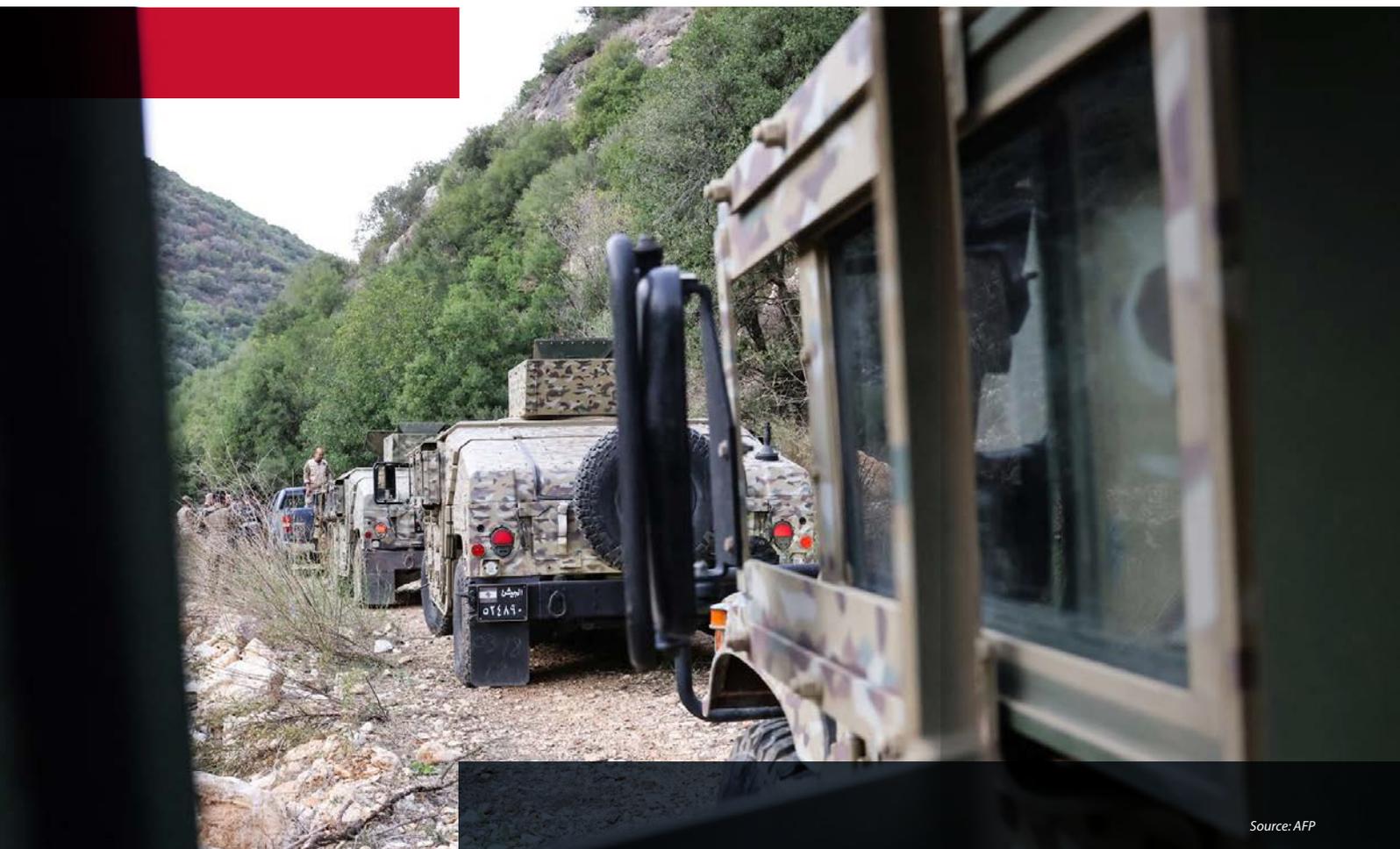


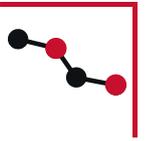
Lebanon Crisis Update

December 2025



Source: AFP

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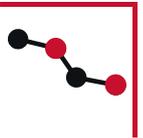


The Monthly Lebanon Crisis Update provides an overview of economic and political developments to alert the international aid response to new and emerging challenges that could impact the humanitarian situation in Lebanon. In the context of the multiple crises affecting Lebanon, the update tracks the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

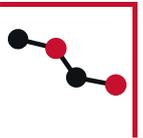
This study/report is made possible by the support of the European Union Humanitarian Aid. The contents of this report are the sole responsibility of the LCAT and do not necessarily reflect the views of the European Union.





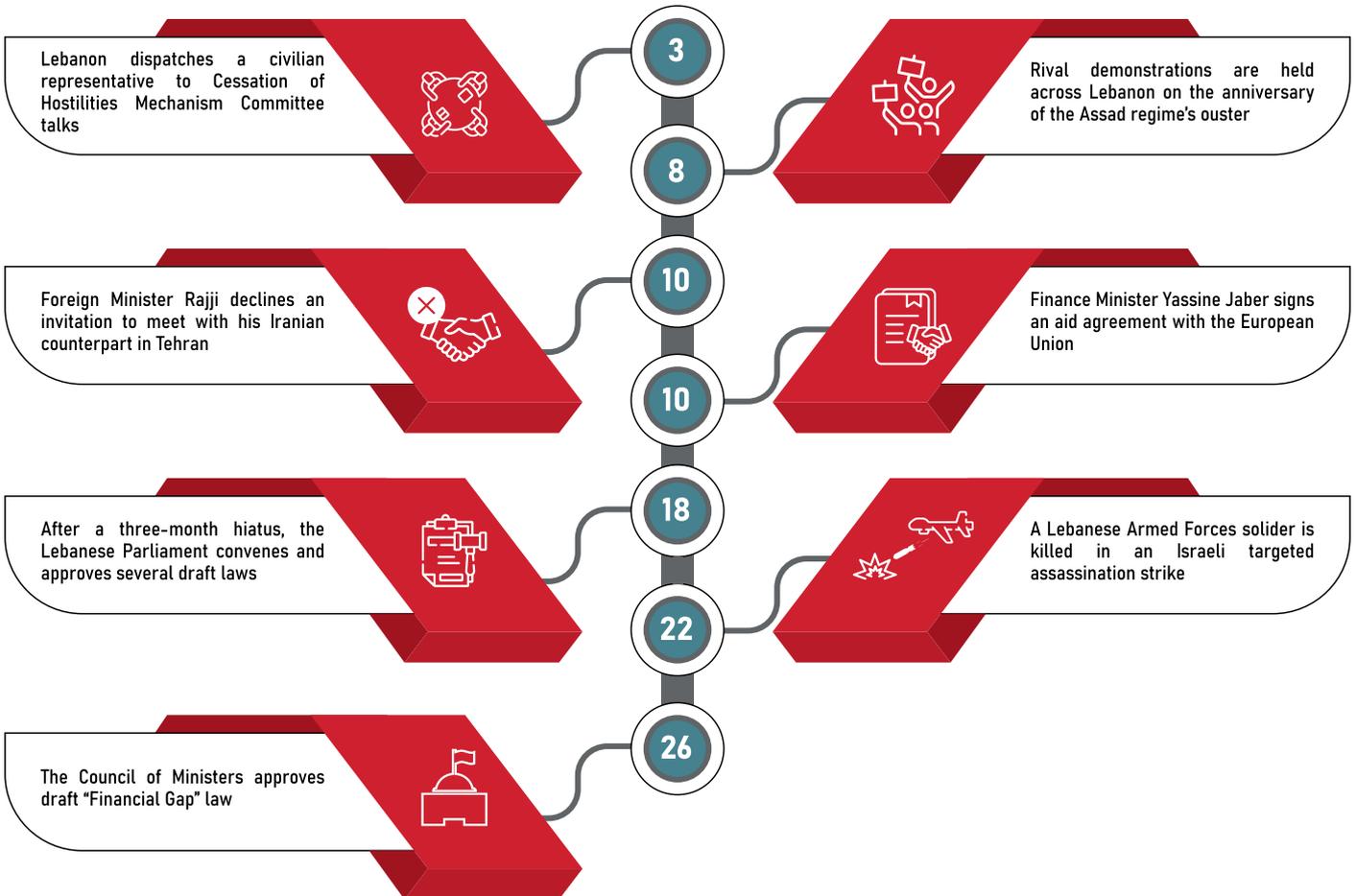
Key Takeaways:

