

# Risks and Rewards of a Potential Israel-Lebanon Maritime Border Agreement

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*Israel and Lebanon are reportedly nearing a resolution to their disputed maritime border, which could enable each country to explore and exploit more fully offshore natural gas reserves. Yet, Hezbollah has threatened to disrupt these efforts. Concrete U.S. leadership is required, both to realize the regional benefits of the peaceful development of Eastern Mediterranean energy resources and to support Israel's capability to deter and defend itself against aggression by Hezbollah and its Iranian backers.*

## What Happened?

- Reports [indicate](#) that, via mediation by U.S. Special Envoy and Coordinator for International Energy Affairs Amos Hochstein, Israel and Lebanon are close to demarcating their disputed maritime border in a swath of the Eastern Mediterranean that could hold significant natural gas reserves.
  - » According to a [White House readout](#) of a call between President Joe Biden and Israeli Prime Minister Yair Lapid on August 31, “the President also emphasized the importance of concluding the maritime boundary negotiations between Israel and Lebanon in the coming weeks.”
- On August 10, Hezbollah leader Hassan Nasrallah [threatened](#) that “whether a nuclear deal with Iran is signed or not, if the U.S. mediator does not give Lebanon what it asked for in terms of its rights, we are heading towards an escalation—we are heading towards a problem.”
  - » Afterward, the Israeli Defense Forces (IDF) [went on high alert](#), and Israeli Defense Minister Benny Gantz [warned](#) on August 22 that a Hezbollah attack on an Israeli gas field “could trigger a reaction, leading to several days of fighting and to a military campaign.”
- After a [brief meeting](#) in Beirut with Lebanese President Michel Aoun, Parliament Speaker Nabih Berri, and Prime Minister Najib Mikati on September 9, Hochstein said the two sides have made progress but more work is necessary to reach an agreement.

## Why Is It Important?

- A settlement of their maritime border dispute could enable additional offshore energy exploration and production by both Israel and Lebanon. In the long term, this could offer Lebanon a much-needed economic lifeline and perhaps even a reason to curtail the influence of the Iran-backed terrorist group Hezbollah. In the short term, however, regardless of their outcome, the negotiations could raise the potential for attacks or destabilizing actions by Hezbollah.
  - » Currently, Hezbollah's threats and the contested border constrain both countries' peaceful energy development, and a settlement would benefit both countries' economies. In the short term this could potentially also lead to greater funds for Hezbollah, which is part of the Lebanese government. But, in the long term, it could convince Lebanon of the benefits of peace with Israel and be detrimental to Hezbollah's popularity as an alternative to the official Lebanese state's government functions.
    - Lebanon hopes that resolving the border dispute will give it access to potential offshore natural gas that can alleviate its dire economic crisis. However, due to Hezbollah's dominance over southern Lebanon and much of the Lebanese government, the terrorist group could benefit immensely from additional revenues and devote those funds to military expansion for threatening Israel.
    - Peaceful resolution of the boundary dispute could strengthen Israel's ability to develop its significant offshore natural gas reserves. The recent [agreement](#) between Israel, Egypt, and the European Union to bring Israeli natural gas to the EU for the first time will further the region's key role in helping Europe reduce its dangerous dependence on Russian energy, including.
  - » A resolution to the boundary dispute would undermine Hezbollah's saber-rattling and deprive it of a diversion from its own misgovernance.
- Israel and Lebanon, which last fought a major war in 2006, have neither diplomatic relations nor any agreed land or maritime borders. As part of maritime border negotiations that restarted in 2020, the two countries dispute a potentially natural gas-rich 860 square kilometer (sq km) swath of the Eastern Mediterranean, based on differing interpretations of the offshore line from the land border.
  - » Israel began [operating](#) floating production storage and offloading (FPSO) vessels in the Karish field in June and is set to start extracting gas at the end of September.
  - » Lebanon asserts that the Karish field is in disputed territory. Israel argues that it began its work south of line 29 (Lebanon's maximalist claim with an additional 1,430 sq km south of line 23) and, regardless, that Lebanon has not claimed the Karish field.
  - » The UN Convention on the Law of the Sea (UNCLOS) permits countries to claim up to 12 nautical miles as territorial waters and up to 200 nautical miles as an exclusive economic zone (EEZ).
    - According to UNCLOS, two countries split the maritime boundary between their respective EEZs at the agreed halfway point. When oil and gas fields extend into multiple EEZs, the nations will often proportionally divide the costs and revenues.

- In such cases, UNCLOS also stipulates that the two countries must agree on where the maritime border should begin along the coast and what bearing it should take.

