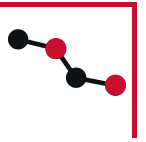


# Lebanon Crisis Update

September 2025 ■ ■



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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:

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- While the Council of Ministers' approval of a confidential Lebanese Armed Forces (LAF) plan to confiscate non-state arms – one reportedly without deadlines – has satisfied Hezbollah for the time being, the United States (US) has expressed growing frustration over a perceived lack of effort on disarmament. During September, Israel continued to target alleged Hezbollah operatives and infrastructure, carrying out 76 airstrikes compared to 71 the previous month. On September 18, Israel issued strike alerts for four southern Lebanese towns, its most widespread evacuation notices since the start of the Cessation of Hostilities (CoH) on November 27, 2024.
- The Council of Ministers approved the 2026 draft budget, which will now be sent to the parliament for amendments and ratification. The bill sets the budget at 5.65 billion US dollars (USD), an 18.2% increase over 2025.
- On September 12, the Central Bank released its first semiannual macroeconomic report. The Central Bank estimated Lebanon's 2024 GDP at USD 28 billion, a 6.4% contraction compared to 2023.
- On September 13, the Lebanese Armed Forces (LAF) completed the fourth phase of the Palestinian camps disarmament plan in Ain el-Hilweh and Beddawi. The LAF only took possession of weapons belonging to Fatah, as Hamas and other factions have refused to take part in any disarmament plan not linked to broader reforms.
- The Ministry of Energy and Water approved plans for solar farms in the North, Mount Lebanon, and Bekaa to power over 22,000 homes and cut annual carbon emissions by 45,000 tons. The plan faces criticism over its economic feasibility and power transmission capacity due to Lebanon's degraded electrical grid.



# 2025

## September

The Council of Ministers approves a phased plan to disarm Hezbollah

5



7

Lebanese and Syrian officials meet in Damascus to discuss the fate of Syrian detainees in Lebanon, border security, refugee returns, and bilateral agreements

The Central Bank releases its first semiannual macroeconomic report

12



13

Fatah hands over weapons to the Lebanese Armed Forces in Ain el-Hilweh and Beddawi

The Council of Ministers approves the 2026 draft budget

22



25

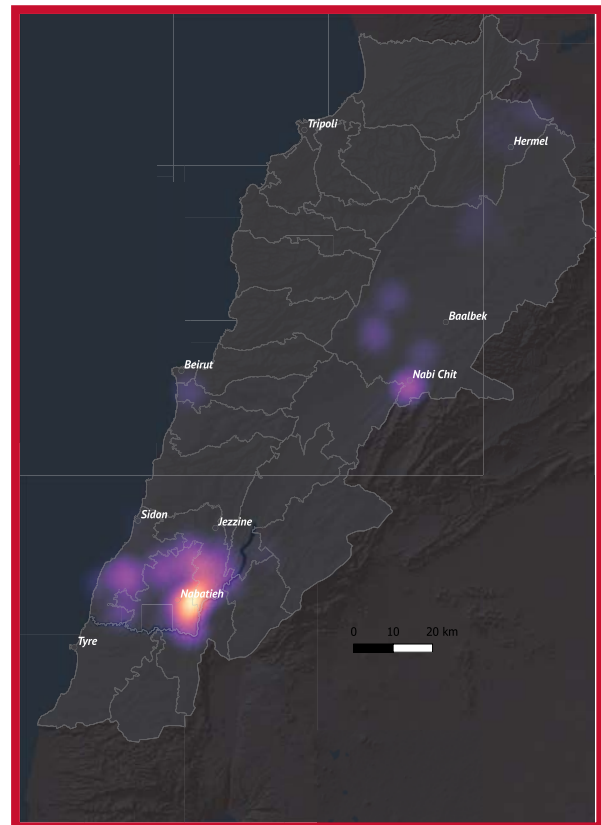
United States Treasury representatives meet with Lebanese officials to review anti-money laundering and counter-terrorism financing measures



Source: L'Orient Today

## Conflict Updates :

In September, Israeli strikes continued apace as the US expressed dissatisfaction with the pace of Lebanon's disarmament of Hezbollah, which has refused to cede control of its arsenal. Washington has been pushing a roadmap that calls for Lebanese authorities to disarm the group by the end of 2025, in exchange for Israel ending military operations in the country and withdrawing from five hilltops near the border with Israel.<sup>1</sup> The roadmap builds on the November 27, 2024 CoH between Israel and Lebanon, which calls for Hezbollah's disarmament – starting south of the Litani River – and stipulates that only official Lebanese military and security forces may bear arms.<sup>2</sup> Hezbollah interprets the CoH's provisions as applying only to arms south of the Litani.<sup>3</sup> Although the CoH prohibits offensive Israeli military actions, Tel Aviv has continued its campaign of airstrikes – reportedly backed by confidential US assurances<sup>4</sup> – in a bid to dismantle Hezbollah's military capacities and compel it to disarm.<sup>5</sup>



**Figure 1:** A heatmap of at least 497 Israeli strikes north of the Litani since the start of the CoH on November 27, 2024 through September 2025.

<sup>1</sup> Nida al-Watan, "بدء الوطن" تنشر النص الأصلي والحرفي لـ "ورقة براك" August 7, 2025

<sup>2</sup> The National, [Revealed: Full text of the Israel-Hezbollah ceasefire agreement](#) November 27, 2024

<sup>3</sup> Al Modon, [نعيم قاسم: نلتزم بالإبواء والإعمار... وسنكون إلى جانب سوريا](#) December 5, 2024

<sup>4</sup> Axios, [Israel and Lebanon agree on a ceasefire](#) November 26, 2024

<sup>5</sup> LCAT logs all Israeli airstrikes across Lebanon reported by Lebanon's National News Agency, *L'Orient Today*, and *Al-Mayadeen*. LCAT logged 76 airstrikes in September, 71 in August, 105 in July, 101 in June, 101 in May, 71 in April, 117 in March, 61 in February, 29 in January, 75 in December, and 11 from November 27 through 30. LCAT logged 76 strikes north of the Litani in July, 74 in June, 53 in May, 20 in April, 79 in March, 44 in February, 16 in January, 32 in December, and 7 from November 27 through 30.