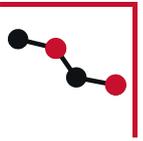
- The Lebanese Armed Forces (LAF) announced that it had completed the first phase of Hezbollah disarmament south of the Litani River, though prospects for countrywide disarmament are uncertain. Hezbollah continues to reject calls to hand over their arms under conditions favored by US and Israel, favoring instead a dialogue over a national defense strategy. Although newly launched US-mediated talks between Israeli and Lebanese civilian representatives offer a potential pathway for defusing tensions, they have gotten off to a faltering start. Meanwhile, Israel is expected to continue military action in Lebanon, amid concerns of escalation.
- Israel conducted 72 bombing raids targeting Lebanon in December, including 12 targeted assassinations, a modest decline compared to November. One of these claimed the life of an LAF soldier, who Israel alleged was working with Hezbollah, a claim the LAF denied.
- Having reached quorum for the first time in nearly three months, the Lebanese parliament passed seven laws, including two approving World Bank loans totaling some 500 million US dollars (USD). The first, for USD 250 million, will fund southern reconstruction through the Lebanon Emergency Assistance Project (LEAP) project, aimed at restoring essential services and infrastructure in areas most affected by Israeli military action. A second USD 258 million loan expands a water provisioning project in Beirut.
- Nearly 874,000 people in Lebanon face high acute food insecurity, a figure expected to climb to 961,000 by mid-2026 fueled by displacement pressures and economic instability. According to the Integrated Food Security Phase Classification (IPC), most Lebanese residents experiencing “Crisis” (Phase 3) levels of food insecurity are in Akkar and Baalbek. However, displaced Syrian nationals are among the most affected by food insecurity, particularly post-2024 arrivals who are increasingly experiencing “Emergency” (Phase 4) conditions.
- The European Union (EU) released the first tranche of a 132-million-euro (EUR) security and stability aid package to Lebanon. This first batch of aid – totaling EUR 55 million – is aimed at bolstering Internal Security Forces operational capacity to counter organized crime, terrorism, and smuggling, as well as strengthening border security.



2025

DECEMBER





Source: AFP

Conflict Updates :

In early January, the LAF announced that it had completed the first phase of Hezbollah disarmament south of the Litani River. Lebanon is now at a critical juncture regarding disarmament measures elsewhere, amid opposition from Hezbollah and international pressure. The announcement comes within a month of Lebanon and Israel appointing civilians to their respective Cessation of Hostilities (CoH) Mechanism delegations – a symbolic gesture that has been interpreted as signaling some openness to more significant diplomatic engagement. For its part, Tel Aviv slightly reduced the pace of its December military operations in Lebanon.

Since summer 2025, Washington has promoted a roadmap that calls for Lebanese authorities to disarm Hezbollah nationwide in exchange for Israel ending its military operations in Lebanon and withdrawing from several hilltops near the Lebanese-Israeli border.¹ On September 5, the Council of Ministers approved a confidential LAF disarmament plan that reportedly sets out a five-stage process – without timetables – starting south of the Litani River.² It apparently does not stipulate the use of force against Hezbollah,³ and builds on the November 27, 2024 CoH that calls for a disarmament process starting south of the Litani.⁴ Although the CoH prohibits offensive Israeli military actions, Tel Aviv has continued its campaign of airstrikes – reportedly backed by confidential US assurances⁵ – in a bid to dismantle Hezbollah’s military capacities and compel the group to disarm.⁶

¹ Nida al-Watan, «نداء الوطن» تنشر النص الأصلي والحرفي لـ «ورقة براك» August 7, 2025

² Presidency of the Council of Ministers, مقاربات جلسة 5 أيلول 2025 September 5, 2025;

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

³ National News Agency, متري: الجيش لا يريد استعمال القوة ضد أي فئة وسيقدم تقريرا شهريا عن تنفيذ الخطة September 18, 2025;

Al-Modon, الجيش اللبناني على خطي النار الأمني... والسياسي October 9, 2025

⁴ The National, Revealed: Full text of the Israel-Hezbollah ceasefire agreement November 27, 2024

⁵ Axios, Israel and Lebanon agree on a ceasefire November 26, 2024

⁶ 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 29, 2025



Under mounting international pressure to dismantle Hezbollah's arsenal, the LAF announced on January 8 that disarmament efforts had reached an "advanced stage" and that the army had realized "effective and tangible achievement of objectives" in the first phase of disarmament.⁷ The Council of Ministers met the same day to receive an update from LAF Commander in Chief Rodolphe Haykal and to discuss next steps.⁸ In late December, Prime Minister Nawaf Salam stated that Lebanon was prepared to tackle the next stage of disarmament north of the Litani.⁹ Hezbollah Secretary-General Naim Qassem reiterated his group's opposition to disarmament north of the Litani at the behest of the US and Israel.¹⁰ Israel, for its part, has warned that it would intensify its strikes if disarmament were prolonged, claiming Hezbollah has been rearming.¹¹ Israel is also reportedly skeptical about the thoroughness of the LAF's efforts, demanding that the army inspect private residences for weapons.¹²

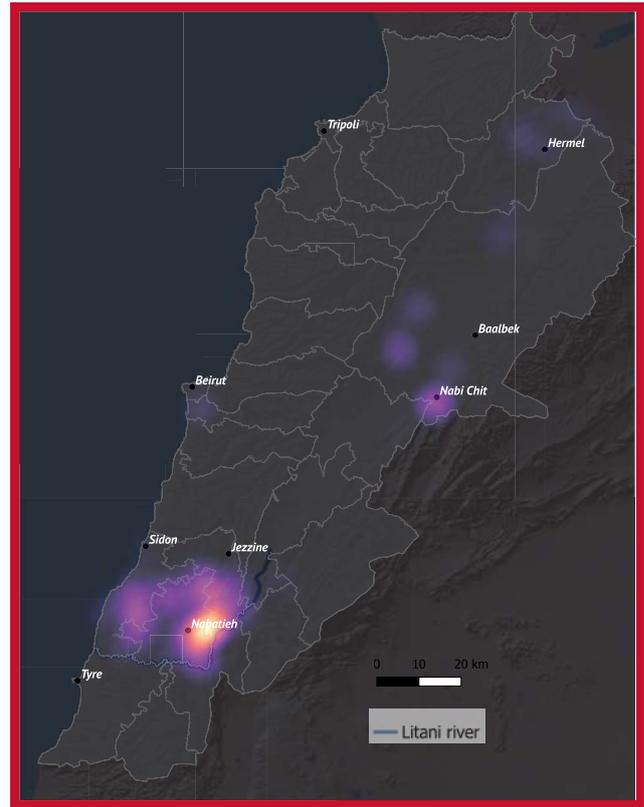


Figure 1: A heatmap of 673 Israeli strikes north of the Litani since the start of the CoH on November 27, 2024 through December 2025.

While the LAF has reportedly objected to house searches without warrants, in the past month it has conducted inspections in coordination with municipalities and home owners.¹³ Amid these concerns, Lebanese Foreign Minister Youssef Raggi said on December 12 that Beirut had received warnings that Tel Aviv was preparing a widescale military campaign.¹⁴ Following a December 29 meeting with Israeli Prime Minister Benjamin Netanyahu, US President Donald Trump said Hezbollah was "behaving badly" and that "we're going to see about that," when asked whether Israel would escalate.¹⁵ Although Israeli,¹⁶ Lebanese,¹⁷ and international media¹⁸ have continued to highlight the potential for an Israeli escalation, conflicting reports suggested it could be averted or delayed due to a new diplomatic track between Lebanon and Israel.¹⁹

⁷ Lebanese Armed Forces, تحقيق أهداف المرحلة الأولى من خطة الجيش لحصر السلاح January 8, 2025

⁸ Presidency of the Council of Ministers, جدول أعمال جلسة مجلس الوزراء رقم 44 تاريخ 2026/1/8 January 5, 2026

⁹ Al-Akhbar, رسائل إسرائيلية بالنار عشية جلسة الحكومة لبحث المرحلة الثانية: الجيش ينصح بتفاهات أولاً January 6, 2026;

Nida al-Watan, جلسة اليوم: القائد سيعرض فهل تقرر الحكومة؟ January 8, 2026

¹⁰ National News Agency, سلام استقبال السفير كرم: لتوفير الدعم اللازم للجيش لتمكينه من الاضطلاع بمسؤولياته December 20, 2025

¹¹ National News Agency, قاسم: لتنفيذ العدو الاتفاق ويوقف خروقاته بعدها نناقش استراتيجيات الأمن الوطني لما فيه مصلحة البلد وقوته December 28, 2025

