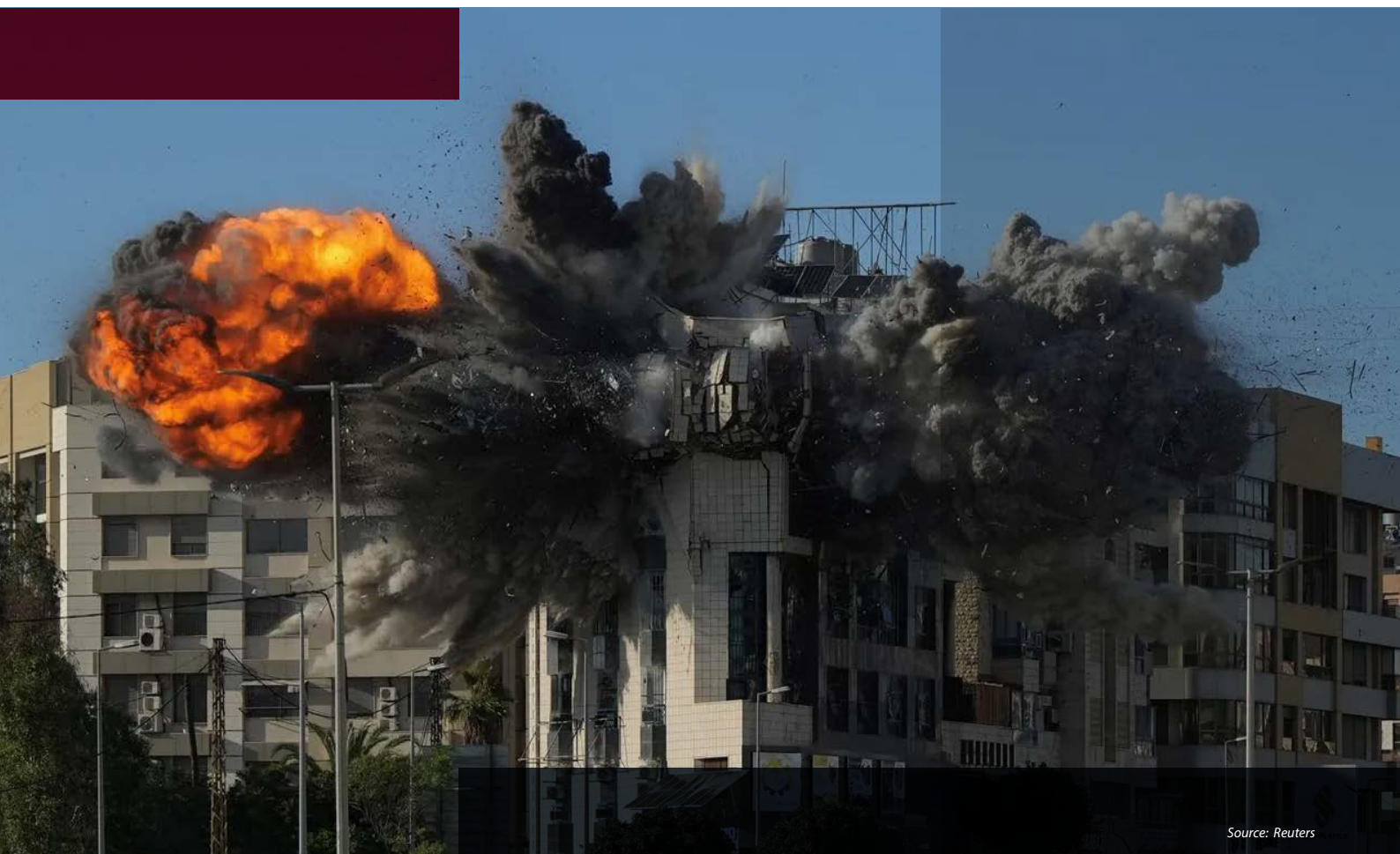


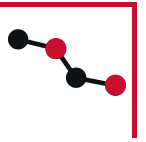
Lebanon Crisis Update

March 2026 ■ ■



Source: Reuters

- 03 ● Key Takeaways
- 04 ● Conflict Updates
- 14 ● Political Updates
- 17 ● Economic Updates
- 22 ● Access to Services