On July 29, 2025, the *Times of Israel* reported that the Israeli military assessed that its military actions could potentially enable the disarmament of Hezbollah. *Times of Israel*, [IDF assesses successes against Hezbollah since ceasefire could lead to it disarming](#) July 28, 2025



On September 5, following weeks of mounting political tensions, the Council of Ministers convened to approve the LAF's plan to disarm Hezbollah, though the details are confidential. Following the meeting, Information Minister Paul Morcos said that the LAF has "operational discretion" for the plan's implementation.<sup>6</sup> The plan reportedly divides the disarmament process into five phases – starting south of Litani before moving onto other regions.<sup>7</sup> Although the plan does not stipulate any deadlines, on September 9 Foreign Minister Youssef Raggi stated that the first phase should take three months.<sup>8</sup> It is unclear how many Hezbollah arms caches south of the Litani the LAF has already dismantled. In April, Lebanese security sources told the media that 90% of Hezbollah's military infrastructure in this area had been dismantled.<sup>9</sup> However, in September, military sources put this figure at 60% to 70%.<sup>10</sup> The LAF's plan reportedly does not call for the use of force against Hezbollah, while reports emerged that LAF Commander in Chief Rodolphe Haykal had threatened to resign in protest against any proposal requiring the army to directly confront Hezbollah.<sup>11</sup>

The cabinet's adoption of the plan – which Speaker Nabih Berri described as "flexible"<sup>12</sup> – was reportedly the result of carefully crafted compromises between proponents of disarmament and Hezbollah.<sup>13</sup> Hezbollah has praised the government's September 5 decision. On September 19, Hezbollah Secretary-General Naim Qassem remarked that the government's decision averted strife, while his political advisor Hussein Khalil said that it forestalled any potential street protests by his party.<sup>14</sup> Nevertheless, Hezbollah has continued to reject the government's August 7 decision to authorize the organization's disarmament.<sup>15</sup>

The US has expressed dissatisfaction with the pace of Lebanon's efforts. On September 22, US Ambassador to Türkiye and Special Envoy for Syria Tom Barrack said that Lebanese leaders were merely talking about disarming Hezbollah, and warned that Israel would take military action if Lebanon does not follow through.<sup>16</sup> Since the cabinet's decision, US Deputy Special Envoy for the Middle East Morgan Ortagus has visited Lebanon twice for talks with the CoH Monitoring Committee – which comprises representatives of the Lebanese, US, and French militaries – but did not meet with any Lebanese political leaders. During her visit on September 21, Ortagus reportedly called for the LAF to speed up disarmament efforts.<sup>17</sup>

<sup>6</sup> Presidency of the Council of Ministers, [مقررات جلسة 5 أيلول 2025](#) September 5, 2025

<sup>7</sup> L'Orient Today, [L'Orient-Le Jour reveals the main elements of the Army's plan to monopolize weapons](#) September 5, 2025;

Al-Akhbar, [ربط نزاع بين الثنائي ورئيسي الجمهورية والحكومة: الجيش ينفذ الحكومة من الانفجار بطرح أفكار عامة](#) September 6, 2025

<sup>8</sup> AFP, [Lebanon to disarm Hezbollah near Israel border within 3 months: minister](#) September 9, 2025

<sup>9</sup> AFP, [Lebanese army dismantled 'over 90%' of Hezbollah sites near Israel, security official says](#) April 30, 2025

<sup>10</sup> Al-Modon, [اجتماع "بلا قرارات" للميكانيزم... والجيش اللبناني مستاء](#) September 21, 2025

<sup>11</sup> Al-Akhbar, [قائد الجيش: أستقبل ولا أسفك الدماء](#) August 29, 2025

The National, [Lebanese army chief raised prospect of stepping down over Hezbollah disarmament process, sources say](#) August 29, 2025

<sup>12</sup> Nida al-Watan, [أب القرار 5 أيلول بدء التنفيذ](#) September 6, 2025

<sup>13</sup> Al-Akhbar, [ربط نزاع بين الثنائي ورئيسي الجمهورية والحكومة: الجيش ينفذ الحكومة من الانفجار بطرح أفكار عامة](#) September 6, 2025;

L'Orient Today, [Lebanese-style compromise for army's disarmament plan: 'Well received' but not 'adopted'](#) September 6, 2025;

Asharq Al-Awsat, [الحكومة اللبنانية ترخّب بخطة الجيش لسحب سلاح "حزب الله" وتترك له حق التقدير العملائي](#) September 5, 2025

<sup>14</sup> Al-Manar, [كلمة الأمين العام لحزب الله سماحة الشيخ نعيم قاسم كاملة في ذكرى شهادة الحاج عبدالقادر ورفاقه](#) September 19, 2025;

National News Agency, [حسين خليل: التهديد الناجمة عن جلسة 5 أيلول جاءت بفعل تماسك الثنائي الوطني ومواقف الرئيس بري والحاضنة الشعبية الكبيرة وحكمة الجيش](#) September 15, 2025

<sup>15</sup> Al-Manar, [كلمة الأمين العام لحزب الله سماحة الشيخ نعيم قاسم كاملة في ذكرى شهادة الحاج عبدالقادر ورفاقه](#) September 19, 2025;

National News Agency, [قاسم دعا دول المنطقة الى دعم المقاومة وحدد 3 ركائز لنهضة لبنان: استراتيجياتية الأمن الوطني الطريق الوحيد للحل والعدوان على قطر خطير ومدان](#) September 10, 2025

<sup>16</sup> Sky News Arabia, [توم براك لـ"سكاى نيوز عربية": السلام في الشرق الأوسط وهم](#) September 22, 2025

<sup>17</sup> Al-Modon, [رسائل أورتاغوس الحدودية: "ميكانيزم" الضغوط على لبنان انطلق](#) September 8, 2025;

L'Orient Today, [Ortagus increases pressure in Lebanon: More action needed, fast](#) September 22, 2025



Earlier in the month, the US provided a USD 14.2 million aid package to the LAF earmarked for disarmament efforts.<sup>18</sup> The Trump administration also reportedly approved USD 190 million in aid for the LAF for the coming fiscal year, in line with last year's support.<sup>19</sup> Israel, for its part, has called on Lebanon to take concrete action, with Israeli Prime Minister Benjamin Netanyahu stating on September 26 that his country needed more than words from Lebanese leaders and warned that Israel would continue its military strikes against Hezbollah.<sup>20</sup>

Throughout September, Israel continued its bombing campaign, carrying out 76 airstrikes compared to 71 the previous month.<sup>21</sup> On September 18, Israel issued advanced strike alerts for the towns of Kfar Tebnit, Debbin, Chehabieh, and Bourj Qalaouiyeh – its most widespread evacuation warnings in southern Lebanon since the start of the CoH – prompting residents to flee.<sup>22</sup> On September 29, Israel targeted water tanker trucks near Ansar<sup>23</sup> and outside Nabatieh<sup>24</sup> – the first such attacks north of the Litani since the start of the CoH. In all, Israel conducted 52 strikes north of the Litani River<sup>25</sup> during the month, including targeting a construction equipment repair facility on September 3.<sup>26</sup>

