

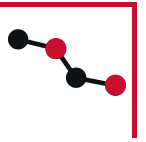
# Lebanon Crisis Update

May 2025 ■ ■



Credit: EPA

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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 European Union Humanitarian Aid. The contents of this report are the sole responsibility of the LCAT and do not necessarily reflect the views of the European Union.*



## Key Takeaways:

- Israel continued its campaign of airstrikes targeting alleged Hezbollah infrastructure and operatives in Lebanon in May, conducting the second-most bombing raids in a single month since the Cessation of Hostilities (CoH) came into effect on November 27, 2024. Israeli military actions in Lebanon's border regions – including small arms fire, destruction of prefabricated houses, and strikes against bulldozers – continue to hinder the return of internally displaced persons (IDPs) and obstruct reconstruction efforts. As of April 30, 90,020 people remained displaced across Lebanon due to Israeli military action.
- Lebanon held municipal elections over four consecutive weekends in May 2025 – on May 4 (Mount Lebanon), May 11 (North Lebanon), May 18 (Beirut and Bekaa), and May 24 (South Lebanon). Keserwan recorded the highest turnout rate of any district at 60.23% and Beirut the lowest at 21.03%. About one in four races was uncontested, including 68 of 333 in Mount Lebanon, 81 of 289 in North Lebanon, 40 out of 171 in Bekaa and Baalbek-Hermel, and 109 of 272 in South Lebanon.
- Lebanese President Joseph Aoun and Palestinian President Mahmoud Abbas agreed on a plan to disarm Palestinian refugee camps and formed a joint committee to oversee the process. The leaders emphasized that Palestinian groups must not engage in military activity on Lebanese territory. The Lebanese-Palestinian Dialogue Committee – formed in the early 2000s and separate from the committee agreed to by Aoun and Abbas – announced on May 24 that disarmament would begin in mid-June in three Beirut camps before expanding to the other nine.
- Lebanon is facing a severe drought with annual rainfall levels dropping by over 50%, leading to critically low reservoir levels at key sites such as Chabrouh Dam in Faraya and Qasaymani Dam in Baabda, and the near-total depletion of the Shamsin Spring. The resulting water shortage is expected to have a significant, negative effect on households and the agricultural sector.
- The Ministry of Labor agreed to a proposal to increase the minimum wage from 18 million Lebanese pounds (LBP) to LBP 28 million. Workers' unions and syndicates criticized the Ministry's suggested minimum wage, claiming that it is not sufficient to cover a household's essential needs, adding that households need between 900 US dollars (USD) and USD 1,000 to maintain acceptable living standards.
- Finance Minister Yassine Jaber signed a USD 258 million World Bank loan to support the public water sector in Mount Lebanon and Beirut. This is the second World Bank loan to Lebanon this year, after the first one was signed in April, worth USD 250 million and dedicated to the electricity sector.



# 2025

## MAY

Israeli forces bomb an alleged Hezbollah tunnel complex outside Nabatieh

8



21

Lebanese President Joseph Aoun and Palestinian President Mahmoud Abbas reach an agreement to disarm Palestinian refugee camps in Lebanon

Finance Minister Yassine Jaber signs a USD 257.8 million loan agreement with the World Bank to refurbish public water systems in Beirut and Mount Lebanon

23



26

The parliament's Finance and Budget Committee approves a USD 250 million World Bank loan for the electricity sector

The Finance and Budget Committee approves amendments to the 2025 Budget

26



28

The United Nations High Commissioner for Refugees announces that it will end healthcare support for Syrian refugees in Lebanon

Israeli airstrikes target southern Lebanon and the Bekaa valley

29





Source: REUTERS/Karamallah Daher

## Conflict Updates :

Throughout May, Israel continued its campaign aimed at dismantling Hezbollah's military capacities.<sup>1</sup> Although the CoH – in effect since November 27, 2024 – prohibits offensive Israeli military actions, Tel Aviv has continued targeting alleged Hezbollah weapons facilities and carrying out assassinations of the group's operatives, reportedly with confidential US assurances.<sup>2</sup> In May, Israel conducted 101 strikes in Lebanon – its second-highest monthly tally since the start of the CoH – including 53 north of the Litani.<sup>3</sup> On May 8, Israeli aircraft deployed a “firebelt” – a short, intense barrage focused on a specific area – outside Nabatieh,<sup>4</sup> sparking panic among the town's residents.<sup>5</sup> Israel said that the firebelt, the first of its kind since the start of the CoH, targeted an underground Hezbollah military facility.<sup>6</sup> On May 22, an Israeli airstrike leveled a building in the southern town of Toul and damaged nearby structures after Israeli issued an evacuation warning.<sup>7</sup> Among its targeted assassinations, Israel killed a Hamas official in Saida on May 7<sup>8</sup> as well as 17 alleged Hezbollah operatives throughout the month.<sup>9</sup>

<sup>1</sup> Times of Israel, [Israeli strike kills Hezbollah operative in south Lebanon; jets target weapons depots](#) May 23, 2025;

Israel Defense Forces, [The Effort in the Northern Sector To Remove Threats and Prevent the Reestablishment of Hezbollah Continues](#) April 23, 2025

<sup>2</sup> Axios, [Israel and Lebanon agree on a ceasefire](#) November 26, 2024

<sup>3</sup> LCAT logs all Israeli airstrikes across Lebanon reported by Lebanon's National News Agency, *L'Orient Today*, and *Al-Mayadeen*. LCAT logged 101 airstrikes in May, 71 in April, 117 in March, 61 in February, 29 in January, 75 in December, and 11 from November 27 through 30.

<sup>4</sup> LCAT logged 15 strikes in the Dabsha area, approximately 3 kilometers east of the center of the town of Nabatieh.

<sup>5</sup> NNA, [عدوان جوي واسع على منطقة النبطية](#) May 8, 2025;

L'Orient Today, [Strikes on Nabatieh region: two killed and four injured](#) May 8, 2025

<sup>6</sup> Times of Israel, [IDF: Jets target 'significant underground' Hezbollah site in south Lebanon](#) May 8, 2025

<sup>7</sup> L'Orient Today, [Israel pounds southern Lebanon two days before municipal elections](#) May 23, 2025

<sup>8</sup> AFP, [Hamas says commander killed in Israel Lebanon strike](#) May 7, 2025

<sup>9</sup> LCAT logs all Israeli statements of targeted assassinations, cross-referencing them with Lebanese media reports.

