

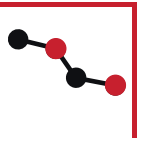
# Lebanon Crisis Update

May 2024 ■ ■



Source: AFP

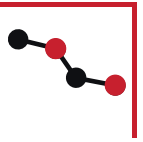
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The Monthly Lebanon Crisis Update provides an overview of economic and political developments to alert the international aid response to new and emerging challenges that could impact the humanitarian situation in Lebanon. In the context of the multiple 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.

*This study/report is made possible by the support of the American People through the United States Agency for International Development (USAID) and European Union Humanitarian Aid. The contents of this report are the sole responsibility of the LCAT and do not necessarily reflect the views of USAID, the United States Government, or the European Union.*



## Key Takeaways:

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- Israel escalated its shelling of southern Lebanon and expanded its use of phosphorus munitions, which pose long-term environmental risks. Israeli strikes killed 14 civilians, bringing the non-combatant death toll to 90, and destroyed many homes, complicating the return of displaced persons. For its part, Hezbollah stepped up its attacks, which included strikes deep into Israeli territory. International mediation efforts remain stalled, and tied to ending the Israeli military operation in Gaza.
- The Lebanese government is ramping up efforts to regulate Syrian nationals' legal status in Lebanon and expedite their return, including by imposing stricter residency requirements and facilitating "voluntary returns." The government is also pressuring the United Nations High Commissioner for Refugees (UNHCR) to provide more data on Syrian nationals in Lebanon and to cooperate with state-led return efforts, amid calls by the parliament for the government to form a committee to regulate refugee returns, improve border security, and reformulate border controls.
- The European Union pledged a 1 billion euro aid package to Lebanon to be disbursed by 2027. The package is earmarked to support the healthcare and education sectors and to aid the state as it continues to host Syrian refugees, with a portion earmarked to enhance the capacity of Lebanese security services in enforcing border control and managing migration flows.
- During a recent visit to Lebanon, International Monetary Fund (IMF) officials stressed that, in the absence of fiscal reforms and financial restructuring, Lebanon will likely not experience recovery in the near term.
- On May 10, caretaker Interior Minister Bassam Mawlawi announced the launch of a security plan for greater Beirut that includes recruiting 800 additional Internal Security Forces officers. Under the plan, patrols and checkpoints were increased, which led to the seizure of 1,650 unregistered motorcycles during the month. Residents criticized the measures, claiming that the plan did not take into account the closure of vehicle registration centers in past months.



# 2024

## MAY

European Commission President Ursula von der Leyen announces that the European Union will provide a 1 billion euro financial assistance package to Lebanon.



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The head of the private hospitals' syndicate requests government support, warning that rising costs threaten to severely reduce healthcare quality.

Electricité du Liban workers begin a three-day strike demanding a wage adjustment.



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The Court of Audit sends a report to the Ministry of Finance detailing how the informal sale of official stamps generated at least 20 million US dollars in 2023.

The General Directorate of General Security facilitates the "voluntary" return of 225 Syrian nationals.



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Following the announcement of the Ministry of Interior's security plan, the Internal Security Forces establish checkpoints across Beirut.

The parliament requests that the government form a ministerial committee to plan refugee returns, formulate new border control protocols, and enhance border security.



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The International Monetary Fund warns that stalled reforms and cross-border conflict could precipitate further economic decline.



Source: NewsItaly24

## Cross-Border Conflict:

Throughout May, Israel slightly increased the tempo of its shelling in southern Lebanon – which included a spike in the use of phosphorus munitions – damaging and destroying residential and commercial properties in towns near the border. Israeli shelling also destroyed or damaged public infrastructure throughout the month, including a fuel tank for a telecommunications tower in Khiam,<sup>1</sup> power lines in Maroun al-Ras,<sup>2</sup> a telecommunications tower in Teir Harfa,<sup>3</sup> and a water distribution network in Nabaa al-Tasse.<sup>4</sup> On at least five occasions, Israeli bombardment damaged roads, including one in the Bekaa valley, requiring emergency crews to reopen them.<sup>5</sup> The use of white phosphorus munitions significantly increased in May compared to previous months, with at least 42 reported incidents,<sup>6</sup> similar to levels recorded in December and January.<sup>7</sup> White phosphorus creates severe, long-lasting risks to agricultural land as it burns for extended periods and contaminates soil.<sup>8</sup> As of May 5, 2024, forest fires in southern Lebanon have burned approximately 1,500 hectares, more than in the 2006 Lebanon War.<sup>9</sup> Since mid-May, there have been near-daily reports of forest and brush fires in Lebanon due to Israeli shelling with incendiary rounds and regular munitions.<sup>10</sup>

<sup>1</sup> Al-Hadeel News via X (formerly Twitter), [قصف مدفعي صهيوني يستهدف](#) May 25, 2024

<sup>2</sup> L'Orient Today, [Arab states, EU to hold summit Monday to forge path to end Gaza war: Day 229 of the Gaza war](#) May 22, 2024

<sup>3</sup> National News Agency, [في طبرحرفا MTC شهيد وجريح جراء غارة بالقرب من محطة](#) May 10, 2024

<sup>4</sup> L'Orient Today, [Hamas accepts Qatar-Egypt cease-fire proposal, Israeli official describes move as «ruse»: Day 213 of the Gaza war](#) May 6, 2024

<sup>5</sup> (Mays al-Jabal on May 26) L'Orient Today, [International community condemns «horror» following Israeli strike on Rafah: Day 234 of the Gaza war](#) May 27, 2024;

(Maroun al-Ras from May 20 to May 21) L'Orient Today, [Blinken says cease-fire still «possible»: UNRWA suspends food distribution in Rafah: Day 228 of the Gaza war](#) May 21;

(Kfar Kila on May 10) Al-Manar correspondent Ali Shoeib on X (formerly Twitter), [Tweet deleted](#), May 10;

(Maroun al-Ras on May 8) National News Agency, [فرق رفع الانقراض في الهيئة الصحية](#) May 8, 2024;

(Sefri on May 6) National News Agency, [جرحى وتدمير ميني](#) May 6, 2024

(between Markaba and Adeisseh) Al-Ahed News, [بالفيديو.. الدفاع المدني في الهيئة](#) May 5, 2024

<sup>6</sup> LCAT logs all reported strikes in Lebanon, classifying them by their type, such as a fighter jet attack, attack helicopter strike, UAV strike, artillery, Merkava tank, etc. LCAT logged 42 incidents of white phosphorus attacks in May, significantly higher than the 9 each reported in April and March and the 7 reported in February.

January and December were the peak months for white phosphorus use, with 46 and 41 reports respectively; 28 and 27 reports were logged for November and October.

<sup>7</sup> Ibid

<sup>8</sup> L'Orient Today, [War heightens risk of wildfires in south Lebanon this summer](#) May 30, 2024

<sup>9</sup> Ibid

<sup>10</sup> LCAT logs all strikes that cause property damage, noting the ones that ignite forest or brush fires. LCAT logs reports of firefighting efforts.



In May, Israeli strikes killed 14 civilians, raising the non-combatant death toll since October 2023 to 90,<sup>11</sup> while the number of injured rose from 1,015 to 1,159.<sup>12</sup> Israeli air raids and artillery strikes directly hit residential buildings at least 84 times, a lower rate than in the previous two months.<sup>13</sup> Lebanon's Southern Council estimated that 1,700 buildings were destroyed between the start of the conflict in early October and the beginning of May.<sup>14</sup> This trend of property destruction will complicate the return of internally displaced persons (IDPs) when the conflict ends. The number of IDPs rose slightly from 93,040 at the end of April to 94,126 on May 28.<sup>15</sup>

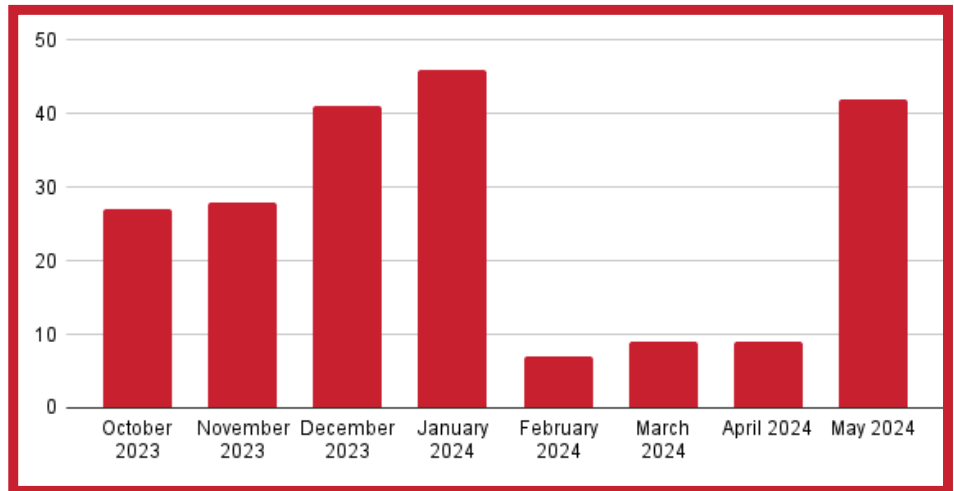


Figure 1: Reported incidents of Israeli use of white phosphorus.