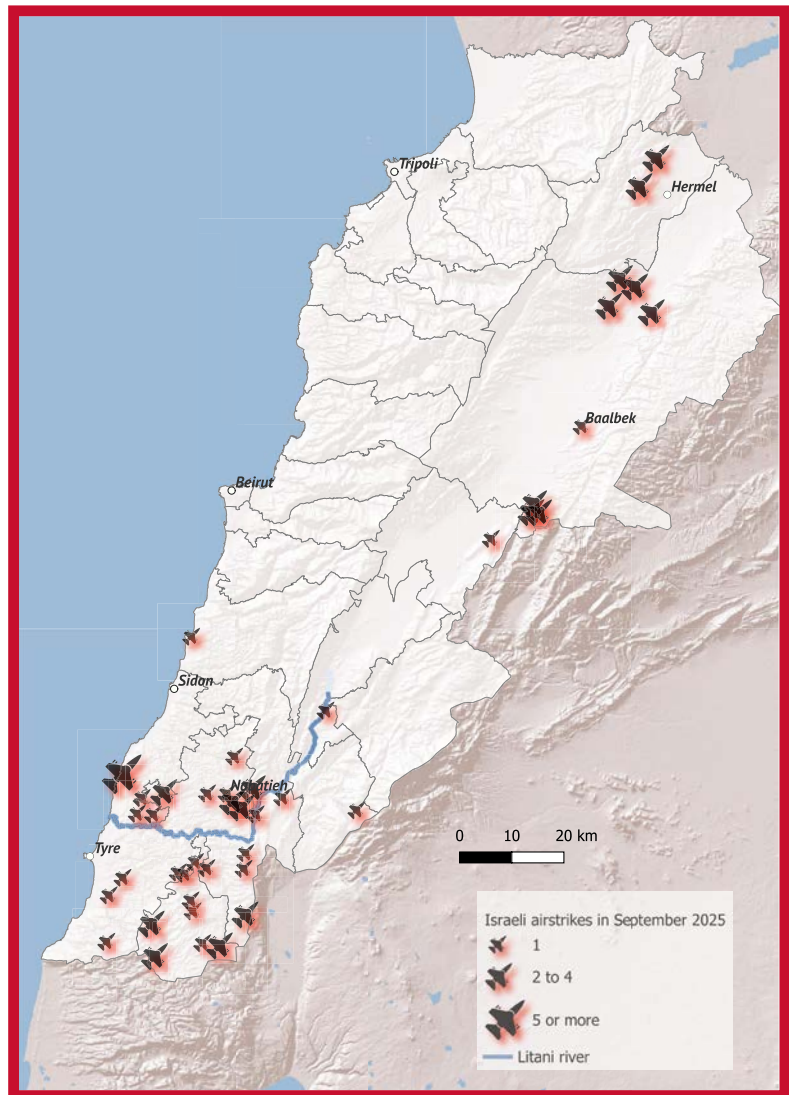


Figure 2: Locations of 76 Israeli airstrikes in Lebanon in September 2025.

<sup>18</sup> US Department of War, [Trump Administration Announces Security Assistance Package for Lebanon](#) September 10, 2025

<sup>19</sup> According to the US State Department, the US has so far disbursed USD 132.9 million in aid for the LAF in fiscal year 2024, as well as USD 9.1 million to supplement LAF soldiers' livelihoods. The Presidential Budget request in fiscal year 2024 for the LAF was USD 150 million.

Reuters, [US sends \\$230 million to Lebanon as it moves to disarm Hezbollah, sources say](#) October 3, 2025;

US State Department, [Foreign Assistance](#) September 30, 2025

<sup>20</sup> Times of Israel, [Full text of Netanyahu's speech: We won't let the world shove a terror state down our throat](#) September 26, 2025 <sup>21</sup> LCAT logs all Israeli airstrikes across Lebanon reported by Lebanon's National News Agency, *L'Orient Today*, and *Al-Mayadeen*. LCAT logged 76 airstrikes in September, 71 in August, 105 in July, 101 in June, 101 in May, 71 in April, 117 in March, 61 in February, 29 in January, 75 in December, and 11 from November 27 through 30. LCAT logged 76 strikes north of the Litani in July, 74 in June, 53 in May, 20 in April, 79 in March, 44 in February, 16 in January, 32 in December, and 7 from November 27 through 30.

<sup>22</sup> L'Orient Today, [Israel pummels south Lebanon. Aoun denounces 'silence, failure' of cease-fire guarantor countries that 'encourages attacks'](#) September 18, 2025;

National News Agency, [حركة نزوح من كفرتين باتجاه النبطية](#) September 18, 2025;

Al-Mayadeen via X, [@mayadeenlebanon](#) September 18, 2025

<sup>23</sup> National News Agency, [غارة معادية بين بلدتي كوثبة البرز وأنصار وإستهداف صهريج مياه في حي هونين ومعلومات عن اصابات](#) September 19, 2025

<sup>24</sup> National News Agency, [غارة معادية إستهدفت صهريج مياه على طريق بلدة النبطية الفوقا وإرتقاء شهيد](#) September 29, 2025

<sup>25</sup> LCAT logs all Israeli strikes north of the Litani river. Israel conducted 52 strikes north of the Litani in September, 44 in August, 76 in July, 74 in June, 53 in May, 20 in April, 79 in March, 44 in February, 16 in January, 32 in December and 7 from November 27 through 30.

<sup>26</sup> National News Agency, [شهيد في الغارة على أنصارية وعدلون والطيران الحربي المعادي إستهدف أيضا ساحة طبرجها](#) September 3, 2025;

L'Orient Today, [Fragile calm returns to South Lebanon following eight strikes in Saida region](#) September 4, 2025



Israel also struck a construction vehicle in Sohmor,<sup>27</sup> marking the first bombing of the western Bekaa town since the CoH began. In September, Israel conducted 14 targeted assassinations, including in Baalbek and Zarout (in the Chouf district), approximately 30 kilometers south of Beirut.<sup>28</sup> Israel’s strikes killed 27 and wounded 57 in September, bringing the death toll since the start of the CoH to at least 316.<sup>29</sup>