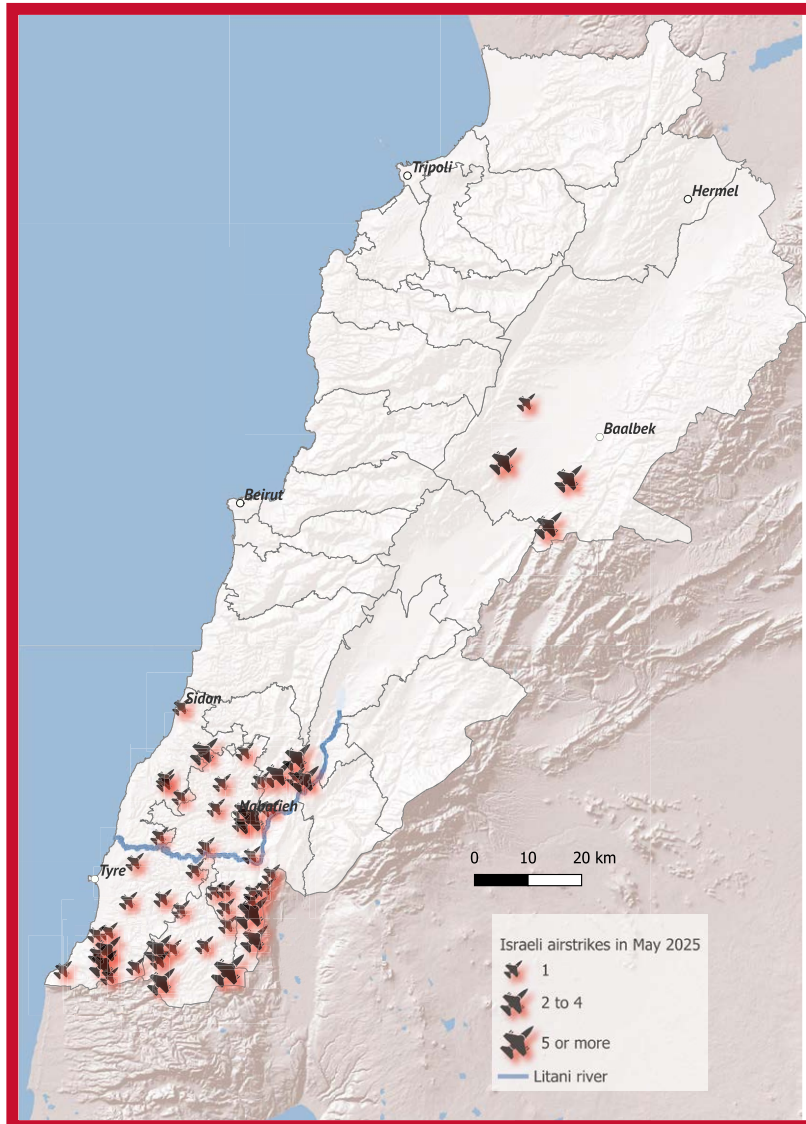


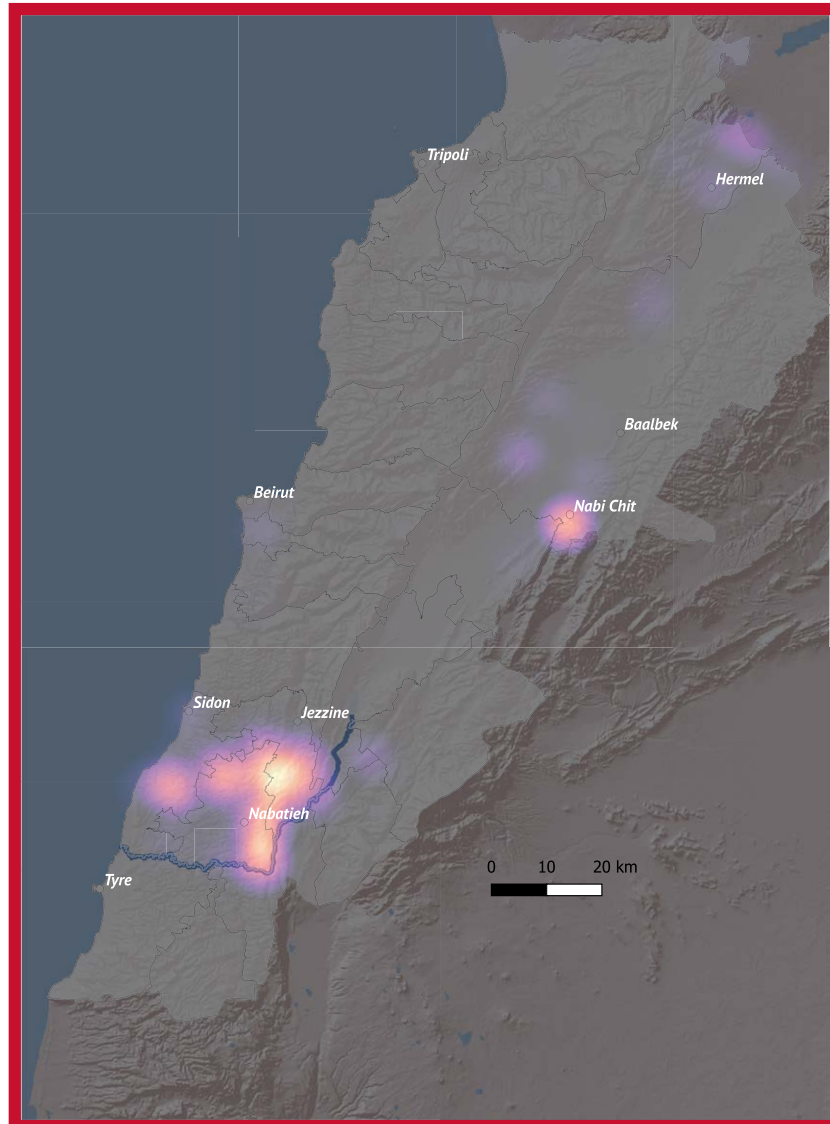
Figure 1: Israel's 101 airstrikes in Lebanon from May 1, 2025 through May 31, 2025.

Hezbollah has refrained from overt military action against Israel since early December. The organization has claimed only one attack against Israel since the start of the CoH – firing two mortar rounds on December 2 aimed at the contested Shebaa Farms area claimed by Lebanon, Israel, and Syria<sup>10</sup> – an action it called an initial and defensive warning.<sup>11</sup> Since the start of the CoH, Hezbollah has deferred to the Lebanese state to pressure Israel to stop its military actions in Lebanon. On May 25, Hezbollah Secretary-General Naim Qassem said that his party was willing to be patient and give time for the Lebanese state to pursue diplomatic action to end Israel's violations of the CoH and withdraw from its military sites on five hilltops near the border.<sup>12</sup>

<sup>10</sup> L'Orient Today, [To whom do Shebaa Farms belong?](#) January 24, 2024

<sup>11</sup> NNA, "المقاومة الاسلامية" ردا على الخروقات الاسرائيلية, December 2, 2024

<sup>12</sup> NNA, قاسم: فلتنسحب إسرائيل وتوقف عدوانها, May 25, 2025



**Figure 2:** A heatmap of Israeli strikes north of the Litani river since the start of the CoH on November 27, 2024. Strikes are clustered in the remote valleys between Nabatieh and Jezzine, as well as around Nabi Chit near the Syrian border.

Concurrent with Israel’s military campaign, the US has been pressuring Lebanese authorities to disarm Hezbollah nationwide, reportedly informing Lebanese leaders that much-needed international aid for reconstruction is contingent on placing arms under the state’s control.<sup>13</sup> The CoH calls for the disarmament of Hezbollah, starting south of the Litani river, and stipulates that only state security agencies can be armed throughout Lebanon.<sup>14</sup> Hezbollah interprets the CoH’s provisions as only having jurisdiction over Hezbollah’s arms south of the Litani.<sup>15</sup> Since the CoH, Hezbollah figures have vowed that organization would not disarm nationwide.<sup>16</sup> US Deputy Special Envoy for the Middle East Morgan Ortagus said on May 20 that while the Lebanese state had progressed in its efforts to disarm Hezbollah, it still had “a lot more to go.”<sup>17</sup>

<sup>13</sup> El-Nashra, [وزير الخارجية: أبلغنا بوضوح من قبل أورتاغوس بأن لإعادة إعمار ومساعدات دولية قبل حصرية السلاح شمال الليطاني وجنوبه](#) April 10, 2025

<sup>14</sup> The National, [Revealed: Full text of the Israel-Hezbollah ceasefire agreement](#) November 27, 2024

<sup>15</sup> Al-Manar, [الشيخ قاسم: المقاومة ثبتت وانتصرت.. وملتزم بالإبواء والإعمار](#) December 15, 2024

<sup>16</sup> L’Orient Today, [Qassem: Hezbollah ‘will not allow anyone to disarm it’](#) April 19, 2025;

NNA, [قماطي: لن نسلم السلاح وحاضرون لمناقشة سياسة دفاعية للبنان](#) May 3, 2025

<sup>17</sup> L’Orient Today, [Ortagus says six-month progress in Hezbollah disarmament surpasses 15-year efforts](#) March 20, 2025



