

# Lebanon Crisis Update

March 2024



Credit: Reuters

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The Monthly Lebanon Crisis Update provides an overview of economic and political developments to alert the international aid response to new and emerging challenges that could impact the humanitarian situation in Lebanon. In the context of the multiple crises affecting Lebanon, the update tracks the impact of political developments on the economy, relevant international developments, updates on service delivery and governance issues, and analysis of the drivers of humanitarian need as they develop. The report also aims to provide nuanced forecasting on contextual shifts relevant to shifting needs and the implementation of humanitarian programming. The report draws upon a desk review of currently available literature, analysis of relevant quantitative data, and key informant interviews with a range of experts and individuals with knowledge of Lebanon's economy.

The Lebanon Crisis Analytics Team (LCAT) provides reactive and in-depth context analysis to inform the aid community in Lebanon. The information and analysis contained in this report is therefore strictly to inform humanitarian and development actors and associated policymaking on Lebanon.

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## Key Takeaways:

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- Total Israeli shelling incidents in southern Lebanon decreased in March; however, individual strikes were more lethal and destructive, causing significant damage to infrastructure and private homes. Israel also continued targeting the Bekaa Valley with airstrikes, six of which were launched during the month.
- The Quintet group met with Lebanese officials to address the presidential election impasse, emphasizing the urgency of ending the 16-month executive vacuum amid the low-level conflict between Hezbollah and Israel. Separately, Maronite Patriarch Bechara al-Rai led discussions focused on expediting the election of a new head of state, as well as Lebanon's "national identity" and "promoting coexistence".
- On March 13, Beirut Governor Marwan Abboud announced new regulations applying to Syrian nationals residing in the Lebanese capital, who are now required to register their residency with the municipality. Landlords of Syrian tenants must also register rental agreements with Syrians at the municipality.
- On March 1, pension payments for private school teachers increased sixfold, funded by a new strategy requiring private schools to contribute 10 US dollars per pupil each month to a central fund. This measure also aims to support future salary increases proposed by the Teachers Union.
- On March 19, the Ministry of Labor's Indicator Committee doubled the private sector minimum wage from 9 million Lebanese pounds (LBP) to LBP 18 million, and increased compensation for school expenses in private schools to LBP 12 per child, and in public schools to LBP 4 million per child.



# 2024

## MARCH

Caretaker Education Minister Abbas Halabi announces a sixfold increase in pension payments for private school teachers.



The Quintet Group meets with caretaker Prime Minister Najib Mikati as part of an international initiative to break Lebanon's political deadlock and elect a new president.

A fire breaks out along a decommissioned oil pipeline in Minieh, North Lebanon.



Caretaker Minister of Interior Bassam Mawlawi announces that municipal and Mukhtar elections will be held in May.

The Quintet Group meets with Parliament Speaker Nabih Berri.



The private sector minimum wage increases from 9 million Lebanese pounds (LBP) to LBP 18 million.

Caretaker Minister of Public Health Firas Abiad increases the healthcare coverage rate at private and public hospitals.



The Israeli military strikes West Bekaa for the first time since October 8, 2023.







Credit: AFP

## Cross-Border Conflict:

Israeli drone and air strikes continued to target areas deep in Lebanese territory throughout March. These increasingly targeted the Bekaa valley, and included the first strike on the West Bekaa since October 2023. Israeli drone, air, and artillery strikes have killed 69 civilians and injured about 1,278 others since October 8.<sup>1</sup> Strikes and gunfire in March damaged a warehouse,<sup>2</sup> a power generating station,<sup>3</sup> beehives, multiple water tanks,<sup>4</sup> a scouts association center,<sup>5</sup> an Islamic Health Authority center, a Lebanese Armed Forces (LAF) post,<sup>6</sup> and several homes and residential areas.<sup>7</sup> Since fighting began along the southern border on October 8, 91,405 individuals have been displaced. Eighty-three percent of internally displaced persons (IDPs) from South Lebanon are living with host families, 13% are renting houses, and 2% live in one of the country's 18 collective shelters. The districts of Sour and Nabatieh host the most IDPs (29% and 20% of IDPs, respectively).<sup>8,9</sup>

Israel continued to broaden the geographic reach of its strikes in Lebanon with several raids in the Bekaa Valley. Overall, Israel's shelling was mainly confined to areas near Lebanon's southern border. Following Israel's February 26 airstrike in the vicinity of Baalbek – the first strike in the Bekaa Valley since the start of the conflict on October 8, 2023 – the Israeli military conducted six more raids in the Bekaa Valley in March.<sup>10</sup>

<sup>1</sup> Ministry of Public Health via X (formerly Twitter), [التقرير التراكمي للطوارئ الصحية](#) April 1, 2024.

<sup>2</sup> Al Mayadeen via X (formerly Twitter), [غارة جوية إسرائيلية معادية تستهدف شرقى مدينة](#) March 24, 2024.

<sup>3</sup> NNA, [غارة ثلاثة على ميس الجبل وإصابات](#) March 25, 2024.

<sup>4</sup> NNA, [أضرار كبيرة في قفران النحل وخزانات المياه في مجلة مرج الطيل ومزرعة المحبديّة جراء إطلاق العدو رشقات نارية](#) March 26, 2024.

<sup>5</sup> NNA, [إصابات طفيفة من الدفاع المدني في جمعية كشافة الرسالة في غارة استهدفت منزلا في طبرحرفا 3](#) March 26, 2024.

<sup>6</sup> NNA, [مسيّرة استهدفت موقعا للجيش في عينتا الشعب ولا إصابات](#) March 30, 2024.

<sup>7</sup> LCAT has monitored and logged incidents of Israeli shelling reported by Lebanon's state-run National News Agency and major news outlets since fighting broke out on October 8 along Lebanon's southern border. Incidents are sorted by type of shelling, type of target, location, and date. Data cited in this report is based on reported incidents, meaning that additional, unrecorded shelling incidents have possibly occurred.

<sup>8</sup> IOM, [Mobility Snapshot - Round 30 - 28-03-2024 | Displacement Tracking Matrix](#) March 28, 2024.

<sup>9</sup> Mercy Corps Lebanon, [Lebanon Data Analysis Platform](#).

<sup>10</sup> March 12, 2024 strikes on Saarain, Sefri and Nabi Chit: L'Orient Today, [War spills into Bekaa Valley, struck by Israel four times in 24 hours](#) March 12, 2024; March 24, 2024 strikes on Baalbek and Souairi: L'Orient Today, [Israeli strikes kill 2 Hezbollah fighters in southern Lebanon and Syrian citizen in Bekaa region: Gaza war, day 170](#) March 24, 2024;

March 26, 2024 strikes on Wadi Faara and outskirts of Iaat: L'Orient Today, [Israeli army strikes furthest north into Lebanon since Oct. 8; two killed, one wounded in Bekaa: Day 172 of the Gaza war](#) March 26, 2024.