¹² Israeli Foreign Minister Gidon Sa'ar via X, @gidonsaar October 30, 2025; Israeli Defense Minister Israel Katz via X, @Israel_katz November 2, 2025;

Times of Israel, Netanyahu says there are two pockets of Hamas forces behind Israeli lines in Gaza, vows to eliminate them November 2, 2025

¹³ i24 News, Lebanese army will not meet Hezbollah disarmament deadline, says Israeli military source December 9, 2025;

Israel Hayom, Hezbollah deadline ends: IDF prepares for days of combat and awaits Netanyahu December 31, 2025

¹⁴ Reuters, Israel pushes Lebanon army to search more intrusively for Hezbollah arms, sources say November 10, 2025;

L'Orient Today, The army's mission south of the Litani is almost complete, but what about the Israelis? December 6, 2025;

Al-Akhbar, حملة تهويل بريطانية... وواشنطن لا تريد الجيش على الحدود December 17, 2025; L'Orient-Le Jour, Lebanese Army conducts house searches at request of

the Mechanism December 27, 2025; Nida Al-Watan, برودة سياسية لبنانية تسيق حماسة قمة ترامب - نتنياهو December 28, 2025

¹⁵ Al-Jazeera, وزير خارجية لبنان: تحذيرات عربية ودولية من عملية إسرائيلية واسعة December 12, 2025

¹⁶ Times of Israel, Trump dodges question on whether Israel should strike Hezbollah over refusal to disarm December 29, 2025

¹⁷ Maariv, טילים מדויקים לעבר תל אביב: מידת המוכנות של צה"ל לחתקפה חריגה בלבנון December 31, 2025;

Israel Channel 12, בצצה! לערכים להרחבת המערכה בלבנון: חשבון פתוח עם חיבאללה December 22, 2025

¹⁸ An-Nahar, Will Trump give Netanyahu the green light to escalate in Lebanon? January 2, 2026; L'Orient Today, Will Trump give Netanyahu the green light to escalate in Lebanon? December 9, 2025

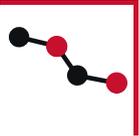
مسؤول أميركي ينتقد التردد في التعامل مع الممتلكات الخاصة December 9, 2025

¹⁹ Asharq Alwsat, «حزب الله» يتلقى نصائح «الفرصة الأخيرة» December 31, 2025; Al-Hadath via X, @AlHadath December 21, 2025;

Washington Post, Rising tensions with Israel have Lebanon fearing return to all-out war December 15, 2025

مهلة أميركية إضافية ل«احتواء» السلاح... إسرائيل لا توقف December 14, 2025; An-Nahar, مهلة جديدة أمام لبنان لحصر سلاح حزب الله... ونصائح لتفادي التصعيد December 15, 2025; Israeli Public Broadcasting Corporation, كدي لمغرب את האיום מחיבאללה: ישראל שוקלת מבצע בלבנון January 2, 2026;

الحرب والحزب يتأهب؟ December 15, 2025; Al-Jourhouriya, أجواء دولية مشجعة... ولا حرب December 18, 2025



In December, in a bid to reduce tensions and the risk of military escalation, Lebanon's leaders shifted toward engaging in direct talks with Israel – a move that Washington has long encouraged.²⁰ President Joseph Aoun appointed veteran diplomat Simon Karam to lead Lebanon's delegation in US-mediated negotiations conducted through the CoH mechanism committee.²¹ Israel, in turn, dispatched political representatives for the December 3 and December 19 talks in Naqoura,²² marking the first civilian-led talks between Beirut and Tel Aviv since 1983.²³ The parties have offered conflicting accounts of the proceedings: Israel and the United States stated that discussions covered economic issues, including reconstruction in southern Lebanon and potential projects,²⁴ while President Aoun emphasized that Lebanon is prioritizing security issues – including Israel's ongoing military strikes – and the return of displaced residents over other matters.²⁵ Deputy Prime Minister Tarek Mitri characterized Israel's economic focus as a deflection from ongoing military actions.²⁶

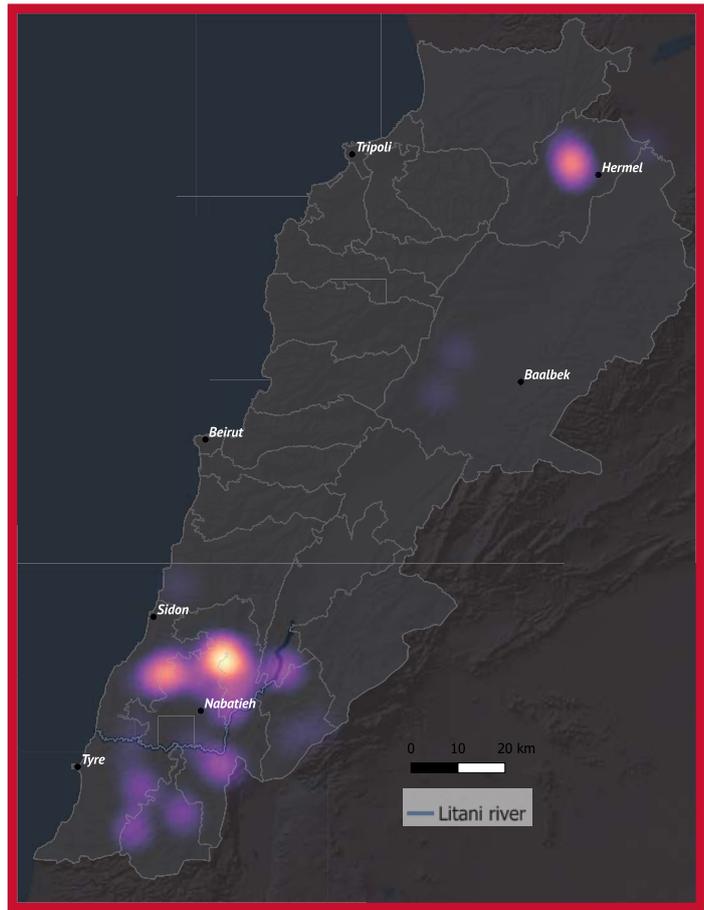


Figure 2: Heatmap of 72 Israel airstrikes in Lebanon in December 2025.

In December, Israel carried out 72 bombing raids in Lebanon, a modest decline from previous months.²⁷ These included 12 targeted assassinations, which also marked a decline.²⁸ It is unclear whether this reduced tempo was related to the US-mediated talks; notably, US Ambassador to Lebanon Michel Issa said on December 8 that Israel's ongoing military operations in Lebanon are not linked to the negotiations.²⁹ In the first week of January, Israel stepped up its bombardments, conducting 26 as of the date of publication, including strikes on buildings near Saida, Jezzine district, and southwest Bekaa. On December 16, for the first time since the start of the CoH, Israel assassinated an Amal Movement member in the Chouf town of Sibline.³⁰

²⁰ Presidency of the Council of Ministers, [جلسة لمجلس الوزراء في قصر بعيدا أقرت معظم البنود المدرجة على جدول الأعمال](#), December 4, 2025;

²¹ Lebanese President Joseph Aoun via X, [@LBPresidency](#) December 3, 2025

²² US Embassy in Lebanon, [Pentalateral Members Convene for 14th Meeting: Civilian Participants Added to Enhance Stability and Success](#) December 3, 2025; US Embassy in Lebanon, [Pentalateral Members Convene for 15th Meeting: Security and Economic Tracks Advance in Parallel](#) December 19, 2025

²³ L'Orient Today, [Lebanon and Israel hold their first direct talks in over 40 years](#) December 3, 2025

²⁴ Israeli Prime Minister's Office, [Prime Minister's Office Announcement](#) December 19, 2025;

US Embassy in Lebanon, [Pentalateral Members Convene for 15th Meeting: Security and Economic Tracks Advance in Parallel](#) December 19, 2025

²⁵ Presidency of the Council of Ministers, [جلسة لمجلس الوزراء في قصر بعيدا أقرت معظم البنود المدرجة على جدول الأعمال](#), December 4, 2025;

Lebanese President Joseph Aoun via X, [@LBPresidency](#) December 19, 2025

²⁶ Anadolu Agency, [Beirut says Israel seeks economic talks to evade ceasefire obligations](#) December 18, 2025

²⁷ LCAT logs all Israeli airstrikes across Lebanon reported by Lebanon's National News Agency, *L'Orient Today*, and *Al-Mayadeen*. LCAT logged 72 airstrikes in December 2025, 84 in November 2025, 95 in October 2025, 76 in September 2025, 71 in August 2025, 105 in July 2025, 101 in June 2025, 101 in May 2025, 71 in April 2025, 117 in March 2025, 61 in February 2025, 29 in January 2025, 75 in December 2024, and 11 from November 27-30, 2024.