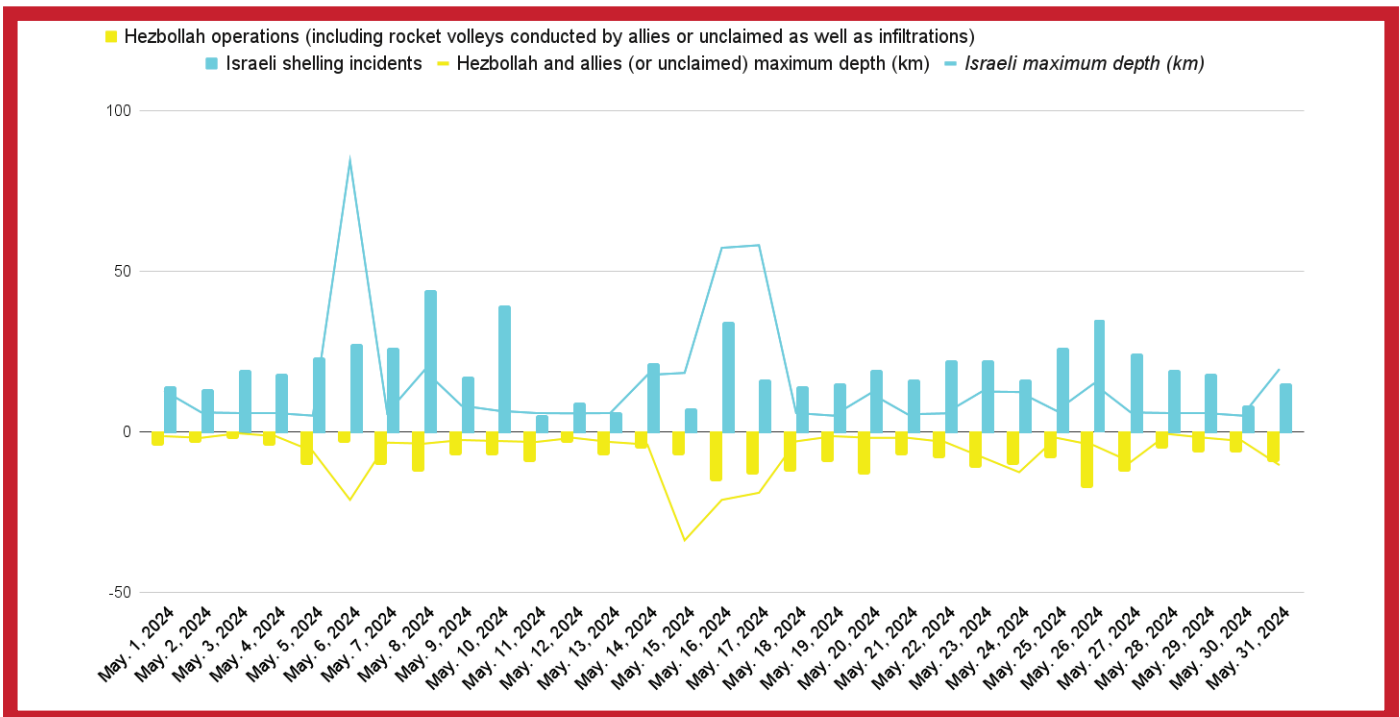


Figure 2: Hezbollah vs. Israeli attacks and depth along the border.

<sup>11</sup> LCAT logs the death of all non-combatants, noting their identities and circumstances of their deaths

<sup>12</sup> Ministry of Public Health via X (formerly Twitter), [التقرير التراكمي للطوارئ الصحية](#) April 24, 2024; Ministry of Public Health via X (formerly Twitter), [التقرير التراكمي للطوارئ الصحية](#) May 30, 2024

<sup>13</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 consults Lebanon's state-run National News Agency, Hezbollah's Al-Manar, and Al-Mayadeen television, along with other outlets when applicable.

LCAT logged 115 such attacks in April, 114 in March, 73 attacks each in February and January, 71 in December, 40 in November and 11 in October.

<sup>14</sup> AFP, [Lebanon body puts Israeli bombardment damage at \\$1.5 bln](#) May 8, 2024

<sup>15</sup> IOM, [Mobility Snapshot - Round 34 - 02-05-2024 | Displacement Tracking Matrix](#) May 2, 2024;

IOM, [Mobility Snapshot - Round 36 - 30-05-2024 | Displacement Tracking Matrix](#) May 30, 2024



Throughout the month, Hezbollah increased the volume and range of its attacks, carrying out the highest monthly number of attacks deeper than five kilometers into Israeli territory since the beginning of the conflict.<sup>16</sup> Hezbollah fired 1,000 rockets at Israel in May, a significant uptick from previous highs of 744 and 746, respectively, in March and April, according to Israel's security services.<sup>17</sup> On May 15, Hezbollah conducted its deepest operation to date, an attack using explosive-laden unmanned aerial vehicles on the Ilaniya Airbase, located 33 kilometers south of the Lebanese border.<sup>18</sup>

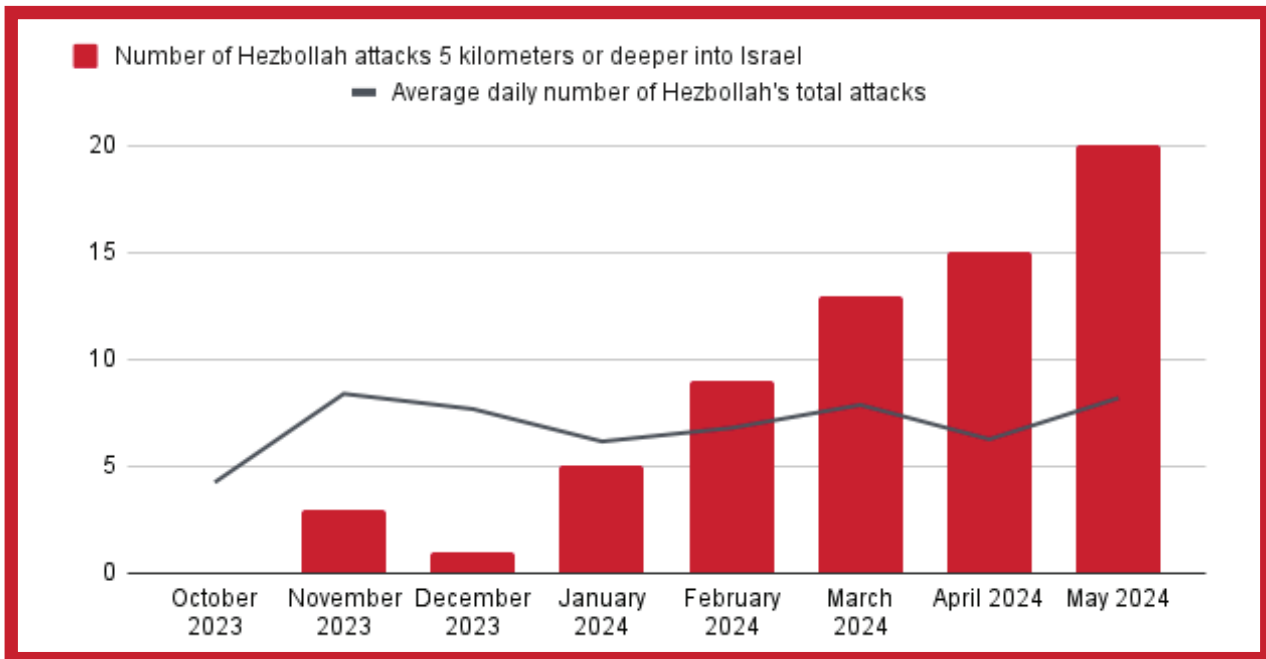


Figure 3: Hezbollah operations deep into Israel.

Israel also continued to hit targets located beyond the immediate border region.<sup>19</sup> During the month, slightly over 20% of Israel's total shelling struck targets five kilometers or more from the border.<sup>20</sup> Israel conducted three separate air raids on the Bekaa Valley in May in response to qualitative Hezbollah operations.<sup>21</sup>

<sup>16</sup> LCAT logs all attacks claimed by Hezbollah, noting the geographic target, its distance from the border, and the type of weapon used.

In May, Hezbollah conducted 20 attacks at targets five kilometers or deeper into Israel, up from 15 in April, 13 in March, 9 in February, 5 in January, 1 in December and 3 in November. Hezbollah did not conduct any attacks deeper than 5 kilometers in October.

In May, Hezbollah conducted an average of 8.2 attacks a day, up from its average of 6.3 in April, 7.9 in March, 6.8 in February, 6.2 in January, 7.7 in December, 8.4 in November, and 4.3 in October.

<sup>17</sup> Zirat News via X (formerly Twitter), [השכ"כ עדכן היום את מספר](#) June 3, 2024

<sup>18</sup> Military Media of the Islamic Resistance via Telegram, [بيان صادر عن المقاومة الإسلامية](#) May 15, 2024

<sup>19</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.

