

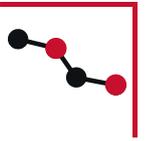
# Lebanon Crisis Update

January 2026 ■ ■



Source: AFP

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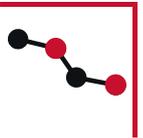


The Monthly Lebanon Crisis Update provides an overview of economic and political developments to alert the international aid response to new and emerging challenges that could impact the humanitarian situation in Lebanon. In the context of the multiple crises affecting Lebanon, the update tracks the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

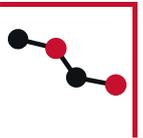




## Key Takeaways:

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- Lebanon is approaching a critical juncture as the Council of Ministers pushes to expand disarmament north of the Litani River. While the Lebanese Armed Forces (LAF) completed this process south of the Litani, Hezbollah continues to reject nationwide disarmament, citing Israel's ongoing military operations and occupation of Lebanese territory. Israel has intensified its strikes in areas slated for the second phase of disarmament, though large-scale escalation in the short term remains unlikely.
- The Israeli military launched 138 airstrikes and 58 quadcopter attacks in January, the highest monthly total for each in a single month since the Cessation of Hostilities (CoH) came into effect on November 27, 2024. Israeli forces are increasingly targeting residential buildings, civilian infrastructure, construction equipment, and individuals allegedly linked to Hezbollah in areas beyond the immediate border zone. Israeli military action continues to stall reconstruction and deter resident returns; there were 64,417 internally displaced persons (IDPs) in Lebanon as of October 3, 2025.
- Lebanon's parliament passed the 2026 Budget Law on January 29. Forecast revenues are 20% higher compared to the previous budget, though critics point out that it does not contain significant reforms. Revenues will be largely allocated to current spending, with only 10-11% earmarked for long-term investments and recovery projects.
- Severe storms in January laid bare infrastructure and flood-management failures in northern Lebanon, with the flooding of the Kabir River causing widespread damage and displacing vulnerable local communities. Flooding destroyed the Arida bridge, the only legal crossing with Syria in the north, which disrupted supply chains in the north and further marginalized the area. While the Ministry of Agriculture has ordered damage assessments and issued appeals for support, the destruction underscores the dangers posed by poorly maintained public infrastructure.
- The Council of Ministers approved a plan to transfer Syrian inmates in Lebanese prisons to their home country in late January, the result of months of negotiations between Damascus and Beirut. Only days before the agreement was reached, Lebanese inmates at Roumieh prison went on a hunger strike, claiming the bilateral agreement was unfair to Lebanese prisoners amid overcrowding, poor medical care, and trial postponements. Families of Lebanese detainees warn that the protests may escalate in the near term if the state does not take swift action to address their grievances.



# 2026

## JANUARY

The Central Bank issues Basic Circular 1 to regulate electronic payment service providers



9

Judicial assistants go on strike demanding higher wages



13

The Beirut Court of First Instance fines Ministers Ali Hassan Khalil and Ghazi Zaiter for obstructing the 2020 Beirut port blast investigation



16

The Israeli military bombs southern Lebanon, forcing nearly 50 people from their homes



21

The World Bank approves 350 million US dollars in loans to support the digitization of public services and the expansion of social safety nets



27

The parliament adopts the 2026 Budget Law



29

The Council of Ministers approves a plan to transfer some Syrian inmates in Lebanese prisons to their home country



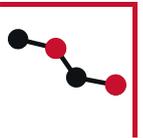
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## FEBRUARY

1

MP Adib Abdel Massih shares with local media his proposed law to delay elections and extend parliament's mandate by up to one year

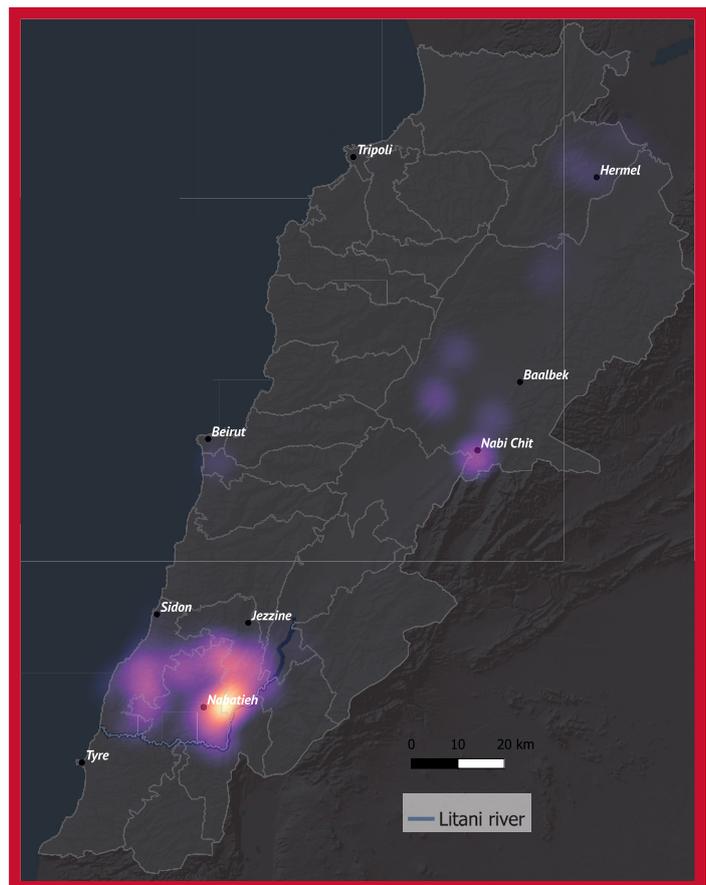




Source: AP

## Conflict Updates :

Lebanon is entering a pivotal period after the LAF announced on January 8 that it had completed its efforts to disarm Hezbollah south of the Litani River.<sup>1</sup> International pressure for the Lebanese state to expand disarmament north of the Litani continues, despite Hezbollah's opposition. Meanwhile, Israel has steadily increased its military pressure, conducting its highest number of airstrikes in a single month since the CoH came into effect, focusing on the area between the Litani and Awali rivers – which is next in line for disarmament.



**Figure 1:** A heatmap of 795 Israeli strikes north of the Litani since the start of the CoH on November 27, 2024 through January 2026.

<sup>1</sup> Lebanese Armed Forces, [تحقيق أهداف المرحلة الأولى من خطة الجيش لحصر السلاح](#), January 8, 2026



The Lebanese state is preparing to move to the next stage of Hezbollah's disarmament<sup>2</sup> with the Council of Ministers tasking the LAF with preparing a disarmament plan by early February for the area between the Litani and Awali rivers.<sup>3</sup> The government – which includes ministers affiliated with Hezbollah and its ally the Amal Movement – must first approve the plan. Throughout the month, Prime Minister Nawaf Salam expressed his support for moving forward with disarmament,<sup>4</sup> and on January 11, President Joseph Aoun called on Hezbollah to “show reason” on the disarmament issue,<sup>5</sup> sparking political tensions between the president and the party.<sup>6</sup> While Hezbollah has implicitly accepted its disarmament south of the Litani River, it has rejected disarmament elsewhere, calling first for a full Israeli withdrawal from the occupied hilltops, a halt to all Israeli military action in Lebanon, and a national dialogue over a country-wide defense strategy.<sup>7</sup>

The US has continued to pressure Lebanon to expedite the disarmament process. On January 12, US Ambassador to Lebanon Michel Issa said that a timetable for the second stage of disarmament was of utmost importance.<sup>8</sup> In early February, in a move potentially signaling US positivity over the disarmament process, LAF Commander in Chief Rodolphe Haykal traveled to Washington to meet with US officials,<sup>9</sup> after Washington had previously cancelled his trip in November.<sup>10</sup> Meanwhile, France is preparing to host an international conference in early March to bolster support for the LAF.<sup>11</sup> As of publication, the US has yet to issue an official statement regarding the LAF's disarmament efforts south of the Litani. For its part, Israel stated on January 8 that Hezbollah has not been fully disarmed in the border area.<sup>12</sup> Less than two weeks later, Israel conducted an airstrike outside Kfar Dounine, south of the Litani, against an alleged Hezbollah weapons production facility.<sup>13</sup> This was the first Israeli airstrike against a purported arms site south of the Litani since early December.<sup>14</sup>

<sup>2</sup> 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. 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. It apparently does not stipulate the use of force against Hezbollah, and builds on the November 27, 2024 CoH that calls for a disarmament process starting south of the Litani. Although the CoH prohibits offensive Israeli military actions, Tel Aviv has continued its campaign of airstrikes – reportedly backed by confidential US assurances – in a bid to dismantle Hezbollah's military capacities and compel the group to disarm.

Axios, [Israel and Lebanon agree on a ceasefire](#) November 26, 2024; The National, [Revealed: Full text of the Israel-Hezbollah ceasefire agreement](#) November 27, 2024; Nida al-Watan, [«نداء الوطن» تنشر النص الأصلي والحرفي لـ «ورقة براك»](#) August 7, 2025;

Times of Israel, [IDF assesses successes against Hezbollah since ceasefire could lead to it disarming](#) July 29, 2025;

Presidency of the Council of Ministers, [مقررات 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, [رابط نزاع بين الثنائي ورئيسي الجمهورية والحكومة: الجيش ينقذ الحكومة من الانفجار بطرح أفكار عامة](#) September 6, 2025;

National News Agency, [مترى: 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

<sup>3</sup> Presidency of the Council of Ministers, [جلسة مجلس الوزراء في قصر بعبدا أقرت معظم بنود جدول الأعمال](#) January 8, 2026

<sup>4</sup> National News Agency, [سلام بعد انتهاء جلسة مجلس الوزراء: أؤكد الحاجة لدعم الجيش وتعزيز قدراته في المرحلة الثانية من الخطة الممتدة بين نهر الليطاني ونهر الأوالي](#) January 8, 2026; [المراحل التي تليها في أسرع وقت](#)

National News Agency, [سلام من باريس: إذا لم يتوافر الأمن والأمان في لبنان فلن تأتي الاستثمارات](#) January 24, 2026

<sup>5</sup> National News Agency, [الرئيس عون في اطلالة بالذكرى السنوية الاولى لتسلمه مهامه عبر «تلفزيون لبنان»: السلاح خارج الدولة انتفى بوجود الجيش وأصبح عنا على لبنان](#) January 11, 2026; [وبينته وقرار التفاوض سيادي والانتخابات في موعدها الدستوري](#)

<sup>6</sup> Ongoing dialogue between Lebanese presidential advisors and Hezbollah reportedly stopped for a limited period and grew tense following Aoun's interview in which he called on Hezbollah to “show reason.” Meanwhile, Hezbollah-aligned journalists engaged in an online campaign of criticism against Aoun.

