



Lebanon

Civil society advocacy strengthens public oversight of oil and gas deals



In 2017 the Lebanese civil society organisation LOGI conducted an analysis of laws governing the recently developed oil and gas sector in Lebanon. This identified gaps in the legal framework that could enable corruption – in particular, risks arising from the secrecy of oil contracts and obscurity about who the real owners of companies receiving contracts were.

LOGI and its civil society partners conducted an advocacy campaign to require public disclosure of the real owners of companies being awarded contracts, as well as the contracts themselves. By 2018, the civil society coalition had not only secured laws requiring this, but had prompted the ratification of laws covering the whole extractive sector value chain. The coalition created new space for civil society to seek accountability from companies and the government concerning the use of Lebanese natural resources.



The problem

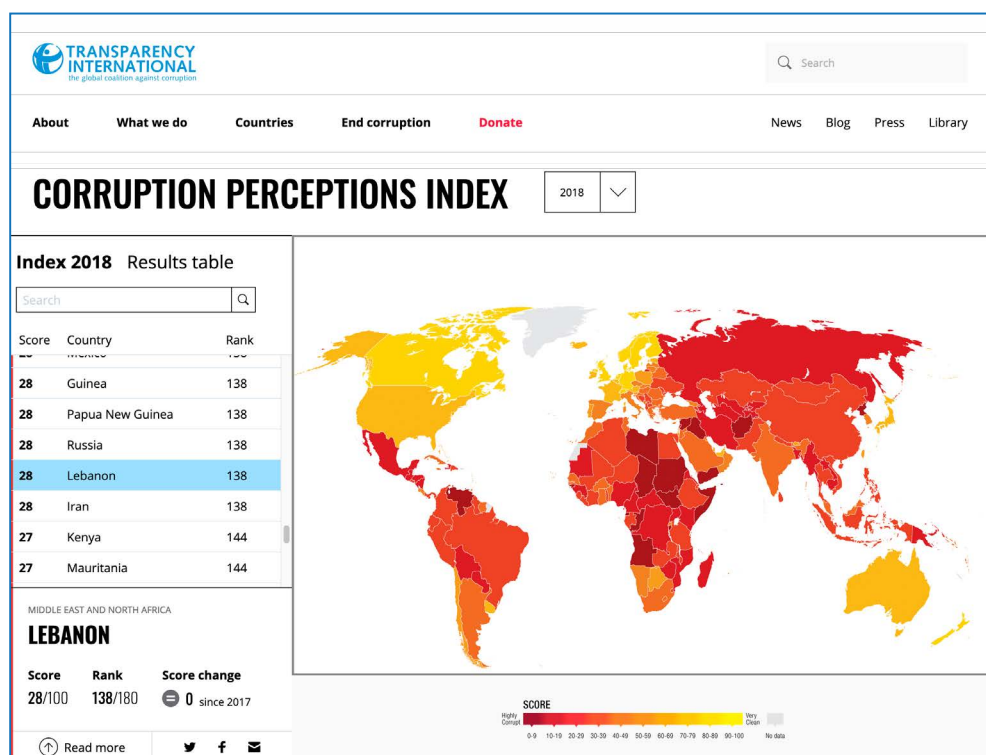
LOGI (the Lebanese Oil and Gas Initiative) is a member of the global Publish What You Pay (PWYP) network of civil society organisations advocating for transparency and accountability in the natural resource sector. It was set up in 2014 to ensure that revenues from the country's new oil and gas deals would benefit Lebanese citizens and were not lost to corruption.

LOGI began to develop a network of oil and gas experts who could educate and inform citizens on the key decisions around extraction, while creating a platform to lobby Lebanese policymakers to ensure that transparency and accountability mechanisms were put in place.

LOGI and other members of Lebanese civil society identified that citizens' interests were at risk during the scale-up of the country's oil and gas sector. Not only was the sector known globally as particularly prone to large-scale corruption, but Lebanon was also one of the

most corruption-prone countries in the Eastern Mediterranean region (and remains so, as indicated by its 2018 score on Transparency International's *Corruption Perceptions Index*). The Lebanese public remains concerned about corruption, with the 2019 revolution calling for an end to corruption and for meaningful reforms to address it.