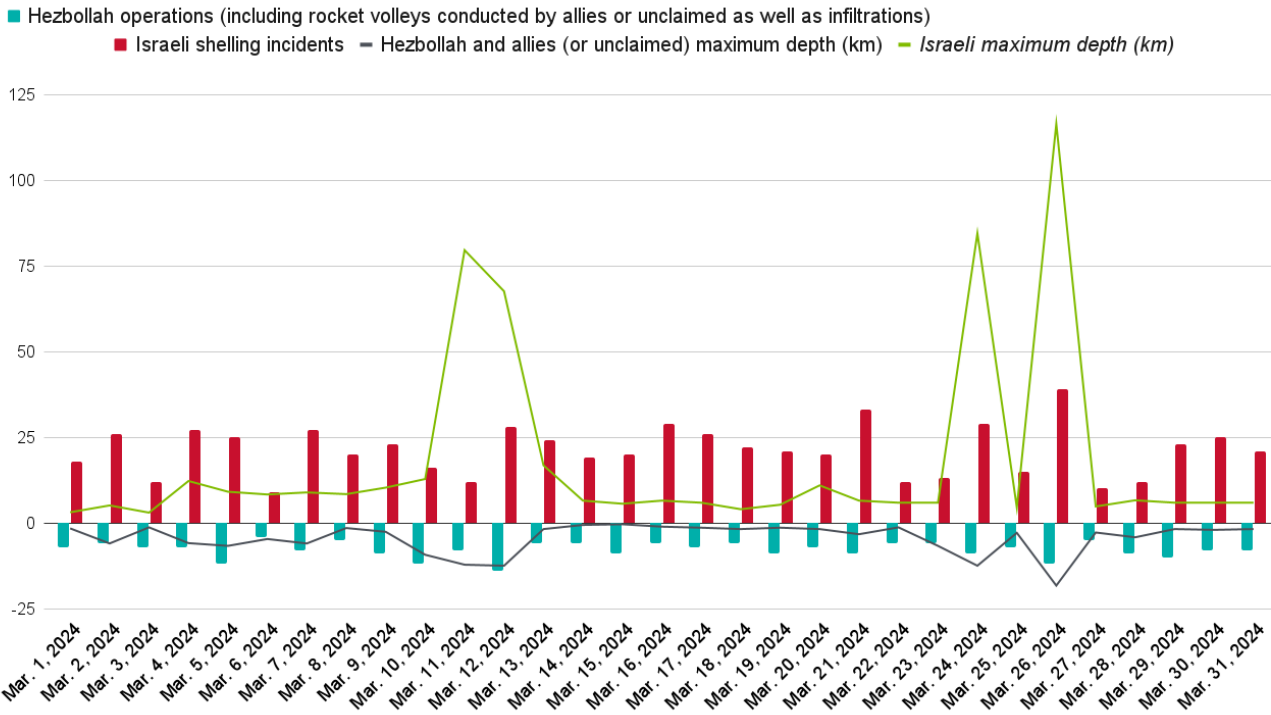


Figure 1: Israel and Hezbollah attacks and their distance from the border throughout March.

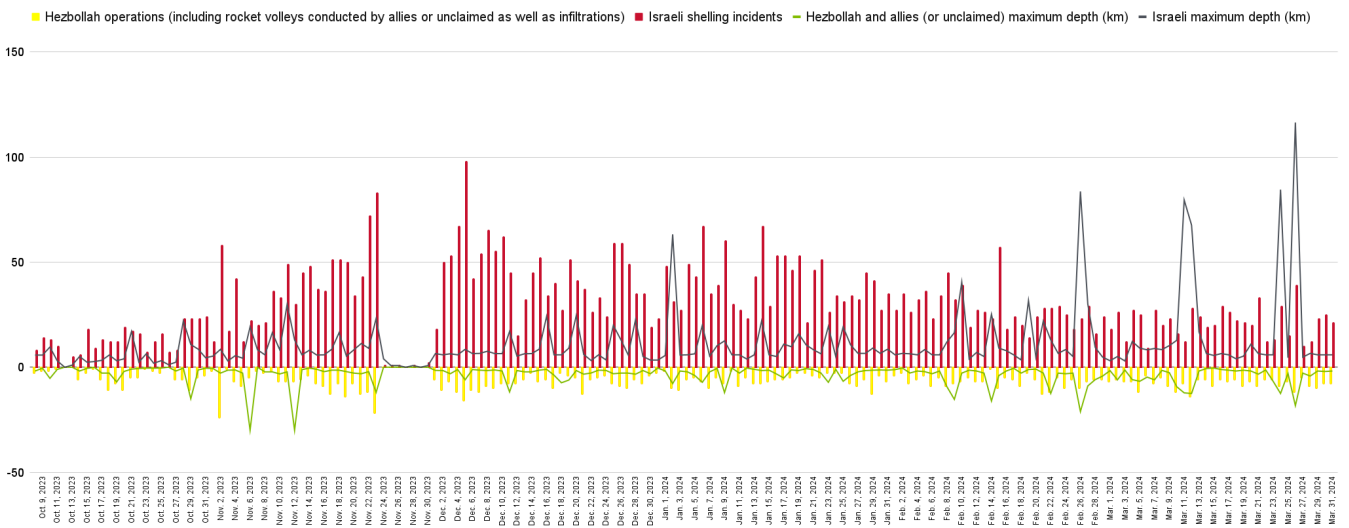


Figure 2: Israel and Hezbollah attacks and their distance from the border since October 8.

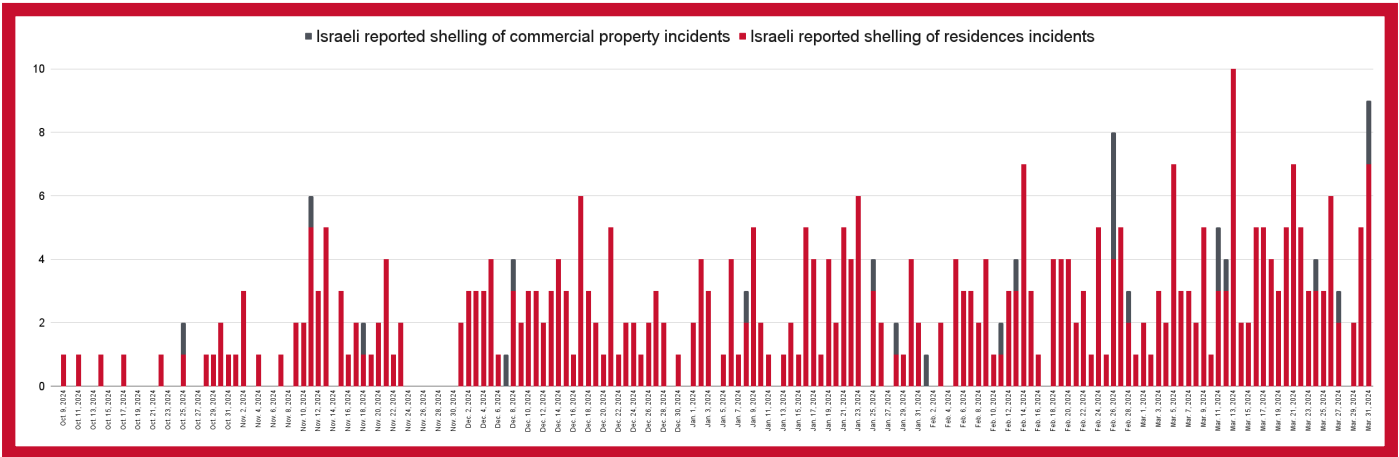


Figure 3: Israeli shelling of residential and commercial property in South Lebanon.

