BRIEFING NOTE

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Beyond Nostalgia: Why the Kirkuk–Tripoli Pipeline is Lebanon New Lifeline

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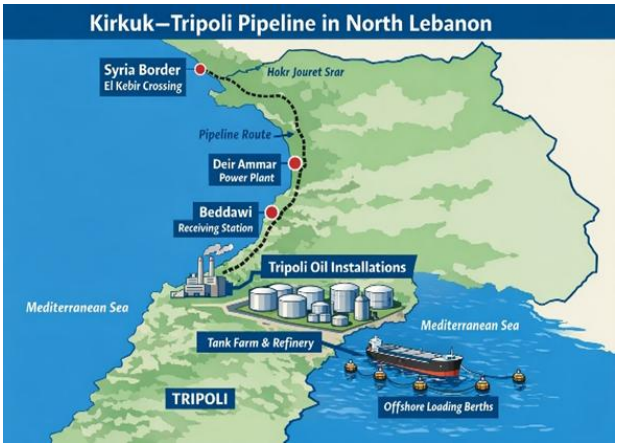

For decades, the mention of the Kirkuk–Tripoli pipeline evoked images of a bygone era of Levantine integration; a "nostalgic" relic of the 1950s Iraq Petroleum Company (IPC) days. But in March 2026, nostalgia has been replaced by cold, hard geopolitical math.

As the conflict in the Persian Gulf enters a critical phase, the **Strait of Hormuz** which typically carries one-fifth of global oil and LNG flows, has seen near-total disruption. For Iraq, the consequences are existential. With its southern terminals paralyzed, Baghdad is desperately seeking an "emergency lung" for its crude exports. While routes through Turkey are being fast-tracked through an agonizing pipeline diplomacy, the most resilient, high-capacity solution lies to the west: the brownfield transit corridor ending at the **Tripoli Oil Installations (TOI)** in Northern Lebanon.

The Hormuz Chokehold and Iraq's Exposure

The maritime blockade in the Gulf has forced regional exporters to lean on the Saudi East-West pipeline and the UAE's Fujairah route. However, Iraq is uniquely exposed. In 2024, nearly 100% of Iraq's seaborne exports exited through the south. By March 2026, the loss of Hormuz access has slashed Iraq's southern production by an estimated **82%**, dropping output from 4.4 million barrels per day (bpd) to a staggering **800,000 bpd**.

Baghdad has partially restored northern crude exports through Turkey via the Kirkuk–Ceyhan route, but the corridor remains politically fragile, capacity-constrained, and vulnerable to renewed tensions between the federal government and Erbil. In this high-pressure environment, the Mediterranean outlet through Tripoli is no longer merely an alternative; it is a strategic necessity.

Lebanon's "Brownfield" Advantage

The common misconception is that Lebanon must rebuild a refinery to be relevant. In reality, the immediate opportunity lies in **Phase 1: Transit and Terminal Operations**.

Lebanon possesses a "brownfield" asset: the Tripoli Oil Installations (TOI) that requires rehabilitation, not a ground-up miracle.

According to the Lebanese Directorate General of Oil (DGO), the TOI was originally designed to receive Kirkuk crude through three legacy lines (12", 16", and 30/32") with a historical peak capacity of **900,000 bpd**. While the old 21,000 bpd refinery is economically obsolete, the terminal infrastructure remains a goldmine of latent capacity.

Metric	Figure	Why it Matters
Hormuz Global Share	~20% of oil/LNG	Drives the urgent need for Mediterranean outlets.
TOI Inlet Lines	12", 16", 30/32"	Existing footprint tied directly to Kirkuk.
Historical Capacity	900,000 bpd	Proven scale of the Tripoli endpoint.
Planned Storage	430,000 m³	Immediate "buffer" for Mediterranean exports.
Marine Loading	250,000 DWT (CBM #2)	Supports Very Large Crude Carriers (VLCCs).
Phase 1 Rev. Est.	$80M – $275M	Significant gross revenue for Lebanon's treasury.

The Path to Recommissioning

The most practical path forward bypasses the complexity of refining and focuses on the **export-terminal model**. The chain is straightforward: Kirkuk to Syria, through the Akkar border corridor (Hokr Jouret Srar), along the old IPC right-of-way to the Beddawi/TOI tankage, and finally to offshore Mediterranean loading.

However, "simple" does not mean "easy." A restart requires a rigorous **tripartite integrity program** between Iraq, Syria, and Lebanon. Experts suggest a six-point technical roadmap:

1. **Route Survey**: Clearing the right-of-way and addressing decades of encroachment.
2. **Pressure Testing**: Excavating and replacing failed segments of the pipeline.
3. **Pumping & Metering**: Total overhaul of control systems and custody-transfer points.
4. **Tank Farm Restoration**: Modernizing the 430,000 m³ storage facility at Beddawi.
5. **Environmental & Security**: Installing leak detection and a dedicated security architecture.
6. **Marine Systems**: Refurbishing Conventional Buoy Moorings (CBM) for offshore loading.

A New Diplomatic Alignment

What makes 2026 different from 2020 is the shifting legal landscape. The broad economic sanctions that once made a Syrian transit corridor a "non-starter" were largely lifted or revoked in 2025 following the transition in Damascus. While specific security restrictions remain, the "sanctions wall" has effectively crumbled.

