







LTA, LOGI, Kulluna Irada, and OPES call on the Lebanese Cabinet, the Ministry of Energy and Water and the Ministry of Finance to implement "Strengthening Transparency in the Oil and Gas Sector" and "Access to Information" Laws

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Beirut, LB The Lebanese Transparency Association (<u>LTA</u>), the Lebanese Oil and Gas Initiative (<u>LOGI</u>), <u>Kulluna Irada</u>, and the Organization for Petroleum and Energy Sustainability (<u>OPES</u>) salute the efforts of the Minister of Energy and Water HE. Nada Boustany to launch the multi-stakeholder group election process, a needed step towards Lebanon joining the club of countries that implement the global Transparency Standard, the Extractive Industries Transparency Initiative (<u>EITI</u>). Such a decision reflects Lebanon's intention to strengthen transparency in the nascent petroleum industry in Lebanon.

While we acknowledge this important step towards increased transparency and accountability, we stress on the importance of implementing existing provisions on transparency and access to information within domestic legislation. In fact, Law 84/2018 "Strengthening Transparency in the Oil and Gas Sector" and Law 28/2017 "Access to Information" contain provisions that should have been already implemented by the Lebanese governmental institutions. To that effect, we urge the Council of Ministers (CoM), the Ministry of Energy and Water (MoEW) and the Ministry of Finance (MoF) to urgently act upon the implementation of the below legal provisions.

TO THE COUNCIL OF MINISTERS-COM:

• The CoM is requested to urgently issue the petroleum registry decree as it represents a practical tool to combat corruption and reinforce transparency measures in the petroleum sector. Therefore, the MoEW, through the Lebanese Petroleum Administration (LPA), is solicited to consult with Civil Society actors on the provisions of the "Petroleum Registry" decree before transferring it to the Council of Ministers-CoM for endorsement. The Petroleum Registry will be a key regulation promoting beneficial ownership disclosures as per the "Strengthening Transparency in the Petroleum Sector" Law Number 84/2018, and also a core requirement of the EITI candidacy application and subsequently the EITI report.

TO THE MINISTRY OF ENERGY AND WATER:

- The MoEW is requested to publish the statement of account held by the Directorate of Petroleum Installations at the Lebanese Central Bank, in which the revenues generated by the sales of seismic 2D & 3D data are kept. In fact, article 3 of Law #132/2010 "Offshore Petroleum Resources Law" indicates that all revenues generated by petroleum activities should be held in a Sovereign Wealth Fund (SWF) to be established by law. To that end, the previous MoEW ministers opted to put the revenues generated by sales of 2D & 3D seismic data in a separate account held by the Directorate of Petroleum Installations. Since article 12 of the "Strengthening Transparency in the Petroleum Sector" law obliges the CoM and the relevant ministries to publish the revenues generated by the sector activities', the MoEW is therefore requested to publish the above-mentioned statement of account.
- The MoEW is also requested to publish the contract that was signed between the former Minister of Energy and Water HE Cesar Abi Khalil and Rosneft for operational management of the Tripoli Oil Installations of Lebanon facilities, as per "Access to Information" Law #28/2017.
- The MoEW is requested to disclose, through the Lebanese Petroleum Administration, all the data and studies related to Health, Safety and Environment regarding all petroleum activity as per "Strengthening Transparency in the Petroleum Sector" Law #84/2018, Article11.2.









• The MoEW is requested to disclose the names and beneficial owners of all companies that have been awarded subcontracts by the current Consortium of the petroleum licenses over blocks 4 & 9, as per "Strengthening Transparency in the Petroleum Sector" Law #84/2018, Article 10.7.

TO THE MINISTRY OF FINANCE:

• Publish the payments related to application fees, done by the participating companies to the first licensing bidding round, as per "Strengthening Transparency in the Petroleum Sector" Law #84/2018, Article 9.3.

In conclusion, we would like to reiterate that implementing the "Strengthening Transparency in the Oil and Gas Sector" and "Access to Information" Laws by the Lebanese Cabinet, the Ministry of Energy and Water and the Ministry of Finance sends a clear signal about the commitment of the Lebanese public institutions to transparency, prior to joining EITI.

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For more information:

Mr. Julien Courson- ED of LTA via mobile: 76553336 Ms. Diana Kaissy - ED of LOGI via mobile: 03981571