Nida al-Watan, [«الحزب» لعون: ليست المقصود بكلام قاسم](#) January 24, 2026;

L'Orient Today, [After Berri's visit, are Joseph Aoun and Hezbollah heading toward reconciliation?](#) January 27, 2026;

L'Orient Today, [Hezbollah-aligned journalists summoned after criticism of president](#) January 22, 2026

<sup>7</sup> On December 28, 2025, Hezbollah Secretary-General Naim Qassem reiterated his party's demands for an end to Israeli military operations in Lebanon, saying that if Lebanon was able to secure such concessions, then Hezbollah would be willing to discuss a national defense strategy and the role of its arms.

National News Agency, [قاسم: تنفيذ العدو الاتفاق ويوقف خروقاته بعدها نناقش استراتيجية الأمن الوطني لما فيه مصلحة البلد وقوته](#) December 28, 2025

<sup>8</sup> MTV, [السفير الأميركي عن شمال الليطاني: «المهلة» أهم شيء](#) January 12, 2026

<sup>9</sup> L'Orient Today, [Haykal in Washington on Feb. 3: A 'delicate,' 'loaded' agenda](#) January 29, 2026

<sup>10</sup> Reuters, [US cancels Washington meetings with Lebanese army chief over remarks on Israel, sources say](#) November 18, 2025

<sup>11</sup> National News Agency, [الرئيس عون ترأس اجتماعا في قصر بعبدا في حضور بن فرحان ولودريان واتفاق على عقد مؤتمر دعم الجيش في باريس في آذار المقبل](#) January 14, 2026

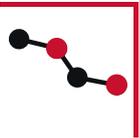
<sup>12</sup> Israeli Foreign Ministry, [@IsraelMFA](#) January 8, 2026

<sup>13</sup> Israeli military spokesperson Avichay Adraee via X, [@AvichayAdraee](#) January 25, 2026;

National News Agency, [شهيدين وخمسة جرحى نتيجة الغارات على الجنوب اليوم](#) January 25, 2026

<sup>14</sup> Since the start of the CoH, Israeli airstrikes against alleged Hezbollah military infrastructure have largely targeted areas north of the Litani. On December 4, the Israeli military conducted strikes against alleged Hezbollah infrastructure in the towns of Mjadel and Baraachit south of the Litani.

Israeli military spokesperson Avichay Adraee via X, [@AvichayAdraee](#) December 4, 2025



The CoH monitoring committee, designed as a deconfliction mechanism for Israel and Lebanon, last convened on January 7, without civilian representatives. In December, Lebanon and Israel held the first civilian-led talks between the two countries since 1983 via the CoH mechanism.<sup>15</sup> The mechanism is scheduled to meet again on February 25.<sup>16</sup>

Amid escalating US-Iran tensions, Israeli officials and media have softened their warnings over the past month about potential widescale military escalation in Lebanon. In late 2025, Israeli,<sup>17</sup> Lebanese,<sup>18</sup> and international media<sup>19</sup> circulated reports that Tel Aviv was considering a sweeping campaign against Hezbollah. However, in January, Israeli media outlets reported that plans for a potential major military operation against Hezbollah had been temporarily shelved as the country aims to conserve its military resources and avoid a possible two-front war.<sup>20</sup> Internationally, attention has turned to whether Hezbollah would enter a potential conflict involving Iran. Diplomats reportedly approached Hezbollah to seek guarantees that it would not retaliate for a US or Israeli strike on Iran. The party allegedly told them it would not act if Iran's leadership did not face an existential threat.<sup>21</sup> On January 26, Hezbollah Secretary-General Naim Qassem said that party would not be neutral if Iran was attacked but was ambiguous about plans to join a possible conflict.<sup>22</sup>

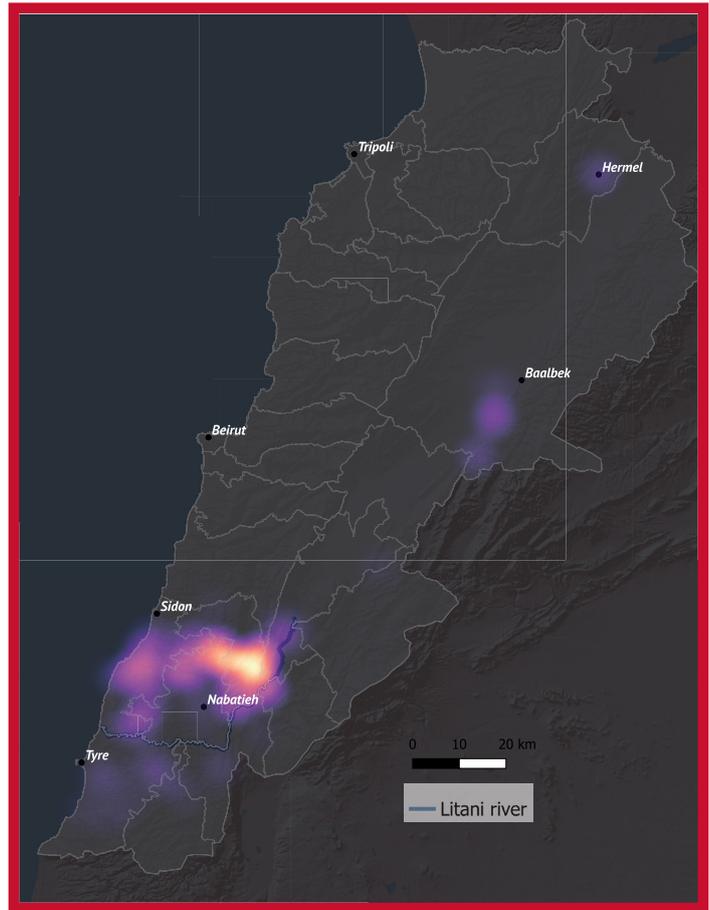


Figure 2: Heatmap of 138 Israel airstrikes in Lebanon in January 2026.

In January, Israel stepped up the tempo of its military actions in Lebanon, conducting 138 airstrikes, its highest monthly tally since the start of the CoH.<sup>23</sup> The strikes focused on mountain valleys and towns between the Litani and Awali rivers, as well the rural outskirts of Janta and Hermel in eastern Lebanon near the Syrian border. Israel bombed several residential buildings north of the Litani after issuing advanced strike notices throughout the month. A wave of such strikes on January 21 displaced 50 residents from five towns.<sup>24</sup>

<sup>15</sup> L'Orient Today, [Lebanon and Israel hold their first direct talks in over 40 years](#) December 3, 2025

<sup>16</sup> US Embassy in Beirut via X, [@usembassybeirut](#) January 30, 2026

<sup>17</sup> Maariv, [טילים מדויקים לעבר תל אביב: מידת המוכנות של צה"ל למתקפה חריגה בלבנון](#), December 31, 2025;

Israel Channel 12, [בצה"ל נערכים להרחבת המערכה בלבנון: חשבון פתוח עם חיזבאללה](#), December 22, 2025

<sup>18</sup> An-Nahar, [احتمالات التصعيد تعيد تحريك الموقدين إلى بيروت](#), January 2, 2026;

L'Orient Today, [Will Trump give Netanyahu the green light to escalate in Lebanon?](#) December 29, 2025;

Nida al-Watan, [مسؤول أمريكي ينتقد التردد في التعامل مع الممتلكات الخاصة](#), December 9, 2025

<sup>19</sup> Asharq Alwstat, ["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

<sup>20</sup> Yedioth Ahronoth, [הדין הרגיש שכינס נתניהו, והכנות לפעול בכל הזירות | המוקדים - ושאלת העיתון](#) January 7, 2026;

Maariv, [המוסד שכר את החשאיות מול איראן והתחרט: «בכל מקום» | אלון בן דוד](#), January 10, 2026

<sup>21</sup> Reuters, [Hezbollah said to tell foreign diplomats it won't strike US, Israel unless Iran leadership in existential danger](#) January 14, 2026

<sup>22</sup> National News Agency, [قاسم في لقاء تضامني مع إيران: الحرب عليها هذه المرة قد تشعل المنطقة وأمام العدوان لسنا حيايين والتفاصيل تحددها المعركة](#) January 26, 2026

<sup>23</sup> LCAT logs all Israeli airstrikes across Lebanon reported by Lebanon's National News Agency, L'Orient Today, and Al-Mayadeen. LCAT logged 138 airstrikes in January 2026, 72 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.

<sup>24</sup> L'Orient Today, [Israeli strikes wound ,19 displace dozens in South ,Lebanese officials condemn escalation](#) January 21, 2026



One strike, in Qennarit, damaged a South Lebanon Water Establishment facility.<sup>25</sup> In another instance of damage to civilian infrastructure, Israeli bombardment of a building in the western Bekaa town of Sohmor on January 15 damaged a nearby school.<sup>26</sup> On January 30, Israel bombed a depot of bulldozers and excavators in Daoudieh, approximately 15 kilometers south of Saida, continuing its policy of targeting construction equipment.<sup>27</sup>

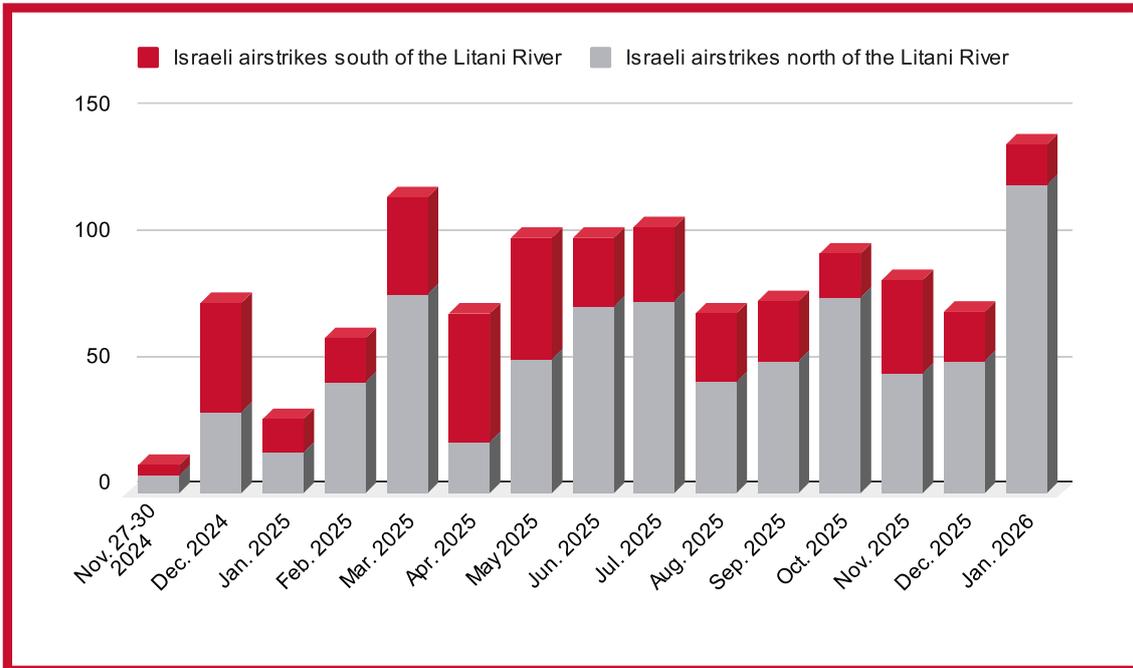


Figure 3: Israeli airstrikes in Lebanon since the CoH came into effect on November 27, 2024.