The location of these strikes are logged and the geographic distribution of Israel's strikes are analyzed daily.

Throughout May, Israel conducted a daily average of 19.8 attacks, up from 18.8 in April but down from 21 in March. In February, Israel conducted an average of 27.6 attacks a day, down from 40.2 in January and 43.2 in December and 39.3 in November. In October, Israel conducted an average of 13.125 attacks a day.

<sup>20</sup> Ibid

<sup>21</sup> LCAT logs all Israeli shelling incidents reported by select Lebanese media outlets. In May, Israel reportedly bombarded the vicinity of Majdal Anjar on May 17, the outskirts of Khraibeh on May 16 and the outskirts of Sefri on May 6.

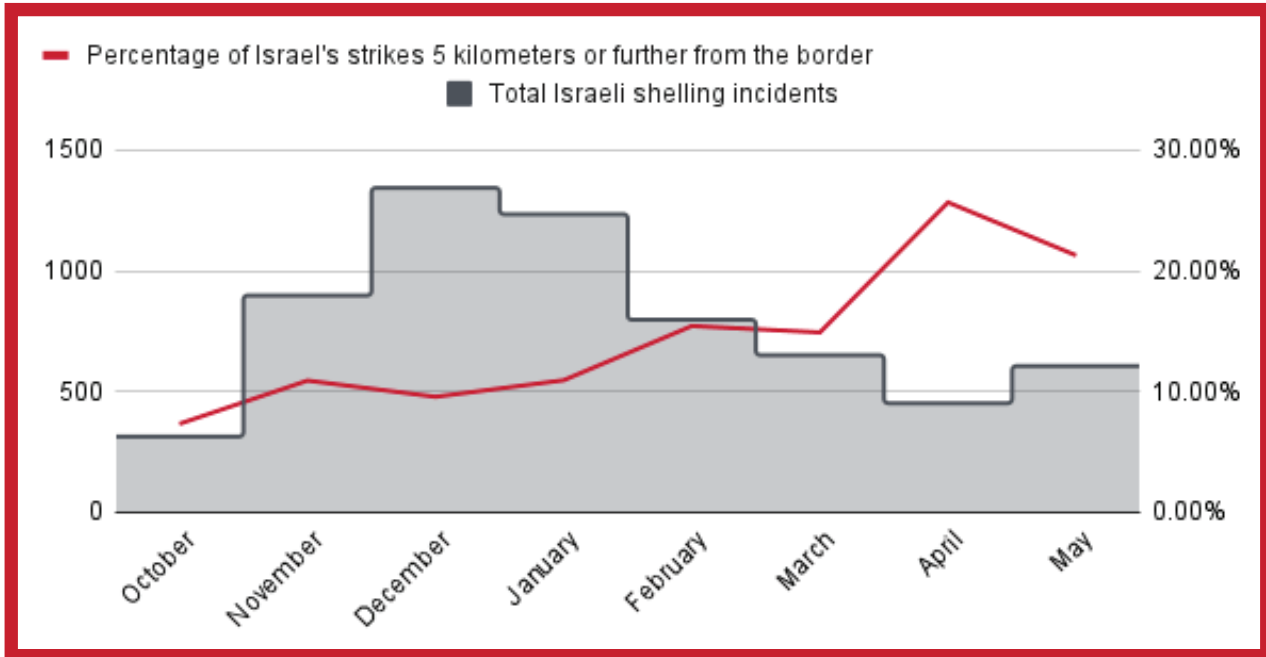
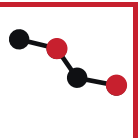


Figure 4: Percentage of Israel's strikes 5 kilometers or further from the border and total Israeli shelling incidents.

International mediation efforts remained stalled throughout May. In a May 30 interview, the US point person for these indirect talks, Amos Hochstein, tempered expectations of a breakthrough, saying that, in an effort to manage the conflict and keep it at a relatively low level he has been working to limit the scope of escalations.<sup>22</sup> He said there would need to be a broader agreement to end the conflict, including an economic package for Lebanon, strengthening the Lebanese Armed Forces, and demarcating the land border between Lebanon and Israel.<sup>23</sup> Hochstein last visited Lebanon in March and has not announced when he will return. There has been little tangible progress regarding a parallel proposal by France.<sup>24</sup> Hezbollah has repeatedly said it will not end its operations against Israel until a ceasefire is reached in Gaza. Israeli officials, meanwhile, have insisted on some form of Hezbollah withdrawal from the Lebanese border.

<sup>22</sup> Carnegie Endowment, [A Conversation with Senior Advisor to the President for Energy and Investment, Amos Hochstein](#) May 30, 2024

<sup>23</sup> Ibid

<sup>24</sup> L'Orient Today, [Le Drian faces impasse: A president or 'end of political Lebanon'](#) May 30, 2024





Source: AFP/Joseph Eid

## Economic Updates:

Fuel prices decreased in line with Brent Crude and closed the month at 1,652,000 Lebanese pounds (LBP) for Octane-95, LBP 1,690,000 for Octane-98, LBP 1,442,000 for diesel, and LBP 811,000 for cooking gas.<sup>25</sup>

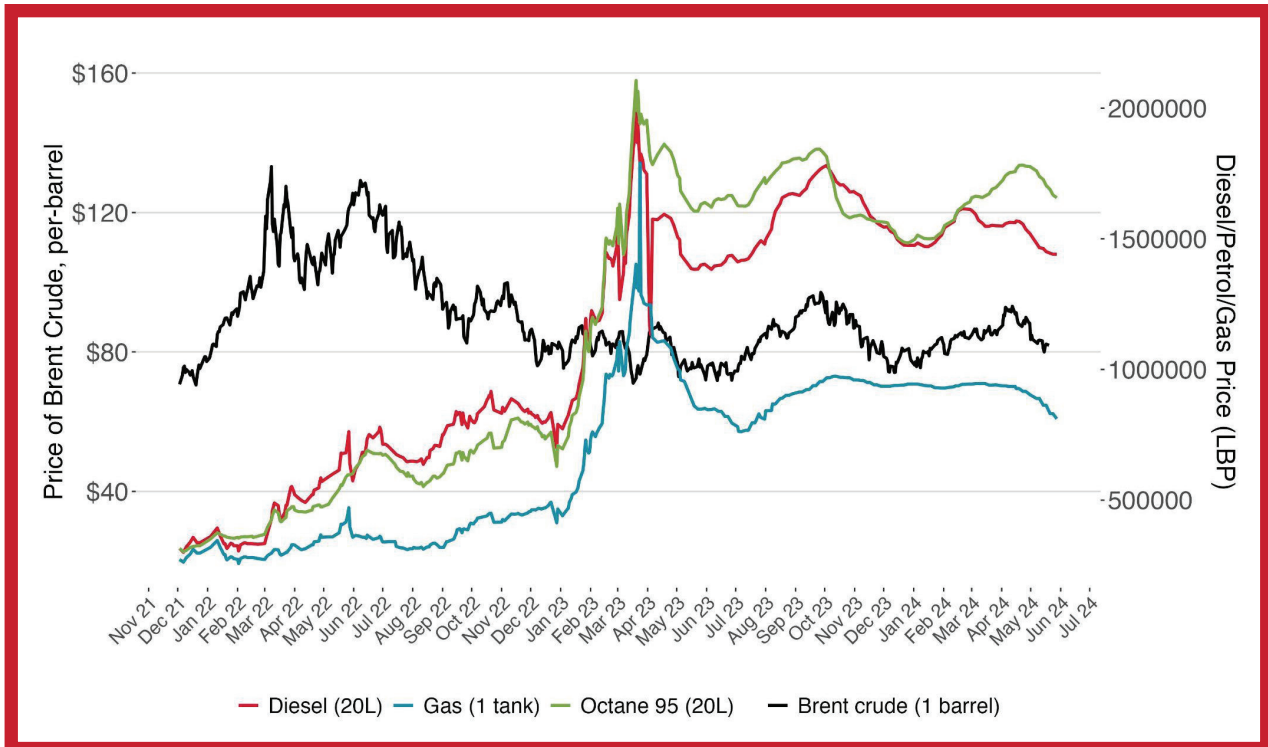


Figure 5: Evolution of fuel prices.