The Lebanese Armed Forces (LAF) have reportedly dismantled approximately 90% of Hezbollah's military sites south of the Litani.<sup>18</sup> Regarding Hezbollah's weapons north of the Litani, Lebanese President Joseph Aoun has called for a dialogue between himself and the party on a national security strategy that would presumably tackle the matter.<sup>19</sup> The talks have yet to be scheduled, with Hezbollah on May 26 saying it was willing to discuss all issues with the Lebanese president.<sup>20</sup> Aoun and Lebanese Prime Minister Nawaf Salam have repeatedly called for bringing all weapons in Lebanon under the control of the state.<sup>21</sup>

The United Nations Interim Force in Lebanon (UNIFIL) announced on May 12 that its peacekeeping forces had uncovered 225 weapon caches south of the Litani since the start of the CoH, which were referred to the LAF.<sup>22</sup> Under UN Security Council Resolution 1701, which ended the 2006 Lebanon war, UNIFIL is mandated to assist the LAF in ensuring that the area of Lebanese territory south of the Litani River remains free of non-state weapons.<sup>23</sup> Since late April, UNIFIL troops have faced an increasing number of hostile receptions from residents of southern Lebanese towns, reportedly because the peacekeepers are at times not accompanied by LAF soldiers.<sup>24</sup> There have been at least nine such incidents reported since April 28.<sup>25</sup>

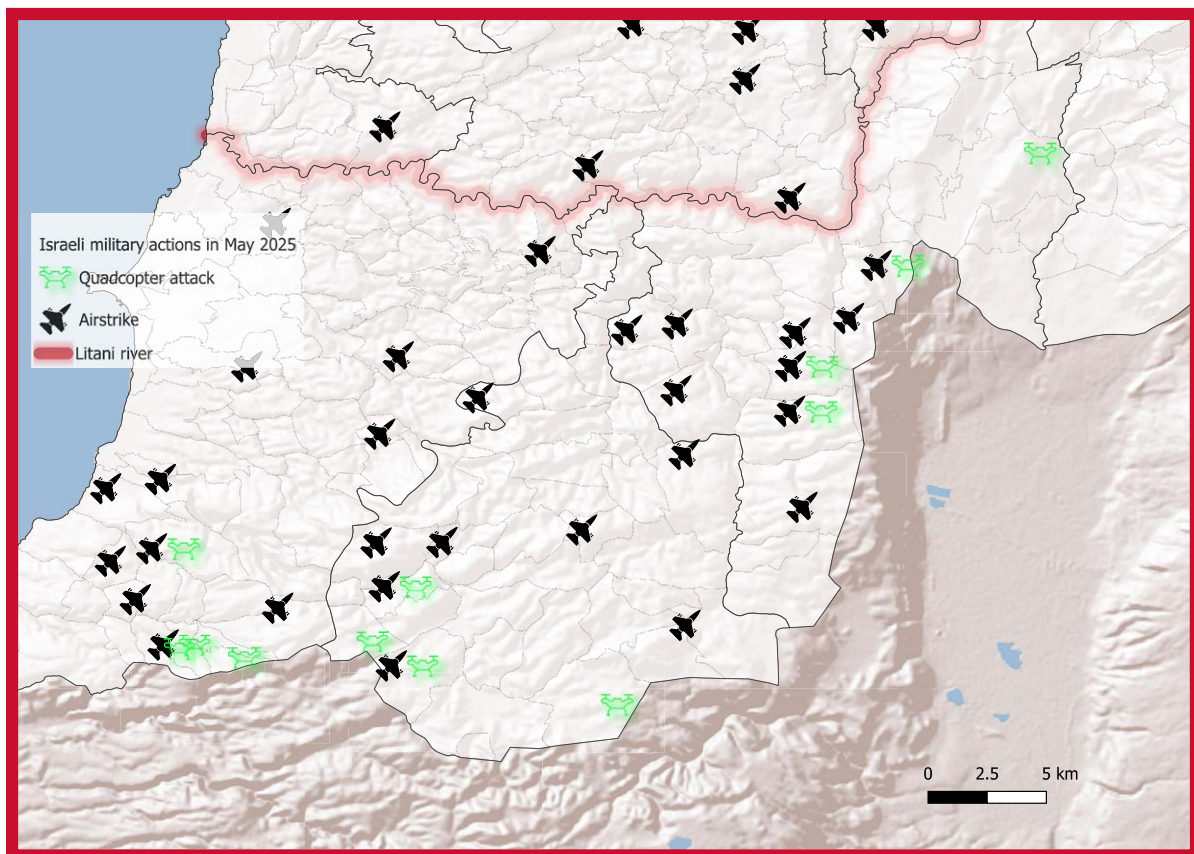


Figure 3: Israeli airstrikes and quadcopter attacks in southern Lebanon May 2025.

<sup>18</sup> AFP, [Lebanese army dismantled 'over 90 percent' of Hezbollah infrastructure near Israel: security official](#) April 30, 2025

<sup>19</sup> L'Orient Today, [When it comes to Hezbollah's weapons, even the terminology is contentious](#) April 23, 2025;

L'Orient Today, [State monopoly on arms: When will Aoun and Hezbollah engage in direct talks?](#) April 24, 2025

<sup>20</sup> L'Orient Today, [Raad: «No closed doors to dialogue and exchange of ideas» with Aoun](#) May 26, 2025

<sup>21</sup> The National, [Lebanon cannot remain a "proxy battlefield", PM says, as country grapples with \\$14bn reconstruction bill](#) May 27, 2025;

L'Orient Today, [Salam: Only the state can decide on war and hold arms](#) April 21, 2025;

L'Orient Today, [Hezbollah could join Army: Aoun's declaration sparks outcry among Hezbollah critics](#) April 16, 2025

<sup>22</sup> UNIFIL (via X), [@UNIFIL](#) May 12, 2025

<sup>23</sup> UNIFIL, [UNIFIL Mandate](#) May 28, 2025

<sup>24</sup> L'Orient Today, [Why is hostility toward UNIFIL on the rise?](#) May 6, 2025

<sup>25</sup> LCAT logs reports by the National News Agency, L'Orient Today, and other Lebanese media outlets on confrontations involving UNIFIL peacekeepers



Israeli military actions in Lebanon's border regions continue to hinder the return of IDPs and obstruct reconstruction efforts. Israeli troops regularly open small arms fire along the border and near the five Israeli military hilltop outposts on Lebanese territory, including on May 29, when Israeli fire killed a member of the Al-Rissala Scouts first aid organization who was inspecting his home near the border fence in Kfar Kila.<sup>26</sup> That same day, local residents held a protest demanding that the Lebanese state take action to facilitate residents' return to their town and threatened to accelerate their demonstration by closing roads.<sup>27</sup> Israeli quadcopters dropped small munitions in the border area at least 31 times in May – its highest monthly tally since the start of the CoH – including a May 10 attack on a bulldozer outside Khiam.<sup>28</sup> Israeli airstrikes have obstructed reconstruction activity, including a May 13 attack on an excavator in Jouaiyya, a May 15 attack on a crane near Yohmor, and a May 29 strike that killed a municipal employee working on a well outside Nabatieh. Israel also continued its campaign of destroying prefabricated living units in the border region, conducting at least 24 strikes against these temporary structures in the past month, its highest tally since the start of the CoH.<sup>29</sup> Israel's military actions in Lebanon killed 20 people and injured 43 others in May, bringing the total death toll since the start of the CoH to at least 203.<sup>30</sup> As of April 30, 90,020 people remained displaced across Lebanon due to Israeli military action.<sup>31</sup> The number of IDPs in Lebanon has remained relatively static since Israel completed its withdrawal from southern towns and villages on February 1 – 98,994 people remained displaced at the time.<sup>32</sup>

<sup>26</sup> L'Orient Today, [Israeli army steps up strikes in southern Lebanon](#) May 29, 2025

<sup>27</sup> El-Nashra, [أهالي كفر كلا نفذوا وقفة احتجاجية على اعتداءات إسرائيل](#) May 29, 2025

<sup>28</sup> LCAT logs all Israeli quadcopter attacks reported by Lebanon's National News Agency, *L'Orient Today*, and *Al-Mayadeen*, noting when they pose a barrier to return by targeting reconstruction activity.