These strikes came as part of the tit-for-tat operations between Israel and Hezbollah, deep within each opponent’s territory. The Bekaa strikes have led to school closures and raised concerns among residents, though they have not resulted in mass displacement.<sup>11</sup> Amid these escalatory actions, Israeli and Hezbollah officials have exchanged threats, with Hezbollah’s deputy chief Naim Qassem warning on March 24 that his organization would respond in kind to any Israeli strike deep in Lebanon.<sup>12</sup> Israel’s defense minister on March 29 said that Tel Aviv was expanding its campaign against Hezbollah and warned that his country would conduct strikes in Beirut against the organization.<sup>13</sup>

While the overall volume of Israeli shelling in southern Lebanon declined in March, the deadliness and destructiveness of the shelling increased.<sup>14</sup> Israeli airstrikes and artillery fire directly hit residences at least 114 times in March, marking a substantial uptick over previous months. Approximately 70 such attacks were reported in each of December, January, and February. Shelling has caused increasingly widespread damage to towns near the border.<sup>15</sup> For example, an initial survey by the Aita al-Chaab municipality reportedly found that 80 houses had been destroyed in strikes.<sup>16</sup> March was the deadliest month yet in the conflict for non-combatants, with 22 deaths.<sup>17</sup> These casualties included first responders with the Islamic Health Association, Al-Rissala Mission Scouts, and Islamic Medical Association.<sup>18</sup>

<sup>11</sup> L’Orient Today, [Fear takes hold in Baalbeck](#) March 15, 2024.

<sup>12</sup> NNA, [نعيم قاسم: كل عدوان على مدني سنرد عليه ونحن جاهزون مهما كانت التصحيات](#), March 24, 2024.

<sup>13</sup> Times of Israel, [Hinting at Syria strikes, Gallant says Israel will ‘expand the campaign’ against Hezbollah](#) March 29, 2024.

<sup>14</sup> LCAT logs all Israeli shelling incidents reported by Lebanon’s state-run National News Agency, Hezbollah’s Al-Manar, and Al-Mayadeen television, along with other outlets when applicable. Airstrikes and artillery fire that directly hit residences are logged by LCAT and tabulated each day.

The number of Israeli shelling incidents, including artillery fire and airstrikes, in March decreased overall to an average of 21 a day, down from 27.5 a day in February, 40.2 in January, 43.2 in December and 39.2 in November. In October the average was 13.125 a day, far below all subsequent months.

<sup>15</sup> LCAT logs all strikes that cause property damage, noting ones that are direct strikes or indirect strikes, based on media reports of the incidents. As with the shelling tracking, LCAT uses Lebanon’s state-run National News Agency, Hezbollah’s Al-Manar, and Al-Mayadeen television, along with other outlets when applicable.

LCAT logged 73 such attacks in February and January, 71 in December, 40 in November and 11 in October.

<sup>16</sup> Al-Akhbar, [مع مرور قرابة الستة أشهر من بدء العدوان...](#), April 1, 2024.

<sup>17</sup> LCAT monitors civilian casualties in Lebanon as part of its conflict data tracking, using Lebanon’s state-run National News Agency and other media outlets to identify casualties and the circumstances of their death. Twenty civilians were killed in February, 6 each in January and December, 11 in November and 4 in October.

<sup>18</sup> The National, [Israel killing of paramedics in South Lebanon instills shock and fear](#) March 29, 2024;

L’Orient Today, [What are the Hezbollah and Amal health orgs that are being targeted in south Lebanon?](#) March 6, 2024.

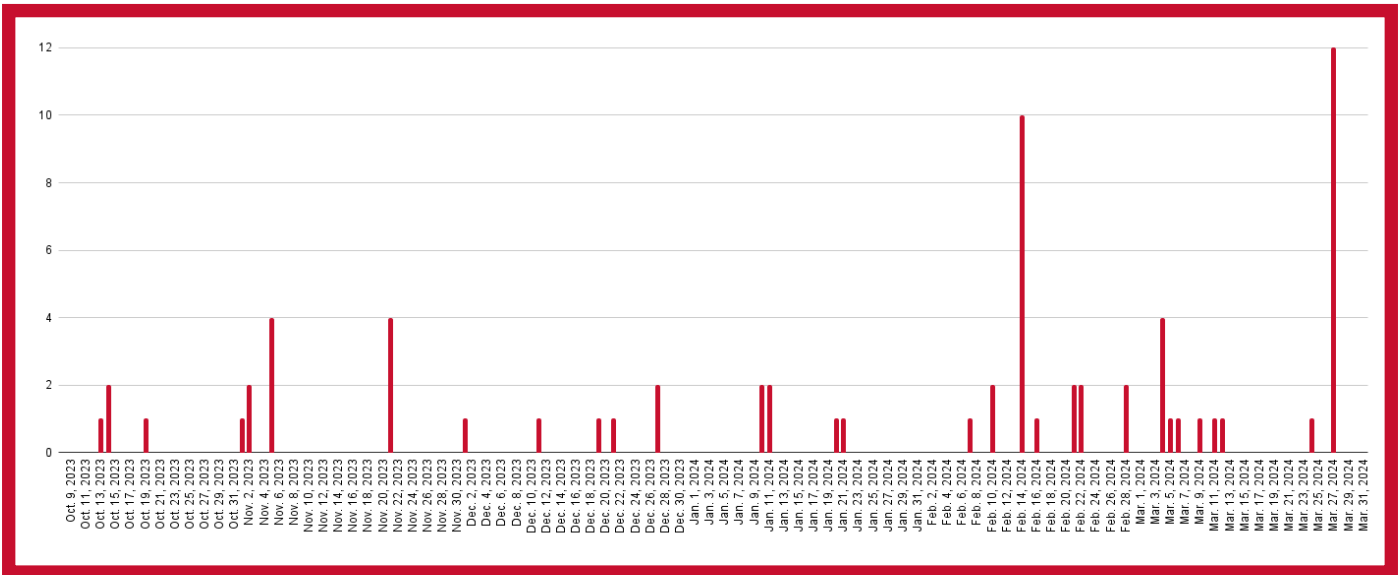


Figure 4: Civilian deaths in Lebanon.

