



**FRIEDRICH NAUMANN  
STIFTUNG** Für die Freiheit.  
Lebanon and Syria

# Spotlight: Energy Sector Reform under President Aoun and PM Salam (2025)

Diana Kaissy

## Author:



Diana Kaissy is a senior energy governance specialist and consultant with the World Bank's MENAGEN program. A board member of EITI and advisory roles with LOGI and PACES, she previously led LOGI and served as MENA regional coordinator for Publish What You Pay. She is a university lecturer, published author, and award-winning advocate for

transparency and energy justice in the MENA region.

## Leadership Commitments:

Upon taking office in early 2025, President Joseph Aoun and Prime Minister Nawaf Salam placed Lebanon's electricity crisis and energy reform at the forefront of their agendas. In his ministerial statement to Parliament, Salam pledged to "assume responsibility for reforming the ... electricity sector, bringing Lebanon out of darkness" by gradually increasing power-supply hours<sup>1</sup> and to resume offshore oil and gas exploration<sup>1</sup>. His cabinet moved immediately to activate the long-delayed Electricity Regulatory Authority, a key anti-corruption and efficiency measure<sup>2</sup>. President Aoun has publicly backed these reforms: in February, he urged Lebanon's consortium partners (TotalEnergies, Eni, and Qatar Energy) to resume offshore gas drilling as soon as possible<sup>3</sup>, and he highlighted Lebanon's opportunity to benefit from Egyptian expertise in gas and electricity<sup>4</sup>.

### Policies and Actions on Electricity Reform:

- Independent Regulation & Oversight: For the first time since 2002, authorities are appointing an autonomous Electricity Regulatory Authority, meeting conditions set by the World Bank and IMF for sector financing<sup>5</sup>.
- World Bank Financing: In April 2025, Lebanon secured a \$250 million World Bank loan to bolster bill collection and invest in solar farms, as well as develop the RE division at EDL, expected to save approximately \$40 million annually in fuel costs<sup>6</sup>.

---

<sup>1</sup> <https://en.kataeb.org/articles/lebanons-parliament-convenes-as-government-outlines-vision-for-sovereignty-and-reform>

<sup>2</sup> Ibid.

<sup>3</sup> <https://today.lorientlejour.com/article/1443943/aoun-calls-on-macron-to-urge-totalenergies-to-resume-oil-exploration-in-lebanon.html>

<sup>4</sup> Ibid.

<sup>5</sup> <https://www.reuters.com/world/middle-east/world-bank-sets-conditions-lebanon-access-electricity-funding-2023-03-14/>

<sup>6</sup> <https://apnews.com/article/lebanon-economy-electricity-world-bank-loan-3942b84a2d92ae3ca47be8633c7f7145>

- **Supply Improvements:** By late February 2025, improved fuel shipments under an Iraq agreement allowed Électricité du Liban (EDL) to raise grid supply to about 6–8 hours per day (up from near-zero since 2022)<sup>7</sup>.
- **Regional Energy Integration:** The U.S. easing of certain Syria sanctions in early 2025 cleared the way for importing Egyptian gas and Jordanian electricity via Syrian infrastructure—a deal that could add roughly 700 MW to Lebanon’s grid<sup>8</sup>.
- **Political Consensus:** Salam’s cabinet won a 95-vote confidence in Parliament, demonstrating cross-sectarian backing, though some parties remain poised to scrutinize energy reforms<sup>9</sup>.
- **Offshore Exploration & Governance:** Both leaders have emphasized transparent management of any future hydrocarbon revenues, including legislation for a Sovereign Wealth Fund to prevent past resource-governance pitfalls<sup>10</sup>. An extension on the 3<sup>rd</sup> licensing round thus opening up a continued bid on all 9 out of 10 of Lebanon offshore blocks was approved by cabinet. Deadline is 28 November, 2025<sup>11</sup>.

#### Key Challenges:

1. **Persistent Blackouts:** Even at 6–8 hours of public electricity, Lebanese households endure 16+ hours of outages and rely on costly private generators.
2. **Tariff Resistance & Revenue Shortfalls:** Higher tariffs, introduced in 2023, face popular pushback; EDL’s bill-collection rate remains critically low.

---

<sup>7</sup> <https://today.lorientlejour.com/article/1449643/edl-announces-return-to-normal-electricity-supply.html>

<sup>8</sup> <https://today.lorientlejour.com/article/1460244/lebanon-welcomes-us-decision-to-lift-sanctions-on-syria.html>

<sup>9</sup> <https://www.aljazeera.com/news/2025/2/26/lebanons-new-government-wins-confidence-vote-in-parliament>

<sup>10</sup> <https://today.lorientlejour.com/article/1360929/parliament-plenary-session-begins-with-army-commanders-future-uncertain.html>

<sup>11</sup> <https://www.lpa.gov.lb/english/licensing-rounds/third-licencing-round/timeline1>

3. **Institutional Gridlock:** Long-standing patronage networks within EDL and political factions threaten to slow regulator empowerment and utility restructuring.
4. **Implementation Risks:** Regional import projects depend on sustained cooperation with Syria, Egypt, Jordan, and Iraq; any diplomatic or security reversal could derail supply improvements.
5. **Financial Constraints:** Lebanon's fiscal crisis limits domestic investment, making external funding—and compliance with its reform conditions—indispensable, yet unattainable.

#### Policy Recommendations:

1. **Empower the Regulatory Authority:** Finalize appointments, guarantee operational independence, and mandate transparent tariff-setting and service standards.
2. **Restructure and Modernize EDL:** Commission a forensic audit to uncover inefficiencies, digitize billing systems, and explore public-private partnerships or regional concessions to improve service and collections.
3. **Diversify Generation Mix:** Fast-track Egyptian gas and Jordanian electricity imports, expand utility-scale solar and wind via transparent tenders.
4. **Implement Fair Tariffs with Social Safeguards:** Introduce lifeline rates for low-consumption households, enforce progressive blocks for higher users, and deploy targeted subsidies for vulnerable groups through existing social-assistance programs.
5. **Ensure Transparent Hydrocarbon Governance:** Become an EITI implementing country (Global Transparency Standard) and ensure the creation of a sustainable multi-stakeholder platform to engage civil society as an oversight body.

Restoring reliable, affordable power is not just a technical task but a litmus test of the new leadership's capacity to break Lebanon's cycle of mismanagement. Delivering on these energy reforms will directly improve citizens' lives, support economic recovery, and demonstrate that the Aoun–Salam government can turn bold commitments into tangible results