<sup>29</sup> LCAT logs all Israeli airstrikes reported by Lebanon's National News Agency, *L'Orient Today*, and *Al-Mayadeen*, noting when they pose a barrier to return by targeting reconstruction activity, including the bombing of prefabricated housing units.

<sup>30</sup> LCAT logs all reports by the Lebanese Ministry of Public Health, National News Agency, *L'Orient Today*, and *Al-Mayadeen* of casualties caused by Israeli military actions. When reports differ between sources, LCAT uses figures reported by the Ministry of Public Health.

<sup>31</sup> IOM, [Lebanon — Mobility Snapshot - Round 86](#) May 2, 2025

<sup>32</sup> IOM, [Mobility Snapshot - Round 77](#) February 20, 2025



Source: AFP

# Political Updates:

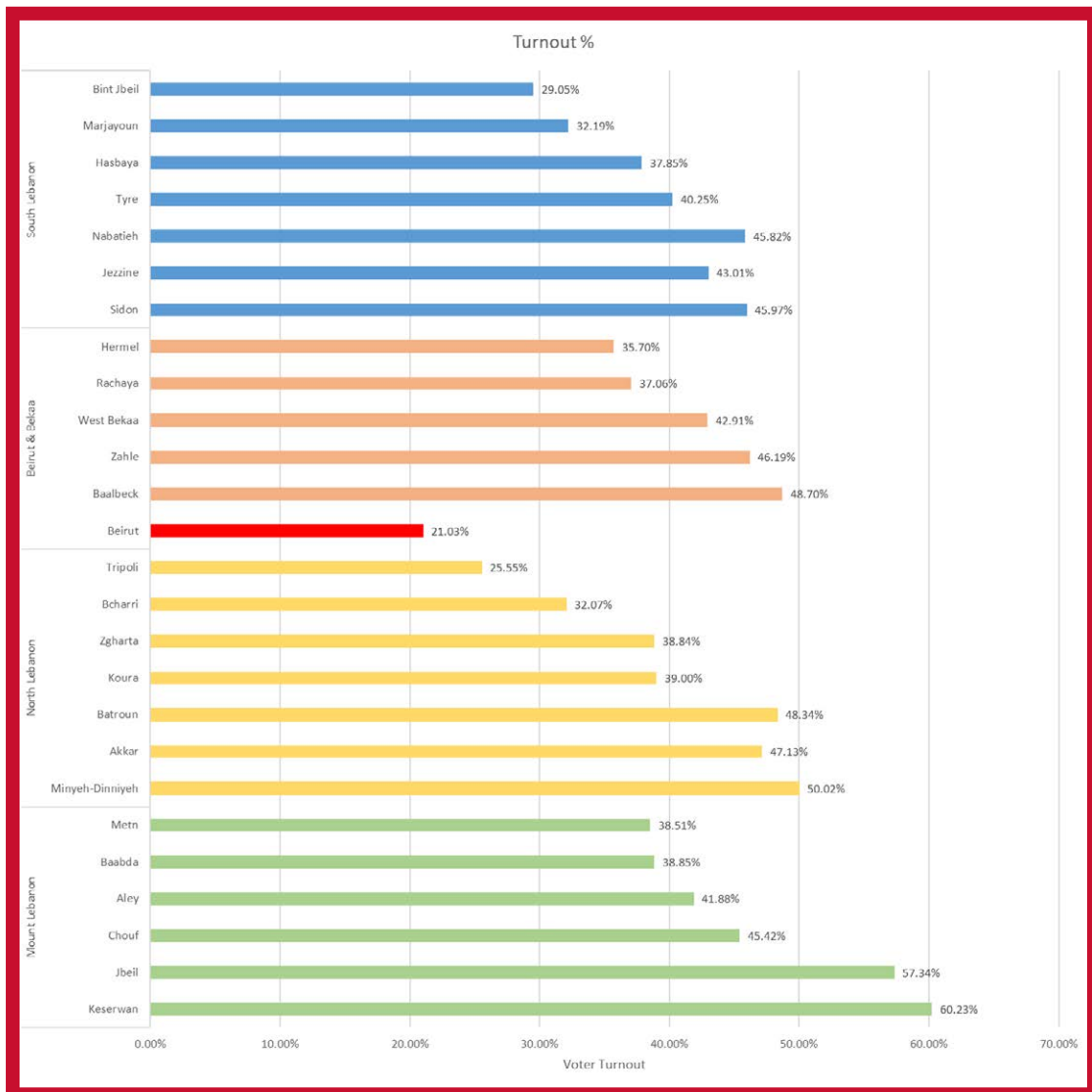


Figure 4: The figure above shows voter turnout across four rounds of elections and their respective districts.



**Lebanon held municipal elections on four consecutive weekends in May, the first in nine years.** Municipal polls first opened on May 4 in Mount Lebanon,<sup>33</sup> then in North Lebanon on May 11,<sup>34</sup> in Beirut and Bekaa on May 18,<sup>35</sup> and in South Lebanon on May 24.<sup>36</sup> Keserwan recorded the highest turnout of any district in the country at 60.23%,<sup>37</sup> while Beirut had the lowest turnout rate at 21.03%.<sup>38</sup> Overall, turnout rates were low in major urban centers, whereas turnout was generally higher in rural districts. In southern Lebanon, Israeli military strikes likely contributed to lower turnout rates compared to previous elections.

One out of four municipalities were uncontested, with the Ministry of Interior and Municipalities announcing that candidates on uncontested lists would assume office. Some 68 of 333 municipalities were uncontested in Mount Lebanon,<sup>39</sup> 81 of 289 in North Lebanon,<sup>40</sup> 40 out of 171 in Bekaa and Baalbek-Hermel,<sup>41</sup> and 109 of 272 in South Lebanon.<sup>42</sup>

**On May 21, Lebanese President Joseph Aoun and Palestinian President Mahmoud Abbas agreed on a mechanism to disarm and secure Palestinian refugee camps.** The two heads of state announced the formation of a joint Lebanese-Palestinian committee tasked with monitoring and managing the camps and working to improve living conditions. Aoun and Abbas also stated that Lebanese territory must not be used for any offensive or defensive military activity by armed Palestinian groups.<sup>43</sup> The meeting came only days after clashes in the Shatila Palestinian Camp on May 19, which spread into surrounding Beirut neighborhoods. Four people were wounded in the violence, which was reportedly linked to a drug-related dispute.<sup>44</sup> On May 22, a Hamas spokesperson said that the joint Lebanese-Palestinian statement “represents only the Palestinian Authority,” and not other Palestinian factions in Lebanon.<sup>45</sup> Hamas called on the Lebanese government to engage the Joint Palestinian Action Committee, which includes all Palestinian factions, to expand the scope of discussions beyond security.<sup>46</sup> Lebanon is estimated to host around 222,000 Palestinian refugees, with approximately 45% residing in camps.<sup>47</sup>

<sup>33</sup> National News Agency, [Start of electoral process in Mount Lebanon](#) May 4, 2025

<sup>34</sup> Ministry of Interior and Municipalities - Lebanon (via X), [@MOIM\\_Lebanon](#) May 11, 2025

<sup>35</sup> Ministry of Interior and Municipalities - Lebanon (via X), [@MOIM\\_Lebanon](#) May 18, 2025

<sup>36</sup> Lebanon 24, [وانتهت الانتخابات... هذه نسبة الاقتراع النهائية في الجنوب](#) May 24, 2025

<sup>37</sup> MTV, [Detailed Breakdown: Voter Turnout by District in Mount Lebanon](#) May 4, 2025

<sup>38</sup> Ministry of Interior and Municipalities - Lebanon (via X), [@MOIM\\_Lebanon](#) May 18, 2025

<sup>39</sup> These include municipalities in Keserwan, Jbeil, Chouf, Aley, Baabda, and Metn.