As Lebanon began to develop its oil and gas sector in earnest, lawmakers took initial steps to regulate the sector by passing an Offshore Petroleum Regulation Law in 2010, and working with partners from the Norwegian and German development agencies and the European Union to establish best practices. However, by 2018 comprehensive regulation covering the extractive chain was yet to be ratified and implemented. And while citizen oversight of the sector is critical in avoiding the resource curse, there were few channels for citizen groups to prompt necessary reforms or create oversight.



Lebanon's 2018 ranking on the CPI webpage.

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Challenges to change

LOGI and its partners identified several obstacles and challenges to securing stronger laws. There were limited channels of influence for NGOs in Lebanon, with no formal process to enable civil society organisations, experts or citizens to review draft laws or follow up on their ratification. Political parties and groupings were also hard to penetrate, with policy decisions largely determined at leadership level. There were no ongoing stakeholder discussions or fora with government or parliament on transparency issues. As a newly formed organisation, LOGI had no profile with policymakers. There was no precedent for any disclosure of contracts, while politicians voiced intense scepticism about how transparency measures could make any difference in tackling corruption.



The obstacles appeared daunting. However, the operating environment in Lebanon meant that there was space for civil society to advocate and create public interest.

Formulating an advocacy strategy

Between 2015 and 2017, LOGI held several brainstorming workshops to strategise with Lebanese civil society partners about how to strengthen transparency. Most of these meetings were funded through crowdsourcing. Coalition partners agreed that advocacy was needed to challenge transparency gaps and ensure that draft laws were improved and ratified. They identified three approaches necessary in the context of the obstacles they faced:

- carry out a comprehensive analysis of gaps in the legal framework governing deal-making in natural resource extraction in Lebanon, and from this, develop an evidence-based and credible set of solutions to offer policymakers
- create an advocacy programme to engage key stakeholders, communicate these solutions and persuade policymakers to act
- develop a coordinated communications strategy to raise the profile of the issues and help persuade decision makers that it was in their (and the public) interest to act.

Making a convincing case

In 2017, LOGI reviewed the whole legislative framework underpinning the nascent oil and gas sector in Lebanon. It ensured that the technical analysis of laws, policies, best practices and solutions was high quality, reputable and supported by international experts. This



The Lebanese President and Prime Minister at that time (Michel Aoun and Hassan Diab, respectively) with the team that worked on the Tungsten drillship during the drilling of Lebanon's first exploratory well.

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resulted in policy papers with concrete SMART¹ recommendations, giving them credibility with policymakers. LOGI's membership of PWYP enabled it to access best practices from other members, experts and coalitions, with the PWYP Secretariat helping LOGI make connections. LOGI partnered with extractive industry legal experts from the Norwegian Law firm Arntze De Besche to support its analysis and asked the legal team at NRG (Natural Resource Governance Initiative, also a member of the PWYP network) to peer review its assessment of the legal framework.

1. SMART objectives are Specific, Measurable, Achievable, Realistic and Time-bound

Advocating with government

The Lebanese coalition identified that it needed to conduct a coordinated and concerted programme of reputation building, stakeholder engagement and raising its profile. LOGI shared and tested its draft recommendations with regulatory authorities for feedback, and held joint meetings with civil society, parliamentarians, regulatory authorities and the media to communicate and discuss its final recommendations. Coalition advocates noted that their research-based recommendations and repetition of demands meant that stakeholders took them seriously and started to listen.

Civil society also recognised the need to reach senior levels of government. The coalition identified that the best route into political



Picture taken during one panel of the two-day multi-stakeholder discussions in 2018 around timely and relevant issues related to the oil and gas sector.

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parties was through party economic advisors, and it held individual meetings with advisors to communicate the benefits of reform, as an incentive, as well as the risks of inaction. Advocates built a reputation for being a credible source of information and analysis, filling a gap, addressing a lack of sectoral information and expertise within government, and supplying SMART actionable recommendations. Through building relations with advisors, the coalition was able to lobby ministries and agencies, including the Petroleum Authorities, the Minister of Energy and the Prime Minister.

LOGI also used different media to raise the profile of the issue and create a public-interest narrative using infographics, social media, opinion pieces, slots on radio talk-shows and an appearance on the leading political TV show.

Partners conducted community engagement through panel discussions and town-hall meetings in the five Lebanese regions.

