



Lebanese Oil & Gas Initiative  
المبادرة اللبنانية للنفط والغاز

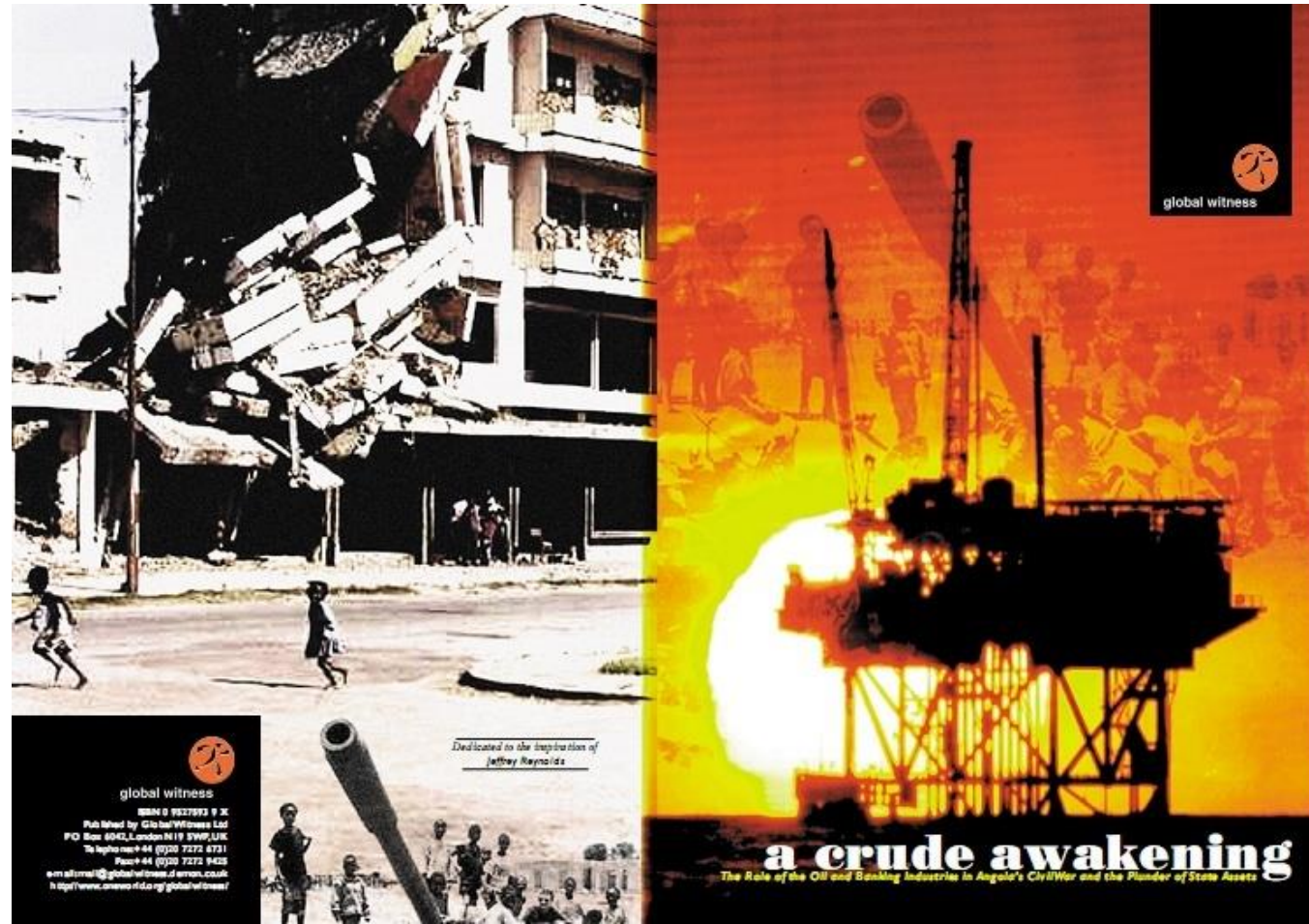
**If you are not sitting at the table  
you are most probably the  
menu!**

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Co-Founder, Transparency International**



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# Civil Society and the Extractive Industries: A Crude Awakening





# The role of citizens





# Public Participation and Civic Space

- People need to participate in the management and oversight of their natural resources because:
  - Natural resources are owned by the people
  - This increases accountability and reduces corruption
  - Less corruption means increased economic benefits for all
- Civic Space needs to exist for citizens to participate in the governance of their sector
  - From Azerbaijan to Niger, there is a closing of civic space.



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# But for us to do all that

- We need information!

**Asking for transparency and disclosure of information as a means and not an end in itself**





# Transparency tools that we can use

## 1. The Extractive Industry Transparency Initiative-EITI

- The EITI requires disclosures of information related to revenue allocations, enabling stakeholders to understand how revenues are recorded in the national and where applicable, subnational budgets.
- The EITI Requirements related to revenue allocations include: [\(5.1\) distribution of revenues](#); [\(5.2\) subnational transfers](#); and [\(5.3\) revenue management and expenditures](#).

