Israel-Lebanon Offshore Oil & Gas Dispute – Rules of International Maritime Law
By Martin Wählisch

Tensions between Lebanon and Israel have been running high during the last months due to a legal dispute over rights to newly discovered natural oil and gas reserves in the Mediterranean Sea. Formally at war for years, and without diplomatic relations, Israel and Lebanon have never agreed on a delimitation of their maritime boundaries.

Rising Conflict Between Israel and Lebanon

“There is no doubt these resources are a strategic objective that Israel’s enemies will try to undermine, and I have decided that Israel will defend its resources,” vowed Israel’s Prime Minister Benjamin Netanyahu in January 2011.[1] “We will not hesitate to use our force and strength to protect not only the rule of law but the international maritime law,” stressed Israel’s Minister of National Infrastructures, Uzi Landau, earlier.[2] The rhetoric culminated in Israel’s July 2011 unilateral proposal of its northern maritime boundaries with Lebanon and Cyprus.[3] To protect the offshore gas fields, the Israeli Navy is maintaining a twenty-four hour presence over the site using drones.[4]

Lebanon’s verbal statements have been equally strong. “We emphasize that we strongly uphold our full sovereignty and economic rights over our territorial waters and exclusive economic zone as well as freedom of the exploitation of our natural resources, be they on land or in the deep sea, independently from any designs or threats,” said Lebanon’s President Michel Suleiman in his speech at the 66th meeting of the General Assembly in New York.[5] “We warn Israel not to touch this area or try to steal Lebanon’s resources,” declared Hassan Nasrallah, head of the Lebanese resistance group Hezbollah.[6] “We are determined to defend them, especially since we are fully committed to the law of the sea. If Israel violates this law, it will pay the price,” affirmed Lebanon’s Energy and Water Resources Minister Jibran Bassil.[7]
Economic Potential of Maritime Offshore Oil & Gas in the Region

The dispute concerns the Levant Basin located in the Eastern Mediterranean Sea. According to an estimate of the U.S. Geological Survey (“USGS”) published in March 2010, unexplored potential reserves cover up to 1.7 billion barrels of recoverable oil and 122 trillion cubic feet of recoverable gas.[8] The resources are the world’s largest gas finds of the decade.[9]

The financial and energy security benefits are immense. Israel and Lebanon both reckon that the oil and gas sector could become the main pillar of national sustainability. At the moment, Israel imports forty percent of its natural gas from Egypt, but gas imports from Egypt are becoming increasingly difficult to preserve.[10] In September 2011, saboteurs destroyed Egypt’s gas pipeline to Israel for the sixth time.[11] Moreover, Israel could eventually become an energy exporter as the newly discovered resources bear potential for oil and gas trading to the EU[12] or to Jordan.[13] For Lebanon, the oil and gas reserves could help to reduce its national debt. The country currently has obligations of more than fifty billion dollars (41.6 billion euros), equivalent to about 148 % of the GDP.[14]

Legal Challenges

The legal framework for maritime boundary conflicts is relatively clear, although the practical difficulties are complex.

1. Legal Framework

Under the UN Convention on the Law of the Sea (“UNCLOS”), a coastal State has sovereign rights to explore and exploit, conserve and manage the natural resources in its Exclusive Economic Zone (“EEZ”).[15] Under UNCLOS Article 57, the EEZ extends a maximum of 200 nautical miles from the baseline.[16] Article 74 provides that States with opposite or adjacent coasts must delimit their EEZs by applying international law to achieve an equitable solution. Finally, States must deposit charts and lists of geographical coordinates of the EEZ to the UN Secretary-General.[17] Lebanon ratified UNCLOS in January 1995; and although Israel is not a party to UNCLOS, these rules are nonetheless generally considered binding on both states as customary international law.[18]

2. Cyprus-Lebanon 2007 Maritime Agreement and the Demarcation of Lebanon’s Exclusive Economic Zone

In July and October 2010, Lebanon deposited with the UN Secretary-General charts and lists of geographical coordinates of its southern boundary with Israel and its southwestern boundary with Cyprus.[19] However, these unilaterally declared maritime boundaries differ from those in Lebanon’s 2007 agreement with Cyprus. The 2007 agreement was ratified by Cyprus but not by Lebanon. The so-called “Point 1” on the map, which was set as a shared dividing point between Lebanon and Cyprus in 2007, is crucial.[20] Lebanon’s 2010 maritime boundary submission uses a different coordinate (“Point 23”), seventeen kilometers southwest of Point 1 and overlapping the area claimed by Israel.