<sup>25</sup> IPT | Fuel Prices



The year-on-year inflation rate decreased from 70.36% in March to 59.67% in April, marking the first time since June 2020 that the inflation rate was below 100% for two consecutive months.<sup>26</sup> Despite this, overall prices increased by 1.74% in April according to the Central Administration of Statistics.<sup>27</sup> For example, clothing and footwear prices increased by 6.09% in April, and the prices of water, electricity, gas, and other fuels increased by 3.56% over the same period. Prices for food and non-alcoholic beverages also rose by 1.16%.<sup>28</sup>

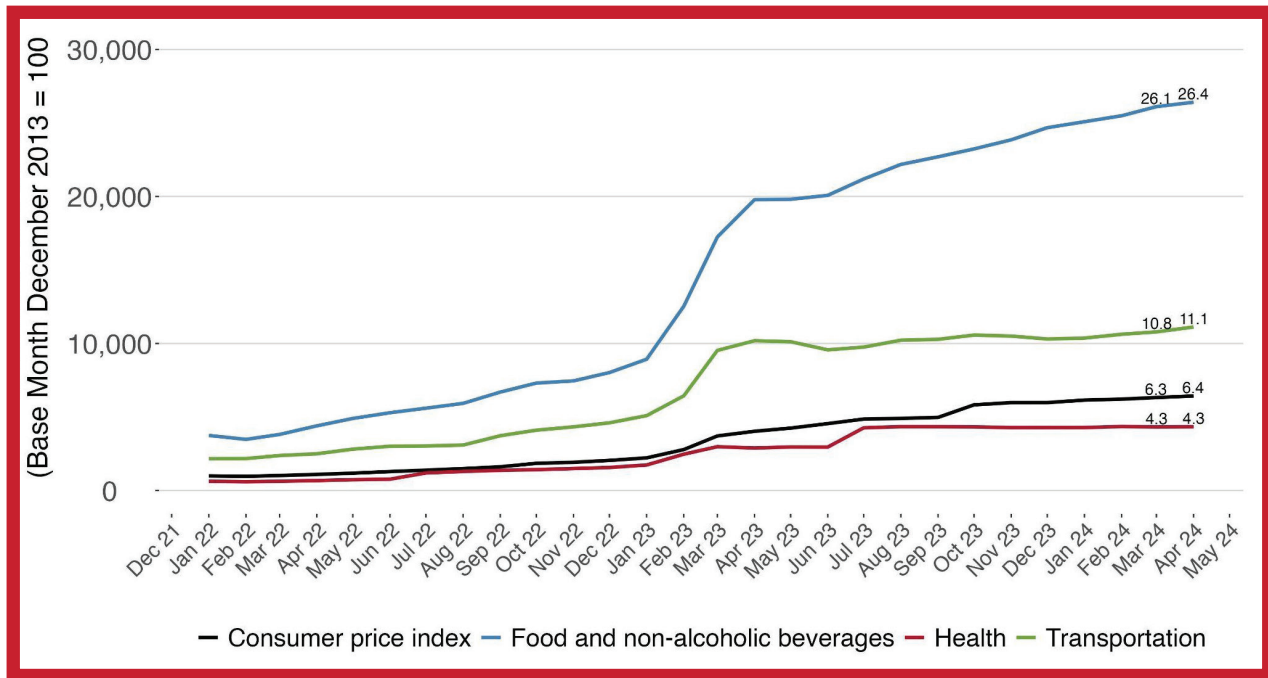


Figure 6: Evolution of the Consumer Price Index (CPI) and some of its components.

Figure 7 shows that the governorates of North Lebanon and South Lebanon reported the highest inflation rates in April. Israeli shelling, focused primarily on the country’s southern regions, is likely driving price increases there. Transportation and other business costs in South Lebanon have risen since the cross-border conflict began. Recent inflation in North Lebanon was likely driven by an entirely separate factor, namely that it was initially spared the price spikes similar to those in other governorates. Although North Lebanon had the highest inflation rates in March and April compared to all other governorates, the region was largely unaffected by inflation between late 2023 and early 2024. For instance, the rate in the north was 0.01% in December 2023, lower than the countrywide figure and all other governorates over the same period. The recent figures from North Lebanon are likely the result of a “delay” effect and do not signal that other regions will revert to higher inflation levels in the coming months.

<sup>26</sup> L’Orient Today, [Inflation in Lebanon continues to slow down for second consecutive month](#) May 22, 2024

<sup>27</sup> Central Administration of Statistics, Economic statistics, [CPI](#)

<sup>28</sup> Ibid

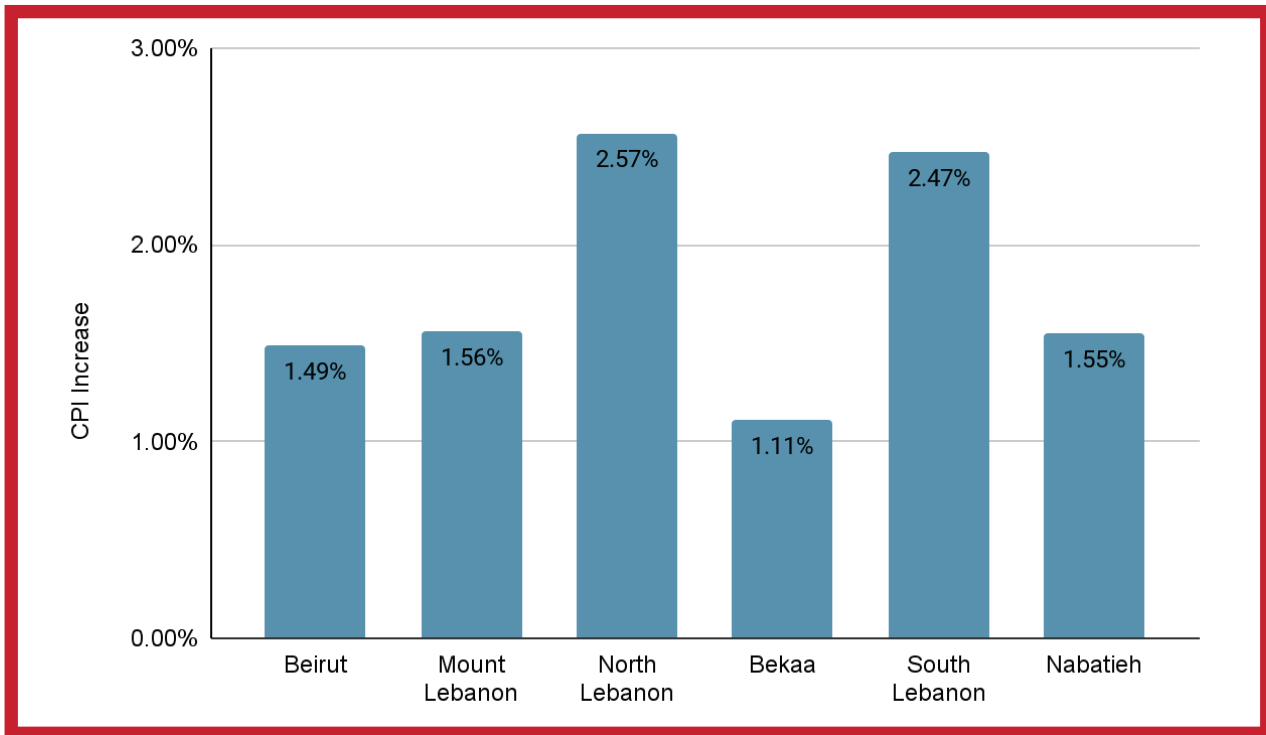
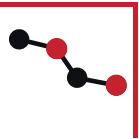


Figure 7: Consumer Price Index (CPI) increase across Lebanese governorates.

**The Purchasing Managers' Index (PMI)<sup>29</sup> fell to a four-month low in April (48.9).** It also fell below the baseline value in April 2023 (49.5). The slight decrease could be attributed to a drop in business activity and weaker demand caused by the cross-border conflict domestically, and the Israel-Gaza geopolitical conflict regionally. Tourism and hospitality, two of the largest employers of vulnerable workers, will likely feel the regional effects most, as the conflict has steadily extended beyond the immediate border region, likely dissuading many potential tourists and expatriates from visiting Lebanon. The latest airport data already shows a year-on-year decline in airport arrivals (3.66%) ahead of summer.<sup>30</sup>

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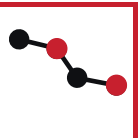
**The European Union (EU) has pledged a 1 billion euro (EUR) financial assistance package to Lebanon.** Following a meeting with caretaker Prime Minister Najib Mikati on May 2, European Commission President Ursula von der Leyen announced that Lebanon will receive a series of grants. The package will fund border control as well as basic services like education and healthcare and will be disbursed through 2027. Notably, EUR 736 million – or about three-quarters of the total – has been earmarked to assist Lebanon in hosting Syrian refugees.<sup>31 32</sup> The announcement drew criticism from various political parties, including the Free Patriotic Movement. Mikati asserted that the aid is not preconditioned or linked to Syrian nationals' legal status in Lebanon and will be reassessed by the EU every six months.

<sup>29</sup> The Purchasing Managers' Index (PMI) is a survey-based economic indicator that measures business activity and trends in business conditions. It is calculated through quantifying and aggregating business output, supplier performance, recruitment, costs and prices, exports, purchases and orders, backlogs of orders and inventories of both inputs and finished goods, if applicable. Survey respondents are usually in managerial positions where they have a strong understanding and knowledge of the aforementioned variables in their respective institutions in the private productive sectors.  
Source: [S&P Global](#)

<sup>30</sup> Blominvest, [Lebanon PMI Slips to Four-Month Low in April as Demand and Business Activity Decline](#) May 8, 2024

<sup>31</sup> Euronews, [EU unveils €1-billion aid package for Lebanon in bid to curb refugee flows](#) May 3, 2024

<sup>32</sup> The financial aid package for Lebanon extends through 2027. It covers funding for basic services, economic and banking reform, security (including border management), managing migration flows and thwarting smuggling, and supporting host and refugee communities.