Israel conducted 18 targeted assassinations in the past month, in line with its tempo since the start of the CoH.<sup>28</sup> These included the killing of a member of the Bint Jbeil municipal council,<sup>29</sup> who Israel claimed was a Hezbollah operative attempting to rebuild the group’s military infrastructure.<sup>30</sup> Hezbollah responded that the January 11 strike was part of an Israeli policy to disrupt municipal governance and undermine social stability.<sup>31</sup> Ten days later, Israeli forces assassinated the Hezbollah liaison officer for the village of Yanouh, south of the Litani, saying that he was “enabling the group to operate within civilian areas and on private property.”<sup>32</sup> These strikes point to an ongoing and expanding Israeli policy to target not only alleged military operatives, but also personnel in the party with non-military roles. In a recap of its assassinations in the past month, Israel said that it had targeted alleged Hezbollah operatives “exploiting the civilian population for rebuilding, education, welfare, and infrastructure.”<sup>33</sup> This follows on from Israel’s targeted assassination campaign in October 2025, when it shifted to include reconstruction-related activities, with the Israeli military saying in mid-October that it was targeting Hezbollah-affiliated engineers, contractors, and businessmen.<sup>34</sup>

<sup>25</sup> National News Agency, [مياه لبنان الجنوبي: تضّر محطة الزاهرية في الغارة على قناريت](#), January 23, 2026

<sup>26</sup> L’Orient Today, [Following Sohmor and Mashghara bombings, Israel attacks the hills of Hermel | LIVE](#), January 15, 2026

<sup>27</sup> National News Agency, [إصابة اثنين في الغارات على معرض وورش تصليح الآليات في الداودية](#), January 30, 2026;

Al-Modon, [المدن توثق بالصورة أضرار الغارات الإسرائيلية جنوبًا](#), January 31, 2026

<sup>28</sup> LCAT logs Israeli military statements regarding its targeted assassinations. LCAT logged 18 assassinations in January 2026, 12 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 defines a targeted assassination as an Israeli strike aimed at specific individuals and does not count Israeli strikes against alleged Hezbollah infrastructure that kill alleged 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.

<sup>29</sup> NNA, [عمليات طوارئ الصحة العامة: شهيد بسبب الغارة على بنت جبيل](#), January 11, 2026;

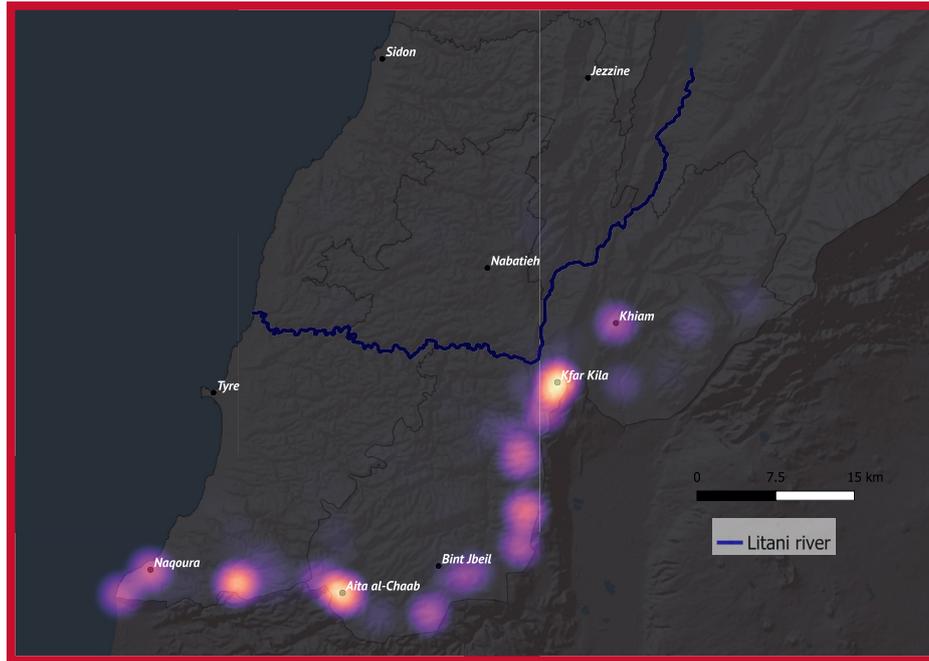
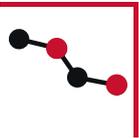
Al-Ahed News, [العمل البلدي في حزب الله يُدين الاعتداء «الإسرائيلي» على عضو بلدية بنت جبيل](#), January 12, 2026

<sup>30</sup> Israeli military spokesperson Avichay Adraee via X, [@AvichayAdraee](#), January 11, 2026

<sup>31</sup> Al-Ahed News, [العمل البلدي في حزب الله يُدين الاعتداء «الإسرائيلي» على عضو بلدية بنت جبيل](#), January 12, 2026

<sup>32</sup> Israeli military spokesperson Avichay Adraee via X, [@AvichayAdraee](#), January 21, 2026

<sup>33</sup> Israel Defense Forces via Telegram, [@idfofficial](#), January 22, 2026



**Figure 4:** A heatmap of 410 Israeli quadcopter attacks since the start of the CoH on November 27, 2024 through December 2025.

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.<sup>35</sup> Throughout January, the Israeli military conducted 58 quadcopter attacks, its highest tally since the start of the CoH, including six strikes targeting construction equipment.<sup>36</sup> These attacks also targeted returning residents inspecting their destroyed homes in Aita al-Chaab, a stone quarry in Kham, and telecom towers in Blida, disrupting internet service in the border town.<sup>37</sup> Israel also intensified its intermittent artillery fire in the border area, firing with high-caliber weapons for the first time since the start of the CoH on January 7.<sup>38</sup> As of October 3, 2025 (the most recent date for which data is available), 64,417 people remained internally displaced across Lebanon. This represents a 34.9% decline since Israel completed its withdrawal from southern towns and villages on February 1, when there were 98,994 IDPs.<sup>39</sup>

Apart from a single attack – two mortar rounds fired on December 2, 2024 at the contested Shebaa Farms claimed by Lebanon, Israel, and Syria<sup>40</sup> – Hezbollah has not launched any attacks on Israeli military or civilian targets. In an August 5, 2025 speech, Qassem warned that Hezbollah would retaliate against any widescale Israeli military offensive with rocket fire on Israel.<sup>41</sup>

<sup>34</sup> Israeli military spokesperson Avichay Adraee via X, @AvichayAdraee October 16, 2025

<sup>35</sup> France24, [Israeli troops "staying indefinitely" in Lebanon border buffer zone, defence minister says](#) February 27, 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 pose a barrier to return by targeting reconstruction activity.

<sup>37</sup> *ibid.*

<sup>38</sup> *L'Orient Today*, [1 killed by Israeli strike on vehicle in Sour, south Lebanon](#) January 7, 2026

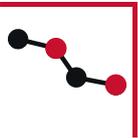
<sup>39</sup> International Organization for Migration, [Mobility Snapshot - Round 77](#) February 20, 2025;

International Organization for Migration, [Mobility Snapshot - Round 88](#) October 15, 2025

<sup>40</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>41</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 التسيس](#) August 5, 2025



Source: L'Orient Today

## Political Updates:

### Public Strikes

**Throughout January, public sector workers went on strike to protest eroding wages and pensions.** Public sector unions – representing teachers, professors, contractors, and judicial assistants – extended their strikes several times and denounced the 2026 Budget for failing to adjust wages and pensions. The unions called for a new salary scale to restore wage values to pre-October 2019 levels, the approval of retirement plans and pension protections, and raising the retirement age to 68.<sup>42</sup> The strikes have paralyzed public schools, universities, and a range of public offices. The judiciary has been heavily affected since judicial assistants walked out on January 13, delaying most judicial investigations and court hearings.<sup>43</sup> Judicial assistants have been calling for a salary increase since 2019 after warning in October that they would force a work stoppage.<sup>44</sup> The Beirut and Tripoli Bar Association criticized the action, warning that it would hinder judicial work and deprive citizens of their constitutional rights.<sup>45</sup> Continued work stoppages in the public sector risk sparking public backlash and raising social tensions,<sup>46</sup> though likely more concerning is the prospect of extended labor protests. In recent decades, such street action has correlated with periods of political upheaval.

<sup>42</sup> National News Agency, [رابطة موظفي الإدارة العامة: للاستمرار في التصعيد والاعتكاف حتى 25 الحالي](#) January 17, 2026;

Al-Araby al-Jadeed, [لبنان: إضراب العاملين في القطاع العام احتجاجا على الرواتب والمعاشات](#) January 13, 2026;

Al-Akhbar, [رابطة موظفي الإدارة العامة تختد موعدا تصعيد الإضراب](#) February 1, 2026

<sup>43</sup> National News Agency, [لجان المساعدين القضائيين تعلن بدء أسبوع الغضب غدا والتوقف يشمل الموقوفين وجلساتهم](#) January 11, 2026;

Lebanese Broadcasting Corporation International, [لجان المساعدين القضائيين تعلن الاستمرار في الاعتكاف في كل قصور العدل... لغاية 25/1/2026](#) January 16, 2026;

Lebanon On, [لسنا دعاة فوضى ولكن... المساعدون القضائيون أعلنوا الاستمرار بالاعتكاف](#) January 25, 2026

<sup>44</sup> Judicial assistants are paid USD 450 to 700 monthly (depending on category and seniority) and receive pensions of up to USD 300 upon retirement.