²⁸ LCAT logged 12 assassination in December 2025, 21 in November 2025, 19 in October 2025, 13 in September, 10 in August, 19 in July, 12 in June, 18 in May, 11 in April, 8 in March and 4 in February.

LCAT logs Israeli military statements regarding its targeted assassinations. LCAT defines a targeted assassination as an Israeli strike aimed at a specific individual(s) and does not count Israel's statements of strikes against alleged Hezbollah infrastructure that kill members of Hezbollah. Israel's statements before February 2025 were ambiguous on whether it was conducting targeted assassinations, so LCAT does not log these as such.

²⁹ National News Agency, [السياسي الأميركي يرحب بزيارة قائد الجيش واشنطن](#) December 8, 2025

³⁰ National News Agency, [شهيد وجرحان جراء الاستهداف المعادي لل«بيك اب» في سبلين \(*\)](#) December 16, 2025;

L'Orient Today, [Lebanese Army, UNIFIL inspecting site following Israeli report](#) December 18, 2025



In another first, an Israeli targeted assassination on December 22 in Qnaitra killed a LAF soldier alongside two alleged Hezbollah members.³¹ Israel claimed that the soldier was also a Hezbollah operative,³² an allegation denied by Lebanon’s army.³³ On December 13, Israel issued an advance strike warning for a house in Yanouh, south of the Litani, but called off the strike after the LAF inspected the residence with the owner’s consent.³⁴ This was the first time since the start of the conflict on October 8, 2023 that Israel did not follow through on an advanced strike notice. Israeli strikes in December killed 14 people, the lowest casualty toll since the beginning of the CoH.³⁵

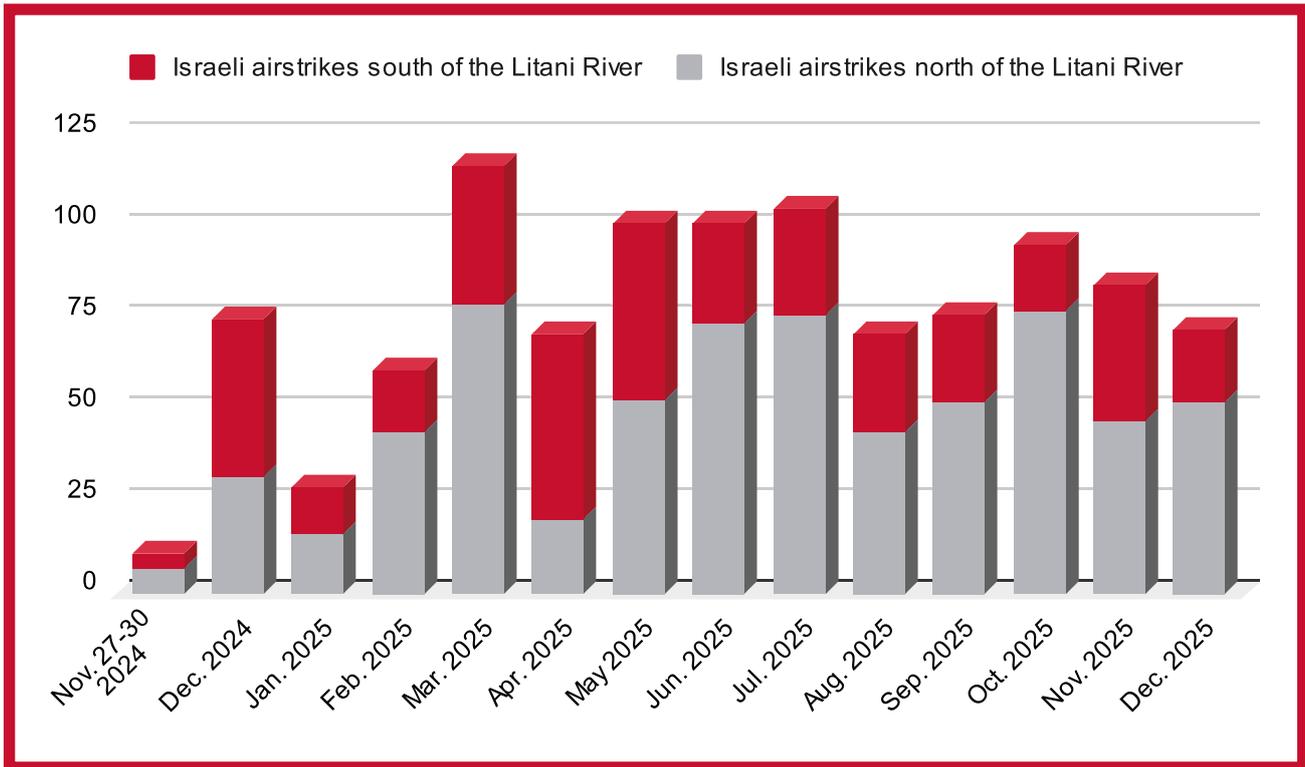


Figure 3: Israeli airstrikes in Lebanon since the CoH came into effect on November 27, 2024.

Israel continues to occupy several hilltops along its border with Lebanon and is carrying out military operations in the area, impeding the return of local populations and delaying reconstruction efforts. These dynamics risk laying the groundwork for what several Israeli officials have described as the establishment of a buffer zone along the Lebanon-Israel border.³⁶ A December 18 airstrike in the border village of Taybeh injured a South Lebanon Water Establishment employee,³⁷ highlighting the ongoing risks to public infrastructure repairs in the border zone.

³¹ National News Agency, [مسييرة تستهدف سيارة على طريق عقنيت - القنيطرة - المعمارية وسقوط شهيد](#) December 22, 2025; L’Orient Today, [Israeli strike on Saida: Lebanese Army denies Israeli claims soldier killed was Hezbollah fighter](#) December 23, 2025

³² Israeli military spokesperson Avichay Adraee, [@AvichayAdraee](#) December 23, 2025

³³ Lebanese Army, [نفي ما ينقله أحد المواقع الإلكترونية حول انتماء بعض العسكريين وولائهم](#) December 23, 2025; L’Orient Today, [Israel extends ban on media outlets deemed ‘dangerous’ until end of 2027](#) December 23, 2025

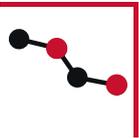
³⁴ Israeli military spokesperson Avichay Adraee, [@AvichayAdraee](#) December 13, 2025; Lebanon Debate, [تهديد إسرائيلي... بلدية يانوح تكشف ما جرى داخل المنزل المستهدف](#) December 14, 2025;

³⁵ 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 14 deaths in December 2025; 43 in November 2025, 29 in October 2025, 27 in September 2025, 22 in August 2025, 40 in July 2025, 22 in June 2025, 22 in May 2025, 30 in April 2025, 32 in March 2025, 22 in February 2025, 39 in January 2025, 34 in December 2024, and 26 between November 27 and November 30, 2024.

³⁶ France24, [Israeli troops ‘staying indefinitely’ in Lebanon border buffer zone, defence minister says](#) February 27, 2025

³⁷ National News Agency, [«مياه لبنان الجنوبي»: إصابة مهندس من فريق المؤسسة جراء الغارة المعادية على الطيبة](#) December 18, 2025



Throughout December, Israeli quadcopter attacks continued to harass farmers³⁸ and fishermen.³⁹ Overall, Israel conducted 43 quadcopter attacks in December, in line with previous months, including three strikes targeting construction equipment.⁴⁰ 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.⁴¹ This represents a 16.5% decline since Israel completed its withdrawal from southern towns and villages on February 1, when there were 98,994 internally displaced persons (IDPs).⁴²