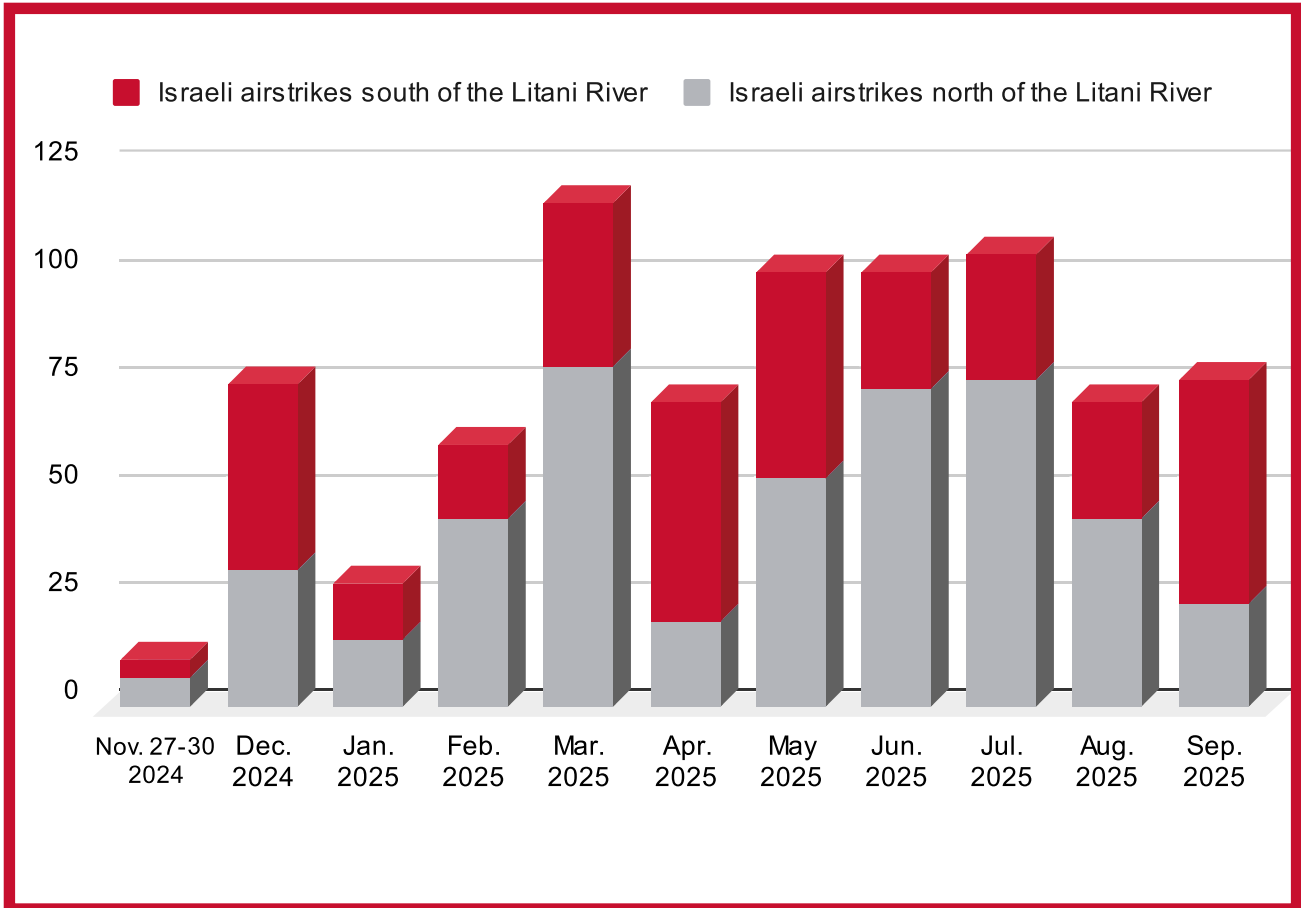


Figure 3: Israeli airstrikes in Lebanon since the CoH came into effect on November 27, 2024.

Apart from a single attack – two mortar rounds fired on December 2 at the contested Shebaa Farms area claimed by Lebanon, Israel, and Syria<sup>30</sup> – Hezbollah has otherwise deferred to the Lebanese state to pressure Israel to stop its military actions in Lebanon and withdraw from five Lebanese hilltops near the border. In an August 5 speech, Hezbollah’s Secretary General warned that his organization would retaliate against any widescale Israeli military offensive with rocket fire on Israel.<sup>31</sup>

<sup>27</sup> National News Agency, [غارة معادية على محيط سحمر استهدفت حفارة واستشهد سائقها](#), September 29, 2025

<sup>28</sup> LCAT logs all Israeli statements of targeted assassinations, cross-referencing them with Lebanese media reports.

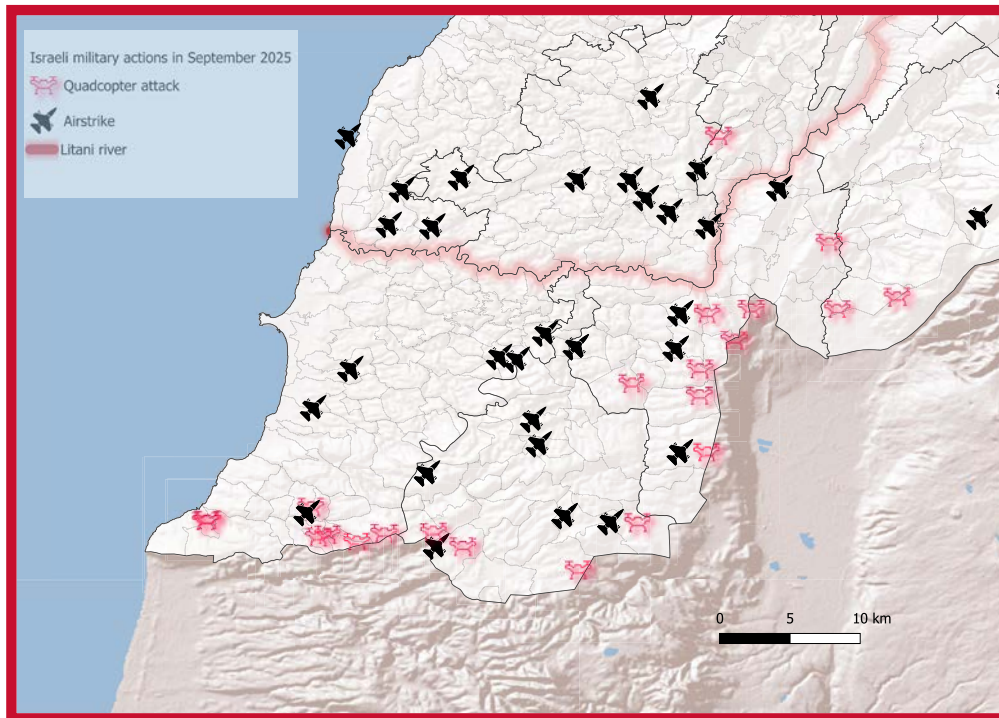
<sup>29</sup> LCAT logs all reports by the Lebanese Ministry of Public Health, National News Agency, *L’Orient Today*, and *Al-Mayadeen* of casualties caused by Israeli military actions. When reports differ between sources, LCAT uses figures reported by the Ministry of Public Health.

LCAT logged 27 deaths in September, 22 in August, 40 in July, 22 in June, 22 in May, 30 in April, 32 in March, 22 in February, 39 in January, 34 in December, and 26 between November 27 and November 30.

<sup>30</sup> *L’Orient Today*, [To whom do Shebaa Farms belong?](#) January 24, 2024;

National News Agency, [المقاومة الاسلامية: ردا على الخروقات الاسرائيلية](#), December 2, 2024

<sup>31</sup> National News Agency, [قاسم: إذا شنت إسرائيل حرباً جديدة على لبنان ستسقط الصواريخ عليها والعدوان هو المشكلة وليس السلاح ويجب الاسراع بانجاز التحقيقات في انفجار المرفأ بعيداً عن التسييس](#), August 5, 2025



**Figure 4:** Israeli airstrikes and quadcopter attacks in southern Lebanon in September 2025.

Israeli military actions in Lebanon's border regions continue to impede the return of internally displaced persons (IDPs) and hamper reconstruction efforts. Israel regularly conducts military actions in a vaguely delineated security strip on Lebanese territory along the border. On September 17, Hezbollah MP Hassan Fadlallah said that Israel had created a 100-square-kilometer buffer zone along the border.<sup>32</sup> In the past month, Israeli demolished at least nine structures in Lebanon along the border, including a school for children with special needs.<sup>33</sup> Israeli quadcopters also dropped small munitions within the border area at least 52 times, the highest monthly tally since the start of the CoH. Quadcopter attacks obstruct reconstruction efforts – explosives were dropped near construction equipment on at least four occasions.<sup>34</sup> Finally, Israeli attacks are an environmental and agricultural threat: on September 23, incendiary munitions fired by Israeli troops started a fire in olive groves outside Aita al-Shaab.<sup>35</sup> Israel also kept up its quadcopter attacks on the fishing wharf in Naqoura, dropping munitions on at least three separate occasions.<sup>36</sup>

As of May 31 (the most recent date for which data is available), 82,632 people remained displaced across Lebanon due to Israeli military action.<sup>37</sup> This represents a 16.5% drop since Israel completed its withdrawal from southern towns and villages on February 1, when there were 98,994 IDPs.<sup>38</sup>

<sup>32</sup> National News Agency, [النائب فضل الله أكد من مجلس النواب أن إسرائيل تقيم منطقة عازلة على طول الحدود الجنوبية: الحكومة ملزمة بإعادة الإعمار](#) September 17, 2025

<sup>33</sup> LCAT logs all reports of Israeli troops' demolitions of structures in Lebanon.