National News Agency, [لجان المساعدين القضائيين تعلن بدء أسبوع الغضب غدا والتوقف يشمل الموقوفين وجلساتهم](#) January 11, 2026;

Lebanese Broadcasting Corporation International, [لجان المساعدين القضائيين أعلنت الاعتكاف الشامل والتحذري](#) October 22, 2025;

Lebanon On, [لسنا دعاة فوضى ولكن... المساعدون القضائيون أعلنوا الاستمرار بالاعتكاف](#) January 25, 2026;

Lebanese Broadcasting Corporation International, [اعتكاف المساعدين القضائيين يفتح الباب على إزمات قضائية لا تنتهي](#) January 19, 2026

<sup>45</sup> National News Agency, [نقابة المحامين في طرابلس: استمرار تجاهل حقوق المساعدين القضائيين يشكل مساسا مباشرا بانتظام العمل القضائي](#) January 13, 2026;

Lebanon On, [لسنا دعاة فوضى ولكن... المساعدون القضائيون أعلنوا الاستمرار بالاعتكاف](#) January 25, 2026

<sup>46</sup> The Arab Trade Union Confederation, [Lebanon: Workers Caught Between Preserving Public Services and Defending Their Rights](#) January 29, 2026



## Beirut Port Investigations and Appointments

**On January 16, the Beirut Court of First Instance ordered former Ministers Ali Hassan Khalil and Ghazi Zaiter to pay 10 billion Lebanese pounds (LBP) for obstructing the Beirut port explosion investigation.** The two ministers filed 10 recusal and adversarial motions against Investigative Judge Tarek Bitar and other judges between late September 2021 and late March 2022, with the court finding that these actions trapped the investigation in a “vortex of obstruction”, forcing its suspension. The ruling marks the first instance of judicial accountability for obstructionist tactics regularly used in corruption and financial crime cases, with the court determining that the compensation serves both as damages for victims and a civil penalty.<sup>47</sup> Only days earlier, on January 12, Khalil had filed an appeal against Judge Habib Rizkallah’s decision to dismiss abuse of power proceedings against Bitar.<sup>48</sup>

**On January 15, the government appointed Gracia Azzi as head of the Directorate of Customs, sparking controversy as she faces charges in connection with the 2020 Beirut port blast and a 2018 corruption case.**<sup>49</sup> The appointment was reportedly the result of a political compromise between the presidency and the Lebanese Forces, prompting critics to argue that it contravenes the government’s pledge of merit-based appointments.<sup>50</sup> Families of port blast victims and activists denounced the move, claiming it undermines accountability at the expense of sectarian power-sharing and serving political interests. On January 19, families gathered outside the Customs Directorate building, threatening to block Azzi’s entry and vowing to escalate protests.<sup>51</sup>

## Lebanese and Syrian Prisoners

**On January 30, the Council of Ministers approved a deal to repatriate convicted Syrian inmates.**<sup>52</sup> The agreement, reached after months of tense negotiations, is expected to be formalized during the first week of February. Some 300 Syrian inmates in Lebanese prisons will be transferred to Syrian custody, including those who committed serious crimes, such as murder, and who have served at least ten years in prison. The transfer will be dependent on the prisoners’ consent and does not include inmates awaiting trial or individuals convicted for committing acts of violence against Lebanese nationals.<sup>53</sup>

On January 26, Lebanese inmates at Roumieh Prison launched a hunger strike to protest dire conditions<sup>54</sup> and “selective justice”, in reference to the prisoner transfer accord between Damascus and Beirut.<sup>55</sup> Most Syrian and Lebanese prisoners are in extended pre-trial detention, with many incarcerated for years awaiting trial.<sup>56</sup> Lebanese prisons operate at 250% of their designated capacity, and according to Justice Minister Adel Nassar, 64% of inmates are pretrial detainees. Successive governments have been blamed for delayed trials and an inability to safeguard basic human rights within prison facilities.<sup>57</sup> Inmates and their families warn that overcrowding, inadequate health care, and delayed trials could be the catalyst for inmates taking further protest actions. Six inmates have died in Roumieh prison since the beginning of 2026, at least one by suicide.<sup>58</sup>

<sup>47</sup> Legal Agenda, [انتصار لضحايا تفجير المرفأ على الخليل وزعيتن: عقوبة أولى بحق الانقلابيين على القضاء](#) January 22, 2026

<sup>48</sup> L’Orient Today, [Appeal filed against decision to end proceedings against Tarek Bitar over abuse of power](#) January 14, 2026

<sup>49</sup> L’Orient Today, [Appointment of customs chief prosecuted over Beirut blast and corruption sparks division](#) January 17, 2026

<sup>50</sup> L’Orient Today, [Customs nomination: ‘The new authority’ caught in the grip of realpolitik](#) January 21, 2026

<sup>51</sup> L’Orient Today, [Families of Aug. 4 victims unwavering: Azzi’s appointment ‘will not pass’](#) January 19, 2026

<sup>52</sup> Presidency of the Council of Ministers, [مجلس الوزراء اقر في جلسته برئاسة الرئيس عون الاتفاقية بين لبنان وسوريا حول نقل الأشخاص المحكومين الى بلادهم](#) January 30, 2026

<sup>53</sup> The New Arab, [Lebanese cabinet approves agreement to repatriate 300 Syrian prisoners](#) January 31, 2026

<sup>54</sup> Al-Araby al-Jadeed, [إضراب عن الطعام في سجن رومية رفضا لالعدالة الانتقائية](#) January 26, 2026;

Asharq Al-Awsat, [بيروت ودمشق: تقتربان من اتفاق لتسليم المحكومين](#) January 8, 2026

<sup>55</sup> Presidency of the Council of Ministers, [مجلس الوزراء اقر في جلسته برئاسة الرئيس عون الاتفاقية بين لبنان وسوريا حول نقل الأشخاص المحكومين الى بلادهم](#) January 30, 2026

<sup>56</sup> Alsharq Al-Awsat, [أكبر سجون لبنان أمام انفجار وشيك](#) January 26, 2025;

<sup>57</sup> Al-Araby al-Jadeed, [سجن رومية... حجم الإهمال، بندر بانفجار وشيك](#) January 1, 2026

<sup>58</sup> Al-Araby al-Jadeed, [إضراب عن الطعام في سجن رومية رفضا لالعدالة الانتقائية](#) January 26, 2026



Source: AFP

## Economic Updates:

On January 9, the Central Bank issued **Basic Circular No.1**,<sup>59</sup> establishing a new regulatory framework for **Electronic Payment Service Providers (EPSPs)**. The circular updates and partially supersedes Circular No. 69 (2000),<sup>60</sup> modernizing regulations for electronic wallets and payment service providers.<sup>61</sup> It sets new market entry requirements and mandates compliance with Financial Action Task Force (FATF) Recommendations,<sup>62</sup> among other operational requirements. The circular also defines digital money transfer provisions, specifies minimum capital requirements for market entry, and establishes governance standards. This builds on a November “Know Your Customer” circular,<sup>63</sup> which requires individuals sending money domestically and internationally to provide personal information about themselves and the recipient. EPSPs are a major component of Lebanon’s cash economy, and these two circulars are part of the Central Bank’s efforts to bolster Lebanon’s financial reputation, particularly by combatting money laundering.

While the new circular aims to formalize cash-based transactions, its impact on the commercial banking sector depends on how EPSPs respond. Reliance on EPSPs for small intranational transactions has increased since the 2019 economic crisis. With accreditation, EPSPs could capture a larger share of formal transactions, eroding the share of transactions processed by commercial banks. However, the exact opposite could also occur should EPSPs gradually retreat from the market under the tighter regulations.

<sup>59</sup> Banque du Liban, [Basic Circular 1](#) January 9, 2026

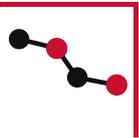
<sup>60</sup> Banque du Liban, [Basic Circular 69](#) March 30, 2000

<sup>61</sup> L’Orient Today, [Money transfers: BDL overhauls regulations from top to bottom](#) January 19, 2026

<sup>62</sup> The Financial Action Task Force’s Recommendations are designed to detect, prevent, and report practices that disguise illicit funds as legitimate income while also blocking financial support for terrorist activities.

<sup>63</sup> In November, the Central Bank issued a “Know Your Customer” circular applicable to all transactions over USD 1,000, including domestic ones. It obliges senders to provide information on the source and purpose of transferred funds, as well as personal details for both themselves and the recipient.

Mercy Corps Lebanon, [November Crisis Update](#) December 5, 2025



**On January 9, the Ministry of Energy and Water and the TotalEnergies-ENI-Qatar Energy consortium signed an exploration and exploitation contract for offshore Block 8.** The consortium has three years to complete a 1,200 km<sup>2</sup> 3D seismic survey and two additional years for drilling wells. The exploration and exploitation agreement will likely not have an immediate impact on Lebanon's nascent petroleum sector, as no commercially viable hydrocarbon deposits have been discovered in the Lebanese offshore and no production drilling is planned.

During a meeting between TotalEnergies and President Aoun on the same day, the two sides also discussed plans to establish a floating storage and regasification unit near Deir Ammar to supply power plants.<sup>64</sup> Notably, Lebanon cannot currently receive gas imports via the Arab Gas Pipeline – from which gas from Egypt would be sourced – as it will first need to be refurbished.<sup>65</sup>

**On January 29, the parliament passed the 2026 Budget Law.**<sup>66</sup> It totals USD 5.97 billion – a 20% increase over last year's budget. The parliament's Finance and Budget Committee reported that only 10% to 11% of the budget is allocated to long-term investments, while the rest is earmarked for current spending. Several previously approved projects (reportedly about 15) have been delayed, similar to budgets passed in recent years. Under the budget, state revenues are highly dependent on value added tax (64.12%) and trade (14.75%), while property taxes account for a lower share (about 8% each),<sup>67</sup> provisions at odds with International Monetary Fund (IMF) requirements. Several MPs criticized the draft,<sup>68</sup> citing delayed investments in public projects,<sup>69</sup> a lack of allocations to social services and citizens affected by the ongoing conflict,<sup>70</sup> allegedly inaccurate revenue and expenditure estimates,<sup>71</sup> and the absence of adjusted public salary scales and the adoption of modernized tax laws. One point of concern for the development sector is the unaddressed debt servicing in the budget. Many loans for development projects, largely from the World Bank, will be maturing in coming years and the 2026 Budget does not contain clear provisions or a long-term strategy for repaying them.

Another point of contention involved military pensions. In the leadup to the budget vote, retired military personnel and public sector workers organized large sit-ins around the parliament, demanding pension adjustments after their monthly income collapsed to around 60 USD, an amount that no longer covers basic needs.<sup>72</sup>

<sup>64</sup> TotalEnergies, [Lebanon: TotalEnergies enters Block 8 offshore exploration permit](#) January 9, 2026

L'Orient Today, [Block 8 exploitation officially awarded to TotalEnergies-led consortium](#) January 9, 2026

<sup>65</sup> L'Orient Today, [Lebanon must rehabilitate its pipeline section to receive Egyptian gas](#) January 12, 2026

<sup>66</sup> Lebanese Parliament, [جلسة مناقشة مشروع قانون الموازنة العامة للعام 2026 \(اليوم الأول\)](#), January 27, 2026;

Lebanese Parliament, [جلسة مناقشة مشروع قانون الموازنة العامة للعام 2026 \(اليوم الثاني\)](#), January 28, 2026;

Anadolu Ajansi, [2026 موازنة على صفاق](#), January 30, 2026;

Lebanon 24, [إقرار الموازنة بعد سجلات استحضرت ملف السلاح... وعود حكومية صعبة التنفيذ ترحب المشكلة الى شباط](#), January 30, 2026

<sup>67</sup> Ministry of Finance, [Quick Overview on Budget 2026](#)

<sup>68</sup> These MPs called for a new public sector salary scale in the budget, in addition to a clear, evidence-based mechanism for tax and fine increases.

<sup>69</sup> L'Orient Today, [Tax hikes, insufficient spending, lack of vision: Parliamentary committee's key criticism of 2026 budget law](#) January 27, 2026;

L'Orient Today, [Budget 2026: Tripoli buildings collapse, south Lebanon rebuilding fuel debate](#) January 29, 2026

<sup>70</sup> The draft law reportedly allocates around USD 90 million to people affected by conflict, while needs are estimated to vary between USD 5 billion and USD 7 billion.

<sup>71</sup> Several MPs criticized the budget's USD 6 billion in estimated revenues and a near-zero deficit, which was calculated without considering expenditures to service both existing fiscal debt and forthcoming loans.