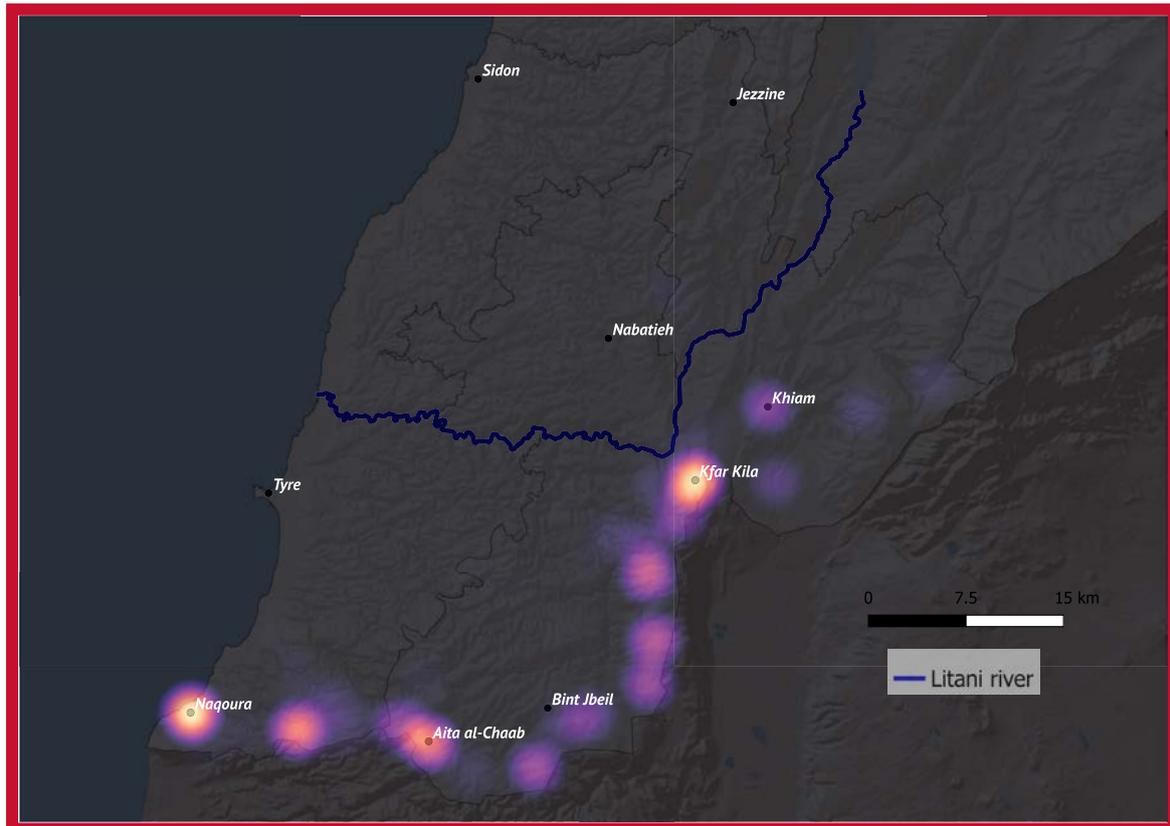


Figure 4: A heatmap of 352 Israeli quadcopter attacks since the start of the CoH on November 27, 2024 through December 2025.

Apart from a single attack – two mortar rounds fired on December 2, 2024 at the contested Shebaa Farms claimed by Lebanon, Israel, and Syria⁴³ – Hezbollah has not launched any attacks on Israeli military or civilian targets. In an August 5 speech, Hezbollah Secretary-General Naim Qassem warned that his organization would retaliate against any widescale Israeli military offensive with rocket fire on Israel.⁴⁴ After Israel’s November 23 killing of a senior Hezbollah official, the party refrained from issuing any clearcut vow to retaliate, as was its practice in response to high-profile assassinations prior to the CoH.

³⁸ L’Orient Today, [Israel extends ban on media outlets deemed ‘dangerous’ until end of 2027](#) December 23, 2025;

L’Orient Today, [Netanyahu-Barrack meeting wrapped; Rubio meets Qatari PM; Israeli army to demolish 25 West Bank residential buildings](#) December 15, 2025

³⁹ National News Agency, [مسيرة تلقي مواد متفجرة على أطراف حولا](#), December 16, 2025

⁴⁰ 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

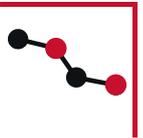
⁴¹ International Organization for Migration, [Mobility Snapshot - Round 87](#) June 5, 2025

⁴² International Organization for Migration, [Mobility Snapshot - Round 77](#) February 20, 2025

⁴³ L’Orient Today, [To whom do Shebaa Farms belong?](#) January 24, 2024;

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

⁴⁴ National News Agency, [قاسم: إذا شنت إسرائيل حرباً جديدة على لبنان ستسقط الصواريخ عليها والعدوان هو المشكلة وليس السلاح ويجب الاسراع باتخاذ التحقيقات في انفجار المرفأ بعيداً عن التسيس](#) August 5, 2025



Source: AFP

Political Updates:

On December 8, informal commemorations marking the first anniversary of the Assad regime's fall heightened sectarian tensions in several Lebanese cities. In Saida, amid complaints over road closures and “foreign” slogans, clashes between those marking the anniversary and residents of the Haret Saida area prompted the LAF to intervene. In another incident, at the entrance to Kfar Roummane in Nabatieh district, several people were injured when young Syrians displaying portraits of Syrian President Ahmad Al-Sharaa clashed with unidentified locals. In Beirut, convoys of Hezbollah supporters and backers of the new Syrian government moved through multiple neighborhoods where residents heard gunfire – including in Tayyouneh, Qasqas, and along the airport road – though there were no reports of violent confrontations between rival gatherings.⁴⁵ In Tripoli, three consecutive days of celebrations in Al-Nour Square drew large crowds but also triggered disputes, leading to the LAF dispersing crowds and deploying at multiple locations in the city.⁴⁶

On December 10, Syrian officials described a draft agreement on extraditing Syrian detainees in Lebanon as “not meeting the minimum” of their demands. They highlighted clauses that would allow Lebanon to refuse extradition without justification and limit Syrian authority over pardons for convicted prisoners serving their sentences in Syria. In addition, the agreement covers convicted Syrian national prisoners but excludes those still on trial; the Lebanese Parliament would need to pass a law to extradite the latter group. Damascus confirmed it would not seek the return of individuals involved in attacks on Lebanese civilians or soldiers. The delegation left without scheduling further talks, raising concerns that stalled negotiations could strain bilateral relations.⁴⁷ On December 19, President Aoun tasked Deputy Prime Minister Tarek Mitri, Justice Minister Adel Nassar, and several judges with exploring the best legal avenues to secure an agreement with Syria.⁴⁸

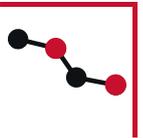
⁴⁵ L'Orient Today, [Tensions in Beirut, clashes in Saida during commemoration of Assad's fall](#) December 9, 2025;

Al-Monitor, [إشتباكات واحتجاجات في لبنان في ذكرى الثورة السورية: ما تعرفه](#) December 9, 2025

⁴⁶ Annahar, [احتفالات في مناطق لبنانية بذكرى عام على سقوط الأسد... إشكالات والجيش يتدخل \(فيديو\)](#) December 8, 2025

⁴⁷ Asharq al-Awsat, [فشل التوصل لآلية تسليم السجناء السوريين في لبنان إلى دمشق](#) December 11, 2025

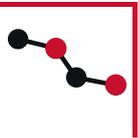
⁴⁸ L'Orient Today, [Aoun hosts meeting on legal framework for agreement on Syrian prisoners in Lebanon](#) December 19, 2025



On December 10, Foreign Minister Joe Rajji declined an invitation to visit Tehran extended by his Iranian counterpart. Rajji stated that he prefers to engage with his Iranian counterpart in a neutral country and the decision reflects his openness to meaningful engagement based on mutual respect for sovereignty and non-interference.⁴⁹ Rajji has repeatedly criticized Iran's role in Lebanese affairs, amid growing diplomatic strain between the two sides following previous incidents, including the summoning of Iran's ambassador over remarks rejecting calls to disarm Hezbollah and Tehran's public backing of Hezbollah responses to disarmament initiatives.⁵⁰

⁴⁹ L'Orient Today, [Rajji-Araghchi: The end of a controversial period or the start of a diplomatic rift?](#) December 13, 2025

⁵⁰ L'Orient Today, [Rajji declines Tehran visit invitation, proposes meeting in a neutral country](#) December 10, 2025



Source: AFP

Economic Updates:

In a letter dated December 9, Central Bank Governor Karim Souhaid instructed commercial banks in Lebanon to provide data on all foreign transfers made by bankers and their immediate families between July 2019 and January 2023. The letter was accompanied by a copy of the original request by Financial Crimes Prosecutor Maher Cheaito. The data must be provided within 15 days following receipt of the letter. This initiative follows Cheaito's order in August obliging individuals and legal entities to re-inject into the Lebanese banking system any amounts illegally sent abroad during the crisis. It is unclear how successful these measures will prove to be, particularly as they lack a legal framework and a clear mechanism to enforce them.⁵¹