**The Parliament’s Finance and Budget Committee announced that the informal sale of official stamps<sup>33</sup> generated over USD 20 million in 2023.** The committee cited a figure from a May 14 Court of Audit report produced for the Ministry of Finance.<sup>34</sup> The report suggested that informal stamp sales generated at least USD 20 million in arbitrage profits, though Finance and Budget Committee Chair Ibrahim Kanaan suggested that this figure could have been as high as USD 300 million. The state collected only USD 1.8 million from stamp sales in 2023.<sup>35</sup> Based on the Court of Audit report, state revenues from stamp sales constitute only 9% of total revenues from stamp sales, both formal and informal. High stamp costs disincentivize vulnerable households from maintaining legal statuses, which can prevent them from accessing public services in some instances.

**An IMF staff team concluded their recent visit to Lebanon by stating that “the lack of action on necessary economic reforms continues to exert a heavy toll” on Lebanon.** The team noted limited progress in stabilizing the LBP exchange rate, ending Central Bank subsidization of foreign exchange, and balancing the 2024 budget, but added that these measures are insufficient to drive a comprehensive recovery. While acknowledging that the ongoing Hezbollah-Israel conflict will continue to hamper economic recovery, the IMF team stressed the need to push forward with economic reforms, namely the revitalization of the financial sector.<sup>36</sup>

<sup>33</sup> Official stamps are a tool for the government to collect fees for issuing official documentation. Citizens are required to attach these stamps to their application files whenever they want to submit a request or a recurrent document to the state.

<sup>34</sup> Al Markazia, «فقدان الطوابع» الخليل، يتسلم تقرير ديوان المحاسبة حول «فقدان الطوابع» May 14, 2024

<sup>35</sup> National News Agency, «كشفت 300 مليون دولار لمحتكري الطوابع: أوقفوا إذلال الناس وسرقتهم وسرقة الدولة» May 23, 2024  
Nidaa Al Watan, 300 مليون دولار طوابع مسروقة ووزارة المال تغطي «الحرامين» May 24, 2024

<sup>36</sup> International Monetary Fund, [IMF Staff Concludes Visit to Lebanon](#) May 23, 2024



Source: AFP/Ibrahim Chalhouh

## Economic Analysis and Impact:

Data from March, April, and May (see the “Economic Updates” section) suggests that prices are increasing at a slower pace in most regions of Lebanon compared to January and February. This could stem from widespread dollarization, a stabilized official exchange rate, and less volatile fuel prices. Notably, indexing the exchange rates used to calculate value-added tax (VAT), customs fees, and other taxes to inflation in the 2024 budget law might affect prices, particularly for imported goods.

However, incremental price increases still affect vulnerable members of the population, which account for 73%<sup>37</sup> of Lebanon’s population according to a recent World Bank report.<sup>38</sup> The report suggests that poverty rates have tripled in the past 10 years, largely due to the crisis that began in late 2019. The report also highlights the change in consumption patterns for Lebanese and non-Lebanese households, particularly for basic needs such as food. For the poorest population (the lowest quintile), protein sources – including meat, fish, and seafood – constituted a quarter of their diet (24%) in 2012. According to World Bank estimates, this rate fell to 3% by the end of 2023. Consumption of all food items except bread fell, including dairy products, fruit, and vegetables.

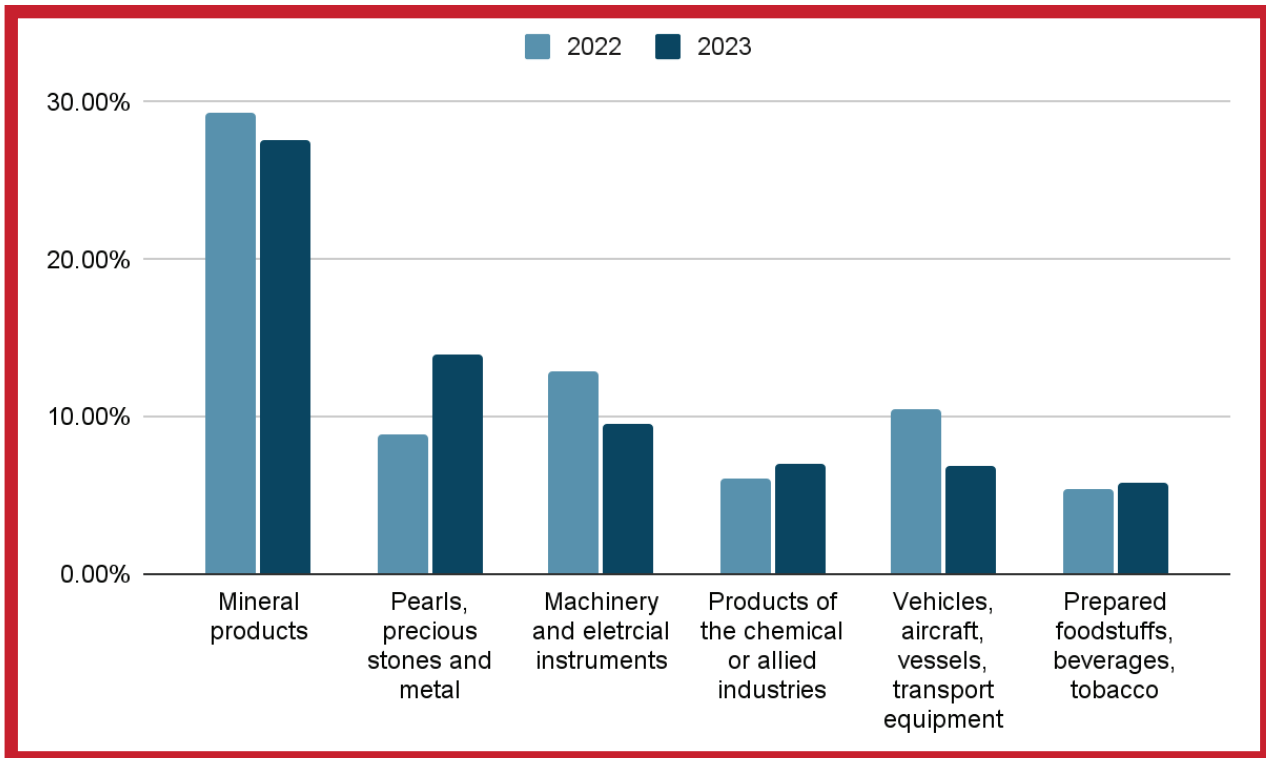
Purchasing power diminishes when inflation rates are higher than the wage adjustment rates for the vulnerable population. Despite a drop in year-on-year inflation rates, wages do not appear to have adjusted at the same pace. This could be due to several factors, including 1) the overall contracting economy as evidenced by a PMI that barely exceeded 50 over the past year;<sup>39</sup> 2) slow wage adjustments, taking into account that the most vulnerable populations work in the public sector, agriculture, and construction sectors, and otherwise as day laborers; and 3) a weak correlation between price levels and affordability since vulnerability is largely risk-induced rather than poverty-induced.<sup>40</sup>

<sup>37</sup> Including 44% classified as in poverty and 29% as vulnerable.

<sup>38</sup> The World Bank, [Lebanon Poverty and Equity Assessment 2024: Weathering a Protracted Crisis](#) May 23, 2024

<sup>39</sup> Since January 2023, the PMI indicated economic growth only in June 2023 (50.2) and July 2023 (50.3), which is the peak tourism season.

<sup>40</sup> The latest World Bank report distinguishes between risk-induced and poverty-induced vulnerabilities. In simple terms, risk-induced vulnerability is sensitive to external threats or events, such as crisis and conflict. Poverty-induced vulnerability stems from diminished purchasing power, low income, and low resources.



**Figure 8:** The distribution of top import categories in 2022 and 2023 (from official customs data).

With an import bill of USD 18.125 billion in 2023, the import-to-GDP ratio reached 91.4% in 2023, an unprecedented rate globally. As in previous years, the largest import category is fuel products, comprising 27.58%, underscoring Lebanon’s significant reliance on imported energy resources. For the second consecutive year, import data highlights societal gaps stemming from severe wealth inequality across Lebanon. Imported gold and pearls accounted for 14% of total imports in 2024, or four times the value of imported pharmaceutical products. Some argue that wealthy individuals shifted their savings from cash to luxury items to account for the collapse of confidence in the banking system. Also, investments in jewelry and precious metals are useful money-laundering vehicles.

Vulnerable households cannot employ this strategy, at least not at scale, which would expose them to income and job security concerns over which they have little to no control. This in turn will prompt many to adopt negative coping mechanisms, including having children drop out of school to pursue employment. The number of high school dropouts has increased alarmingly since the onset of the crisis,<sup>41</sup> affecting the overall education portfolio of the younger generations and their ability to compete for skilled jobs with higher salaries to enhance their households’ living standards.

<sup>41</sup> According to the latest World Bank report on poverty in Lebanon, poor households in 2022/2023 were 25% less likely to have their children in schools compared to previous years.