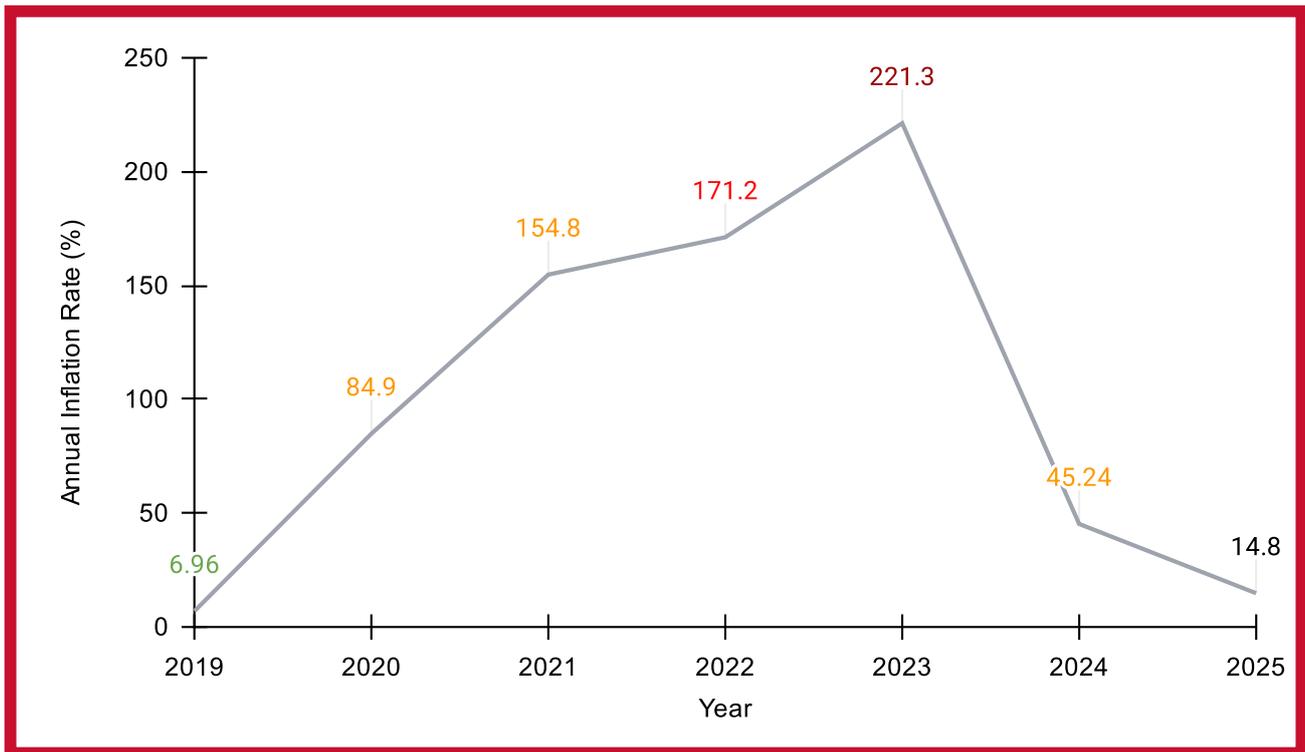
<sup>72</sup> Anadolu Ajansi, [لبنان... عسكريون متقاعدون يقتحمون ساحة البرلمان](#), January 29, 2026;

Alarabiya, [مجلس النواب اللبناني يناقش موازنة 2026 وسط احتجاجات الموظفين والمتقاعدين](#), January 27, 2026;

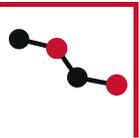
National News Agency, [وفد من العسكريين المتقاعدين انضم إلى الاجتماع في مكتب نائب رئيس المجلس بحضور روكز](#), January 29, 2026



According to the Central Administration of Statistics (CAS), yearly inflation fell from **42.24% in 2024 to 14.8% in 2025**. Inflation rates remain above pre-crisis levels, although current trends suggest that price increases could slow further in 2026. The drop in inflation is largely the result of LBP/USD exchange rate stability and the near-total dollarization of the country’s consumer markets. Prices are still rising but at a slower pace, while income remains largely stagnant, suggesting that the drop in inflation will not result in an improvement of household-level wellbeing or significant economic growth.



**Figure 5:** Annual inflation rates (2019–2025).  
Source: [Central Administration of Statistics](#).



## Financial Gap Law: Progress and Obstacles

Deposited amount (in USD)	Repayment method	Repayment period	Risk(s)	Impact on Depositors
100,000 and below	Cash withdrawals	4 years	<ol style="list-style-type: none"> <li>Limited liquidity in the Central Bank and commercial banks</li> <li>Refusal by commercial banks to return small deposits</li> <li>Banking lobbies and political stakeholders challenge the plan's implementation</li> <li>Unfair categorization of what constitutes eligible and ineligible accounts <sup>73</sup></li> </ol>	<ol style="list-style-type: none"> <li>Delayed payments to small depositors</li> <li>Deposits inaccessible despite enactment of the law <sup>74</sup></li> <li>Differential treatment among depositors based on deposit type and date</li> <li>Unequal treatment of depositors who converted their accounts to the controversial "Lollar", facilitated by commercial banks</li> </ol>
100,000 to 1 million	Maturity bonds In case of default: - Central Bank asset liquidation - Central Bank asset (Gold) swap	10 years	<ol style="list-style-type: none"> <li>Limited liquidity in the Central Bank and commercial banks to pay yearly interest</li> <li>Unfair categorization of what constitutes eligible and ineligible accounts</li> </ol>	<ol style="list-style-type: none"> <li>Inflation creates de facto haircuts due to extended repayment periods</li> <li>High default probability risking another deposit crisis in the future</li> <li>Trading securities and bonds in secondary market for substantially lower returns</li> </ol>
1 million to 5 million		15 years	<ol style="list-style-type: none"> <li>Delays and defaults on bonds</li> <li>Delays and defaults on asset-backed swaps</li> </ol>	
Above 5 million		20 years	<ol style="list-style-type: none"> <li>Bonds and certificates depreciate in value</li> <li>Emergence of secondary (or even parallel) markets for bonds and certificates</li> </ol>	

**Table 1:** Preliminary plan for returning trapped deposits and its impact on depositors.

<sup>73</sup> The proposed "Financial Gap" law distinguishes between deposits originally created in USD (eligible) and those converted from LBP to USD after October 2019 (ineligible). Ineligible accounts are likely to receive significant haircuts (up to 70%) under the current version of the law. The Policy Initiative, [The Gap Law: A settlement for banks paid by society](#) December 18, 2025

<sup>74</sup> LBP accounts are excluded from the "Financial Gap" Law revaluations. Despite LBP depreciation since the onset of the crisis, LBP accounts were not adjusted for depreciation, and their value has fallen by more than 90%.



While the proposed Financial Gap law was hailed by Egypt, France, and the United States<sup>75</sup> after its enactment on December 31, several actors oppose its current provisions. Chief among its detractors is the Association of Lebanese Banks (ABL), which argues that the proposed law could collapse the banking sector; violates constitutional principles, asserting that it unfairly shifts losses created by the state and the Central Bank onto commercial banks; and makes the state the main beneficiary of the crisis. Additionally, ABL has raised technical objections to the law's provisions.<sup>76</sup> For its part, the IMF issued a subtle, yet critical statement in January,<sup>77</sup> in which it once again called for commercial banks to be held primarily responsible for returning trapped deposits.<sup>78</sup> The Fund has also consistently objected to the state bearing responsibility for revitalizing banking finances, largely due to limited financial capacity.<sup>79</sup>

Notably, the Central Bank echoed the IMF's point from a slightly different angle, calling for cautious steps to address the "financial gap"<sup>80</sup> and rigorous investigations and audits of all commercial banks and the Central Bank before restructuring. Central Bank Governor Karim Souaid is currently tasked with addressing outstanding financial issues within his institution, namely the disputed USD 16.5 billion<sup>81</sup> and USD 8 billion<sup>82</sup> loan claims against the Lebanese government and embezzlement during former Central Bank Governor Riad Saleme's tenure.<sup>83</sup>

*Prime Minister Salam's statements emphasizing the importance of securing an IMF deal<sup>84</sup> suggest his government intends to pursue swift implementation of the proposed framework.<sup>85</sup> This approach is likely to meet with resistance from the banking sector, whose lobbies are expected to use their political influence to advocate for a "save the sector" framework that would limit banks' contribution to deposit recovery to available liquidity alone, excluding capital, assets, or equity conversions.*

*Tensions will likely rise between the government and the Central Bank over cost-sharing, as well as tensions between several parties, including Hezbollah and the Lebanese Forces, both of whom have already criticized the draft law in parliament. Given the balance of forces – Salam's support from reform-oriented parliamentarians and international actors versus the banks' extensive political connections – the most realistic outcome is a compromise: legislation marked by ambiguity and caveats. Complicating matters further, Central Bank Governor Karim Souaid has sought to hold the government accountable alongside the banks, claiming the state owes funds from former Governor Salameh's tenure.*

<sup>75</sup> LCAT's December 2025 monthly report highlights the distribution of responsibilities to cover the 2019 financial crisis losses. Under the current formulation, commercial Banks would cover 20-40% of the cost of returning deposits, while the Central Bank would cover the rest.

Lebanese Broadcasting Corporation International, [France welcomes Cabinet approval of the financial gap law, sees it as key step toward restoring trust](#) December 26, 2025;

Naharnet, [Paris lauds Lebanese gov.'s approval of financial gap bill](#) December 27, 2025;

L'Orient Today, [Financial gap: Diplomats back Lebanon's draft law amid opposition](#) January 13, 2026

<sup>76</sup> The current draft law requires bankers (including shareholders, board members, executives, and their direct spouses) to repay 30% of money transferred abroad while unofficial capital controls were in place, as well as 30% of profits made between 2015-2019 (during the period of "financial engineering"). The draft law does not lay out how these transfers and profits are to be identified.

<sup>77</sup> The Beirut, [Lebanon's Gap Law faces IMF resistance](#) January 27, 2026

<sup>78</sup> L'Orient Today, [IMF will not back Lebanon's financial gap law, calls for revisions](#) January 16, 2026

<sup>79</sup> The 2026 Budget totals USD 5.97 billion, less than 10% of what would be needed to cover the financial gap.

<sup>80</sup> The Beirut, [Lebanon's Gap Law faces IMF resistance](#) January 27, 2026

<sup>81</sup> Lebanese Broadcasting Corporation International, [Depositors face delays as Lebanon battles over \\$16.5 billion debt](#) September 25, 2025

<sup>82</sup> The National, [New fraud allegations hit Lebanon's central bank over \\$8 billion scheme](#) April 9, 2024

<sup>83</sup> Souaid is cooperating with domestic and foreign financial authorities over funds embezzled from the Central Bank during Riad Saleme's tenure. He has ordered Lebanese banks to provide information on a 0.375% commission they collected on Central Bank-related operations between 2005 and 2019.