On December 10, Finance Minister Yassine Jaber and EU Ambassador Sandra De Waele signed the first tranche of an EU aid package worth EUR 132 million, aimed at strengthening security, stability, and border management. The initial tranche is worth EUR 55 million, 30 million of which will support the Internal Security Forces' ability to counter organized and cybercrime and bolster joint efforts to fight terrorism and smuggling. The remainder will help enhance integrated management of land, maritime, and airport security.⁵²

Also on December 10, the Finance and Budget Committee reappropriated funds in the 2026 Budget Law to finance reconstruction in southern Lebanon. Committee Chair MP Ibrahim Kanaan stated that allocations for the Council for Development and Reconstruction, the Council of the South, and the Higher Relief Committee had been approved. Kanaan explained that the committee allocated a "humble" amount from the emergency reserve for shelter and reconstruction. The sum – reportedly USD 90 million⁵³ – was intended to highlight the government's responsibility and commitment to citizenry.⁵⁴ Hezbollah and Amal Movement MPs have reportedly lobbied for such reallocations in the parliament.⁵⁵

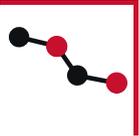
⁵¹ L'Orient Today, [Funds transferred abroad: Pressure mounts on bankers](#) December 10, 2025

⁵² L'Orient Today, [Finance Ministry signs first €55M of €132M EU aid package](#) December 10, 2025

⁵³ Lebanese Parliament, [لجنة المال والموازنة أقرت موازنات مجلس الإنماء والإعمار مع بعض التعديلات، ومجلس الجنوب والهيئة العليا للإغاثة والمجلس الأعلى للدفاع والمديرية العامة لأمن الدولة](#) December 10, 2026

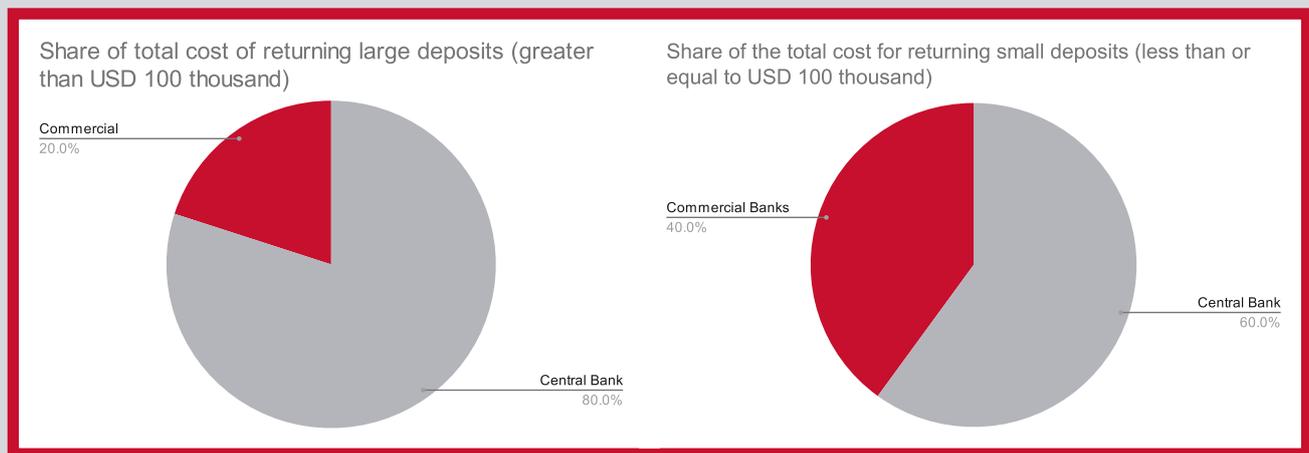
⁵⁴ Asharq al-Awsat, [Lebanese State Formally Launches Reconstruction Effort with Modest Public Funding](#) December 13, 2025

⁵⁵ The Arab Weekly, [Reconstruction debate in Lebanon highlights tensions over Hezbollah arms](#) December 12, 2024



After extensive reviews and discussions in the Council of Ministers throughout December, the cabinet approved a draft “Financial Gap” law on December 26. In a subsequent press release, Prime Minister Nawaf Salam stated that all small depositors – those whose accounts hold USD 100,000 or less, who constitute 85% of the depositor base – should receive their money within four years. He added that larger depositors will also receive USD 100,000 but then will receive the balance of their deposits in the form of tradable bonds. Bond holders will have access to 2% of the bond or the deposit value yearly.⁵⁶ These bonds – which will be equal in value to the original deposit – will be backed by Central Bank assets which, according to Salam, are worth approximately USD 50 billion. Salam explained that the law aims to be “realistic” rather than “perfect”, while reiterating the technical and regulatory challenges faced in garnering approval for the law in its final form.⁵⁷

The Financial Gap draft law: analysis and reactions



While many have hailed the Council of Ministers’ approval of the draft Financial Gap law⁵⁸ several factors could stand in the way of implementation. The draft law would require the Central Bank to foot 60% of the short-term repayment costs (returning deposits smaller than USD 100,000) and 80% of the long-term repayment costs (by issuing 10-, 15-, or 20-year bonds equivalent to deposit balances over USD 100,000). This may prompt pushback by the Central Bank on the grounds that the state should bear a greater burden. Additionally, the law requires commercial banks to provide about USD 8 billion to cover the return of the first tranche of deposits. However, reports suggest that commercial banks, which may have no more than USD 3 billion,⁵⁹ could refuse to comply on the grounds that such allocations are not feasible. Finally, the draft law does not take into consideration that some deposits are considered more critical to recover and return faster than others. For instance, labor associations have expressed concerns that the government is treating their deposits similar to normal savings or investments deposits, even though they are pension accounts.⁶⁰

⁵⁶ For example, a “large depositor” with USD 1 million in deposits will be given USD 1 in bonds and will be able to access USD 20 thousand in cash per year.

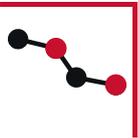
⁵⁷ Presidency of the Council of Ministers, [مجلس الوزراء يقر مشروع الانتظام المالي واستعادة الودائع](#) December 26, 2025

⁵⁸ Al-Akhbar, [«الفجوة المالية، وقانون الحكومة وبقانون»](#) January 7, 2026

⁵⁹ L’Orient Today, [Audits, accountability: What does the ‘financial gap’ law really provide?](#) January 3, 2026;

Nida Al-Watan, [قانون الفجوة... حتى الـ 100 ألف دولار غير مضمونة](#) December 24, 2025

⁶⁰ Nidaa Al Watan, [انتقادات لـ «الفجوة المالية»: «اعتداء موصوف»](#) December 29, 2025



Reactions to the draft law highlighted deep divisions among political, financial, and social actors. Justice Minister Adel Nassar voted against the bill, citing the absence of a comprehensive audit of the commercial banking system, the Central Bank, and state institutions, as well as unclear reimbursement mechanisms, and the risk of legal challenges.⁶¹ The Association of Banks in Lebanon (ABL) voiced its strong opposition, arguing that the draft law violates constitutional principles, shifts losses unfairly onto banks instead of the government, overlooks the use of Central Bank assets,⁶² and risks undermining the banking sector and the wider economy. By contrast, the General Confederation of Lebanese Workers welcomed the proposed legislation, describing it as the first serious legal framework to address trapped deposits since 2019 and stressing that it guarantees repayment for about 85% of depositors, particularly low-income and vulnerable groups.⁶³

In December, Lebanon's public sector saw escalating strike actions driven by demands for salary adjustments. On December 13, the Public Administration Civil Servants' Union called for strikes from December 15 to 17, later extended to December 21, demanding salary adjustments and improved working conditions.⁶⁴ The union proposed a new minimum wage to restore around half the value of 2019 salaries starting in early 2026, together with regular biannual increases.⁶⁵ While the union suspended the work stoppage during the holidays, describing the move as a "grace period", it warned of open-ended escalations in January 2026 if delays persist.⁶⁶ Similar tensions emerged across the public sector, with public school teachers organizing protests and a general strike on December 17 over insufficient wages and National Social Security Fund employees threatening escalation if their salaries are not increased.⁶⁷

⁶¹ L'Orient Today, [Cabinet approves financial gap law](#) December 26, 2025

⁶² Central Bank assets include gold (currently valued at around USD 40 billion), foreign currency reserves, and other public holdings and equity stakes. In its latest balance sheet, the Central Bank's total assets had risen to approximately USD 94.51 billion by mid-December 2025 – notably, the Central Bank has only about USD 10 billion in foreign currency reserves.