On March 26, tensions heightened in Rmeish, a predominantly Maronite village in Bint Jbeil, when residents reportedly engaged in a dispute with individuals affiliated with Hezbollah who were allegedly attempting to launch a missile from residential areas. Hezbollah officials denied the claims, suggesting that there are efforts underway to sow discord within the Lebanese community.<sup>19</sup>

Ongoing diplomatic efforts to secure a ceasefire extended into March. In response to a French proposal for a halt to hostilities put forward in February,<sup>20</sup> Caretaker Minister of Foreign Affairs Abdallah Bou Habib underscored the importance of fully implementing United Nations Security Council (UNSC) Resolution 1701.<sup>21</sup> This followed a visit by United States Envoy Amos Hochstein to Lebanon on March 4 to discuss a ceasefire and a way forward – which has not yet been publicly outlined – with Parliament Speaker Nabih Berri, who is studying a US-led proposal centered on UNSCR 1701.<sup>22</sup> Hochstein emphasized that even if a ceasefire is reached in Gaza, one will not necessarily be reached in Lebanon.<sup>23</sup> Hezbollah maintains that there will be no agreement until a ceasefire is reached in Gaza. UNSC Resolution 2728, adopted on March 25, calling for a ceasefire in Gaza during Ramadan, was welcomed by Mikati, who urged the international community to pressure Israel into foregoing a wider conflict along the Lebanese front.

<sup>19</sup> NNA, [Hezbollah denies 'fake' reports regarding Rmeish incident](#) March 27, 2024.

<sup>20</sup> The proposal outlined three initial steps, including a ceasefire, followed by the withdrawal of Hezbollah's elite forces and other armed groups 10 kilometers north of the border, and the subsequent deployment of the Lebanese Armed Forces (LAF) in South Lebanon. The final step of the plan calls for negotiations regarding demarcating the Lebanese-Israeli border.

<sup>21</sup> NNA, [النّهان: لبنان يلاقي فرنسا بالاستجابة للحل الدبلوماسي](#) March 16, 2024.

<sup>22</sup> L'Orient Today, [PM Mikati believes Hezbollah is containing the border conflict, will respond to Hochstein proposal this week](#) March 6, 2024.

<sup>23</sup> The National News, [US-brokered Israel-Lebanon border deal progressing despite being tied to Gaza ceasefire](#) March 7, 2024.





Photo by Reuters

## Economic Updates:

**Private school teacher pension payments increased by sixfold on March 1.** The Federation of Private Educational Establishments, Union of Private Schools Teachers, and Teachers' Pension Fund management previously agreed to establish the fund from which pension payment increases are sourced, with the support of the Ministry of Education. Every private school is now required to contribute 10 US dollars (USD) per pupil to the fund on a monthly basis, totalling about 60 billion Lebanese pounds (LBP) each month. The fund should be sufficient to pay teachers six times the value of pre-October 2019 monthly pensions in LBP terms. Prior to this policy change the USD value of monthly pensions for private school retirees ranged between USD 16.75 and USD 33.51.<sup>24</sup> The Teachers Union is also advocating for additional wage adjustments in the private education sector for the coming academic year, including paying 65% of wages in USD.<sup>25</sup>

**The Ministry of Labor raised the private sector minimum wage from LBP 9 million to LBP 18 million.** The March 19 decision also increased family allowances, including compensation for school expenses, which rose from LBP 6 million to LBP 12 per child in private schools, for up to three children. In public schools, the compensation increased from LBP 2 million to LBP 4 million per child for up to four children.<sup>26</sup>

<sup>24</sup> L'Orient Today, [Payment increased sixfold for private school pensioners](#) March 1, 2024.

<sup>25</sup> The union asked the minister to employ rigorous measures to oblige private schools to pay the required monthly contributions for the sake of now-increased pensions and future salaries.

LBCI, [نقابة المعلمين: لرفع قيمة الدخل للمعلمين في العام الدراسي المقبل](#) March 14, 2024.

<sup>26</sup> National News Agency, [لجنة المؤشر ترفع الحد الأدنى في القطاع الخاص إلى 18 مليون ليرة والمعلم المدرسية مئة بالمئة](#) March 19, 2024.

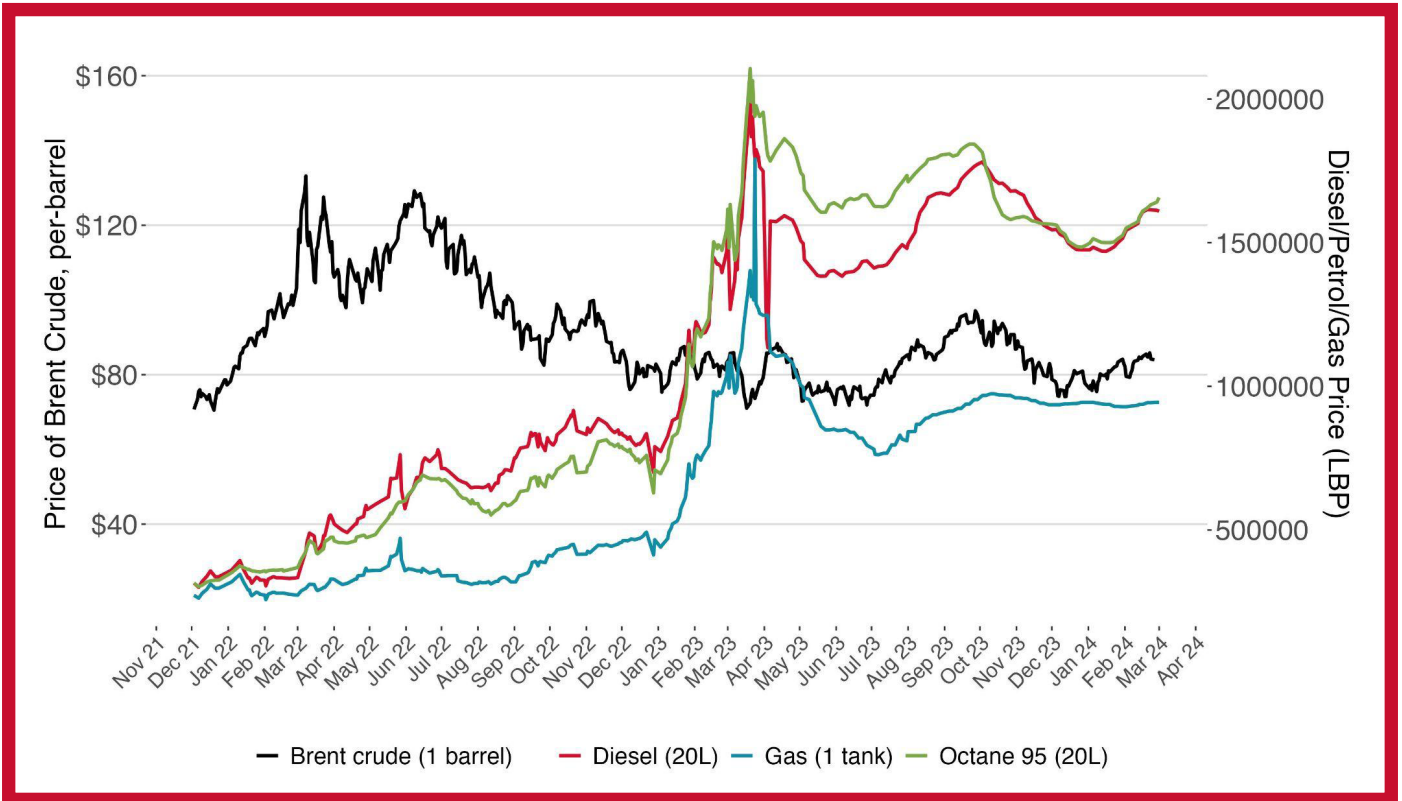


Figure 5: Fuel Prices.