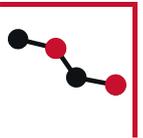
L'Orient Today, [Karim Souaid meets French investigating judge to recover embezzled funds](#) January 14, 2026;

L'Orient Today, [Souaid calls banks to account for commissions under Salameh](#) January 29, 2026

<sup>84</sup> Reuters, [Lebanon PM says IMF wants rescue plan changes as crisis deepens](#) January 23, 2026

<sup>85</sup> The IMF recently requested that Lebanon provide it with a medium-term fiscal framework (MTFF), a three- to five-year top-down budget strategy that sets revenue, expenditure, and debt repayment targets, while also considering potential risks and shocks.

L'Orient Today, [Without a coherent budget plan, Lebanon will not secure IMF support](#) January 23, 2026

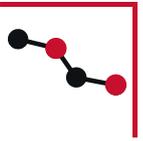


*Differing views on the proposed law and delays in its prospective implementation risk placing the heaviest burden on the smallest depositors. Already, continued delays in ensuring greater access to trapped deposits, particularly for depositors with savings below USD 100,000, have had a marked effect on the economy. Dating back to the outset of the economic and financial crisis in 2019, depositors have had the option to withdraw unrestricted amount of USD from at a very disadvantageous LBP exchange rate.<sup>86</sup> Beginning in 2021 under Circular 158, and then under Circular 166 in 2024, USD deposit holders could withdraw directly from their accounts, but only in limited amounts.<sup>87</sup> Delays in granting depositors greater access to accounts only compounds the lasting effects of the 2019 crisis – many households still struggle to make ends meet and have adopted negative coping mechanisms – and lengthen the timeline for making the financial sector functional again.*

<sup>86</sup> Circular 151 allowed USD withdrawals at LBP/USD 15,000, almost 90% lower than parallel market rates in early 2023.

Reuters, [Lebanon c.bank sets new rate for withdrawals from dollar deposits](#) January 20, 2023

<sup>87</sup> LBCI, [BDL raises withdrawal limits under Circulars 158 and 166](#) June 18, 2025



Source: M.Hallak

## Access to Services:

**On January 24, a residential building in Tripoli collapsed, killing two people and injuring several others.** Municipal officials stated that although the building was not previously listed as condemned, residents had been warned to evacuate less than 24 hours before the collapse after cracks appeared in the structure. They initially complied, but some returned due to the lack of alternative shelter.<sup>88</sup> Earlier in the month, on January 7, another residential building in the Dahr al-Maghar area of Tripoli collapsed after a precautionary evacuation, causing material damage and no injuries.<sup>89</sup>

These incidents underscore deficiencies in building safety across Tripoli, with municipal surveys identifying at least 105 buildings requiring immediate evacuation and more than 600 cracked or high-risk structures citywide.<sup>90</sup> Building safety remains a critical issue nationwide, with deteriorating structures at risks of collapsing. A 2022 LAF census identified more than 16,000 buildings across Lebanon as structurally unsafe.<sup>91</sup>

**Throughout January, winter storms caused repeated flooding along the Kabir River in Akkar, forcing the Arida border crossing with Syria to close.** Several towns flooded, including Samakieh, Hakr al-Dahri, Arida, and parts of Wadi Khaled. The flooding damaged homes, farmland, greenhouses, and roads, and displaced residents as well as Syrian refugees, many of whom were living in informal riverbank settlements. The floods also caused the Arida bridge to collapse, cutting off the only legal crossing between northern Lebanon and Syria. Strong currents eroded soil beneath the bridge – which had been temporarily restored following an Israeli airstrike – despite residents' warnings that repairs would not withstand winter conditions.<sup>92</sup>

<sup>88</sup> Al-Araby al-Jadeed, العثور على جثمان الشابة ألسار آخر ضحايا المنهار في طرابلس January 28, 2026;

Al-Araby al-Jadeed, جهود الإنقاذ مستمرة بعد انهيار مبنى سكني في طرابلس January 25, 2026

<sup>89</sup> National News Agency, الدفاع المدني: انهيار المبنى في ظهر المغر بعد إخلائه ولا إصابات January 7, 2026;

National News Agency, كريمة في مؤتمر صحفي حول انهيار المبنى السكني في طرابلس: لوضع موازنة لترميم الأبنية المتصدعة January 7, 2026

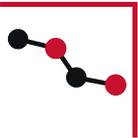
<sup>90</sup> Lebanon Debate, طرابلس «تنزف»... والدولة تتحرك: لا سقف للتمويل ولا تراجع عن الإبقاء! January 26, 2026;

El Nashra, اجتماع في سرايا طرابلس تابع ملف الأبنية المتصدعة: لتفعيل خطة طوارئ البلدية والتحصين لوضع بيوت جاهزة January 29, 2026

<sup>91</sup> L'Orient Today, Thousands of buildings in Lebanon at risk of collapsing: A look at the figures and causes August 17, 2024

<sup>92</sup> Annahar, انهيار جزء من جسر العريضة يقفل المعبر الشرعي الوحيد شمالا مع سوريا (صور - فيديو) January 2, 2026;

Adiyar, انهيار جسر العريضة بعد 3 أشهر من إنجاز المؤقت... من المسؤول؟ وهل يمر دون محاسبة؟ January 5, 2026



**In mid-January, the Lebanese government tasked Minister of Economy and Trade Amer al-Bsat with building three sets of grain silos at the ports of Beirut and Tripoli, and in the Bekaa.** The new silos will provide a total of 414,000 tons of storage capacity, sufficient for six months of reserves, at an estimated cost of USD 250 million. Lebanon imports 85-90% of its annual wheat consumption and has lacked adequate storage after the 2020 port explosion. The country depends on ad-hoc storage and sourcing via spot purchases.<sup>93</sup>

**On January 27, the World Bank approved two loans totaling USD 350 million aimed at expanding social safety nets for vulnerable populations and “accelerating the digitization of key public services.”**<sup>94</sup> Both are awaiting cabinet and parliamentary approval. The first loan provides USD 200 million for the Social Safety Net Enhancement and System Building Project, designed to transform the DAEM platform, used by the AMAN program, into a wider social registry serving multiple public programs. The remaining USD 150 million will support the Digital Acceleration Project, which aims to improve citizens’ access to public services and pilot state digital services.<sup>95</sup>

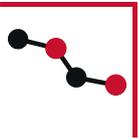
**The Lebanese government launched a recovery and reconstruction strategy for areas targeted by the Israeli military since November 2023.** Prime Minister Nawaf Salam announced that Lebanon had secured USD 52 million in initial World Bank funding, part of a USD 250 million loan recently approved by the parliament. The strategy focuses on managing displaced populations, rebuilding assets, restoring basic services, and supporting border area development. A joint ministerial committee chaired by Salam will oversee implementation, with the Council for Development and Reconstruction and ministries handling public infrastructure and the Prime Minister’s Office managing private residential and commercial reconstruction assistance. Funding will come from grants, concessional loans, and budget appropriations, though implementation faces challenges from ongoing Israeli military action.<sup>96</sup>

<sup>93</sup> Asharq al-Awsat, إهراءات مرفأ بيروت... خطة حكومية لحماية الأمن الغذائي وذاكرة انفجار المرفأ, January 15, 2026

<sup>94</sup> L’Orient Today, World Bank approves \$350 million new loans to support Lebanon’s recovery, January 27, 2026

<sup>95</sup> Asharq al-Awsat, 350 مليون دولار من «البنك الدولي» لدعم الحماية الاجتماعية والتحول الرقمي في لبنان, January 27, 2026

<sup>96</sup> Annahar, ما هي خطة الحكومة لإعمار الجنوب؟... مصدر حكومي يوضح ل النهار, January 30, 2026



# Looking Forward:

## Conflict Development:

Lebanon's Council of Ministers is moving toward approving an LAF plan to disarm Hezbollah between the Litani and Awali rivers, though its prospective implementation would pose considerable challenges and risks. Amid mounting international pressure for disarmament, the government might back a plan tasking the LAF with inspecting alleged weapon sites and confiscating arms. How such a move would play out is unclear. The LAF is reportedly opposed to using force against Hezbollah<sup>97</sup> and concerned that a highly confrontational approach to disarmament could heighten political tensions. For its part, Hezbollah is unlikely to engage in kinetic action to counter LAF disarmament operations – recognizing the potential political consequences and the risk of being targeted by the Israeli military amid an ongoing campaign – though unarmed party supporters could attempt to obstruct the military around sensitive sites.

Alternatively, the Council of Ministers could approve a disarmament plan that, at least initially, stops short of confiscating arms. For example, the LAF could bolster its existing policy of “containment”, i.e., preventing Hezbollah from accessing, transporting, or using its arms.<sup>98</sup> Effectively, this means restricting Hezbollah's military capacities, without moving for immediate confiscation. The inclination to adopt this policy, viewed as a transitional approach, is gaining traction among Lebanese officials and international mediators. While their approaches to disarmament vary, often considerably, all share concerns that rapid disarmament could heighten domestic tensions.<sup>99</sup>

As has been common in Lebanon's executive body, the Council of Ministers will likely attempt to forge a political compromise involving elements of both pathways. The government could delay implementation of confiscation, set flexible timelines, or use other similar measures in a bid to avert civil strife while attempting to demonstrate political will for disarmament to the international community. Lebanon's political leaders would concurrently seek to bolster disarmament measures with regional diplomatic initiatives aimed at a broader political solution to Hezbollah's arsenal and Israel's military operations in Lebanon. However, Israel's doubts over Lebanon's disarmament will grow with any perceived delay, raising the risk of military escalation. Nevertheless, Tel Aviv may refrain from widescale military escalation to allow Washington time to tackle the issue. Further complicating matters, the US-Iran crisis is likely to have political, and possibly security, ramifications for Lebanon. (see Regional Dynamics below).

<sup>97</sup> Hezbollah has repeatedly said it is opposed to its disarmament north of the Litani River. Instead, the party demands that Israel first end its military strikes in Lebanon and withdraw from several hilltops in Lebanese territory near the Israeli border. It also has called for dialogue on a national defense strategy to tackle the role of its arms under the state.

<sup>98</sup> The Council of Ministers on September 5, 2025 approved an LAF plan for disarmament that reportedly included a containment policy for arms across Lebanon. On January 8, 2026, Lebanon's Council of Ministers commended the LAF's efforts to contain weapons north of the Litani. In December 2025, Lebanese Foreign Minister Youssef Rajji said that containment was being conducted in parallel to disarmament south of the Litani, defining both as separate processes. In mid-December, US Ambassador to Lebanon Michel Issa reportedly raised the possibility of “containing” Hezbollah's arms if confiscation was impossible.