L'Orient Today, ['A crime against childhood': In Aita al-Shaab, Israel destroys a school for children with disabilities](#) September 12, 2025

<sup>34</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.

LCAT logged 52 such attacks in September, 40 in August, 29 in July, 21 in June, 31 in May, 20 in April, 17 in March, 7 in February, and 10 in January.

<sup>35</sup> National News Agency, [قنابل حارقة تشعل النيران في أجراج الزيتون بعيننا الشعب](#) September 23, 2025

<sup>36</sup> LCAT logs all Israeli quadcopter attacks reported by Lebanon's National News Agency, *L'Orient Today*, and *Al-Mayadeen*, noting when they have impacts on the environment or agribusiness sector.

<sup>37</sup> International Organization for Migration, [Mobility Snapshot - Round 87](#) June 5, 2025

<sup>38</sup> International Organization for Migration, [Mobility Snapshot - Round 77](#) February 20, 2025



Source: AFP

## Political Updates:

**On September 13, the Lebanese Armed Forces (LAF) completed the fourth phase of the Palestinian camps disarmament plan, taking possession of weapons from Fatah in Ain el-Hilweh and Beddawi.**<sup>39</sup> On September 15, Abdel Hadi al-Assadi, spokesperson for the Palestinian National Security Forces in Lebanon, stated that Palestine Liberation Organization-affiliated factions have fully implemented the May 21 agreement between Lebanese and Palestinian authorities.<sup>40</sup> This marks a milestone, given the symbolic value of Ain el-Hilweh.<sup>41</sup> However, Hamas – together with other Palestinian factions that are not parties to the May 21 agreement – favors a dialogue on the disarmament process through the Joint Palestinian Action Committee, one that would also encompass broader reforms for Palestinians across Lebanon.<sup>42</sup> Lebanese-Palestinian Dialogue Committee head Ramez Dimashkieh announced that the committee is currently in talks with Hamas. He said that the disarmament plan should not be predicated on civil or human rights reforms<sup>43</sup> and that an agreement with Hamas should be finalized by the end of September.<sup>44</sup>

**On September 25, Hezbollah supporters gathered in Raouche, a coastal neighborhood of Beirut, to commemorate the first anniversary of the assassination of the party's former secretaries-general Hassan Nasrallah and Hashem Safieddine.** The event drew condemnation and calls for investigations.<sup>45</sup> Attendees illuminated a coastal rock formation with images of the slain leaders and other Lebanese figures.<sup>46</sup>

<sup>39</sup> Al-Modon, [دلالات تسليم سلاح الفصائل في مخيم عين الحلوة إلى الجيش](#) September 13, 2025

<sup>40</sup> On May 21, Lebanese President Joseph Aoun and Palestinian President Mahmoud Abbas agreed to disarm Palestinian refugee camps and ensure that Lebanese territory is not used by armed Palestinian groups for military purposes. Prime Minister Nawaf Salam endorsed the agreement, met with the Lebanese-Palestinian Dialogue Committee, and announced that a disarmament plan existed. Hamas rejected the initiative, saying it represents only the Palestinian Authority and no other factions in Lebanon.

Mercy Corps Lebanon, [LCAT May 2025 Crisis Update](#) June 3, 2025;

Lebanese Broadcasting Corporation International, [فصائل منظمة التحرير الفلسطينية نفذت أوامر الرئيس عباس وسلمت كل سلاحها الثقيل](#), September 15, 2025

<sup>41</sup> Ain el-Hilweh is the largest refugee camp in Lebanon. Home to more than 70,000 Palestinians, it is of both historical and symbolic significance. It hosts most Palestinian factions currently active in Lebanon and has been the site of several armed confrontations over the past decade.

<sup>42</sup> El-Nashra, [سلاح المخيمات بين فتح وحماس: تسليم أممي... ومواجهة سياسية](#) September 15, 2025

<sup>43</sup> Lebanon Files, [ماذا دار بين دمشقية و"حماس" حول سلاح المخيمات؟](#) September 15, 2025

<sup>44</sup> Al-Sharq al-Awsat, [مخيم "عين الحلوة" الفلسطيني في جنوب لبنان يبدأ تسليم السلاح](#) September 13, 2025

<sup>45</sup> National News Agency, ["حزب الله" احيا في الروشة الذكرى الأولى لاستشهاد نصر الله وصفى الدين واذاء الصخرة بصورتيهما وبالعالم اللبناني](#) September 25, 2025

<sup>46</sup> Janoubia, [إعطاء إذن للتجمع لإحياء ذكرى اغتيال نصر الله مقابل صخرة الروشة](#) September 24, 2025



Prime Minister Nawaf Salam condemned the display, deeming it a “a clear violation of the content of the permit granted by the Governor of Beirut to the organizers of the gathering” and a challenge to the government’s authority. Salam tasked the defense, justice, and interior ministers with “taking appropriate measures” and arresting the perpetrators.<sup>47</sup> On September 26, Minister of Interior Ahmed al-Hajjar announced that an investigation had been launched to identify those responsible.<sup>48</sup>

**On September 9, following the visit of a Syrian delegation earlier in the month, a Lebanese delegation traveled to Damascus to meet with Syrian officials<sup>49</sup> to discuss the fate of some 2,600 Syrian detainees in Lebanon.<sup>50</sup>** Syrian officials called on Lebanon to release political detainees who opposed the Assad regime, who have not committed a crime in Lebanon, and who have not targeted the LAF.<sup>51</sup> The talks also covered refugee returns, border controls, and curbing Captagon smuggling.<sup>52</sup> On October 1, during a follow-up meeting in Beirut, both delegations reaffirmed their commitment to address all aforementioned issues. Deputy Prime Minister Tarek Mitri also requested information about assassinations in Lebanon during the Assad regime era.<sup>53</sup> Lebanon’s National Commission for the Missing and Forcibly Disappeared criticized its exclusion from the delegation despite being the only legally mandated body to address missing persons cases, warning that doing so undermines the credibility of the process.<sup>54</sup>

<sup>47</sup> Prime Minister Nawaf Salam via X, [@nawafsalam](#) September 25, 2025

<sup>48</sup> Shahan News, [لبنان يفتح تحقيقاً في حرق محتفل للقانون بصخرة الروشة](#) September 29, 2025

<sup>49</sup> Enab Baladi, [Syrian-Lebanese agreement to activate and rehabilitate border crossings](#) September 10, 2025

<sup>50</sup> Al Modon, [تفاصيل اللقاء اللبناني - السوري: "سلمونا جميع الموقوفين"](#) September 9, 2025