**Gasoline prices resumed their protracted upward trend in March, in line with Brent Crude price increases and higher taxes in the 2024 Budget Law.** Prices closed the month at LBP 1,696,000 for Octane-95, LBP 1,734,000 for Octane-98, LBP 1,550,000 for diesel, and LBP 941,000 cooking gas.<sup>27</sup>

<sup>27</sup> Source: IPT



Source: AFP

## Economic Development and Impact:

The Lebanese Business Leaders Association estimates that Lebanon’s informal economy comprises 70% of Lebanon’s gross domestic product,<sup>28</sup> while the Central Administration of Statistics (CAS) asserts that it makes up only 30%. This disparity is striking – particularly when one considers that the actual percentage may be greater than the Association’s estimate – and indicative of why the Lebanese state is not able to adequately estimate the tax base and collect needed revenues. While informal sector businesses benefit the economy, the inability of the state to collect taxes from those entities has a marked, negative effect on state revenues. Moreover, weak tax collection in Lebanon places a greater tax burden on those segments of the Lebanese population that operate in the formal sector, including registered full-time laborers and micro, small, and medium enterprises. This could drive some businesses to register abroad, but more importantly, skilled labor employed in the formal sector will increasingly seek employment abroad. Unfair tax burdens – with citizens receiving little in return in terms of services – are but one factor that could drive this form of emigration, with cost of living vs quality of life concerns as well as opportunities to build and secure wealth also incentivizing skilled laborers to move abroad.

On the back of temporary bonuses added to public sector salaries, which were approved in February, the LBP-denominated public sector minimum wage rose to an equivalent value of USD 400 at the LBP-USD parallel market exchange rate of 89,500.<sup>29</sup> The new official minimum wage for the private sector is equivalent to only USD 201.

<sup>28</sup> L’Orient Le Jour, [L’action de l’État face à la crise favorise l’économie informelle au Liban, juge le RDCL](#), March 27, 2024.

<sup>29</sup> Mercy Corps Lebanon, [February Crisis Update](#) March 8, 2024.

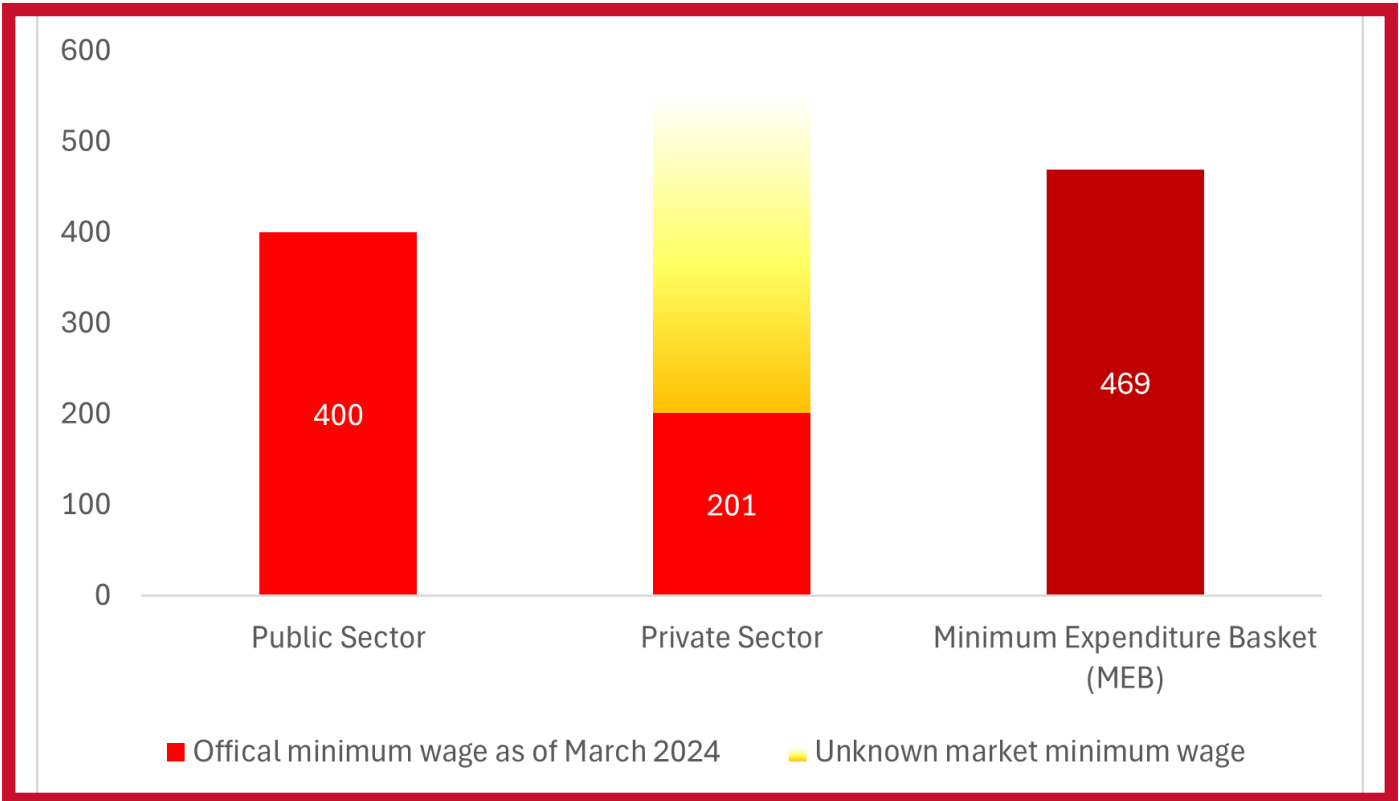


Figure 6: Minimum wage gaps (in USD).

Accurate estimates of the lowest wages in the private sector are limited, particularly given the sector’s high level of informality. Most low-wage earners are informally employed in traditional low-skill sectors, usually as daily workers.<sup>30</sup> Due to the dollarized economy, these workers are likely underpaid, especially laborers compensated in LBP on a daily basis. According to an International Labor Organization (ILO) market assessment early this year, about one-third of this labor force receives daily salaries in LBP.<sup>31</sup> According to the assessment, low earners paid in USD receive almost twice the daily rate of low earners paid in LBP, as shown in the table below.

	Average daily wage for USD low earners	Average daily wage for LBP low earners
LBP	1,074,000	497,000
USD	12	5.55

Table 1: Average daily pay rate for minimal earners. (Source: ILO)

<sup>30</sup> These include: Agriculture, Agroindustry, Construction, and low-skilled administrative roles.

<sup>31</sup> International Labor Organization, Wages Monitoring Assessment January 24, 2024.