L'Orient Today, [Monopoly on arms: What was really decided at the last Cabinet meeting](#) September 8, 2025;

Presidency of the Council of Ministers, [جلسة مجلس الوزراء في قصر بعبدا أفرت معظم بنود جدول الأعمال](#) January 8, 2026;

L'Orient Today, [Fadlallah criticizes Rajji remark that army can confront Hezbollah](#) January 7, 2026;

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

<sup>99</sup> Al-Modon, [المكانيزم والسلاح والجنوب: المقارنتان الأميركية والفرنسية](#) February 2, 2026



## Scenario matrix: Lebanon pursues Hezbollah disarmament between Litani and Awali rivers

Council of Ministers decision		
Lebanese Cabinet	LAF plan approved; political compromise sought regarding confiscation of weapons	LAF plan approved; LAF expected to confiscate weapons
<b>Implementation pathway(s)</b>	<p>Flexible deadline;</p> <p>LAF not immediately tasked with confiscating weapons or inspecting sites;</p> <p>LAF bolsters measures to "contain" arms, a policy of preventing Hezbollah from transporting or using arms or accessing caches;</p> <p>Seek broader political and diplomatic solutions on Hezbollah's weapons and Israel's continued military strikes</p>	<p>Medium-term implementation deadline, with some flexibility;</p> <p>LAF expected to attempt inspection of alleged Hezbollah weapon sites and confiscate arms; LAF instructed not to use force against Hezbollah or civilians opposing inspections;</p> <p>LAF bolsters measures to "contain" arms, a policy of preventing Hezbollah from transporting or using arms or accessing caches;</p> <p>Seek broader political and diplomatic solutions on Hezbollah's weapons and Israel's continued military strikes</p>
<b>Hezbollah policy</b>	<p>Cautious engagement with President Aoun and Lebanese cabinet; Limited displays of popular support with demonstrations and rallies, calibrated not to significantly increase tensions;</p> <p>Attempt to push for talks on national defense strategy to encompass disarmament efforts</p>	<p>Attempt to ramp up pressure on President Aoun and Lebanese cabinet;</p> <p>Campaign of rallies to demonstrate popular support; implicit backing of street protests and actions, calibrated to increase tensions but avoid significant civil strife;</p> <p>Reject coordination with LAF and block attempts at disarmament or inspections, but avoid armed confrontations</p>
<b>Impacts on domestic politics and communal tensions</b>	<p>Status-quo of tensions over disarmament issue;</p> <p>No significant breakdown of cabinet or challenges to its legitimacy;</p> <p>Limited impact on communal tensions</p>	<p>Increasing political tensions in runup to Parliamentary elections tentatively scheduled in May;</p> <p>Possible boycotting of cabinet sessions by Hezbollah and allied ministers, possible resignations, but cabinet does not fall. Hezbollah and possibly the Amal Movement could question its legitimacy;</p> <p>Likely protests in Shia-populated areas, and increasing friction between residents and the LAF</p>
<b>Israeli policy</b>	<p>Incrementally escalating Israeli military actions;</p> <p>Widescale campaign possible, but dependent on exogenous factors, including US-Iran tensions and Washington's perceptions of disarmament progress</p>	<p>De-escalation if LAF can demonstrate progress with confiscating arms;</p> <p>Incrementally escalating Israeli military actions if Israel perceives LAF unable to disarm Hezbollah;</p> <p>Widescale campaign possible, but dependent on exogenous factors like US-Iran tensions and Washington perceptions of disarmament progress</p>
<b>Impacts on security</b>	<p>Likely near-term deteriorating status-quo (see LCAT's Scenarios of Potential Escalation report)</p>	<p>Likely near-term deteriorating status-quo (see LCAT's Scenarios of Potential Escalation report)</p>
<b>Barriers to widescale escalation</b>	<p>Winter storms impose logistical delay to possible Israeli widescale campaign;</p> <p>Israel preserves military resources for possible conflict with Israel;</p> <p>US perceives progress on disarmament and/or negotiations between Israel and US and does not approve of a major Israeli escalation</p>	<p>Winter storms impose logistical delay to possible Israeli widescale campaign;</p> <p>Israel preserves military resources for possible conflict with Israel;</p> <p>US perceives progress on disarmament and/or negotiations between Israel and US and does not approve of a major Israeli escalation</p>



## Regional dynamics

Rapidly unfolding events in the Middle East, as the US signals its readiness to take military action against Iran,<sup>100</sup> are slated to affect Lebanon at the diplomatic, security, and political levels. A diplomatic solution to halt escalation remains possible, with negotiations scheduled in Oman for February 6. However, Iran is pushing to limit discussions to its nuclear program.<sup>101</sup> In the near term, the US might continue its military buildup with the aim of coercing Tehran into make broad concessions regarding its nuclear and ballistic missile programs as well as its support for so-called proxies, including Hezbollah.<sup>102</sup> Washington might opt to launch a military operation designed to be limited in nature and not provoke a significant retaliation from Iran. Alternatively, the US might undertake a major military operation aimed at destabilizing Iran's ruling authorities and retaliatory capabilities.

All these pathways pose significant security risks to the region, including Lebanon, with miscalculations and escalations possible regardless of whether Iran and the US seek to avoid broader conflict. Disarmament efforts in Lebanon might stall if the country's political leaders await the resolution of a US-Iran crisis to facilitate a broader political and diplomatic understanding on Hezbollah's arms and Israel's military strikes in Lebanon. Hezbollah could be less compromising on the issue if Iran aims to use the organization as a bargaining chip in potential talks with US. Israel, for its part, will likely avoid a significant escalation in Lebanon to conserve its military resources for a potential conflict with Iran. Hezbollah's entry into a potential regional conflict is far from certain, but military action targeting Israel from Lebanon would likely trigger a severe Israeli military response. On January 26, Hezbollah Secretary-General Naim Qassem said that Hezbollah would not be neutral if Iran were attacked but was ambiguous on what steps it could take.<sup>103</sup> His comments could be interpreted as an attempt to contain Hezbollah's military hawks, who may favor full Hezbollah involvement in an Iran-US conflict. Moreover, the speech could be understood as a demonstration of allegiance to Iran amid reports the US wants Tehran to stop backing its proxies. For more in-depth analysis on the potential impacts of this crisis, please see LCAT's Flash Report, "[Potential Strike on Iran: Pathways for Lebanon](#)" (January 29, 2026).

## Rainfall

Precipitation projections for Lebanon's 2025-2026 rainy season are higher than the amounts recorded during the extremely dry 2024-2025 season, though they fall short of the 30-year average of 515 mm in Tripoli, 508 mm in Beirut, and 384 mm in Zahle. Since September 1, 472 mm of precipitation has accumulated in Tripoli, 316 mm in Beirut, and 295 mm in Zahle.<sup>104</sup> Lebanon relies on regular precipitation to recharge its aquifers: the Ministry of Energy and Water estimates that 83% of all water consumption is sourced from springs and ground water, while only 17% is provided from rivers and surface reservoirs.<sup>105</sup>

<sup>100</sup> Following Iran's crackdown on nationwide protests, the US began a major regional military buildup, with President Donald Trump warning Tehran on January 28 that it should reach a deal on its nuclear program or face major strikes. Iran, for its part, has warned that it could retaliate by striking US military bases and Israel or disrupting maritime traffic.

US President Donald Trump via Truth Social, [@realDonaldTrump](#) January 28, 2026;

Reuters, [Iran warns of retaliation if Trump strikes, US withdraws some personnel from bases](#) January 15, 2026;

Times of Israel, [Iran threatens to hit 'heart of Tel Aviv' in response to any US attack](#) January 28, 2026;

The New Arab, [Iran unveils underwater missile tunnels, warns Hormuz will not stay safe if US attacks](#) January 28, 2026

<sup>101</sup> Reuters, [US and Iran Agree to Friday Talks in Oman but Still at Odds over Agenda](#) February 4, 2025

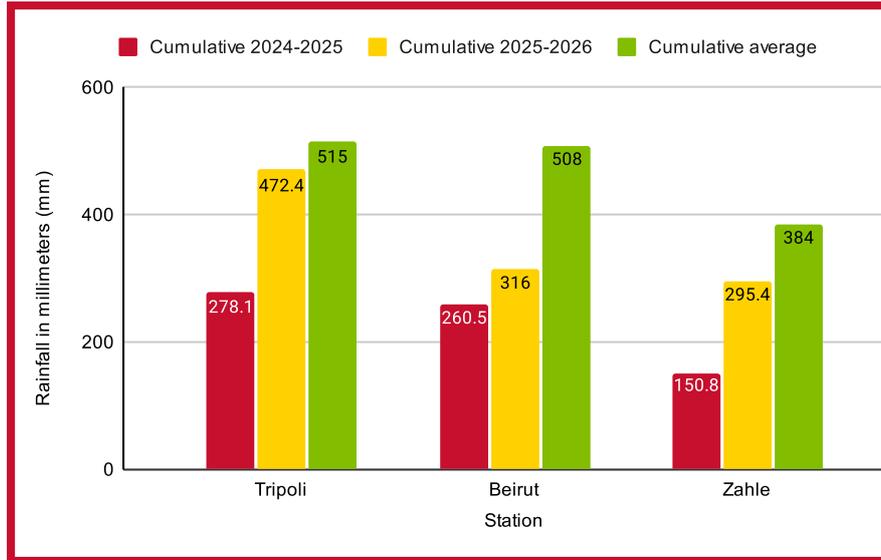
<sup>102</sup> The New York Times, [Trump Threatens Iran With 'Massive Armada' and Presses a Set of Demands](#) January 28, 2026

<sup>103</sup> National News Agency, [قاسم في لقاء تضامني مع إيران: الحرب عليها هذه المرة قد تشعل المنطقة وأمام العدوان لستنا حيايين والتفاصيل تحددها المعركة](#) January 26, 2026

<sup>104</sup> Lebanon's rainy season begins on November 1 and ends on March 31 of each year, while 80% to 90% of rainfall is concentrated during that period;

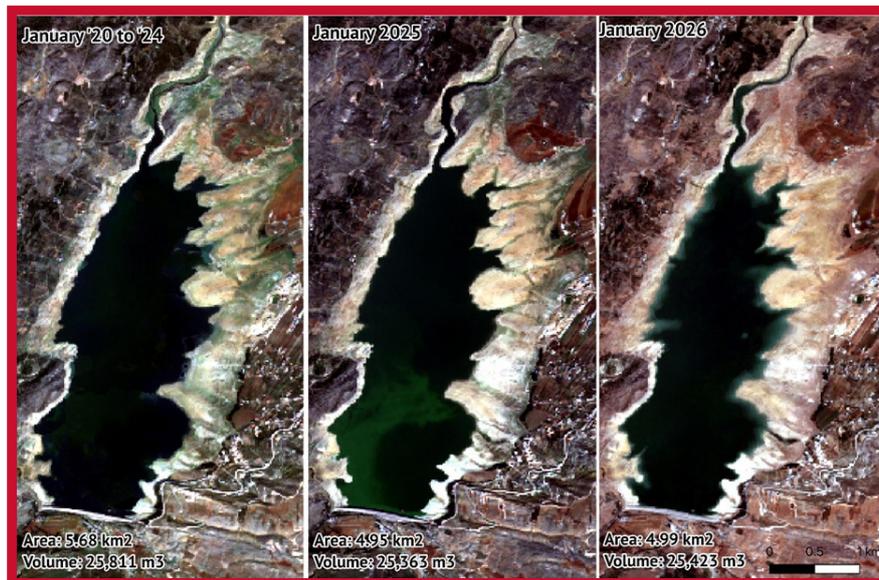
Data provided by a representative from the Lebanese Meteorological Service of the General Directorate for Civil Aviation, January 30, 2026; Central Administration of Statistics, [Statistical Yearbook Chapter 2 – Morphology, Climatology, Hydrology Vegetation and Environment](#) 2008

<sup>105</sup> Ministry of Energy and Water, [Updated National Water Sector Strategy 2020-2035](#) 2022



**Figure 6:** Rainfall levels across stations (from the weather bulletin issued by the meteorological department in Lebanon).