<sup>51</sup> L'Orient Today, [Lebanon's National Commission for the Disappeared demands representation in talks with Damascus](#) September 10, 2025

<sup>52</sup> Asharq Al-Awsat, [إجتماعات لبنانية سورية تبدأ لحلّ القضايا المعقدة](#) September 9, 2025

<sup>53</sup> Alaraby, [أجواء إيجابية للقاءات الوفد السوري في لبنان: تقدم في ملف الموقوفين](#) October 2, 2025

<sup>54</sup> L'Orient Today, [Lebanon's National Commission for the Disappeared demands representation in talks with Damascus](#) September 10, 2025



Source: L'Orient Le Jour

## Economic Updates:

On September 22, the Council of Ministers approved the 2026 draft budget, which totals USD 5.65 billion. This represents an 18.2% increase over the 2025 budget (forecast at USD 4.77 billion)<sup>55</sup> and a 64.2% increase over 2024 (USD 3.44 billion).<sup>56</sup> Like its two predecessors, it is a balanced budget. Rather than introducing new taxes, the 2026 budget focuses on boosting tax collection and combating tax evasion through expanding the tax base, enforcing compliance, and strengthening revenue forecasting to maintain fiscal balance.<sup>57</sup>

### Government Priorities in the 2026 Draft Budget

The government appears to view the 2026 budget primarily as a tool to address tax evasion and improve collection efficiency, while largely excluding broader reforms to the tax system, the public sector, and government spending. Despite government claims of “no new taxes”, the 2026 draft budget<sup>58</sup> includes multiple revenue-raising measures. Among these are a new 3% withholding tax (Articles 29, 30, and 31) that effectively functions as an additional value-added tax (VAT) without clear reimbursement mechanisms,<sup>59</sup> revised VAT and income tax provisions (Articles 33, 36, and 37), 25-fold increases for certain fines (Articles 16 and 17), and a new indirect tax on legal document processing.<sup>60</sup> The Lebanese Economic Bodies warn that the 3% withholding tax could undermine businesses, incentivize tax evasion, and trigger inflation of up to 5%.<sup>61</sup>

Support for civilian and military public sector employees and retirees consists of the limited integration of benefits into base salaries and adjusted family allowances, among other measures, although further appropriations may be considered once the budget is approved.<sup>62</sup>

<sup>55</sup> L'Orient Today, [Government continues review of 2026 draft budget](#) September 18, 2025

<sup>56</sup> The 2024, 2025, and 2026 budgets are the first since 2002 to be submitted on time. Despite some year-to-year changes, all three share common weaknesses: heavy reliance on indirect taxes, limited investments in infrastructure and public services, a focus on short term operational costs, and a lack of genuine fiscal reform.; Mercy Corps Lebanon, [Lebanon's 2024 Budget: Austerity and Regressive Taxes](#) May 23, 2024

<sup>57</sup> L'Orient Today, [Cabinet approves 2026 budget](#) September 23, 2025

<sup>58</sup> Ministry of Finance, [المواد القانونية والأسباب الموجبة لمشروع قانون الموازنة العامة عام 2026](#)

<sup>59</sup> The 3% tax can be levied on imports through customs, certain transactions with the state and public sector legal entities, and other, private-sector transactions. The tax will be withheld and paid to the treasury and then deducted from the taxpayer's income tax when they file their income statement. Information Minister Paul Morcos stated that this tax will target taxpayers who failed to declare their income information or meet their tax obligations over the previous three years.; L'Orient Today, [Cabinet approves 2026 budget](#) September 23, 2025

<sup>60</sup> Al-Modon, [2026 موازنة... هذا ما تخفيه موازنة 2026](#) September 21, 2025

<sup>61</sup> National News Agency, [الهبات الاقتصادية: رسم الـ3% الوارد بالمادة 31 من مشروع موازنة سيكون له انعكاسات تضخمية على المواطنين](#) September 21, 2025

<sup>62</sup> The 2026 budget bill includes a provision to improve pensions for retired military personnel, after a delegation from the Association of Veterans met with PM Salam and reached an agreement prompting the exception in the budget.; L'Orient Today, [Cabinet approves 2026 budget](#) September 23, 2025;

National News Agency, [رابطه قداما القوى المسلحة واتفاق من 6 نقاط ولجنة للرواتب والأجور](#) September 22, 2025;

Al-Markazia, [مجلس الوزراء اقر موازنة العام 2026.. ولا تصحيح لرواتب القطاع العام](#) September 22, 2025



The Public Administration Employees Association criticized the decision to finance these modest increases through higher customs duties, arguing that this approach burdens all citizens with additional taxes while pitting employees against public opinion.<sup>63</sup>

Long-term investment remains critically underfunded, accounting for only 11% of total spending. Although it includes USD 50 million for the “Aman” program supporting low-income families, and appropriations for healthcare, education, and the Lebanese University, infrastructure projects for electricity, water, and agriculture will have to rely entirely on external donors such as the World Bank.<sup>64</sup> There is also no mention of war reconstruction costs – estimated at USD 4 billion<sup>65</sup> – or of resolving the banking crisis. Media reports suggest that Central Bank Governor Karim Souaid may soon present a proposal to restructure and reallocate financial sector losses.<sup>66</sup>

**On September 12, the Central Bank released its first semiannual macroeconomic report.** It estimates Lebanon’s 2024 GDP to have been USD 28 billion, a contraction of 6.4% in comparison with 2023. No forecast was issued for 2025, although the World Bank predicts growth of 4.7%. The 2026 draft budget predicts GDP in 2025 will be USD 32.78 billion and USD 36.3 billion in 2026. In June 2025, general inflation had fallen 15% year-on-year (from 41.8% in June 2024), while core inflation remained high at 16.4%, reflecting ongoing domestic price instabilities.<sup>67</sup>

The report shows that Lebanon has made little financial headway since the 2019 financial crisis. The Central Bank noted that all of the circulars it has issued since then have provided only USD 4.2 billion in fresh liquidity<sup>68</sup> – roughly 5% of the approximate USD 90 billion sitting in trapped deposits.<sup>69</sup> Electronic money transfers grew by 133% between 2019 and 2024, (from USD 1.2 billion to USD 2.8 billion), reflecting increased reliance on a cash economy.<sup>70</sup>

Foreign currency reserves rose to USD 11.3 billion and gold reserves to USD 30.3 billion, primarily through currency market operations and gold reevaluation. However, the Central Bank warned that rising global interest rates may threaten the country’s debt restructuring efforts, particularly since Lebanon’s has already suspended bond payments.<sup>71</sup>

**On September 25, a delegation from the US Treasury Department met with Lebanese government and banking officials.** The delegation reviewed measures by Lebanese institutions to curb Hezbollah-linked financing and strengthen the country’s anti-money laundering and counterterrorism efforts, which could help remove Lebanon from the Financial Action Task Force’s gray list. The delegation’s visit also underscored that Lebanon’s informal cash economy, accounts for nearly 50% of GDP, is a hotspot for illicit financial practices, including corruption, tax evasion, and Hezbollah-linked flows.<sup>72</sup>

<sup>63</sup> National News Agency [تجمع موظفي الإدارة العامة رفض مشروع الموازنة وأعلن التوقف عن العمل يومين تحذيريا](#) September 12, 2025

<sup>64</sup> Four World Bank loan agreements separate from the 2026 budget law bill were approved to strengthen investment in the electricity sector, including USD 250 million for transmission networks, control rooms, and booster stations, as partial support for efforts to restructure Electricité du Liban. In the water sector, USD 257 million were allocated to complete tunnel projects and secure sufficient water services for Beirut. The agricultural sector will receive USD 200 million, including USD 50 million in loans for farmers and agricultural companies.