Blom Bank, [BDL's Foreign Reserve Assets Stand at \\$11.99B after a \\$137.82M Increase in the First Two Weeks of December 2025](#) December 26, 2025;

Badil, [Pandora's Vault: Why Lebanon's Gold Reserves Should Stay in the Safe](#) December 23, 2025

⁶³ L'Orient Today, [Loss distribution: Salam government bill faces criticism from all sides](#) December 22, 2025;

L'Orient Today, [Financial gap law aims to liquidate the banking sector and destroy the economy, says ABL](#) January 5, 2026

⁶⁴ National News Agency, [رابطة موظفي الادارة العامة تدعو الى التوقف عن العمل في 15 و16 و17 وتحذر من خطوات تصعيدية غير مسبوقة](#) December 14, 2025;

National News Agency, [رابطة موظفي الادارة العامة: لا عودة للعمل بلا حقوق ولا تراجع بلا حلول حدية ومستمرمون بالإضراب حتى 21 الحالي](#) December 17, 2025

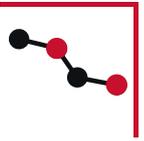
⁶⁵ Annahar, [رابطة الموظفين: ستتوقف عن العمل 3 أيام بسبب «المماطلة المستمرة»](#) December 8, 2025

⁶⁶ National News Agency, [رابطة موظفي الإدارة العامة أعلنت تعليق التوقف عن العمل وهددت بالتصعيد في كانون الثاني في حال استمرار سياسة المماطلة](#) December 21, 2025

⁶⁷ National News Agency, [روابط التعليم الرسمي: إضراب واعتصامات الأربعاء اعتراضاً على المماطلة في تحقيق المطالب](#) December 15, 2025;

L'Orient Today, [Public school teachers protest across Lebanon](#) December 17, 2025;

National News Agency, [نقابة مستخدمي الضمان: أسبوع للتجاوب مع المطالب قبل التصعيد](#) December 5, 2025



Source: Reuters

Access to Services:

On December 18, parliament approved a USD 250 million World Bank reconstruction loan to finance the Lebanon Emergency Assistance Project (LEAP), aimed at restoring infrastructure in southern Lebanon. The loan, approved by the World Bank on June 24, 2025, is earmarked for the rapid repair of damaged critical infrastructure and essential services, alongside rubble management in conflict-affected areas, through a phased response prioritizing interventions with the highest economic and social impact.⁶⁸ Finance Minister Yassin Jaber noted that funds were already being disbursed via the Council of the South and the Higher Relief Commission.⁶⁹ Jaber added that the government is pursuing additional financing options, including a EUR 75 million loan offer from France and a potential USD 120 million loan from the Kuwait-based Arab Development Fund.⁷⁰

During the same session, parliament approved a World Bank loan for the Second Beirut Water Supply Project,⁷¹ stirring renewed controversy over its efficacy, as well as environmental and public health concerns. Critics argue the project, which transfers water from the Awali River and Lake Qaraoun to Beirut, does not address existing mismanagement issues, network losses, or inequitable allocation. It will supply up to 100 million cubic meters (m³) annually, well short of Greater Beirut's estimated annual needs of 200 to 250 million m³. Critics also warn that drawing water from heavily polluted sources poses health risks, could result in water stress elsewhere in the country, and that the total project costs (over USD 250 million) are disproportionate to the expected benefits. They point out that cheaper and safer alternatives exist, including repairing sewage treatment plants and refurbishing local reservoirs to better harvest rainwater.⁷²

⁶⁸ World Bank, [Lebanon: New US\\$250 Million Project to Kickstart the Recovery and Reconstruction in Conflict-Affected Areas](#) June 25, 2025

⁶⁹ Annahar, [جلسة نيابية مكتملة النصاب... بري يقفل المحضر ويفتح الاشتباك](#), December 19, 2025

⁷⁰ Sawt Beirut International, [جلسة حكومية في الجنوب لإعلان إعادة الإعمار!](#), January 5, 2026

⁷¹ National News Agency, [Parliament Approves Seven Laws, Including World Bank Loan for Post-War Infrastructure Reconstruction](#) December 18, 2025

⁷² Lebanon Debate, [أرقام متضاربة ومخاطر يجب تداركها... بيروت أمام أزمة كبيرة!](#), December 24, 2025;

National News Agency, [جمعية «الأرض»: إقرار اتفاقية قرض البنك الدولي لتأمين مياه بيروت الكبرى فضيحة وطنية](#), December 19, 2025



The Integrated Food Security Phase Classification (IPC) estimates that some 874,000 people in Lebanon are experiencing high acute food insecurity (Phases 3 and 4 on the organization's Food Security Classification scale). Among Lebanese residents, acute food insecurity is concentrated in Akkar, Baabda, and Baalbek-Hermel, with no Lebanese classified in Phase 4 (Emergency). However, some 277,000 Syrian refugees face Phase 3 (Crisis) conditions or above. Among post-2024 arrivals from Syria, 43,000 people are classified in Phase 3 or above, including 9,500 in Phase 4. The analysis links these trends to the persistent economic crisis and to displacement pressures, noting that while most IDPs displaced during the 2024 Israel-Hezbollah War have returned, some 64,000 remain displaced and are largely reliant on rental housing. Looking ahead, the IPC projects that between April and July 2026, the number of people facing Phase 3 or above will rise to 961,000, with the highest prevalence expected in Akkar and Bekaa.⁷³

Throughout December, Palestinian refugees across Lebanon staged sit-ins in response to spending reductions⁷⁴ at the United Nations Relief and Works Agency (UNRWA) and declining service provision.⁷⁵ Protesters stressed that cuts to relief, health, and education services have compounded the effects of rising prices, low incomes, and a lack of social safety nets for Palestinians in Lebanon, pushing already vulnerable households deeper into crisis.⁷⁶ According to the most recent IPC report, some 30% of Palestinian refugees in Lebanon face Phase 3 or higher food insecurity, with 12,000 Palestinians in Phase 4, the highest level nationally. Projections for April-July 2026 indicate the number of refugees in Phase 3 or above is likely to rise by 35%.⁷⁷

⁷³ Integrated Food Security Phase Classification, [Acute Food Insecurity Analysis \(November 2025–July 2026\)](#) December 23, 2025

⁷⁴ LBCI, [Cuts to UNRWA programs push Palestinian refugees in Lebanon to the brink](#) November 12, 2025;

Palestinian Information Center, [Lebanon's camps under threat: UNRWA cuts, harsh conditions, and safety issues](#) November 25, 2025

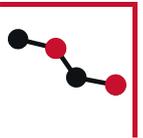
⁷⁵ Quds Press, [اعتصامات حاشدة في مخيمات صور بلبنان رفضاً لتقليصات «أونروا»](#) December 22, 2025;

National News Agency, [اعتصام في عين الحلوة يدعو من المنظمة النسائية الديمقراطية الفلسطينية رفضاً لسياسة «الأونروا» وتقليص خدماتها للاجئين](#) December 24, 2025

⁷⁶ Palestinian Refugees Portal, [٦١٪ من اللاجئين الفلسطينيين دون أمن غذائي... اعتصام في بيروت يطرق ناقوس الخطر](#) December 18, 2025

⁷⁷ Integrated Food Security Phase Classification, [Acute Food Insecurity Analysis \(November 2025–July 2026\)](#) December 23, 2025;

Palestinian Refugees Portal, [من اللاجئين الفلسطينيين دون أمن غذائي... اعتصام في بيروت يطرق ناقوس الخطر 61%](#) December 18, 2025



Looking Forward:

Hezbollah disarmament and cross-border conflict:

In the coming weeks, Lebanon's leaders will face difficult choices on advancing Hezbollah's disarmament while concurrently seeking to avert Israeli military escalation and prevent potential civil strife. Given the lack of political consensus and Hezbollah's opposition, a green light from the Council of Ministers for a second stage of disarmament may not translate into immediate implementation, given Hezbollah's strong opposition to disarmament north of the Litani and concerns that any attempt by the LAF to implement it by force could trigger internal violence.⁷⁸ Instead, Lebanon's president, prime minister, and speaker of parliament (a close Hezbollah ally) will likely forge a compromise, as they did in September 2025, when the government approved a confidential disarmament plan without timetables,⁷⁹ despite Washington's preference for an end-of-the-year deadline.⁸⁰ Hezbollah has hinted at some flexibility regarding disarmament: on December 31 MP Ali Fayyad stated that the party had not "closed the door" on the process if it were accompanied by a national dialogue on a defense strategy, a point reiterated by Hezbollah figures several times alongside demands for a complete withdrawal of Israeli forces from Lebanese territory.⁸¹ Israel's doubts over Lebanon's disarmament efforts will grow with any deadlock or perceived delay over disarmament, but Tel Aviv may refrain from a widescale military escalation to allow Washington time to tackle the issue of Hezbollah's arms.