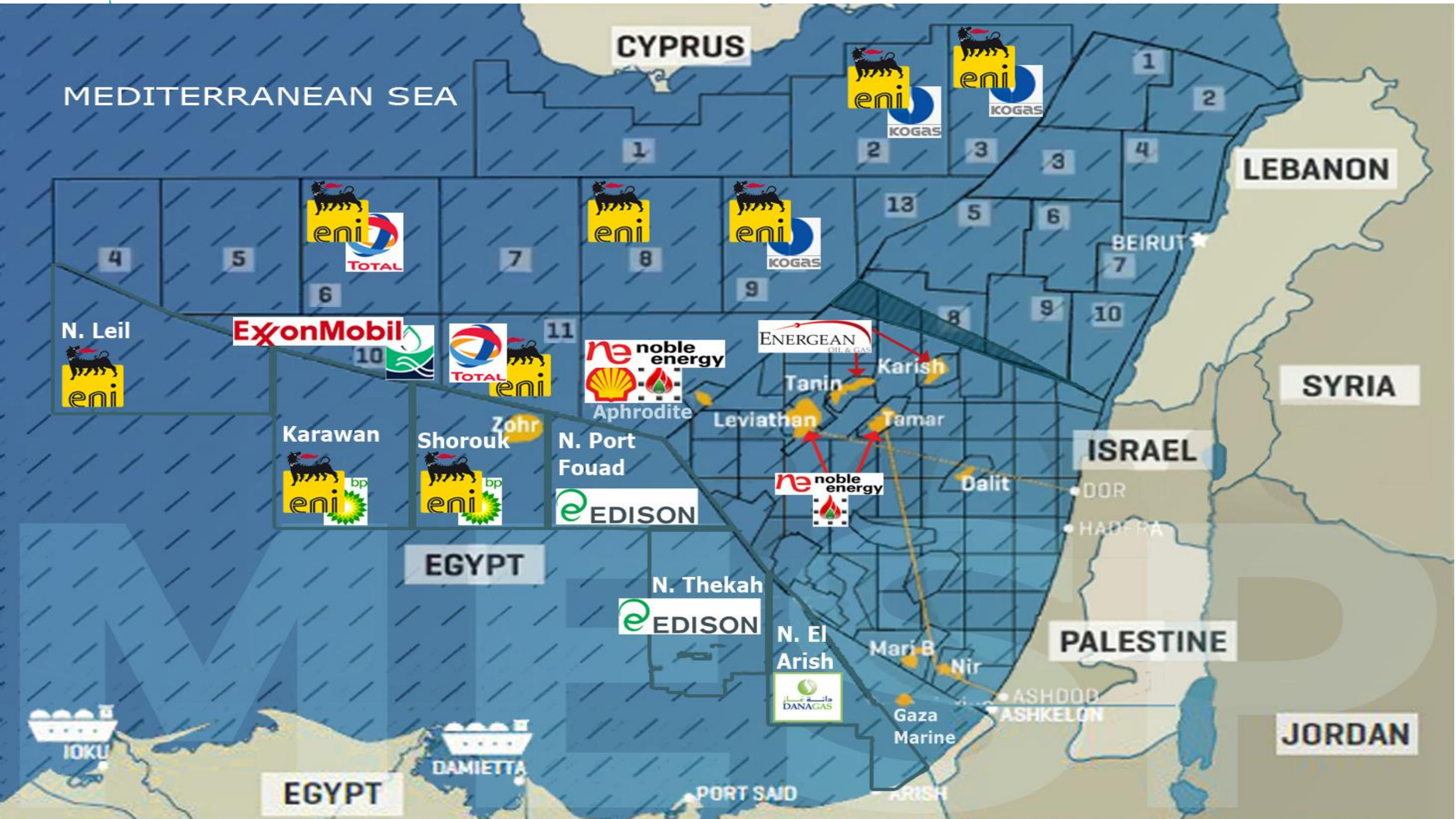
## 2. Access to Information Law



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# Lebanon and its potential hydrocarbon wealth









## We need to keep in mind two facts:

1. Lebanon does **NOT** have oil or gas YET
2. The oil and gas sector is characterized with price volatility



# *Lebanon and the need to fight corruption*

- Lebanon's economic situation: a current value of debt to gross domestic product at 152% (third highest in the world), a sluggish 2% economic growth rate, a dreadful ranking of 28/100 on TI's perception of corruption index
- CEDRE conference: Conditions to extending loans: Reduce public expenditure, introduce measures to reduce corruption



# CPI 2018

The index, which ranks 180 countries and territories by their perceived levels of public sector corruption according to experts and businesspeople, uses a scale of 0 to 100, where 0 is highly corrupt and 100 is very clean. Two thirds of the 180 countries reviewed fell between 0 and 50.

Egypt: 35/100

Greece: 45/100

Cyprus: 59/100

Turkey: 41/100

Syria: 13/100

**Lebanon: 28/100**

Jordan: 49/100

Israel: 61/100



# Is Lebanon Preordained to experience the Presource Curse?

1. What is the Presource curse?
2. Ghana vs. Botswana
3. Separate the Petroleum sector from Political rhetoric and propaganda
4. The Lebanese government and management of expectations: No Meters yet!!





# The Sovereign Wealth Fund

1. OPRL 132/2010 article 6
2. The draft law
3. Pre-requisites that need to precede the SWF conversation:
  - National oil and gas strategy based on an inclusive public consultation with all stakeholders
  - Fiscal rule that limits expenditure growth or creates a public debt ceiling.



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# The Sovereign Wealth Fund

LOGI is breaking the norm:

We are collaborating with an expert, who will be in turn collaborating with a group of local experts to launch the discussions around the draft law and the pre-requisites.



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# Lebanon and the EITI

- January 2017, PM Hariri declared Lebanon's intention to implement the EITI
- March 2018 Minister Boustany called on civil society to elect their reps for the EITI MSG

**Upwards and Onward**