon had asked to replace the phrase "not subject to US sanctions" with "international sanctions" in this clause but yielded to US insistence on keeping "that would not hinder U.S. continued facilitation" to exclude companies subject to US sanctions (meaning Russian companies). Although Israel relinquished any right to explore in Block 9, it demanded a financial remuneration for this relinquishment. Accordingly, Israel will "not object to reasonable and necessary activities, such as navigational maneuvers, that the Block 9 Operator conducts immediately south of the MBL in pursuit of the Block 9 Operator's exploration and exploitation of the Prospect, so long as such activities occur with prior notification by the Block 9 Operator to Israel."

The agreement also mentions talks between Total (Block 9 Operator) and Israel to determine the scope of Israel's economic rights" to potential gas reserves in Block 9, adding that "Israel will be remunerated by the Block 9 Operator for its rights to any potential deposits in the Prospect" through a financial agreement with Total. In return, the operator of Block 9 works exclusively with the Lebanese government, which is "not responsible for, or a party to," the agreement between the Israeli government and Total, and any "arrangement between the Block 9 Operator and Israel shall not affect Lebanon's agreement with the Block 9 Operator and the full share of its economic rights" in Block 9. The financial agreement stipulates that Total will buy out Israel's share of the Qana field, which was estimated at 17 percent, the cost of which will be calculated after the company evaluates the volume of gas in the field.<sup>8</sup>

The US is playing the role of guarantor of the implementation of this agreement, "to exert its best efforts and endeavors in order to facilitate Lebanon's immediate, swift and continuous petroleum activities."<sup>9</sup> According to Israeli media, the Biden administration is expected to send guarantees to the Israeli government that Lebanon's gas revenues will not reach Hezbollah.<sup>10</sup>

## Implementation Challenges

The agreement has left several outstanding disputes between the two parties unresolved. For example, Israel agreed to Lebanon's start of gas exploration in the Qana field, but demanded financial

<sup>7</sup> "Full Text of the Maritime Border Deal Agreed between Israel and Lebanon," *The Times of Israel*, 12/10/2022, accessed on 13/12/2022, at: <https://bit.ly/3TpNxEN>.

<sup>8</sup> Lahav Harkov, "Final Text of Lebanon Deal Describes 'Permanent' Resolution to Maritime Dispute," *The Jerusalem Post*, 12/10/2022, accessed on 13/10/2022, at: <https://bit.ly/3ezoeSb>

<sup>9</sup> "Full Text of the Maritime Border Deal"

<sup>10</sup> Lahav Harkov & Eliav Breuer, "Lapid: Lebanon Agreement Staves off War with Hezbollah," 12/10/2022, accessed on 18/10/2022, at: <https://bit.ly/3ey8QFJ>

remuneration for any gas extracted from the Israeli side. Meanwhile, Lebanon has insisted that it has no interest in any partnership with Israel in Qana, located in Block 9 and that it objects to the phrase “financial remuneration,” which should be replaced with “financial settlement,” considering the matter between Israel and Total, of little concern to itself. Lebanon also insists that any payment to Israel in this regard must be extracted from the company’s profits, and not within the agreement that the company signed with Lebanon to explore for gas in 2017. Because Lebanon needs several years before it can extract any gas from the Qana field, talking about this financial settlement is not urgent. Meanwhile, the Israeli side demands guarantees that no resources from gas extraction will reach Hezbollah.

Moreover, the agreement does not address all the maritime border problems between the two parties. Although President Biden did announce that “the Governments of Israel and Lebanon have agreed to formally end their maritime boundary dispute and establish a permanent maritime boundary between them,”<sup>11</sup> the deal does not constitute a final demarcation of the maritime border given the continued dispute over the land border. Lebanon does not recognize the maritime buoy line established by Israel in 2000, 5 kilometres from Ras Al-Naqoura, as a de facto maritime border between it and Lebanon. In the event that tensions heighten between Israel and Hezbollah or Israel and Iran come to confrontation, or US-Iranian relations become tense due to Iran’s nuclear program, these contentious issues may return to the fore despite the emergence of a new common interest in preserving the status quo.

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11 “Statement by President Joe Biden”