From the Lebanese perspective, the coordinates in the Cyprus-Lebanon 2007 agreement were only considered as an interim solution, pending a solution between Lebanon and Israel.[21] Speculations about the reason why Lebanon initially set Point 1 as a dividing point vary. One rationale is that Lebanon simply made a diplomatic mistake in 2007.[22]
Another more convincing explanation is that Lebanon’s then-government wanted to avoid further conflict with Israel; the agreement between Lebanon and Cyprus was signed not even half a year after the Israel-Lebanon 2006 summer war.[23]

3. Israel-Cyprus Maritime Agreement and Demarcation of Israel’s Exclusive Economic Zone

In December 2010, Israel and Cyprus reached an agreement on their maritime boundaries.[24] Cyprus ratified the delimitation of the EEZ with Israel in February 2011.[25] In June 2011, Lebanon protested against the Israel-Cyprus Maritime Agreement at the United Nations.[26] Lebanon’s government complained that the zone defined in the Israel-Cyprus 2010 Agreement absorbs parts of Lebanon’s EEZ.[27] The agreement between Israel and Cyprus used similar coordinates to the Lebanon-Cyprus Maritime Agreement. Lebanon reemphasized that Point 1 does not represent the terminal southern end of the median between the Lebanese Republic and the Republic of Cyprus that separates the EEZ of each country. The coordinate can only be viewed as a point that is shared by Lebanon and Cyprus, but not be taken as a starting point between Cyprus and any other country. As there is no agreement between Lebanon and Israel, the EEZ of Lebanon could even extend beyond this point.

The Israel-Cyprus Maritime Agreement constitutes “a flagrant attack on Lebanon’s sovereign rights over that zone,” which “could imperil international peace and security,” asserted Lebanese Foreign Minister Adnan Mansour’s protest letter to the UN Secretary-General Ban Ki-moon.[28] Lebanon is also concerned that the Israel-Cyprus Agreement could allow Israel to store and process extracted oil in Cyprus before exporting it to Europe. Lebanese politicians fear this would not only give Israel priority access to European markets, but that it could also partly place Israeli offshore oil infrastructure indirectly under the security and defense umbrella of the EU.[29]

In July 2011, Israel’s cabinet approved a map of its proposed maritime boundaries based on the 2010 Israel-Cyprus Maritime Agreement and submitted it to the United Nations.[30] Lebanon’s boundary declaration “contradicts the line Israel has agreed upon with Cyprus, and what is more significant to me is that it contradicts the line that Lebanon itself concluded with Cyprus in 2007,” declared Prime Minister Binyamin Netanyahu.[31] “We have no choice but to set the borders ourselves,” he concluded.

Legal Options

Arguably, following established international law principles, the unratified 2007 Cyprus-Lebanon Maritime Agreement does not bind Lebanon.[32] The agreement requires ratification by Lebanon to enter into force, a final step the Lebanese Parliament refused to do. Hence, an agreement between Cyprus and Lebanon should be renegotiated.

Equally, under international law, Israel’s and Lebanon’s maritime boundary submissions to the UN are only unilateral proposals. The arrangement must be legitimized by an interim agreement between Lebanon and Israel. As UNCLOS Article 74, paragraph 3, emphasizes, pending a final agreement, the States concerned “shall make every effort to enter into provisional arrangements of a practical nature.” However, a challenge to this method of legitimation is the absence of negotiations between Lebanon and Israel. Israel called on Lebanon to begin negotiations on all border issues, not just the maritime boundary.[33] Some Lebanese politicians are concerned that negotiations with Israel could raise doubts
about the validity of UN Security Council Resolution 1701, which called for an end of the hostilities between Israel and Hezbollah in 2006, and demanded that Israel withdraw from the Shebaa Farms in the South of Lebanon.[34]

Like other maritime boundary disputes, the case could be settled through the International Court of Justice (“ICJ”). As the Court only has jurisdiction on the basis of consent, Israel and Lebanon would need to agree to the Court’s jurisdiction.[35] So far, Israel has invoked the ICJ’s jurisdiction only once in 1957 in Israel v. Bulgaria.[36] Lebanon has been twice a party before the ICJ (France v. Lebanon in 1953 and 1959).[37] As UNCLOS Article 59 stipulates, in the case of a dispute between the interests of two coastal States, the conflict should be resolved on the basis of equity and in light of all the relevant circumstances. Relying on these considerations, the ICJ would define the Lebanon-Israel maritime boundary.[38]