Vulnerable LBP earners and their dependents are therefore heavily exposed to the risk of underpayment and wage inequality amid ongoing increases in consumer prices (Figure 7). Public sector wages and bonuses, particularly for daily laborers, fail to cover minimal expenditures, let alone incentivize employees, a significant factor contributing to the stagnation of public service provision.

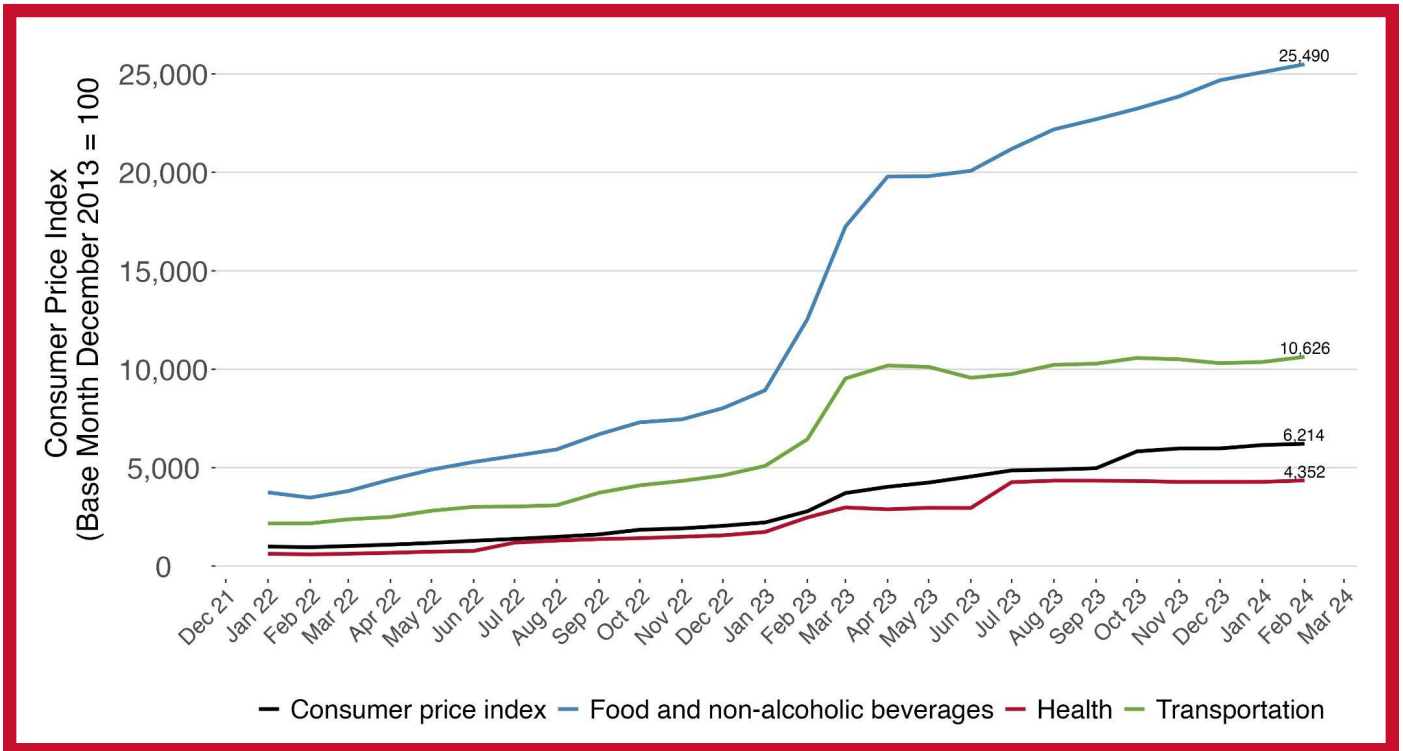


Figure 7: The evolution of Consumer Price Index components.





Source: NNA

## Political Updates:

Throughout the month, the Quintet group held a series of meetings with Lebanese officials aimed at breaking the presidential election deadlock. Ambassadors from the United States, France, Saudi Arabia, Egypt, and Qatar met with Prime Minister Mikati on March 1 and Parliament Speaker Nabih Berri on March 18, followed by meetings with other political parties on March 19.<sup>32 33 34</sup> Their discussions focused on urging Lebanese political leaders to elect a president to end the 16-month vacuum, particularly in light of ongoing fighting between Israel and Hezbollah.<sup>35</sup> Separately, discussions led by Maronite Patriarch Bechara al-Rai and attended by most Christian-led parties stressed the urgent need for presidential elections in accordance with the constitution.<sup>36</sup> The discussions also focused on determining Lebanon’s “national identity” and working to “promote coexistence”.

On February 29, the Constitutional Council suspended nine articles from the 2024 budget. Opposition MPs filed challenges to the articles in February. The suspended provisions include Article 10, which prohibits the government from issuing treasury advances without first complying with requirements in the Public Accounting Law. Articles 39 and 40 raised the price of official document stamps processed by Mukhtars and required that public administrators refuse to process documents which do not contain these stamps. Article 56 addresses the management of state-owned properties, while Articles 69, 83, 86, 87, and 91 relate to miscellaneous taxes.<sup>37 38 39</sup>

<sup>32</sup> LBCI, [سفراء الخماسي يجتمعون مع ميقاتي: الوحدة في الخطاب الدبلوماسي](#), March 1, 2024.

<sup>33</sup> National News Agency, [Berri Meets with Ambassadors of the Quintet Committee in Ain El-Tineh](#), March 18, 2024.

<sup>34</sup> L'Orient Today, [Quintet's ambassadors continue tour of Lebanese political leaders](#), March 19, 2024.

<sup>35</sup> L'Orient Today, [Lebanese political parties 'committed and willing' to elect a president: Egyptian ambassador after quintet meeting](#), March 1, 2024;

LBCI, [السفير المصري بعد لقاء بري مع اللجنة الخماسية: الإشارات الايجابية تتلخص بعنوان رئيسي وهو الصلوة](#), March 18, 2024.

<sup>36</sup> L'Orient Today, ['Bkirki Document' is slowly but surely making headway](#), March 22, 2024.

<sup>37</sup> L'Orient Le Jour, [Le CC suspend neuf nouveaux articles du budget](#), March 4, 2024.

<sup>38</sup> Article 69 exempts 80% of custom duties and 70% of registration fees for non eco-friendly, hybrid and electric vehicles.

Article 83 relates to taxes on heavyweight imported vehicles, whether they are carrying cargo or not.

Article 86 tackles a 1% decrease in taxes on the sale of land until 12/31/2026.

Article 87 stipulates that taxpayers who have formally contested income taxes and Value-Added Tax can pay 50% of the total amount of the taxes, upon submitting a written request to the tax department.

Article 91 gives the Lebanese University's administrative board the role of setting annual fees and revenues.