Source: AP/Bilal Hussein

## Political Updates:

The Ministry of Interior and Municipalities announced that it will redouble efforts to regulate the presence of Syrian nationals in Lebanon. On May 9, the General Directorate of General Security announced that it will enforce stricter residency renewal requirements,<sup>42</sup> restrict Syrians registered with the UNHCR from working in specified sectors (agriculture, sanitation, and construction), and organize “voluntary returns”. General Security also requested that UNHCR provide extra data on Syrian nationals residing in Lebanon to reassess their legal residency status.<sup>43</sup> Following the announcement, General Security patrols shut down several Syrian-owned businesses in North Lebanon,<sup>44</sup> Saida, and Baalbeck. On May 14, the General Security announced the voluntary return of 225 Syrians, for the first time since 2022, in coordination with Syrian authorities and in the presence of UNHCR representatives, after they registered to return to Syria.<sup>45</sup>

On May 15, the parliament formally requested that the government form a ministerial committee to plan for refugee returns; implement laws pertaining to entry, exit, and residency in Lebanon; enhance border security; request that UN agencies financially incentivize the return of Syrians; and facilitate the extradition of Syrian prisoners to Syrian authorities.<sup>46</sup>

<sup>42</sup> The General Security also adjusted the conditions for residency renewal to include an increased financial stipend, and urged Lebanese citizens to refrain from sponsoring Syrians for residency by providing them with rental contracts.

<sup>43</sup> GDGS, [Lebanese General Security - news](#) May 9, 2024

<sup>44</sup> More than 1,000 Syrians were evicted from the Northern Town of Kouba in line with North Lebanon Governor Ramzi Nohra's April 17 directive. Mercy Corps Lebanon, [April Crisis Update](#) May 10, 2024

<sup>45</sup> GDGS via X (Formerly Twitter), [قامت المديرية بتنظيم عودة لرعابا سوريين إعتباراً من صباح اليوم عبر مركزي الأمن العام الحدوديين في عرسال والقاع](#) May 14, 2024

<sup>46</sup> NNA, [مجلس النواب أقر توصية في حضور الحكومة ورئيسها حول الية معالجة ازمة النزوح وتداعياتها](#) May 15, 2024



On May 20, following backlash from several political leaders, UNHCR representative Ivo Freijsen retracted a letter that he had sent three days earlier to the Ministry of Interior and Municipalities that criticized the treatment of Syrians in Lebanon. On the same day, Minister of Foreign Affairs Abdallah Bou Habib requested that UNHCR comply with the government's request to provide all relevant data by the end of the month and respect the Memorandum of Understanding signed with the organization in 2003.<sup>47 48</sup> On May 27, at the Eighth Annual Brussels Conference on "Supporting the Future of Syria and the Region", UNHCR agreed to the suggestions<sup>49</sup> presented by Bou Habib, which include distinguishing between economic migrants and displaced Syrians, and the formation of a committee to coordinate the return of Syrians with Syrian authorities, with UNHCR and General Security ensuring that returnees are not at risk of prosecution in Syria.<sup>50 51</sup>

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<sup>47</sup> The Memorandum of Understanding between the General Security and the UNHCR was signed in 2003 as a result of the influx of refugees from Sudan and Iraq. The agreement designates Lebanon as a transit state and not a final destination for refugees, and stipulates anyone registered with the UNHCR as a refugee should leave Lebanon (either as voluntary return or to a third host country) after one year.

<sup>48</sup> LBCI, [Bou Habib demands full refugee data by end of the month from UNHCR](#) May 20, 2024

<sup>49</sup> The suggestions are based on the recommendations issued by the Parliament and adopted by the Cabinet, including the UNHCR handing over the displaced Syrian data.

<sup>50</sup> PCM, [الرئيس ميقاتي يترأس جلسة لمجلس الوزراء](#), May 28, 2024

<sup>51</sup> L'Orient Today, [Lebanese government and UNHCR coordinate on plan for Syrian refugees](#) May 29, 2024





## Security and Access to Services:

On May 10, caretaker Minister of Interior Bassam Mawlawi announced the launch of a security plan in greater Beirut.<sup>52</sup> He also announced that the ministry had ordered the Internal Security Forces (ISF) to recruit an additional 800 officers. Five days later, the ISF deployed several patrols and established checkpoints in Achrafieh, Baabda, and the southern suburbs of Beirut, where they checked vehicle registration and inspection statuses (1,650 motorcycles were impounded as of May 22), and residency statuses.<sup>53</sup> Many Lebanese residents criticized the security measures, arguing that the closure of Beirut vehicle registration centers (Nafaa) prevented them from registering their vehicles and obtaining drivers' licenses. On May 22, Mawlawi announced that Nafaa centers will be open on weekends, pending digitization of registration processes in the coming months.<sup>54</sup> On May 17, in response to a rise in carjackings and assaults, similar security measures were implemented along the highway leading to and adjacent to Beirut International airport, including increased foot patrols, particularly at night.<sup>55 56</sup>

Increased crime in Beirut has prompted discussions about implementing ad-hoc-security measures in some districts. MP Nadim Gemayel proposed reviving a neighborhood watch program in Achrafieh, called "The Eyes of Achrafieh." However, critics raised concerns about the program's potential resemblance to vigilantism.<sup>57</sup>

<sup>52</sup> NNA, [مولوي من جمعية متخرجي المقاصد: خطة أمنية في بيروت قريبا والهيئة الأوروبية غير مشروطة بالوجود السوري في لبنان](#) May 10, 2024

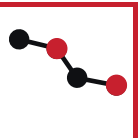
<sup>53</sup> L'Orient Today, [New ISF security plan ignites controversy in Beirut](#) May 22, 2024

<sup>54</sup> Ibid.

<sup>55</sup> MTV, [State Security Implements Airport Road Security Plan](#) May 17, 2024

<sup>56</sup> L'Orient Today, [Should the airport road be feared ?](#) May 2, 2024

<sup>57</sup> L'Orient Today, [Achrafieh MP Nadim Gemayel considers reviving controversial Neighborhood Watch amid rising insecurity](#) May 13, 2024



**On May 16, Caretaker Minister of Industry George Bouchikian closed four food manufacturing plants for violating environmental laws.<sup>58</sup>** The minister stated that the facilities were releasing wastewater into the Litani river, after the National Litani River Authority had previously expressed concerns regarding high levels of sewage and wastewater pollutants in the waterway.<sup>59 60</sup> Water waste mismanagement, combined with the failure to comply with and implement laws, has contributed to worsening pollution in recent years. On May 8, caretaker Minister of Energy and Water Walid Fayad signed eight decrees under the “national strategy for the water sector”.<sup>61 62</sup> This plan aims to improve access to clean water and ensure financial sustainability for public water providers.

**On May 7, President of the Syndicate of Private Hospitals Sleiman Haroun called on the caretaker government to provide financial support to cover rising healthcare costs.** Haroun said that hospital costs have significantly increased due to repeated increases in salaries, electricity costs, and maintenance fees. With insurance companies covering only 75% of reimbursements, the remaining cost is falling on hospitals. Haroun said that some hospitals may be forced to discontinue their contracts with certain insurance providers due to inadequate reimbursement rates, leading to patients being denied necessary care and affecting the quality of care provided.<sup>63</sup> Eighty-six percent of poor households and 52% of non-poor households with healthcare needs lack consistent access,<sup>64</sup> highlighting the need for an equitable healthcare system.

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<sup>58</sup> L'Orient Today, [Four food factories shut down for polluting the Litani River](#) May 16, 2024

<sup>59</sup> Ibid

<sup>60</sup> International Journal of River Basin Management, [Full article: Sustaining the ecological functions of the Litani River Basin, Lebanon](#) March 14, 2021

<sup>61</sup> NNA, [فَتَاوض 192 وقع الاستراتيجية الوطنية لقطاع المياه و8 مراسيم تطبيقية لقانون المياه](#), May 9, 2024