<sup>40</sup> L'Orient Today, [Mount Lebanon municipal elections: First available results](#) May 5, 2025

<sup>41</sup> These include municipalities in Akkar, Miniyeh-Danniyeh, Zgharta, Bcharri, Koura, Batroun, and Tripoli.

<sup>42</sup> LBCI, [81 municipalities win unopposed in North Lebanon and Akkar](#) May 10, 2025

<sup>43</sup> These include municipalities in Zahle, Rachaya, West Bekaa, Baalbek, and Hermel.

<sup>44</sup> Nidaa Alwatan, [التنافس في البقاع على 87 مجلسا بلديا 251 مختارا و288 عضوا بالمجالس الانتخابية](#) April 22, 2025;

<sup>45</sup> LBCI, [Bekaa electoral rundown: A look at uncontested wins ahead of municipal elections](#) May 13, 2025;

<sup>46</sup> Annahar, [بدء مهلة الترشح في بعلبك - الهرمل: تحالف "الثنائي" يسعى الى التوافق حيث أمكن](#) April 22, 2025;

<sup>47</sup> AL Jadeed, [ممارسة الجديد: 24 بلدية فازت بالترشيح في قضاء بعلبك الهرمل](#) May 17, 2025

<sup>48</sup> These include municipalities in Saida, Sour, Jezzine, Nabatieh, Bint Jbeil, Marjayoun, and Hasbaya.

<sup>49</sup> NNA, [109 municipal councils elected uncontested in Southern Lebanon](#) May 24, 2025;

<sup>50</sup> Janoubia, [تزكية مفروضة وأصوات غب الطلب.. هكذا سرق "الثنائي" الصوت الشعبي!](#) May 25, 2025

<sup>51</sup> NNA, [قمة لبنانية - فلسطينية في قصر بعيدا أكدت التزام الجانبين ببدء حصرية السلاح بيد الدولة اللبنانية وتشكيل لجنة مشتركة لمتابعة اوضاع المخيمات](#) May 22, 2025

<sup>52</sup> Asharq Al-Awsat, [اشتباكات داخل مخيم شاتيلا للاجئين الفلسطينيين في بيروت](#) May 19, 2025

<sup>53</sup> The National, [Disarming of Lebanon's Palestinian refugee camps to begin in mid-June](#) May 23, 2025

<sup>54</sup> Asharq Al-Awsat, [Hamis Seeks Faction Talks Before Palestinian Disarmament in Lebanon](#) May 22, 2025

<sup>55</sup> As of February 2025, nearly 500,000 Palestine Refugees are registered with the UN Relief and Works Agency (UNRWA) in Lebanon, though registration is voluntary and often not updated to reflect deaths or emigration. The actual number of Palestinians residing in Lebanon is estimated at 222,000 – including 27,000 from Syria. UNRWA estimates that about 248,000 individuals currently access its services in Lebanon.

<sup>56</sup> UNRWA, [Where We Work | UNRWA](#) February 2025



The Lebanese-Palestinian Dialogue Committee – formed in the early 2000s<sup>48</sup> and separate from the committee agreed to by Aoun and Abbas – convened on May 24 with Prime Minister Nawaf Salam in attendance. It announced that disarmament would begin in mid-June, in three of Lebanon’s 12 Palestinian refugee camps – Shatila, Burj al-Barajneh, and Mar Elias in Beirut – before expanding to the remaining camps. No detailed timeline was provided.<sup>49</sup>

**On May 23, parliament passed a law raising the penalty for engaging in celebratory gunfire.** The law raises the maximum prison sentence for discharging a firearm in the air from three years to six years.<sup>50</sup> Simultaneously, the LAF launched a nationwide raid to apprehend individuals who fired into the air during the municipal elections, arresting 86 individuals and seizing weapons and ammunition. The LAF emphasized a zero-tolerance policy on celebratory gunfire; suspended all firearm carry permits between May 17 and 20 in Beirut, Bekaa, and Baalbeck-Hermel (coinciding with municipal elections); and urged citizens to report incidents of celebratory gunfire.<sup>51</sup>

<sup>48</sup> LPDC, [About LPDC - LPDC](#) 2025

<sup>49</sup> The National, [Disarming of Lebanon's Palestinian refugee camps to begin in mid-June](#) May 23, 2025

<sup>50</sup> Asharq Al-Awsat, [البرلمان اللبناني يضعف عقوبة إطلاق النار العشوائي](#) May 15, 2025;

مجلس النواب أقر القانون المتعلق بتجريم إطلاق عبارات نارية في الهواء وإحال كافة اقتراحات القوانين المدرجة على جدول الأعمال إلى اللجان النيابية، [المختصة لدرسها](#) May 15, 2025

<sup>51</sup> Annahar, [الجيش اللبناني عن مطلق النار خلال الانتخابات البلدية والاختيارية: لن نتهاون في ملاحقة المتورطين](#) May 16, 2025



Source: REUTERS/Hannah McKay

## Economic Updates:

**On May 7, Minister of Labor Mohammad Haidar stated that he will submit a proposal to the Council of Ministers to raise the minimum wage from LBP 18 million (about USD 200) to LBP 28 million (about USD 310).** Workers unions criticized the proposed minimum wage increase in press statements, claiming that it will not cover households' needs.<sup>52</sup> President of the Federation of Workers and Employees Unions in Northern Lebanon Chadi El-Sayyed said that the new minimum wage is not high enough to cover electricity and water bills, housing, healthcare, and energy costs.<sup>53</sup> According to the unions, the minimum wage should be set between USD 900 and USD 1,000 for households to maintain a "bare minimum of acceptable living standards."<sup>54</sup> Separately, the Ministry of Labor approved an increase in family allowances by 250% but did not increase minimum transportation stipends.<sup>55</sup>

**On May 23, Finance Minister Yassine Jaber signed a USD 257.8 million loan agreement with the World Bank to fund repairs and upgrades to public water infrastructure in greater Beirut and Mount Lebanon.**<sup>56</sup> The newly signed loan aims to enhance the quality and overall supply of water for about 1.8 million residents, who, especially during the dry summer months, are often forced to depend on private water suppliers whose services cost about 10 times that of the public sector.<sup>57</sup> Days later, on May 26, the parliament's Finance and Budget Committee approved the first USD 250 million World Bank loan for renewable energy and electricity grid networks, which was originally signed by Jaber in April.<sup>58</sup> The 30-year loan will fund state initiatives to increase electricity bill collection rates, establish or renovate solar energy and hydropower plants, and repair electricity grid networks.<sup>59</sup>

<sup>52</sup> NNA, اتحاد النقابات العمالية للمصالح المستقلة والمؤسسات العامة: لتطلب الحكومة من لجنة المؤشر إعادة النظر بما توصلت اليه لرفع العن من العمال, May 8, 2025

<sup>53</sup> NNA, اتحاد نقابات العمال في الشمال رفض مقررات لجنة المؤشر والسيد: ما تقرر يفتر الى الانصاف الحقيقي, May 8, 2025

<sup>54</sup> NNA, استنكرت قرار لجنة المؤشر حول الحد الأدنى للأجور: محجف ومهين بحق العمال FENASOL, May 8, 2025

<sup>55</sup> NNA, اتحاد عمال لبنان رفض الـ312 دولارا كحد أدنى: يكرس سياسة الاستغلال وتفاقم أزمات الفقر والجوع, May 23, 2025

<sup>56</sup> NNA, الوزير حيدر رأس اجتماعا للجنة المؤشر: رفع الحد الأدنى للأجور الى 28 مليوناً مع زيادة التقديمات العائلية المدرسية, May 7, 2025

<sup>57</sup> NNA, حابر وقع مع البنك الدولي اتفاقية قرض لإمداد بيروت بالمياه: واحد من سلسلة والأهم قرض صندوق إعمار البنى التحتية للمناطق المتضررة كاربيه: تتطلع للإسراع بمصادقته والبدء بالتنفيذ, May 23, 2025

<sup>58</sup> ibid.