Alternatively, the International Tribunal for the Law of the Sea (“ITLOS”) could determine the maritime boundary.[39] Since only Lebanon is a member to UNCLOS, Israel would have to expressly agree to the jurisdiction of the ITLOS.[40]

Arbitration between Lebanon and Israel is yet another option that would also require consent by both States.[41]

**Mediation by the UN**

The role of the United Nations, especially of the United Nations Interim Force in Lebanon (“UNIFIL”) or the United Nations Special Coordinator for Lebanon (“UNSCOL”), is still unclear. Since the beginning of 2011, the Lebanese government has asked the UN several times to protect its maritime boundaries and resources.[42] The UN denied Lebanon’s request for help in defining the sea boundary, arguing that the UNIFIL Resolution 1701 does not include the demarcation of maritime boundaries.[43] Subsequently, the UN offered support.[44] In July 2011, UNIFIL proposed to act as a mediator between Lebanon and Israel in demarcating the maritime boundary and creating a maritime security zone.[45] “UNIFIL has the means, funding, and determination to carry out the demarcation, but it only needs an agreement between Lebanon and Israel,” stated UNIFIL Commander Major General Alberto Asarta during a tripartite meeting between Lebanon, Israel, and the UN.[46] Negotiations for marking a temporary or permanent sea boundary between Lebanon and Israel will need time; the demarcation of the Blue Line between Israel and Lebanon, indicating the withdrawal line for military forces, took eleven years.[47]

**Conclusion**

In September 2011, Turkey protested against Lebanon’s maritime treaty with Cyprus.[48] Most recently, a Lebanese delegation went to Nicosia for negotiations about the maritime boundary agreement with Cyprus and the agreement between Cyprus and Israel.[49] Whether the dispute between Lebanon and Israel about the offshore gas and oil fields could escalate to military involvement is unclear. In times of exorbitant oil prices, Lebanon, Israel, Cyprus, and other countries in the region are keen to secure potential energy resources. Conflicts over oil and gas have been cause for war in the Middle East for a long time. The outcome of the uprising in Syria, the developments in Iran, the current UN statehood bid of Palestine, and the dispute about Gaza’s offshore gas will likely affect the maritime conflict between Israel and Lebanon. Diplomacy remains the best approach to solving the dispute, although an intensified confrontation between the two countries on the matter is possible.
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Endnotes:


[16] For the definition of the “normal baseline,” see UNCLOS art. 5 (“Except where otherwise provided in this Convention, the normal baseline for measuring the breadth of the territorial sea is the low-water line along the coast as marked on large-scale charts officially recognized by the
coastal State.”) For varying details, see also UNCLOS arts. 6-14.

[17] UNCLOS art. 75, ¶ 2.


[23] Nizar Abdel-Kader, *Potential Conflict Between Lebanon and Israel Over Oil and Gas Resources: A Lebanese Perspective*, Defense Magazine (Oct. 1, 2011), http://www.lemarby.gov.lb/article.asp?id=29445 (stating that “[i]t was made clear during the contacts between the Lebanese and Cypriot Ministry of Foreign Affairs that the boundaries between the three countries should be agreed on by all three parties and that the Lebanese position denouncing the Israeli confiscation of 850 square kilometers is a valid one.”).


[27] Adnan Mansour, Minister for For. Aff. & Emigrants, Letter to the Secretary-General of the United Nation, U.N. Doc. 3372.11D (translated from Arabic) (Sept. 3, 2011), available at http://www.un.org/depts/los/LEGISLATIONANDTREATIES/PDFFILES/communications/lbn_re_isr_listofcoordinates_e.pdf (stating that “[i]t is clear from the coordinates deposited by Israel that point 31 flagrantly violates the principles and rules of international law and constitutes an assault on Lebanese sovereignty. That point is north of the internationally recognized land borders of Lebanon that are set forth in the Paulet-Newcombe agreement and the 1949 armistice agreements, according to which the southern border of Lebanon is delimited from Ra’s Naqurah at point 1B.”).


U.N.T.S. 331, available at


[38] The ICJ would seek for an equitable solution (see UNCLOS art. 74, ¶ 1, and art. 83, ¶ 1), would take into consideration any agreements in forces between the states and principles identified in other ICJ marine delimitation judgments. See Jiuyong, supra note 18.