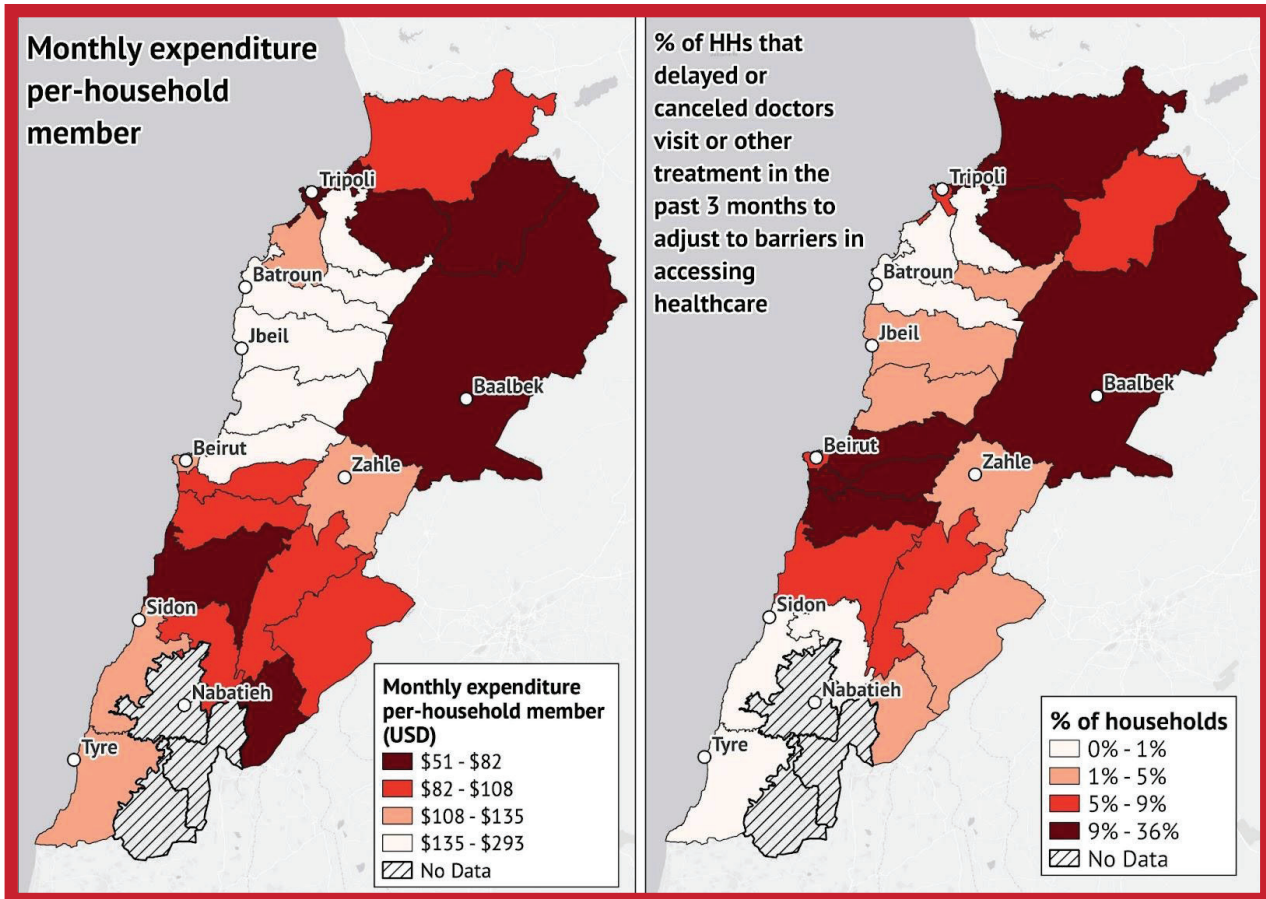
<sup>62</sup> The eight decrees signed by the caretaker Minister of Energy and Water aim to implement the law on water 462/2020. The decrees are as follows: Establishing a system and rules for applying water use permits, setting models for annual reports of water institutions, establishing the principles for exercising acquired water rights, determining the principles for granting Ministry of Water and Water Establishments employees the powers of judicial police, determining the principles for managing non-collective sewage, determining the fee for water pollution, regulating irrigation water user associations.

<sup>63</sup> NNA, May 7, 2024

<sup>64</sup> The World Bank, [Lebanon Poverty and Equity Assessment 2024: Weathering a Protracted Crisis](#) May 23, 2024



Canceling or delaying health treatment is a drastic coping mechanism in response to barriers to accessing healthcare, which in Lebanon is related to household purchasing power and financial leverage. Using REACH’s 2023 MSNA,<sup>65</sup> LCAT measured the relationship between households that reported delaying or canceling a doctor’s visit or other treatments (hereby referred to as “canceling or delaying healthcare”) as a coping mechanism to barriers in accessing health care and their household humanitarian situation and economic attributes.



**Figure 9:** The average expenditure per-household member and the proportion of households that reported canceling or delaying healthcare. The two indicators are statistically significantly negatively correlated at the district level.

LCAT’s analysis indicates that households who reported canceling or delaying healthcare spend less per household member, are more likely to borrow money and/or take on credit, and are less likely to report that they did not need to borrow money or take on credit. Specifically, households that canceled or delayed healthcare spend about USD 14 less per household member<sup>66</sup> than those that did not report canceling or delaying healthcare. At the district level, canceling or delaying healthcare is negatively correlated with the average expenditure per person,<sup>67</sup> as shown in Figure 9.

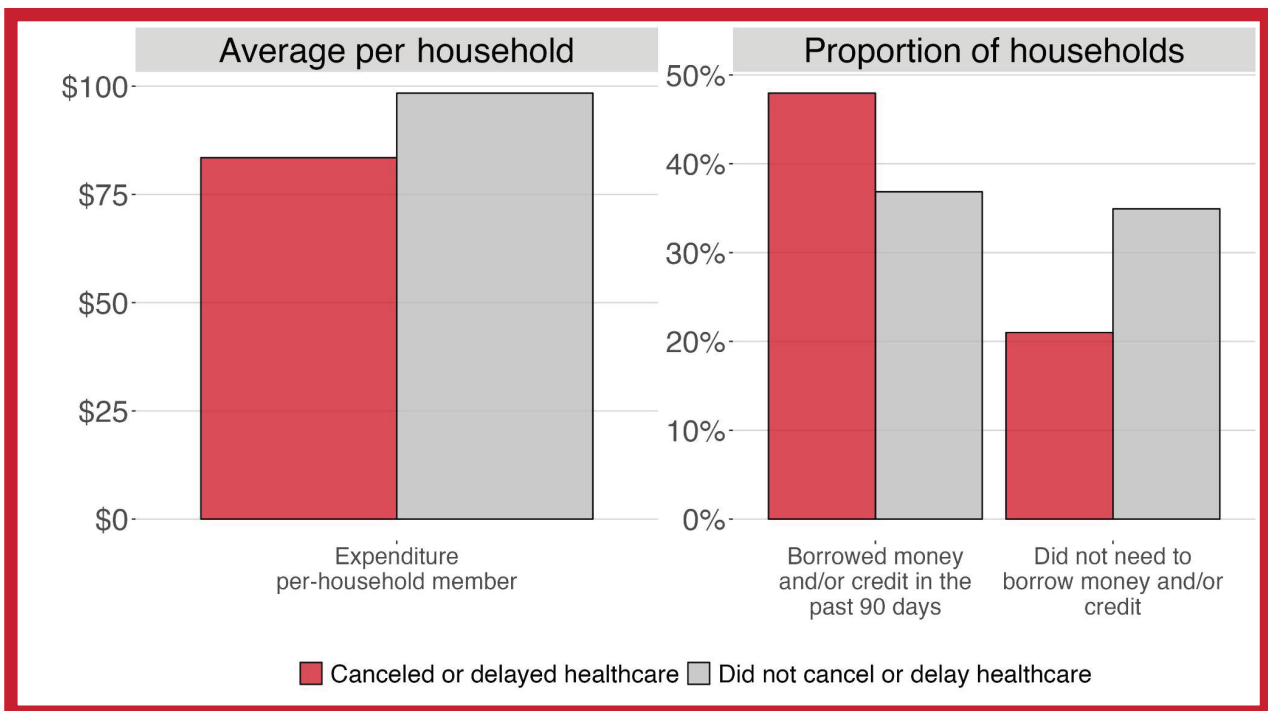
<sup>65</sup> REACH 2023 MSNA.

<sup>66</sup> Two-sample independent t-test:  $t = 1.807$ ;  $p = 0.07$  ( $n = 428$ ). Group mean expenditure per-household member: \$98 in households that did not cancel or delay healthcare, compared to about \$84 in households that did cancel or delay healthcare.

<sup>67</sup> Pearson’s r correlation:  $r = -0.538$ ,  $p = 0.008$  ( $n = 23$ ).



The average income per household member was negatively correlated to the proportion of households reporting canceling or delaying healthcare at the district level,<sup>68</sup> but the income per household member was not statistically significant between the two groups at the household level,<sup>69</sup> suggesting that households resorting to canceling or delaying healthcare may be financially leveraged and more incentivized to maintain a minimum level of household expenditure. This supposition is supported by the fact that households that canceled or delayed healthcare also more frequently reported borrowing money and/or taking on credit in the past 90 days,<sup>70</sup> compared to households that did not report canceling or delaying healthcare. Furthermore, a statistically significant lower proportion of households that reported canceling or delaying healthcare reported no need to obtain credit and/or borrow money, compared to households that did not cancel or delay healthcare.<sup>71</sup> The statistically significant results of this analysis are shown in Figure 10.<sup>72</sup>



**Figure 10:** Statistically significant differences between households that reported canceling or delaying healthcare and those that did not.

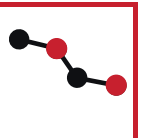
<sup>68</sup> Pearson's r correlation:  $r = -0.66$ ;  $p = 0.0005$  ( $n = 23$ ).

<sup>69</sup> Two-sample independent t-test:  $t = -0.084$ ;  $p = 0.933$  ( $n = 428$ ).

<sup>70</sup> Two-sample independent t-test:  $t = -2.334$ ;  $p = 0.02$  ( $n = 428$ ). About 48% of those that canceled or delayed healthcare reported obtaining credit or borrowing money in the past 90 days, compared to about 37% of those that did not cancel or delay healthcare.

<sup>71</sup> Two-sample independent t-test:  $t = 3.234$ ;  $p = 0.0013$  ( $n = 428$ ). About 21% of households that canceled or delayed healthcare reported no need to obtain credit or borrow money, compared to 35% of those that did not cancel or delay healthcare.