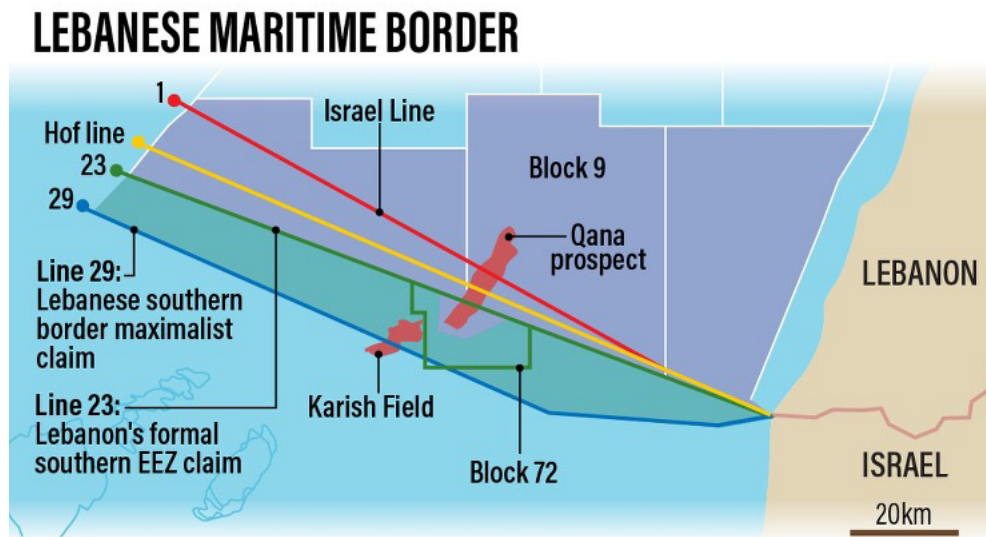


Image From Nada Homsy, “Lebanon’s maritime border offers a case study of missed opportunities,” *The National*, August 10, 2022, <https://www.thenationalnews.com/mena/lebanon/2022/08/10/lebanons-maritime-border-offers-a-case-study-of-missed-opportunities/>.

- » According to Lebanese officials, in July Hochstein passed to Israel a Lebanese proposal that would move Lebanon’s claim back from [line 29 to line 23](#). Israel is [reportedly prepared](#) to agree to that proposal, which would involve it conceding claims to both 400 sq km between line 23 and the “Hof” line, as well as the Qana prospect. Israel would have received this area under a proposal by U.S. negotiator Frederic Hof in 2012 that Lebanon rejected.
- The Qana prospect is located in blocks 8 and 9 in the contested zone and is suspected—although not confirmed—to possess hydrocarbons. Lebanon has sold the license for this prospect to a consortium led by the French company Total.
- » According to [reporting](#) from Israel’s Channel 12, Israel and Lebanon will establish gas rigs five kilometers from each other on either side of the boundary, creating a “balance of terror” with the intention of deterring a Hezbollah strike on the Israeli platform. Part of the Lebanese natural gas field will cross into Israeli territory, and Israel will be compensated.
- » However, domestic politics could thwart the process. Lebanon has not formed a government since elections on May 15 and Israel faces another election in November, its fifth in three years.
- Hezbollah has repeatedly threatened to escalate militarily if Lebanon’s demands are not met.
- » In July, Israel [downed four UAVs](#) that Hezbollah launched at Israel’s Karish gas field. Though Hezbollah claimed this was an unarmed reconnaissance mission, the Lebanese government [condemned](#) Hezbollah’s drone operations.

- In a speech after the first three UAVs were downed, [Nasrallah claimed](#) “we will reach Karish and everything beyond Karish and everything beyond that... If you want to prevent Lebanon from exercising its right to save itself by extracting oil and gas, no one will be able to extract oil and gas.”
- » There have also been tensions [along the Israeli-Lebanese land border](#), where “Hezbollah is becoming very, very blatant,” according to an Israeli official, by doubling of the number and size of its patrols and launching several UAV incursions into Israel.
- » Iran routinely attempts to proliferate precision-guided munitions (PGM) and other advanced weaponry to Hezbollah through Syria. The Biden administration’s conciliatory approach to Iran throughout the nuclear talks has not assuaged Iran’s regional aggression.
- If the two sides reach a deal, Hezbollah could attempt to take credit for any Israeli concessions as a result of its threats and/or use the agreement as a pretext for launching strikes on Israel if, as expected, it claims that the Lebanese government has conceded to the Israelis. Hezbollah could seek to assert itself as the defender of Lebanese rights by attacking Israel.
- Unlike its involvement in the Israel-Lebanon maritime border dispute, the United States has largely adopted a hands-off approach to the Eastern Mediterranean more generally, including by dropping support for the [EastMed Pipeline](#) to Europe. U.S. partners Israel, Cyprus, Greece, and Egypt have [expanded cooperation](#) but would benefit from more [direct U.S. engagement](#) to back energy development projects and resolve disputes like those between Turkey on one hand and Greece and Cyprus on the other.

## What Should the United States Do Next?

- The United States should continue mediating a resolution to the Israel-Lebanon maritime border, while avoiding putting pressure on Israel to make concessions in response to Hezbollah’s threats. At the same time, the Biden administration should ensure Israel is prepared for a possible escalation by expediting the delivery of:
  - » Precision-guided munitions and
  - » Sufficient Iron Dome, David’s Sling, and Arrow air defense batteries and interceptors.
- The Biden administration should work through existing venues like the East Mediterranean Gas Forum and the Israel-Greece-Cyprus diplomatic, energy, and defense “trilateral” (as well as the Egypt-Greece-Cyprus trilateral) to promote the development and transfer of offshore energy to partners in Europe.

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