<sup>39</sup> Mercy Corps Lebanon, [February Crisis Update](#), March 8, 2024



**On March 6, caretaker Minister of Interior Bassam Mawlawi announced that municipal and Mukhtar elections are scheduled for May 12, 19, and 26.** Mawlawi indicated that it is likely elections in South Lebanon could be postponed, particularly if the security situation is not stable in the days leading up to the elections.<sup>40</sup> Whether they will proceed in other regions if the conflict between Hezbollah and Israel continues is unclear. If elections are not held, some municipal councils could be dissolved – already, 119 municipalities do not have a functioning municipal council.

**Residency requirements have been tightened for Syrian nationals living in Beirut.** On March 13, Beirut Governor Marwan Abboud announced that Syrian nationals must register their place of residency with the Beirut Municipality within 15 days. To prevent overcrowding in rented accommodations, Lebanese landlords must also report rental agreements with Syrian refugees to the Beirut Municipality and Governorate. Abboud also announced that refugees must register their vehicles and obtain identification cards if they are employed by local businesses.<sup>41</sup>

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<sup>40</sup> L'Orient Today, [Mawlawi: Municipal elections to be held between May 12 and 26](#) March 6, 2024.

<sup>41</sup> LBCI, [إعلان من محافظ مدينة بيروت بتعلق بالتأجير بالسوريين](#), March 13, 2024.



## Access to Services:

On March 21, caretaker Prime Minister Najib Mikati announced the eligibility criteria for civil servants to receive performance bonuses, which were reinstated on February 28, following an extended strike.<sup>42</sup> Bonuses will be distributed in LBP, with USD values ranging from 168 to 280, dependent on employee classification. Supervisors will oversee task completion and attendance sheets upon which bonus disbursements are based. Unjustified absences will lead to the loss of the monthly bonus.<sup>43</sup>

Part-time professors at the Lebanese University went on strike to demand long-term contracts.<sup>44</sup> The strike began in the first week of March, with participating professors calling for higher LBP-denominated wages – which are equivalent to USD 2 per hour – and to be granted guaranteed part-time status, including health coverage and transportation allowances. Contractual professors were not included in the recent public sector wage increases and caretaker Minister of Education Abbas Halabi has not commented on the ongoing strike.<sup>45</sup>

On March 2, a fire broke out along a decommissioned oil pipeline in Minieh, North Lebanon.<sup>46</sup> The fire damaged Syrian refugee settlements and agricultural fields, though no one was injured in the blaze. About 100 protesters gathered on March 3 following a call to action from several Unions of Municipalities in the North.<sup>47</sup> They accused caretaker Minister of Energy and Water Walid Fayyad of negligence, and demanded urgent measures to ensure that flammable items stored in oil facilities do not pose a risk to residents in northern Lebanon.

<sup>42</sup> L'Orient Today, [Public sector bonuses re-instated, with conditions, to end strike](#) March 21, 2024.

<sup>43</sup> Ibid.

<sup>44</sup> L'Orient Today, [Lebanese University contract professors call a strike](#) March 3, 2024.

<sup>45</sup> L'Orient Today, [Lebanese University professors protest over \\$2 hourly wage and unpaid salaries](#) March 5, 2024.

<sup>46</sup> L'Orient-Le Jour, [Un oléoduc prend feu à Minié, en raison d'une fuite de pétrole : aucune victime](#) March 2, 2024.

<sup>47</sup> L'Orient Today, [Demonstrators protest storage of 'dangerous products' in Tripoli oil installations](#) March 3, 2024.



This includes facilities in Tripoli, where oil installations were classified by the Central Security Council as “at risk” in February.<sup>48 49</sup> Unsecured hazardous chemicals were also found at the Zouk power plant in late March,<sup>50</sup> underscoring the nationwide issue of unsafe storage of dangerous industrial substances and authorities’ struggle to address it.

**On March 22, caretaker Minister of Public Health Firas Al Abyad announced an expansion in state support for public and private hospitals.**<sup>51</sup> This measure, which will come into effect in April, aims to significantly reduce the percentage of hospital bills that patients are required to pay, to about 35% at private hospitals and 20% at public hospitals. The minister also emphasized that hospitals are not allowed to charge patients the full amount of their hospital bills if government payments are delayed.<sup>52</sup>

<sup>48</sup> L’Orient Today, [Nine Hezbollah members killed, Hochstein in Lebanon, risk of explosion in Tripoli](#) March 4, 2024.

<sup>49</sup> Ibid.

<sup>50</sup> L’Orient Today, [Explosive chemicals at Zouk power plant should be removed immediately: Head of public procurement authority](#) March 23, 2024.

<sup>51</sup> NNA, [الأبيض يشرح الزيادات الكبيرة على التغطية الصحية وأكد أنها اقتربت مما كانت عليه قبل الأزمة: ما تحقق إنجاز نوعي ومهم لمساعدة الناس](#) March 22, 2024.

<sup>52</sup> Ibid.





# Looking Forward:

- Despite an official announcement that municipal elections are scheduled for May, local polls could be delayed once again. Postponing municipal elections would pose significant challenges to local governance, hamper humanitarian access, and stall development efforts in Lebanon. Extending elected officials' terms or dissolving municipal councils – whose functions and responsibilities would be transferred to regional authorities – would have an immediate and marked effect on service delivery, particularly in essential areas such as waste collection, issuing essential documents, and infrastructure maintenance. Moreover, disbandment would delay access for aid and development actors, hindering their ability to implement projects and continue assisting vulnerable communities. This places additional strain on regional authorities, such as governors, who already are forced to work with limited resources.
- Minimum wage increases do not apply to daily workers in the informal economy, particularly LBP earners. Employers will likely continue to pay informal low-skill workers at current rates and, as is common practice in the sector, not extend social benefits such as health insurance or school allowances. The Survival Minimum Expenditure Basket (SMEB) price hit USD 385 in January, while the full Minimum Expenditure Basket (MEB) has already surpassed the USD 400 threshold, hitting USD 469.<sup>53</sup> Moreover, vulnerable households reported in late 2023 that they required more than USD 500 per month to maintain a decent standard of living.<sup>54</sup> Households dependent upon low-skill labor will see their purchasing power decrease in line with inflation, driven by a range of factors including Lebanon's governing vacuum and the Red Sea Crisis.<sup>55</sup>
- Despite years of inaction resulting in discernable, negative impacts on the Lebanese economy and residents' livelihoods, the country's political leadership has taken little action to reform the financial sector.<sup>56</sup> Recent developments suggest that the sector could soon be subject to an added level of scrutiny. A subsidiary of Bank Audi was recently found by a Swiss banking regulatory agency to have "seriously violated financial market law";<sup>57</sup> adding to years of international scrutiny of the sector, and increasing the risk of Lebanon being greylisted by the Financial Action Task Force (FATF) this summer.<sup>58</sup> In the event of a FATF greylisting, transactions to and from Lebanon would likely be subject to higher scrutiny. This could have a marked effect on humanitarian actors, all of which depend on Lebanese commercial banks to transfer money to and from Lebanon (other financial service providers depend on commercial banks to source hard currency). Humanitarian organizations which have not already done so should formulate contingency plans in the event Lebanese banks are subject to additional – and possibly unprecedented – scrutiny, to ensure consistent access to foreign currency-denominated funds.