<sup>59</sup> لجنة المال والموازنة أقرت قرض البنك الدولي بقيمة 250 مليون دولار متعلق بالطاقة المتجددة وتعزيز شبكة, Lebanese Parliament – Finance and Budget Committee, الطاقة الكهربائية في لبنان وخضعت رسوم موازنة 2025, May 26, 2026

<sup>59</sup> Associated Press, Lebanon gets \$250 million World Bank loan to ease electricity crisis April 24, 2025



**On May 26, the parliament’s Finance and Budget Committee approved amendments to the 2025 Budget.** The amendments include lower taxes and fees on miscellaneous goods and services such as beverages, tobacco, and hotels. The tax reduction should not affect the prices of essential commodities, as they only target alcoholic and imported beverages and tobacco products, in addition to luxury services. Finance and Budget Committee Chairperson Ibrahim Kanaan said that taxes should not increase before implementing monetary and financial reforms.<sup>60</sup>

**On May 29, the Council of Ministers decided to “return fuel prices to levels when the government was formed.”<sup>61</sup>** After the cabinet issued a press statement on the decision, fuel prices jumped, as shown in Figure 5 below. This price difference will be collected by the government as a tax and will affect consumers, not suppliers. The government stated that increased fuel revenues will be used to fund monthly bonuses for LAF active members and retirees.<sup>62</sup>

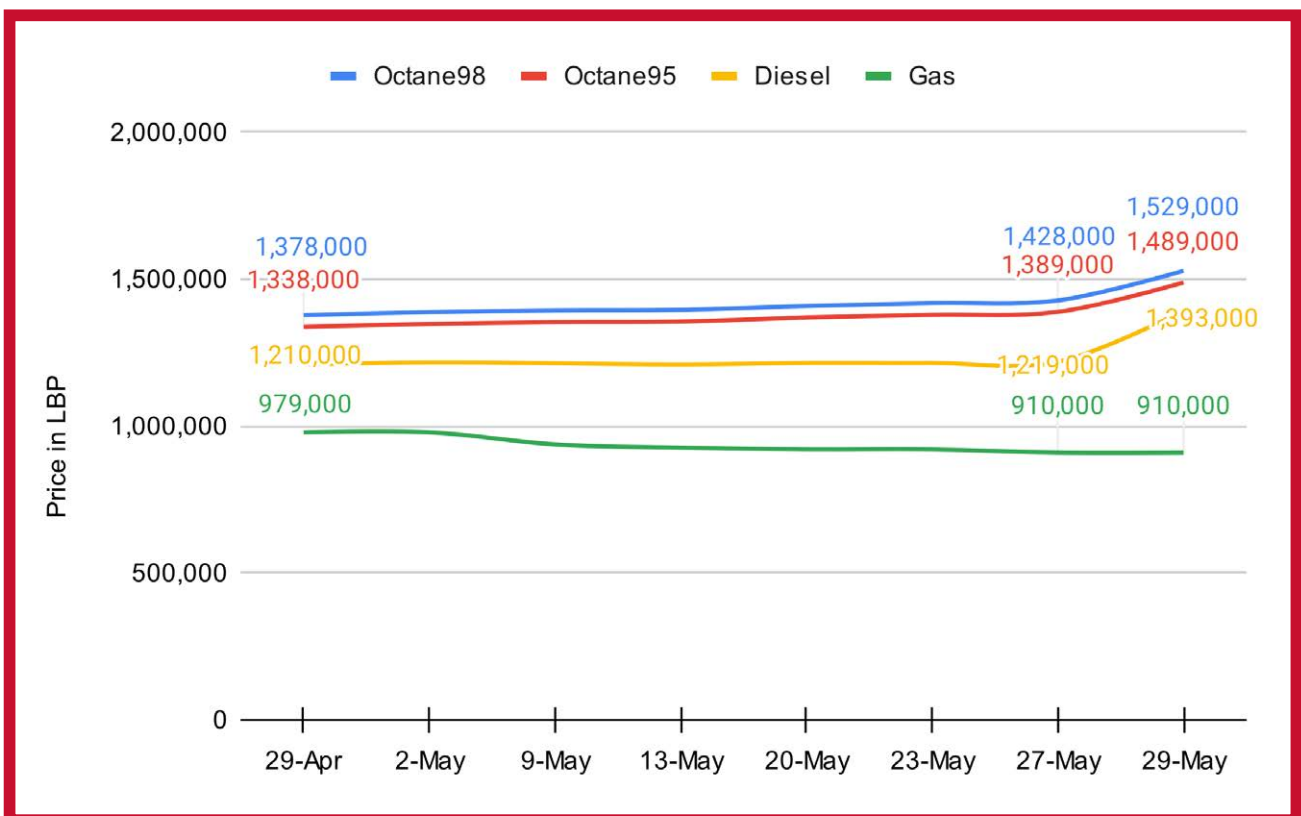


Figure 5: Fuel prices before and after the May 29 Council of Ministers session.

<sup>60</sup> Lebanese Parliament – Finance and Budget Committee, [لجنة المال والموازنة أقرت قرض البنك الدولي بقيمة 250 مليون دولار متعلق بالطاقة المتجددة وتعزيز شبكة الطاقة الكهربائية في لبنان وخففت رسوم موازنة 2025](#) May 26, 2026

<sup>61</sup> Presidency of the Council of Ministers, [الرئيس سلام: أحيانا تكون هناك أمور مستعجلة يجب وضعها على جدول الأعمال](#) May 29, 2025

<sup>62</sup> *ibid.*

Active LAF members (soldiers) and retirees will receive LBP 14 million (about USD 150) and LBP 12 million (about USD 130) in July from government fuel price adjustment revenues.



## Mapping Inflation Rates against Fuel Prices:

The government-mandated fuel price adjustment will likely influence consumer prices in both the short and medium term. As shown in Figure 6, previous fuel price declines led to a slowdown in the Consumer Price Index (CPI), though the index remained slightly positive. With the introduction of a new 10% fuel tax, all components of the CPI are expected to rise – disproportionately affecting consumers, particularly low-income earners.<sup>63</sup>

The government is likely to maintain this tax at least through the end of the year, as it is being incorporated into the 2025 Budget<sup>64</sup> and is easy to collect. However, as an indirect tax, it is not income-sensitive and applies uniformly to all consumers, placing a heavier burden on the most vulnerable populations, especially through increased energy and transportation costs.