A new global benchmark

In March 2018, the Lebanese Petroleum Administration published Lebanon's first two signed Exploration and Production Agreements. These made Lebanon the first Eastern Mediterranean country to publish its oil contracts. In September 2018, the Lebanese Parliament ratified Law 84/2018, "Enhancing Transparency in Lebanon's Petroleum Sector". Article 10.7 mandates that beneficial ownership should be disclosed by all companies awarded primary and secondary contracts (including those offering goods and services to the petroleum sector),



creating a new global benchmark for disclosure. In March 2018, civil society organisations, including LOGI, were invited to attend two parliamentary sub-committee meetings to discuss the draft of the onshore petroleum regulation law. This set a precedent, being the first time CSOs were allowed to attend a closed parliamentary committee meeting.

From 2018 till today, LOGI's advocacy work, and progress has been stellar. Immense efforts and resources were applied by LOGI to ensure that law 84/2018 's is implemented including the disclosure of all companies that were subcontracted during the drilling activities in February 2020.

In 2019, LOGI teamed up with Open Oil to assess whether the government had in fact negotiated

fair deals based on an analysis of the various contracts. The results of this assessment were shared with the Lebanese public and key stakeholders in the sector.

The experience gained from participating in the parliamentary committee sessions was a key driver for demanding that all sessions should be open for the public and minutes of meetings are published.

Thus, LOGI launched its advocacy campaign in November 2019, and crossed a long path until the speaker of parliament referred the amendment proposal of "opening up the parliamentary committee sessions to the public" to the Administration and Justice Committee and to the Prime Minister for revision.





Next steps

As a result of LOGI's advocacy campaigns, the list of all subcontracted companies participating in all activities related to the drilling of block 4 was published. LOGI is currently developing a due diligence report that will divulge the names of all beneficial owners of these companies in an effort to ensure that no political parties, politicians or related individuals are involved.

LOGI and the Coalition for Energy Governance (CEG), and in collaboration with PWYP, are currently working towards electing the Civil Society representatives to the Multi-stakeholder group, which is the cornerstone required in order to start implementing the EITI and ensuring a more transparent governance of the sector. This will be achieved through the enabling of all stakeholders including civil society to sit around the same table and be part of the sector's decision making.

The fact that the head of the Lebanese parliament take into consideration the recommendations put forth to allow the public access to parliamentary committee sessions, is a major key driver for LOGI to continue with its efforts in advocating and lobbying this change until it is ratified.

LOGI's Executive Director, Diana Kaissy, in an interview with a national television discussing the results of LOGI's study investigating Transparency & Accountability in Lebanon's Petroleum Legislation.

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Key learning

- 1. Civil society coalitions can influence the government over natural resource governance, even when starting with few channels for influence – especially in contexts in which civil society is free to advocate.**
- 2. International partnerships with other NGOs and networks can enable coalitions to access knowledge and create additional credibility.**
- 3. High-quality, academic or technical analysis of relevant laws, policies and best practices, with concrete SMART recommendations, enabled civil society to conduct more effective advocacy.**
- 4. This analysis and expertise can add value for government, help to fill knowledge gaps and create collaborative relationships.**





5. Good coordination and collaboration within the civil society coalition meant that members could mobilise resources more effectively. Developing an advocacy-based plan with SMART objectives, detailed activities and deliverables, clear and realistic milestones, a reasonable timeline and a clear division of work were essential. Collective brainstorming, planning exercises and revision enabled members to maximise their impact.
6. More consideration could have been given to identify and articulate the long-term end users of the data produced by transparency disclosures, and how this would lead to sustained accountability and oversight.
7. Advocates could do more to gather and document chains of causality and contribution to shifts in their targets. It would also be useful to identify what worked effectively and what less so. This could include formal reflection by advocates through learning reviews, and feedback from other stakeholders and advocacy targets to help understand which strategies, approaches and activities were most effective. Evidence of an approach's contribution to the desired outcomes would help shape future work.
8. Advocates felt that more infographics in Arabic would have been useful, along with more media outreach and feature or opinion articles. ■

This story of change is told from the perspective of a key civil society advocate involved. It serves as a starting point for capturing progress and reflecting on advocacy with the intention of learning. Stories of change can be strengthened and built on through formal post-action reviews conducted with participants, by adding evidence of civil society contributions and other stakeholders' perspectives.

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