Furthermore, the relationship between Baghdad and Beirut has matured. The state-to-state energy deal, which saw Iraq provide fuel to Lebanon's power plants through 2025, has created a framework for cooperation. Iraq and Syria have already launched a joint assessment for Mediterranean routes; the missing piece is a formal **Tripartite Transit Framework** that includes Lebanon.

The Commercial Upside: $275 Million a Year?

While no official tariff exists, historical logic and modern rehabilitation costs suggest a "stack" of fees, transit, handling, and loading, could range between **$0.75 and $1.50 per barrel**.

Under a moderate flow scenario of 300,000 to 500,000 bpd, Lebanon could see gross annual revenues of **$80 million to $275 million**. Beyond the cash, the project restores Lebanon's strategic relevance, positioning it as a key energy-security partner for both Iraq and a Europe hungry for non-Gulf energy sources.

The Recommendation: A 90-Day Initiative

In the post-Hormuz world, the Kirkuk–Tripoli line is the most logical bridge to a more secure energy future. By offering a pressure valve for Iraqi crude, Lebanon would be providing a regional service and positioning itself on the global energy security agenda.

Lebanon cannot afford to wait. The government should immediately propose a **90-day tripartite initiative** with Iraq and Syria. The objective should be singular: Phase 1 export recommissioning.

The "Bypass" Logic: For this to work in 90 days, the parties must agree to **defer** the refinery discussion. If the parties get bogged down in "who gets the refined petrol," the project will stall. The focus must remain exclusively on **crude transit to the Mediterranean**.

Technical Blueprint: The 90-Day Tripartite Corridor Initiative

Objective: Complete a comprehensive "Technical and Commercial Readiness Folder" for Phase 1 Export Recommissioning.

Month 1: Integrity Assessment & Legal Framework

The first 30 days focus on "opening the books" and physically inspecting the legacy assets that have been dormant or underutilized.

- **Formation of the National Steering Committee (NSC)**: Issue the formal decision establishing the national steering committee; appoint a project secretariat; require weekly written progress reports and a 90-day delivery package
- **Diplomatic Move**: Open the formal diplomatic channel with Iraq and Syria; circulate a Lebanese non-paper (informal diplomatic note); secure agreement on a tripartite ministerial call and nominate the Joint Technical Committee (JTC.
- **Formation of the Joint Technical Committee (JTC)**: Appointment of senior engineers from Iraq's North Oil Company (NOC), Syria's Ministry of Petroleum, and Lebanon's Directorate General of Oil (DGO).
- **Aerial & Ground Route Survey**: Deployment of LiDAR-equipped drones to map the entire right-of-way (ROW) from Kirkuk to Tripoli. This identifies illegal taps, physical encroachments (buildings/farms over the line), and "hot spots" requiring immediate excavation.
- **The "Draft Treaty" Phase**: Legal teams draft a unified Inter-Governmental Agreement (IGA). This document must define:
  - **Sovereign Immunity**: Protections for the crude oil against third-party seizures.
  - **Jurisdiction**: Which laws apply in the event of transit disputes.
  - **The "Through-Put" Guarantee**: Iraq's commitment to a minimum daily volume to ensure the project's bankability.

- **The "Fiscal and Commercial" Phase:** The Ministry of Finance to model a tariff stack comprising a pipeline transit fee, a terminal handling fee, a storage fee where applicable, and a marine-loading fee. It should also test how revenues would be booked, ring-fenced, audited, and reported to avoid future governance challenges.

Month 2: Pressure Testing & TOI Rehabilitation Plan

With the survey data in hand, the second month shifts toward the engineering specifics of the Tripoli terminal.

- **Hydrostatic Testing Segments:** Conducting section-by-section pressure tests. If a segment fails, the JTC determines the exact tonnage of steel piping required for replacement.
- **Terminal Audit at Beddawi: * Tank Farm Integrity**: API-653 inspections of the 430,000 m³ storage tanks to determine which are ready for "Immediate Fill" vs. "Major Repair."
  - **CBM System Check**: Divers and ROVs inspect the underwater lines leading to Conventional Buoy Mooring (CBM) #2.
- **The "Early Works" Procurement List**: Identification of long-lead items (large-scale pumps, specialized valves, and SCADA control systems) that need to be ordered immediately to meet a 12-month restart goal.

Month 3: Commercial Modelling & Security Architecture

The final 30 days focus on the "Software" of the pipeline—how it makes money and how it stays safe.

- **The Three-Tier Tariff Structure:** Finalizing the pricing stack:
  1. **Iraq-Syria Transit Fee:** Negotiated per-barrel rate.
  2. **Lebanon Transit/Terminal Fee:** Covering the Hokr Jouret Srar to Beddawi stretch.
  3. **Off-take/Loading Surcharge:** A specific fee for ship-to-shore logistics and environmental monitoring.
- **The Corridor Security Architecture (CSA):** Moving away from traditional "guards at every mile" to a technology-first approach:
  1. Fiber-optic acoustic sensing (to detect digging/vibrations near the pipe).
  2. Thermal drone patrols for the Akkar/North Lebanon border segments.
  3. Establishing a Tripartite Security Coordination Center.
- **Phase 1 Final Report:** The 90-day period concludes with a joint ministerial summit in Tripoli to sign the "Activation Protocol," triggering the release of rehabilitation funding.

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