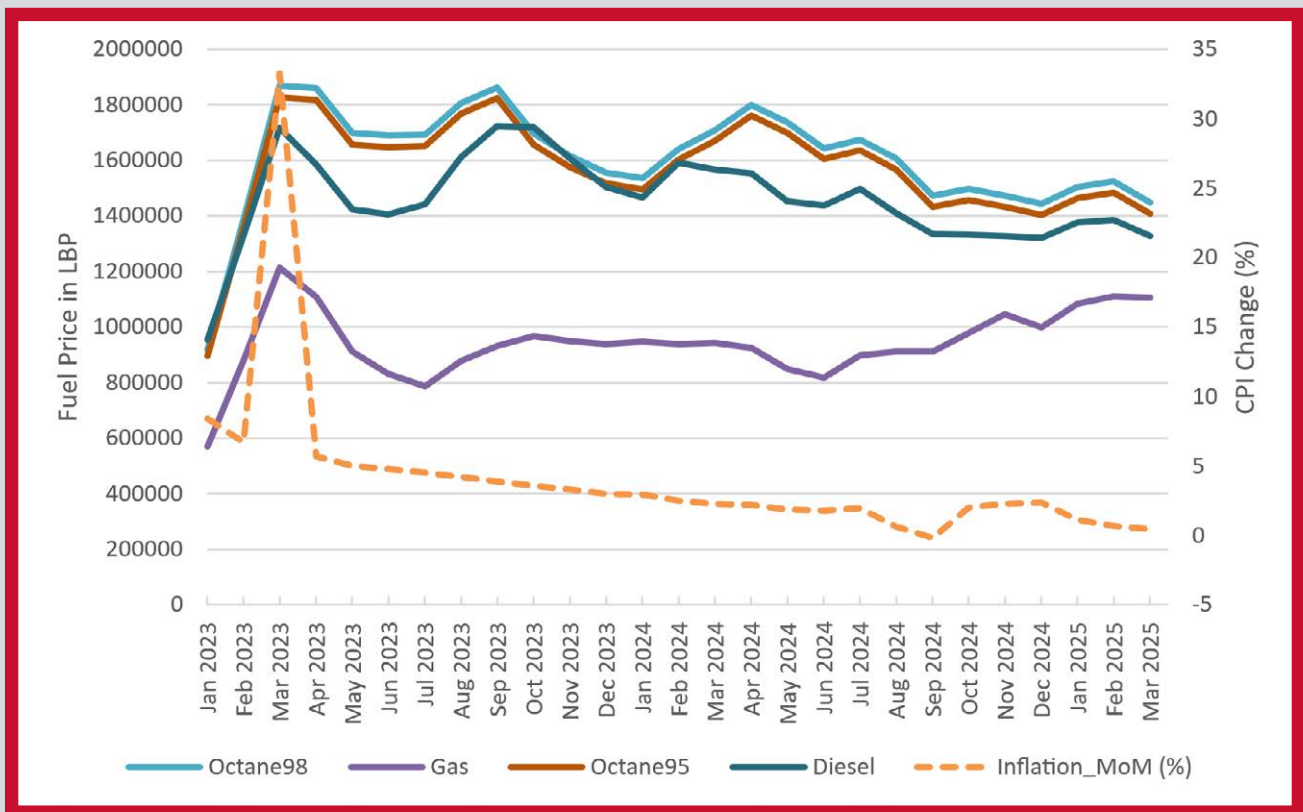


Figure 6: Evolution of monthly CPI change (%) and fuel prices.

<sup>63</sup> Nidaa al-Watan, [ضريبة المحروقات تنعكس ارتفاعا بالأسعار](#), June 2, 2025

<sup>64</sup> Presidency of the Council of Ministers, [الرئيس سلام: أحيانا تكون هناك أمور مستعجلة يجب وضعها على جدول الأعمال](#), May 29, 2025



Source: Mohammad Yassin/L'Orient-Le Jour

## Access to Services:

**Lebanon is experiencing a severe drought, with rainfall levels falling well below the seasonal average heading into the dry summer months.** According to Lebanon's Meteorological Service, Beirut has only received 382 millimeters (mm) of rain this year, a 54% decrease compared to the average of 822 mm for the same period spanning from January to May in previous years. Tripoli received 520 mm, down 37% from its usual 822 mm. Zahle was hit the hardest, registering just 268 mm of rainfall – a 60% drop from the average of 668 mm.<sup>65</sup>

Director of the Beirut and Mount Lebanon Water Establishment Jean Gebran reported that the reservoir at Chabrouh Dam in Faraya is currently at 30% of its total capacity. The reservoir at Qaysamani Dam in Baabda is facing similarly critical shortages, reflecting a broader decline in water availability that has now begun to affect wells and other secondary sources.<sup>66</sup> The Litani River Authority (LRA) reported the near-total depletion of the Shamsin Spring, a key source for the river's upper basin and irrigation in central Bekaa. This sharp drop reflects a critical decline in groundwater recharge and poses a serious threat to the agriculture sector and environmental stability. The LRA added that some farmers are now resorting to unsafe irrigation sources, including contaminated water and sewage.<sup>67</sup>

<sup>65</sup> Key Informant Interview with senior member of the Lebanon Meteorological Service, May 22, 2025.

<sup>66</sup> L'Orient Today, [Chabrouh dam in Faraya stored only 30% of its capacity this year](#) May 23, 2025

<sup>67</sup> Elnashra, [مصلحة اللبناطي أعلنت حفاف تبع شمسين: تحذر من استعمال مياه غير صالحة للري](#) May 12, 2025



**On May 6, Prime Minister Nawaf Salam announced that Lebanon will establish a dedicated operations room and hotline for visitors ahead of the 2025 tourist season.<sup>68</sup>**

This comes on the heels of the United Arab Emirates lifting its ban on citizens travelling to Lebanon.<sup>69</sup> As part of broader preparations, the government is working to supply Beirut with increased electricity coverage for three to four months over the summer.<sup>70</sup>

In 2023, tourism revenues reached USD 5.41 billion, nearly one-third of Lebanon's GDP.<sup>71</sup> Lebanon's tourism sector has suffered severe setbacks in recent years due to political, economic, and security crises, with estimated losses of around USD 3.5 billion, even before the Hezbollah-Israel conflict escalated in September 2024.<sup>72</sup> Despite this track record, travel industry leaders are optimistic, including Travel and Tourism Agencies Syndicate head Jean Abboud, who reported a significant increase June travel bookings.<sup>73</sup>

**On May 28, United Nations High Commissioner for Refugees (UNHCR) representative in Lebanon Ivo Freijsen announced that UNHCR will halt hospital coverage for displaced Syrian nationals in Lebanon and its support to primary healthcare facilities starting November 2025.** Freijsen said that the decision was prompted by limited donor funding. Minister of Public Health Rakan Nasser El-Din stressed the need for the international community to uphold its humanitarian responsibilities, while noting that the Lebanese health system cannot bear further strain amid new waves of displacement.<sup>74</sup>

<sup>68</sup> LBCI, [UAE lifts travel ban: Lebanon ramps up airport and tourism security](#), May 6, 2025

<sup>69</sup> UAE MOFA, [Ministry of Foreign Affairs Permits UAE Nationals to Travel to Lebanon from May 7, 2025](#), May 4, 2025

<sup>70</sup> Aljazeera, [كهرباء قريباً.. لبيروت](#), May 19, 2025

<sup>71</sup> Asharq Al-Awsat, [لبنان يستنفر لإطلاق موسم سياحي واعد](#), May 9, 2025

<sup>72</sup> Alarabiya Magazine, [صراع إسرائيل وحزب الله يضرب قطاع السياحة اللبناني... 3.5 مليار دولار خسائر](#), August 25, 2024

<sup>73</sup> Lebanon Files, [عيد: نسبة الحجوزات تخطت الـ 85%... وتتوقع 100% في الصيف](#), May 23, 2025

<sup>74</sup> NNA, [ناصر الدين تبليغ من مفوضية اللاجئين وقف تغطية استشفاء النازحين ابتداء من ت2: لاجل الإبتاميين التمويل الدولي مع البدء جدياً بخطة العودة](#), May 29, 2025