CNBC Arabia, [لا ضرائب جديدة ولا تصحيح للرواتب.. مجلس الوزراء اللبناني يقر مشروع موازنة 2026](#) September 22, 2025

<sup>65</sup> CNBC Arabia, [لا ضرائب جديدة ولا تصحيح للرواتب.. مجلس الوزراء اللبناني يقر مشروع موازنة 2026](#) September 22, 2025

<sup>66</sup> L’Orient Today, [Souhaid submits initial proposals to cut the crisis bill by 40%](#) September 26, 2025

<sup>67</sup> Banque du Liban, [Macroeconomic Review](#) September 22, 2025

<sup>68</sup> L’Orient Today, [BDL estimates Lebanese GDP at \\$28 billion in 2024](#) September 12, 2025

<sup>69</sup> The National, [Lebanon’s bank customers won’t see the \\$93 billion they are owed ‘any time soon’](#) April 16, 2025

<sup>70</sup> L’Orient Today, [BDL estimates Lebanese GDP at \\$28 billion in 2024](#) September 12, 2025

<sup>71</sup> Reuters, [المصرف المركزي: ارتفاع الفائدة عالميا يعقد جهود لبنان لإعادة هيكلة ديون السندات الدولية](#) September 12, 2025

<sup>72</sup> L’Orient Today, [US Treasury arrives in Beirut, with Hezbollah’s funds in its sight](#) September 25, 2025



## Access to Services:

**On September 23, Minister of Energy and Water Joe Sadi signed agreements with CMA CGM to develop solar farms in Mount Lebanon, the North, and the Bekaa.** The three farms are expected to generate a combined total of 45 megawatts. This would be enough to power over 22,000 homes, cut Lebanon's annual carbon emissions by more than 45,000 tons, and produce electricity more cheaply than Electricité du Liban.<sup>73</sup> Critics question the project's viability, pointing to uncertain production and transmission projections, funding challenges, and Lebanon's deteriorating electricity infrastructure.<sup>74</sup>

**On September 23, Minister of Economy and Trade Amer Bisat issued a memorandum to all private generator owners** that requires them to install electricity consumption meters, comply with official pricing standards, maintain continuous supply, meet environmental standards, and cooperate with regulatory agencies. He warned that any violations after the 45-day deadline could lead to citations, confiscation of generators, and referral to the judiciary.<sup>75</sup>

<sup>73</sup> National News Agency, [توقيع عقود شراء طاقة بين وزارة الطاقة و CMA CGM لإنشاء مزارع طاقة شمسية](#) September 23, 2025

<sup>74</sup> Al-Modon, [ستحجب رخص الطاقة الشمسية من الدرج: الدلو مثقوب](#) September 23, 2025

<sup>75</sup> National News Agency, [وزير الاقتصاد لأصحاب المولدات الخاصة : بعد انتهاء مهلة ال45 يوما ستتخذ إجراءات وعقوبات صارمة بحق أي مخالف](#) September 23, 2025



## Looking Forward:

- The US will likely ratchet up pressure on the Lebanese government to disarm Hezbollah – which is strongly resisting such a move – raising the prospects of Israeli escalation and internal unrest. On October 6, the LAF is expected to submit its first monthly report<sup>76</sup> on its disarmament efforts to the Council of Ministers.<sup>77</sup> US envoy Ortagus will reportedly return to Lebanon on October 14, to once again meet with the CoH Monitoring Committee. It is unclear whether she will also meet political officials.<sup>78</sup> The LAF may not be able to complete the first phase of the disarmament plan south of the Litani before the end of 2025. On September 18, the LAF stated that Israeli military actions are hindering its ability to deploy in the border region and implement the plan.<sup>79</sup> Lebanese leaders could attempt to leverage the LAF's potential difficulties in completing disarmament south of the Litani to get US mediators to pressure Israel to reduce or halt its attacks in southern Lebanon and withdraw from the hilltops near the border. However, Washington's reported dissatisfaction with the perceived lack of Lebanese state action will likely only grow if disarmament efforts stall, which could pave the way for Israel to escalate its strikes. US Senator Lindsey Graham – who joined envoys Barrack and Ortagus for their trip to Beirut in August – said on September 19 that Washington could issue a 60-day deadline for Hezbollah to disarm.<sup>80</sup> Graham's remark is reminiscent of the 60-day ultimatum that the US issued in mid-April for Tehran to reach a nuclear deal.<sup>81</sup> Humanitarian actors should not discount the possibility of a widescale Israeli military campaign in Lebanon, especially if the LAF's disarmament efforts do not progress by year's end. With few resources at its disposal to prevent an escalation, Lebanon's government might attempt to ease US diplomatic pressure and forestall any potential Israeli campaign by ordering a symbolic and limited measure regarding Hezbollah's arms north of the Litani. Whether such a move would prove effective is unclear. It would likely prompt Hezbollah to counter with street protests, albeit ones calibrated to avoid widescale civil strife. Furthermore, Tel Aviv is unlikely to look favorably on token disarmament actions, as it has repeatedly made clear its intent to prevent Hezbollah from presenting a threat to Israel.
- In addition to encouraging voluntary returns by displaced Syrian nationals – Lebanese authorities have never formally recognized them as “refugees” – the government is discussing revoking their “displaced” designation. Proponents argue that conditions in Syria have improved and no longer justify this status, and that those meeting legal requirements can obtain work permits and residency.<sup>82</sup> However, removing this designation would strip Syrians of special humanitarian status under Lebanese law, treating them simply as foreign nationals.

<sup>76</sup> National News Agency, [مقرص: مجلس الوزراء استمع الى خطة الجيش ورحب بها والرئيس عون جدد ادانته للاعتداءات الإسرائيلية واعتبر قرار التجديد لليونيفيل بمثابة انتصار](#) لبنان September 5, 2025;

Presidency of the Council of Ministers, [مقررات جلسة 5 أيلول 2025](#) September 5, 2025

<sup>77</sup> National News Agency, [اللواء: بيروت تدعم توجهات رئيس الحكومة... ووسلام يؤكد على حصرية السلاح وإجراء الانتخابات](#) October 2, 2025

<sup>78</sup> Nida al-Watan, [أيلول: انقلاب جزء من الدولة على الدولة 25](#) September 26, 2025

<sup>79</sup> Lebanese Armed Forces, [العدو الإسرائيلي يواصل خروقاته التي فاق عددها 4500 خرقًا، واستمراره في اعتداءاته سيتسبب في عرقلة تنفيذ خطة الجيش ابتداء من منطقة جنوب الليطاني](#) September 18, 2025

<sup>80</sup> L'Orient Today, [U.S. poised to let Israel 'do what it needs' if Hezbollah refuses to disarm](#) September 20, 2025

<sup>81</sup> CNN, [Trump warns Iran to agree to a deal 'before there is nothing left'](#) June 13, 2025

<sup>82</sup> Al Arabiya, [لبنان تُسقط صفة "نازح" عن السوريين..ومراجعة لشروط الإقامة](#) September 17, 2025



Since many lack the documentation, means, or Lebanese sponsorship required for legal residency, large numbers could be pushed into irregular status. While their UNHCR refugee certificates would remain valid within the UN system, they could lose practical recognition by Lebanese authorities. This could shrink tolerance for Syrians and weaken humanitarian organizations' advocacy efforts. The humanitarian sector should anticipate increased difficulty in outreach and service provision, as fear of deportation may deter Syrians from seeking aid.