<sup>53</sup> Source: WFP

<sup>54</sup> Source: ILO

<sup>55</sup> The shipping risks in the Red Sea might lead to up to 15% increase in inflation during the upcoming months.

L'Orient Today, [Lebanon, reliant on imports, also suffering effects of Red Sea tensions](#) March 15, 2024.

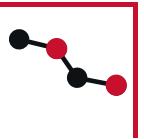
<sup>56</sup> Banque BEMO Saudi Fransi (BBSF) successfully established the acquisition of Byblos Bank Syria, the subsidiary of Lebanon's Byblos Bank in Syria in early April. L'Orient Today, [Saudi Fransi Bank expands in Syria, acquires Byblos Bank Syria operations](#) April 3, 2024.

<sup>57</sup> The Swiss Financial Market Supervisory Authority (FINMA) declared that Bank Audi's Swiss subsidiary violated anti-money laundering regulations, in connection with the former Central Bank Governor Riad Saleme. The agency investigated over 12 banks linked to the former governor corruption cases. (Source: [FINMA](#))

<sup>58</sup> Lebanon barely avoided FATF's greylisting in June 2023 having scored one point above the deciding threshold score.

Mercy Corps Lebanon, [June Crisis Update](#) July 8, 2023.





- International efforts to mediate a diplomatic solution to the Israel-Hezbollah conflict in accordance with UN Security Council Resolution 1701 have thus far faltered. Hezbollah has stated that it will continue to target Israel until a ceasefire is reached in Gaza, while months-long talks between Israel and Hamas to end the conflict have not made significant progress.<sup>59</sup> Israel has warned that it will continue its military operations in Lebanon – even if a ceasefire is reached in Gaza – until Hezbollah withdraws from the border.<sup>60</sup> Israeli officials have given mixed signals on the possibility of a wide-scale war. Israel’s defense minister said that his country will widen the geographic scope of its strikes on Hezbollah, while also declaring that a war would be disastrous and a diplomatic agreement is preferable.<sup>61</sup> A senior Israeli security official recently claimed that Hezbollah has significantly withdrawn from the border and that political leaders must determine whether this move is sufficient to ensure that residents can safely return to the border.<sup>62</sup>
- Israel’s shelling of Lebanon has shifted over the past six months from largely targeting agricultural areas on the outskirts of towns in the border area to a campaign of strikes within residential areas of towns. Not only has this caused widespread displacement and placed local residents – many who have remained in South Lebanon because they do not have the means to move elsewhere – in danger, but widespread damage will present serious challenges to the nearly 100,000 displaced Lebanese when they return to their homes. Since late February, Israel has broadened the geographic scope of its military campaign in Lebanon, conducting nine airstrikes in the Bekaa valley. Despite Israeli officials threatening to increase the tempo and depth of strikes, mass displacement of residents from the Bekaa Valley is unlikely without a significant aerial campaign.<sup>63</sup>

<sup>59</sup> Reuters, [Exclusive: Lebanon’s Hezbollah will halt fire if Hamas OKs Gaza truce, sources say](#) February 27, 2024.

<sup>60</sup> Times of Israel, [While diplomatic efforts go on, IDF is bracing for short but devastating war in Lebanon](#) March 30, 2024.

<sup>61</sup> The National, [Israeli escalation stokes fears of all-out war in Lebanon](#) March 29, 2024.

Naharnet, [Gallant says Israel still wants ‘agreement’ with Lebanon](#) April 4, 2024.

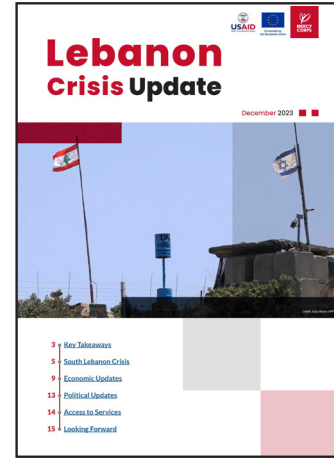
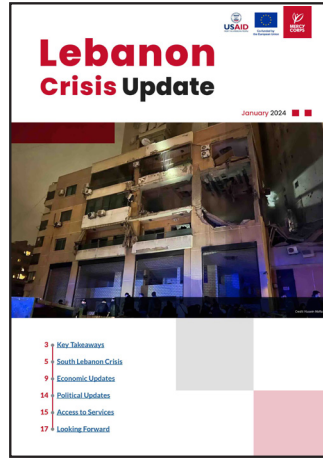
<sup>62</sup> Times of Israel, [While diplomatic efforts go on, IDF is bracing for short but devastating war in Lebanon](#) March 30, 2024.

<sup>63</sup> In the 2006 War, 385 housing units were destroyed in Baalbek, sparking mass displacement from the Bekaa town that lasted months past the end of the war in the summer.

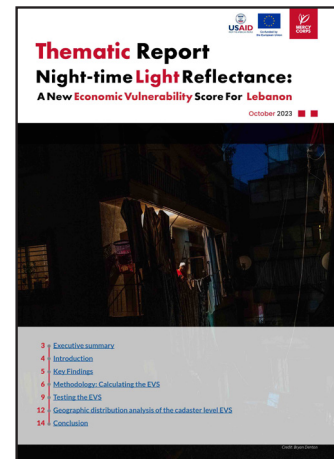
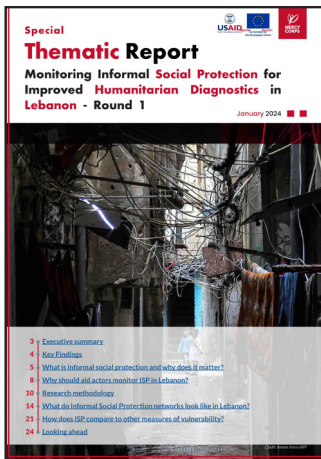
UNHCR, [Lebanon’s ancient city of Baalbek rises from the rubble](#) November 13, 2006.



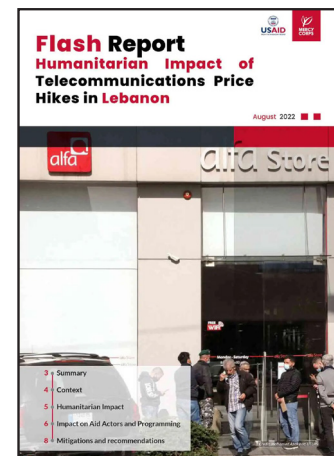
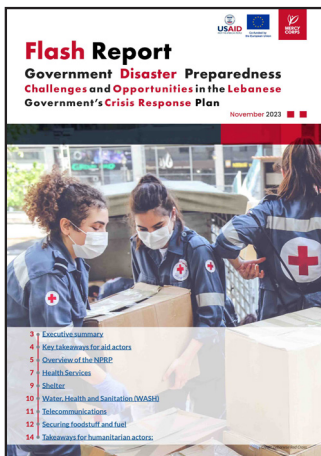
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