<sup>72</sup> District- and household-level wellness indicators, specifically the Food Consumption Score, Livelihood Coping Strategy Index, and Reduced Coping Strategy Index, were not statistically significantly related to canceling or delaying healthcare. Therefore, the results were not reported.



# Looking Forward:

- The cross-border conflict will likely continue to intensify, as Hezbollah has already significantly stepped up the tempo of its operations since mid-May and conducted its highest rate of attacks at least five kilometers into Israel.<sup>73</sup> Exemplifying this, Israeli media noted on June 3 that the coastal towns of Nahariyya and Acre and the Golan town of Katzrin – which have not been evacuated, unlike areas closer to the Lebanon border – had come under a series of Hezbollah attacks for the first time since the beginning of the conflict.<sup>74</sup> Hawkish Israeli officials have called for a more dramatic escalation against Hezbollah in response to the group’s latest actions.<sup>75</sup> Immediate escalation could take the form of both sides launching strikes further from the border. On Israel’s side, these strikes could extend further north than in recent months, including as far as the capital Beirut. In the medium term, Israel may be planning a ground incursion into Lebanon, though it is unlikely to launch a two-front war, for which most analysts believe it lacks the capability. Accordingly, aid actors should anticipate increasingly restricted access in southern Lebanon, which could worsen in the coming months. LCAT will be disseminating a Scenario Planning Report in June outlying detailed analysis on the current situation and potential scenarios.
- Poverty and vulnerability will be tied to the regional conflict to a larger degree in the medium term. As noted above, the World Bank’s findings suggest that Lebanese residents’ vulnerability is increasingly driven by external risks and shocks rather than prevailing poverty and economic malaise. Regional tensions will now indirectly affect the job security and purchasing power of the poorest households. For instance, if the PMI continues to fall in June 2024, it would indicate a drop in tourism during the summer, a key period in which Lebanon brings in much-needed foreign currency. This would have repercussions for economic activity as a whole, affecting households that rely on daily low-skilled work to access foreign currency. Apart from tourism, the cross-border conflict has destroyed vast swathes of agricultural land in southern governorates, disrupting agri-businesses. The livelihoods of landowners in affected regions relying on agribusinesses, and agricultural employees will likely degrade further. Furthermore, intensified conflict in the Red Sea has increased shipping costs due to higher risk premiums and vessels opting to not travel through the Suez Canal.<sup>76</sup> Shipping prices could rise as the conflict prolongs, which would be reflected in higher domestic inflation rates – particularly food prices since Lebanon’s food security largely depends on imports – eroding the already diminished purchasing power of vulnerable households.<sup>77</sup>

<sup>73</sup> Since mid-May, Hezbollah has averaged just over 10 attacks a day, greater than its daily rate of 6.6 from the start of the conflict through May 15. The organization has also averaged one attack at least five kilometers into Israel since mid-May, almost times greater than its average of .22 from the start of the conflict through May 15.

<sup>74</sup> Ynet, «פי 2 כטב» חיס, פי 2 טיילי ג'ט» June 3, 2024

<sup>75</sup> Anadolu Agency, [Ben-Gvir calls for destroying Hezbollah in Lebanon amid fires in northern Israel](#) June 4, 2024;

L'Orient Today, [Smotrich calls on Israel to occupy southern Lebanon and 'severely damage' Beirut: Day 241 of the Gaza war](#) June 3, 2024

<sup>76</sup> J.P. Morgan, [What are the impacts of the Red Sea shipping crisis?](#) February 8, 2024

eia, [Red Sea attacks increase shipping times and freight rates](#) February 1, 2024

<sup>77</sup> Flexport, [The Lasting Impact of the Red Sea Diversions on Shipping Costs](#) May 2, 2024



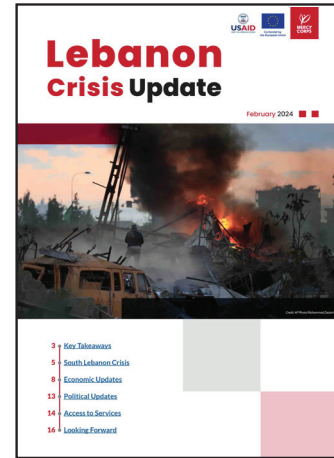
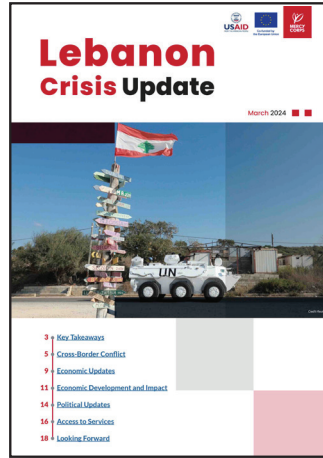
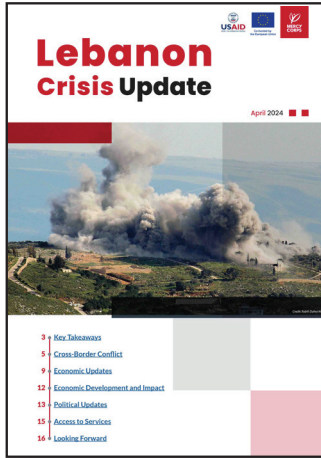
- Stricter measures applying to Syrian nationals are driven by increasing hostile public discourse and security incidents involving Syrian nationals. Moreover, growing perceptions that aid disproportionately favors Syrians and a drop in donor funding are fueling inter-community tensions. The adoption of ad hoc security measures and potential vigilantism could pose risks for both host communities and displaced populations. Should tensions escalate, stricter policies, and increased numbers of both security checkpoints and raids should be expected, though it is unclear to what degree the state will follow through on “plans” – several of which have been announced and not fully implemented in recent years – to regulate Syrian nationals’ legal status in Lebanon.
- Neither the caretaker government nor the Central Bank have taken decisive action to reform the financial sector. This would entail a plan to accelerate the recovery of trapped deposits in Lebanon’s “zombie banks”, or at least to restructure the losses in the banking system. Instead, the most recent action regarding banks was taken by MP Ghassan Hasbani and other members of the “Strong Republic” block, who introduced a draft law that would enable citizens to pay a portion of their taxes and bills using their “lollar” deposits.<sup>78 79</sup> While this step, if approved and implemented, might benefit the middle class who have several taxable income streams, it would do little to help the poorest households that still hope to retrieve the entirety of their savings that they had deposited in the banking system before the crisis. More to the point, such a move is unlikely to succeed, given the glacial pace at which Lebanon’s politicians are pursuing financial reform.

<sup>78</sup> Nidaa Al Watan, [قانون لتسديد الضريبة من «اللوار» على سعر السوق](#), May 21, 2024

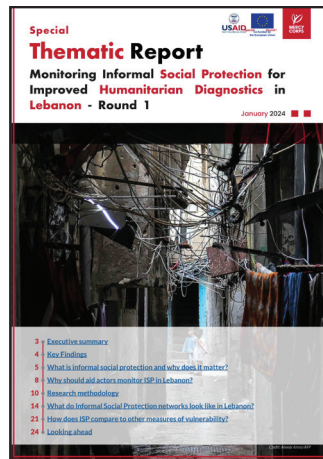
<sup>79</sup> “Lollars” are USD-denominated balances trapped in de facto insolvent Lebanese commercial banks. Account holders are allowed only limited monthly withdrawals determined by Central Bank circulars. Any additional withdrawals must be in LBP and are subject to exchange rates that are lower than the official rate or the parallel market rate.



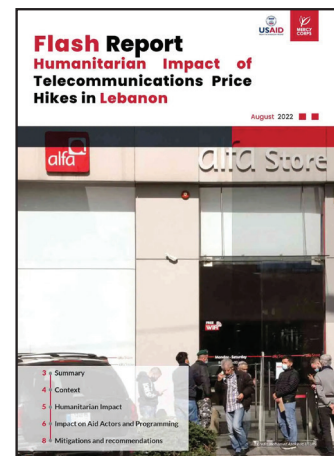
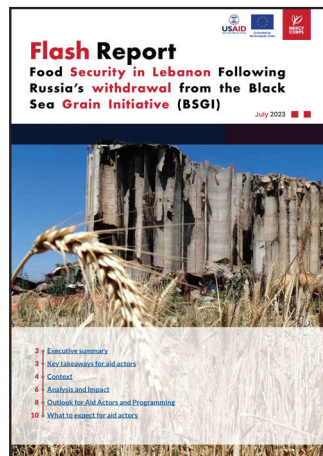
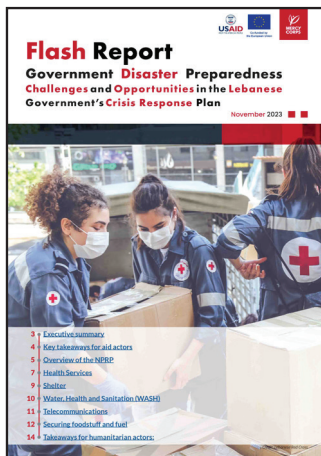
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