- The September 29 parliamentary session underscores the growing impact that political divisions have on legislative work as tensions rise in Lebanon. That session ended after losing quorum, with MPs walking out of the chamber after amendments to the electoral law were not placed on the legislative agenda.<sup>83</sup> One day later, the same issue prevented the session from convening.<sup>84</sup> Opposing parliamentary blocs disagree over how to amend the current electoral law to facilitate expatriate voting – Lebanese were only able to vote abroad in 2018 and 2022 because the electoral law was amended. Legislative actions would also be necessary to implement the current version of the law as six expatriate districts – one for each continent – would need to be established.<sup>85,86</sup> Despite the urgency – Minister of Interior Ahmad al-Hajjar announced elections would be held as scheduled in May 2026, with expatriate registration ending November 20, 2025<sup>87</sup> – the parliament faces the very real possibility of a slowdown or even paralysis. Some parties likely believe this plays to their advantage. The incentives to engage in such politicking are high. Legislative gridlock, if it comes to pass, could delay the adoption of political and economic reforms key to unlocking international financial assistance.<sup>88</sup>

<sup>83</sup> National News Agency, [فقدان نصاب الجلسة التشريعية ويرى يدعو إلى جلسة جديدة غدا لاستكمال جدول الأعمال](#), September 29, 2025;

National News Agency, [الجلسة التشريعية: سجال في شأن قانون الانتخابات وإصرار على طرحه ويرى دعا إلى عدم تجاوز "الحالي"](#), September 29, 2025

<sup>84</sup> Lebanon 24, [يسبب عدم اكتمال النصاب.. يرى يرفع الجلسة التشريعية](#), September 30, 2025

<sup>85</sup> L'Orient Today, [Is Lebanon afraid of its diaspora?](#) July 1, 2025;

Al-Sharq al-Awsat, [Fear of Losing Seats Drives Resistance to Reforming Expat Voting Law in Lebanon](#) July 3, 2025;

National News Agency, [الجلسة التشريعية: سجال في شأن قانون الانتخابات وإصرار على طرحه ويرى دعا إلى عدم تجاوز "الحالي"](#), September 29, 2025

<sup>86</sup> The Lebanese Forces, Kataeb, and Change Movement MP's support permanently amending the law to allow expats to vote in their home districts, similar to the 2018 and 2022 parliamentary elections. The Free Patriotic Movement, Hezbollah, and Amal Movement favor applying the current version of the law, under which expatriates vote for a seat corresponding to the continent on which they reside.

The ACE Electoral Knowledge Network, [Lebanon, Law No.44, Parliamentary Elections, \(2017\)](#) June 17, 2017;

Lebanon 24, [يسبب عدم اكتمال النصاب.. يرى يرفع الجلسة التشريعية](#), September 30, 2025;

National News Agency, [الجلسة التشريعية: سجال في شأن قانون الانتخابات وإصرار على طرحه ويرى دعا إلى عدم تجاوز "الحالي"](#), September 29, 2025;

L'Orient Today, [Is Lebanon afraid of its diaspora?](#) July 1, 2025

<sup>87</sup> National News Agency, [الحجار من مجلس النواب: ملتزمون بإجراء الانتخابات في أيار وتسجيل المغتربين ينتهي في 20 تشرين الثاني](#), September 29, 2025

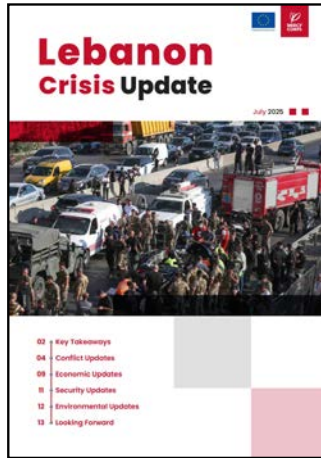
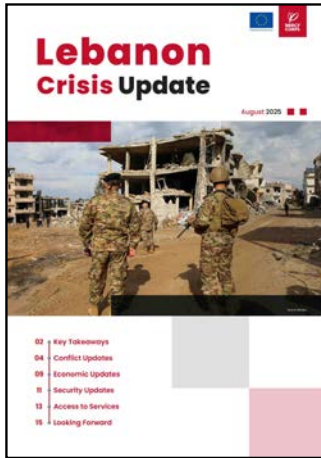
Annahar, [جلسة مجلس النواب: لا نصاب ولا تشريع... والصراع على الانتخاب يهدد الاستحقاق](#), September 30, 2025;

<sup>88</sup> El-Nashra, [عدوان: القوانين التي أقرت بالأمس نافذة وهناك أكثرية من النواب تريد البحث بالتعديلات على قانون الانتخاب](#), September 30, 2025;

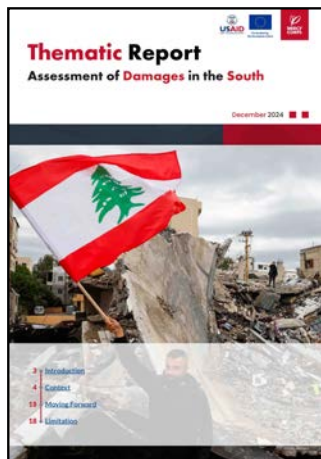
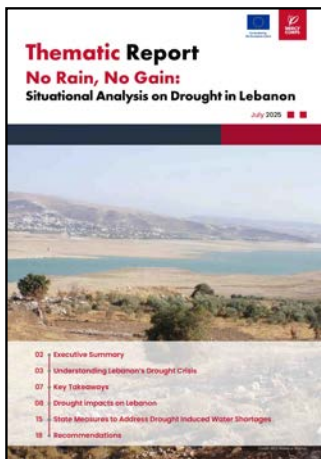
Lebanon 24, [يسبب عدم اكتمال النصاب.. يرى يرفع الجلسة التشريعية](#), September 30, 2025



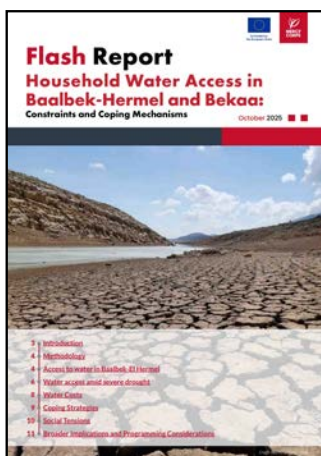
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