It remains unclear what formula could deliver a diplomatic breakthrough on Hezbollah's disarmament. In mid-December, US Ambassador to Lebanon Michel Issa reportedly raised the possibility of "containing" Hezbollah's arms – preventing the group from transporting or using the weapons – if disarmament could not be achieved.⁸² By itself, this strategy is unlikely to satisfy Israel, which accuses Hezbollah of continuing to smuggle and manufacture new arms.⁸³ Most likely, the political and diplomatic impasse will continue in the near term. Meanwhile, the newly launched civilian-led track between Lebanon and Israel – viewed in Beirut as a potential channel for de-escalation – has made only halting progress and has not led to Israel significantly easing or ending its airstrikes. As such, humanitarian organizations should expect a deteriorating status quo (see [LCAT's scenario report](#)) in which Israel ratchets up military pressure. A widescale military campaign should not be ruled out.

⁷⁸ Al-Akhbar, [قائد الجيش: استقبال ولا أسفك الدماء](#) August 29, 2025

⁷⁹ Al-Akhbar, [ربط نزاع بين الثنائي ورئيسي الجمهورية والحكومة: الجيش ينقذ 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 ترخي خطة الجيش لسحب سلاح «حزب الله» وتترك له حق التقدير العملائي](#) September 5, 2025

⁸⁰ Nida al-Watan, [«نداء الوطن» تنشر النص الأصلي والحرفي لـ «ورقة براك»](#) August 7, 2025

⁸¹ National News Agency, [الرابعي استقبال مناسيان ووفد «حزب الله» مهتئين بالأعياد فياض: المدخل الطبيعي للتعافي الزام إسرائيل تطبيق ال1701](#) December 31, 2025

⁸² Al-Modon, [عيسى ورؤية واشنطن حيال لبنان: احتواء السلاح إذا تعذر نزع](#) December 12, 2025

⁸³ The Wall Street Journal, [Hezbollah Is Rearming, Putting Cease-Fire at Risk](#) October 30, 2025;

L'Orient Today, [Tom Barrack: Lebanon will risk 10,000 more lives to not have a conversation with Israel](#) November 2, 2025



Electoral Law:

On December 18, the Lebanese parliament successfully reached quorum, temporarily ending a three-month legislative deadlock over proposed amendments to the electoral law.⁸⁴ 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 law was temporarily amended. The mid-December session did not address these amendments, instead tackling outstanding legislative issues including approving World Bank loans and passing a law on judicial independence.⁸⁵

The path forward on amending the electoral law is, at best, unclear. MPs may decide to boycott future sessions if amendments are not brought to the floor or they oppose those scheduled for debate and a vote, leading again to a loss of quorum.⁸⁶ Amid continued conflict in Lebanon and diplomatic efforts to continue the disarmament track, such an outcome would increase the likelihood of the elections – scheduled for May – being delayed on technical grounds.⁸⁷ There is a precedent for delaying national elections, as in 2013, 2014, and 2017 the Lebanese parliament successfully extended its term despite challenges in the Constitutional Council.⁸⁸

However, delay is not inevitable.⁸⁹ Upcoming parliamentary sessions could see the proposed amendments put to a vote; if passed, expatriate Lebanese would vote as they did in 2018 and 2022, casting ballots for candidates in their registered districts. Alternatively, the Council of Ministers could issue implementation decrees under the current law, which provides for the establishment of six new parliamentary seats to represent the diaspora.⁹⁰ On December 24, President Aoun signed a decree opening an extraordinary parliamentary session from January 2 to March 1, 2026. The decree only mentioned the 2026 budget and other draft laws, giving the speaker of parliament flexibility to schedule sessions and set the agenda.⁹¹ While politicians in the opposition have called on the president to stress the urgency of amending the electoral law and issue a binding, written call for a session to that end, Aoun's move could give rise to any of the three potential outcomes described above.⁹²

⁸⁴ In late September and October, the Lebanese parliament adjourned three different sessions consecutively after losing quorum, with many MPs refusing to attend sessions that would not address the amendment of the current electoral law. 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;

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

⁸⁵ L'Orient Today, [Parliament votes on reforms amid uncertainty over election timing](#) December 19, 2025

⁸⁶ *ibid.*

⁸⁷ L'Orient Today, [Postponing parliamentary elections: Is there consensus among domestic and international actors?](#) December 27, 2025

⁸⁸ APA, [Lebanese parliament extends term again, PM says necessary](#) November 6, 2014;

Naharnet, [Parliament Extends Own Term for 17 Months as Parties Justify Failure to Pass New Electoral Law](#) May 31, 2013;

Carnegie, [One Step Forward for Lebanon's Elections](#) July 11, 2017

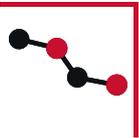
⁸⁹ Aliwaa, [الجوار لـ«اللواء»: ليس عندنا شيء اسمه «تأجيل تقني» والانتخابات في وقتها](#) December 29, 2025;

Nida Alwatan, [عون من بكركي: شيخ الحرب بات بعيداً والانتخابات ستجرى في موعدها](#) December 25, 2025

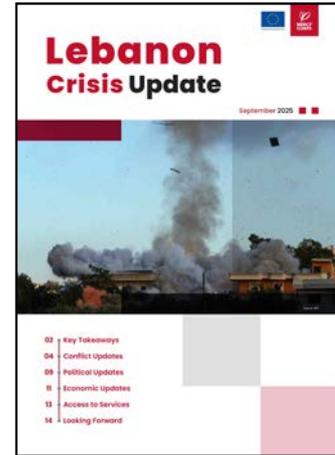
⁹⁰ LBCI, [مصادر اللواء: النقاش سيعود مجدداً حول ملف قانون الانتخابات النيابية](#), January 3, 2026

⁹¹ L'Orient Today, [Expatriate vote: Aoun appeases Berri without antagonizing anti-Hezbollah factions](#) December 27, 2025

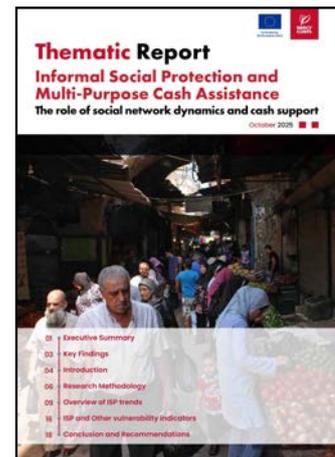
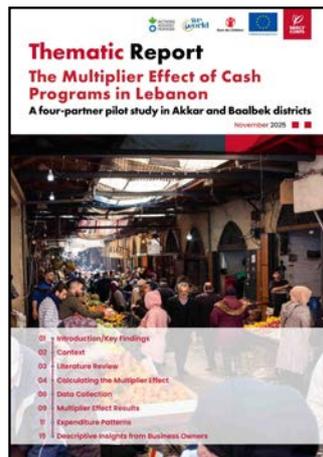
⁹² L'Orient Today, [Geagea urges Aoun to issue binding letter to parliament on amending electoral law](#) December 27, 2025



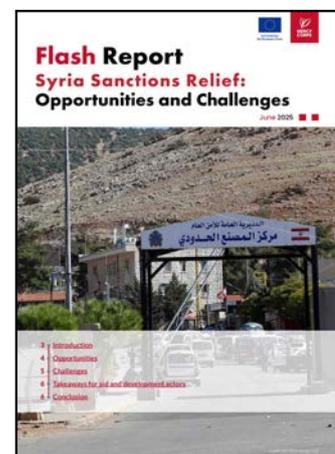
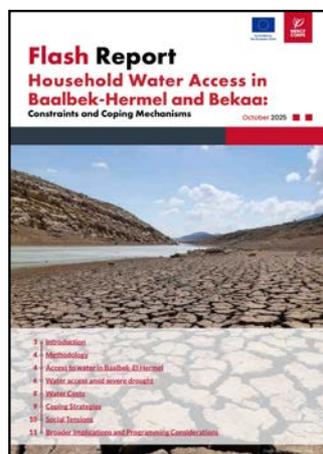
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