# Looking Forward:



- Lebanon successfully held municipal elections for the first time in nine years, a notable achievement following the Hezbollah-Israel conflict. Despite concerted efforts to proceed on schedule, voter turnout was low in many municipalities. This likely reflects widespread frustration with the limited ability of local elected officials to implement proposed projects and reforms, in many cases due to significant capacity challenges. Prior to the elections, approximately 12% of municipalities had been formally dissolved due to deaths or resignations, prompting high-ranking district officials or governors to assume their duties. Nearly half of the remaining municipalities were inactive, largely due to insufficient funding, internal discord, and compounding crises that have increasingly cast municipalities as frontline responders.<sup>75</sup> Compounding these structural issues, a significant portion of Lebanon's population is either not registered or ineligible to register in the municipalities where they currently reside.
- Despite low turnout and limited resources, municipalities remain central to addressing many of Lebanon's most pressing challenges. In areas affected by the Israeli military action – particularly in southern border villages and roughly 40 other villages severely damaged across Lebanon – municipalities will play a critical role in reconstruction planning and recovery. The same holds true in areas hosting refugees and IDPs. Without greater financial support and national-level coordination to address chronic issues such as waste management, infrastructure maintenance, and public health, local authorities will remain poorly equipped to meet the needs of their communities.
- Water reserves are significantly below seasonal averages, prompting greater reliance on expensive, unregulated private wells and water tanks, raising serious public health concerns.<sup>76</sup> Drawing on costly and unregulated private water resources will disproportionately affect vulnerable communities and has the potential to trigger inter- and intra-communal tensions between Lebanese host and displaced communities. According to a Tensions Monitoring System survey conducted in March 2025, 79% of respondents perceived the presence of Syrian refugees in Lebanon as a strain on resources like water. Additionally, 41.1% of respondents stated that their households receive an insufficient volume of water each day, while 30.7% reported worrying about access to safe drinking water “all the time”.<sup>77</sup>

<sup>75</sup> The Tahrir Institute, [A Country on Hold: The Repeated Postponement of Lebanon's Municipal Elections](#) April 24, 2024;

Saida Online, [الانتخابات البلدية بين استعدادات الداخلية واحتمال التمديد التقني حتى أيلول](#) April 12, 2025

<sup>76</sup> L'Orient Today, [Chabrouh dam in Faraya stored only 30% of its capacity this year](#) May 23, 2025

<sup>77</sup> Tensions Monitoring System, [Data Hub Entry 23](#) March 2025



At the same time, farmers are contending with drought and a lack of government support.<sup>78</sup> Wildfires have already erupted early in the season, prompting the Ministry of Agriculture to declare a state of emergency.<sup>79</sup> Meanwhile, pollution in the Litani river is worsening, with untreated sewage continuing to flow into its waters due to chronic mismanagement – further threatening public health and environmental stability.<sup>80</sup>

- Lebanon will come under further pressure from Israel and the US to disarm Hezbollah nationwide. US envoy Ortagus will reportedly visit Beirut in June to call on Lebanese authorities to expedite efforts to disarm Hezbollah.<sup>81</sup> More stringent US demands about Hezbollah's disarmament, including the possibility of a deadline for the process, would likely spur political tensions in Lebanon. While Lebanon's President and Hezbollah have both agreed in principle to take part in a dialogue on forming a national security strategy that would presumably tackle the issue of Hezbollah's weapons, no date for such talks has been set and Hezbollah does not appear willing to hand over its arms north of the Litani as demanded by Washington.
- Israel does not appear set to significantly expand its military campaign in Lebanon in the near-term over the issue of Hezbollah's disarmament. Israeli officials have not issued threats to that effect, while Israel's military has been engaged in a major ground operation in Gaza since May 16<sup>82</sup> that is expected to last at least two months,<sup>83</sup> barring a ceasefire. The Israeli military is in the process of demobilizing its 146th Division along the Lebanese border, a move that reportedly reflects a reduced level of Israeli security concern for the area.<sup>84</sup> Despite this reorganization, Israel will still deploy the same number of the troops along the border area.<sup>85</sup> In a May 28 speech to the Knesset, Israeli Prime Minister Benjamin Netanyahu said that his country had eliminated any alleged Hezbollah threat to conduct cross-border raids in Israel and that his country had destroyed most of Hezbollah's weapons stockpile.<sup>86</sup>

<sup>78</sup> Nidaa Alwatan, [الزراعة تعاني أزمات متراكمة... والأسعار ترتفع - رماح هاشم](#) May 17, 2025

<sup>79</sup> L'Orient Today, [Greenpeace warns of climate change in Lebanon after recent fires](#) April 11, 2025

<sup>80</sup> Lebanon Files, [مصلحة اللباني تكشف عن أسباب توقف محطة جب جنين](#) May 14, 2025

<sup>81</sup> LBCI, [US envoy Morgan Ortagus to visit Lebanon in two weeks, sources say](#) May 23, 2025;

This is Lebanon, [رسالة أميركية: فترة السماح انتهت](#) May 28, 2025

<sup>82</sup> Times of Israel, [IDF said advancing toward Deir al-Balah, heavy strikes across Gaza amid new offensive](#) May 17, 2025

<sup>83</sup> Times of Israel, [IDF aims to capture 75% of Gaza Strip in 2 months in new offensive against Hamas](#) May 25, 2025

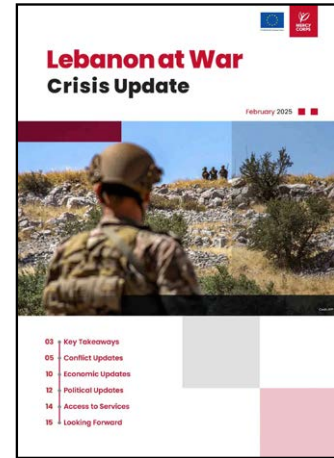
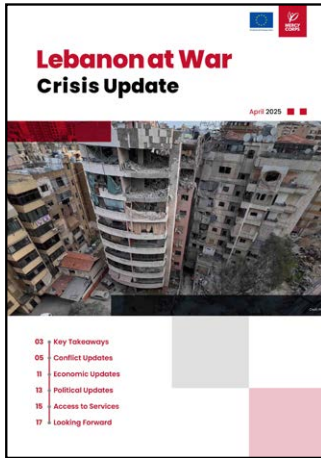
<sup>84</sup> Ynet News, [Kill zones, daily attacks and citizens returning: The new routine on the Lebanese border](#) May 26, 2025

<sup>85</sup> Times of Israel, [IDF reorganizing forces on Lebanon border, six months on from Hezbollah ceasefire](#) May 28, 2025

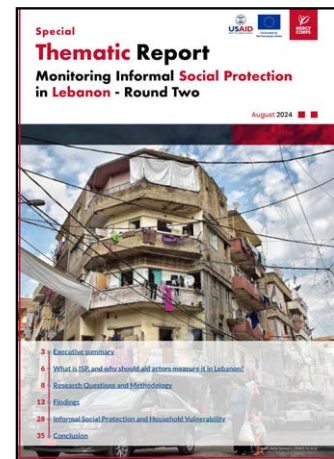
<sup>86</sup> Israeli Prime Minister's Office, [דברי ראש הממשלה נתניהו במליאת הכנסת במסגרת דיון 40 חתימות](#) May 28, 2025



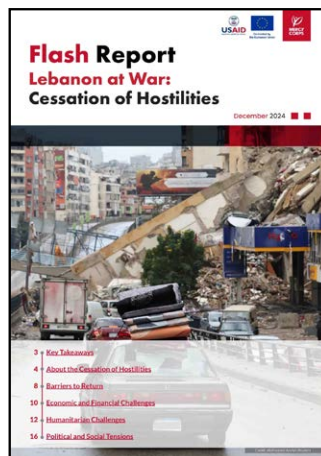
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