No matter how much rainfall the country receives, Lebanon’s water distribution network falls short of meeting household and private sector needs and an estimated 30% to 50% of water is lost during transmission.<sup>106</sup> Exploitation of unofficial water resources poses another threat, as multiple data sets estimate there are some 60,000 to 80,000 unlicensed wells in Lebanon, compared to an estimated 20,000 licensed wells.<sup>107</sup> Finally, there is the problem of untreated wastewater. According to the National Water Sector Strategy 2024-2035, less than 10% of annual municipal wastewater is properly treated before discharge, while the rest, untreated, is discharged into fresh water sources.<sup>108</sup>



**Figure 7:** Satellite photographs of Lake Qaraoun showing no significant water level change between January 2025 and 2026 despite a relative increase in rainfall.

<sup>106</sup> Ministry of Energy and Water, [New National Water Sector Strategy 2024](#) 2024;

Badil, [Lebanon’s Water Strategy: Drowning in Promises, Thirsting for Action](#) October 2, 2025

<sup>107</sup> L’Orient Today, [Energy minister wants illegal artesian wells listed in Lebanese land registry](#) July 22, 2025;

Water Fanack, [Water Resources in Lebanon](#) September 27, 2024;

Daraj Media, [Underground Water Market in Lebanon: Is It Under State or Water Tanker Ruling?](#) November 5, 2025

<sup>108</sup> Ministry of Energy and Water, [New National Water Sector Strategy 2024](#) June 2024;

Badil, [Lebanon’s Water Strategy: Drowning in Promises, Thirsting for Action](#) October 2, 2025



Even if precipitation levels during the 2025-2026 rainy season exceed expectations, Lebanon is on track to experience water shortages through at least the end of the next decade – projections suggest that average yearly rainfall will drop by as much as 20% by 2040.<sup>109</sup> Humanitarian and development actors should factor this in when planning targeting and programming. They should also engage with the Lebanese government as it works to adopt a comprehensive approach to restoring and maintaining public water infrastructure.<sup>110</sup>

## IDPs

The well-being of Lebanese IDPs is at risk of further deterioration amid shortfalls in formal and informal assistance. As of October 2025,<sup>111</sup> some 64,000 people remain displaced in Lebanon and nearly 85% of IDP households rent temporary accommodations.<sup>112</sup> State support for IDPs is limited: the Ministry of Social Affairs' housing allowance program<sup>113</sup> has not yet materialized, while aid to the few remaining collective shelters has been significantly cut back since the CoH came into effect.<sup>114</sup> For its part, following the CoH, Hezbollah introduced a housing allowance of USD 400 per month to displaced individuals in the southern suburbs and USD 300 to those in the south and the Bekaa.<sup>115</sup> Beneficiaries now report uncertainty over second-year payments, potentially reflecting financial pressures on the party due to anti-terrorism regulations, legal constraints on affiliated institutions, tighter border controls limiting access to foreign funding, and obligations toward the families of killed and injured members.<sup>116</sup>

Economic prospects are equally daunting, particularly in regions where IDPs have fled. Following Israeli attacks on an industrial area in Saida, the government's role has largely been confined to damage assessments, with compensation for industrial, agricultural, or commercial losses unlikely in the near term.<sup>117</sup> The absence of support for productive sectors compounds long-term economic losses and lessens incentives for return. Significant agricultural losses have already eliminated sources of livelihoods for over 60% of displaced families.<sup>118</sup> Moreover, some displaced persons have relocated businesses or established new enterprises in host communities.<sup>119</sup> These and similar factors – namely, a lack of sufficient economic incentives to return – increase the likelihood of permanent displacement, potentially leading to sustained depopulation in and migration from areas of southern Lebanon.

<sup>109</sup> Badil, [Lebanon's Water Strategy: Drowning in Promises, Thirsting for Action](#) October 2, 2025

<sup>110</sup> Mercy Corps, [No Rain, No Gain: Situational Analysis on Drought in Lebanon - LCAT](#) July 8, 2025;

Mercy Corps, [2025's Drought in Lebanon: A Dry Season for Lebanon's Farmers - LCAT](#) November 25, 2025

<sup>111</sup> No official estimates have been released on how many people have been displaced due to intensified Israeli military action north of the Litani.

Sawt Beirut International, [نزوح وهلع... إنذار إسرائيلي عاجل إلى سكان جنوب لبنان](#), January 21, 2026;

Al Jazeera, [إسرائيل: تقصف مناطق جنوب لبنان وشرقه وتطلب إخلاء 4 قرى](#), January 6, 2026;

International Organization for Migration, [Mobility Snapshot - Round 88](#) October 15, 2025

<sup>112</sup> Integrated Food Security Phase Classification, [Acute Food Insecurity Analysis \(November 2025–July 2026\)](#) December 23, 2025

<sup>113</sup> The Ministry of Social Affairs announced plans to provide housing allowances to 10,000 displaced families beginning in early 2026, though they have not materialized. Between July and September 2025, the Ministry distributed direct cash assistance to approximately 150,000 war-affected individuals in cooperation with the World Food Programme, though this support ended after the three-month period. The Ministry has encouraged displaced persons to apply for the AMAN program, which supports vulnerable families in poverty.

Ministry of Social Affairs, [السيد جالت في النبطية: مساعدات نقدية لـ150 ألف لبناني وخطة مستدامة لدعم المتضررين](#), July 14, 2025;

The Independent Arabia, [إيواء مؤجل... نازحو جنوب لبنان عالقون بين «حزب الله» والدولة](#), December 17, 2025

<sup>114</sup> As of late November 2025, 169 families remained in five collective shelters with limited basic utilities and meal provisioning.

Legal Agenda, [لا عودة ولا دعم: عائلات من القرى الحدودية منسية في مراكز الإيواء](#), November 28, 2025

<sup>115</sup> By August 2025, sources close to Hezbollah claimed the party had spent USD 1.1 billion on housing restoration, provided housing allowances, and removed 90% of rubble, and was preparing a three-phase reconstruction plan excluding border villages at a cost exceeding USD 3 billion.

Al-Akhbar, [استكمال الترميم والإيواء بالتوازي مع خطة على ثلاث مراحل: «مكتبة» حزب الله تتجهز لإعادة الإعمار](#), August 27, 2025

<sup>116</sup> Asharq al-Awsat, [بعد أكثر من عام على الحرب... نازحون لبنانيون مهددون بخسارة سكنهم المؤقت](#), January 19, 2026;

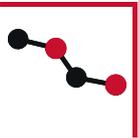
Asharq al-Awsat, [أزمة «حزب الله» المالية تعرقل صرفه بدلات إيواء لآلاف النازحين](#), January 13, 2026

<sup>117</sup> The World Bank estimated damage to the industrial, commercial, and agricultural sectors at approximately USD 825 million, with reconstruction and recovery requiring approximately USD 2.26 billion.

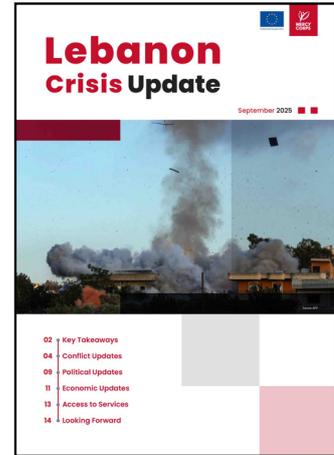
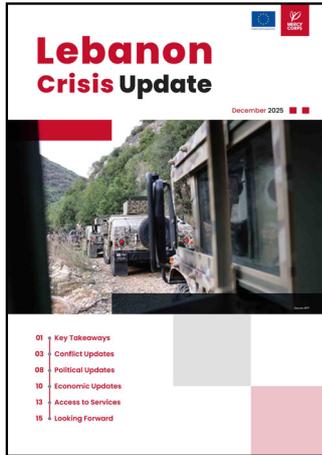
Asharq al-Awsat, [لبنان: استهداف المدينة الصناعية في صيدا يفتح ملف التعويضات المفقودة](#), January 12, 2026

<sup>118</sup> The Independent Arabia, [أزمة نزوح تتعمق مع توقف دعم «حزب الله» للعائلات الجنوبية](#), August 19, 2025

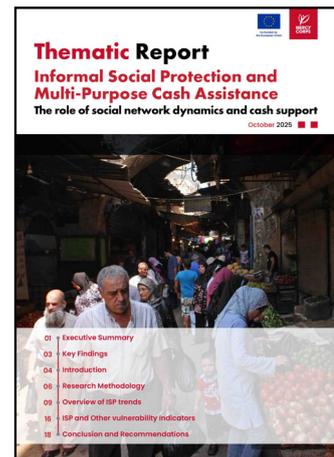
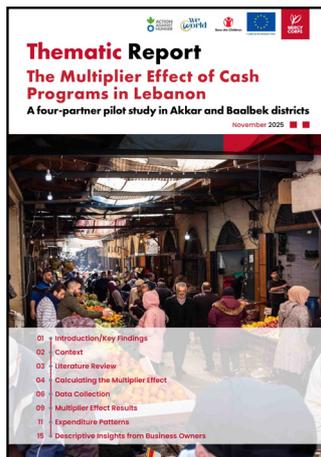
<sup>120</sup> Asharq al-Awsat, [النازحون من جنوب لبنان ينتشرون في العمق... ويبدأون حياة جديدة](#), December 21, 2025



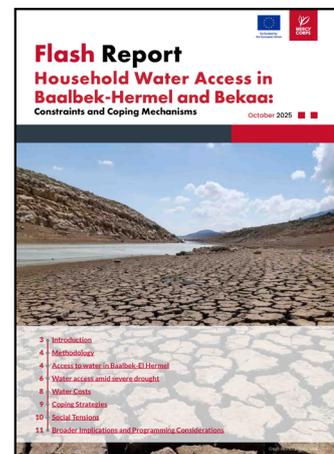
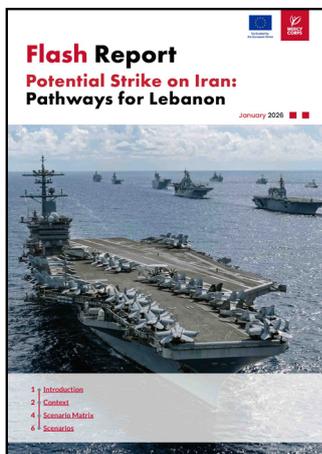
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