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:

- Sustained Israeli strikes on bridges along the Litani River are progressively cutting off border regions in southern Lebanon. Some 150,000 people remain in increasingly isolated areas, with humanitarian access deteriorating while dependence on urgent aid increases. More airstrikes around heavily targeted areas like Nabatieh risk expanding the number of inaccessible areas.
- Israeli forces are targeting healthcare infrastructure and personnel, as they did during the 66-Day War (September 23 to November 27, 2024). As of March 31, nine hospitals have been damaged and five forced to halt operations. Attacks on emergency responders have killed at least 46 emergency medical technicians (EMTs) and destroyed 48 ambulances.
- Lebanon's consumer price index (CPI) rose 1.9% month-on-month in February. The increase was driven by transportation and food prices, reflecting Lent-related seasonal effects, anticipatory price hikes ahead of higher VAT and fees, and a new gasoline excise tax. Global fuel price shocks will likely drive up electricity, cooking, heating, and transport costs, with higher production and distribution expenses gradually passed on to consumers. Experts estimate that the fuel shock alone could add 8-10% to inflation.
- The conflict is driving a sharp contraction in gross domestic product (GDP), crippling tourism, causing agricultural losses, and disrupting services through damage to energy and digital infrastructure. The Central Bank is estimated to have lost around 1 billion US dollars (USD) in reserves (USD 212 million in foreign exchange and USD 797 million in gold valuation), highlighting the limited buffers available for a prolonged conflict. Mass displacement is distorting markets and accelerating inflation in host areas while destroying wages and assets for displaced households, pushing populations with almost no savings into adopting harmful coping strategies.
- Citing interference in internal affairs, Lebanon declared the Iranian Ambassador persona non grata on March 29, prompting a boycott of cabinet sessions by Hezbollah and Amal. The Ambassador has yet to depart Lebanon.
- On March 17, Lebanon began transferring Syrian prisoners to Syria under a bilateral agreement, with over 130 inmates repatriated in the first phase. This is expected to ease overcrowding, though it has triggered protests among Lebanese detainees calling for amnesty and reduced sentences.
- The Ministry of Public Health announced that it is providing full coverage for all wounded citizens in public hospitals and selected private facilities, including lump-sum support for non-hospitalized cases. The Ministry of Education is supporting displaced children through remote learning and by distributing education kits.
- The United Nations launched a USD 308.3 million Flash Appeal to support the government-led humanitarian response from March to May 2026, targeting up to 1 million people, with an estimated 1.3 million affected. As of March 26, 29% of the appeal has been funded. Operations have scaled up in coordination with the Ministry of Social Affairs, governorates, and municipalities, prioritizing protection, shelter, food, healthcare, and support for vulnerable populations, including those outside collective shelters.



Source: Reuters

Conflict Updates :

Risk of Protracted Conflict and Significant Escalation

- Israel's claimed objective behind its military campaign in Lebanon aims to cripple Hezbollah's military¹ and financial² capacities. Tel Aviv believes that the Lebanese state is unwilling or unable to disarm the organization³ and deeply distrusts the Lebanese Armed Forces (LAF),⁴ making a return to status quo after the November 27, 2024 Cessation of Hostilities (CoH) unlikely.
- Israel is pursuing a ground invasion up to the Litani River, publicly stating that it intends to hold the territory until it no longer perceives Hezbollah as a threat.⁵ Israel reportedly views this strategy as leverage for potential talks with Lebanon over Hezbollah's disarmament.⁶ Notwithstanding, occupying southern Lebanon could undermine attempts at diplomacy, widen the gap between the Lebanese government and Hezbollah, and heighten the risk of prolonged conflict.

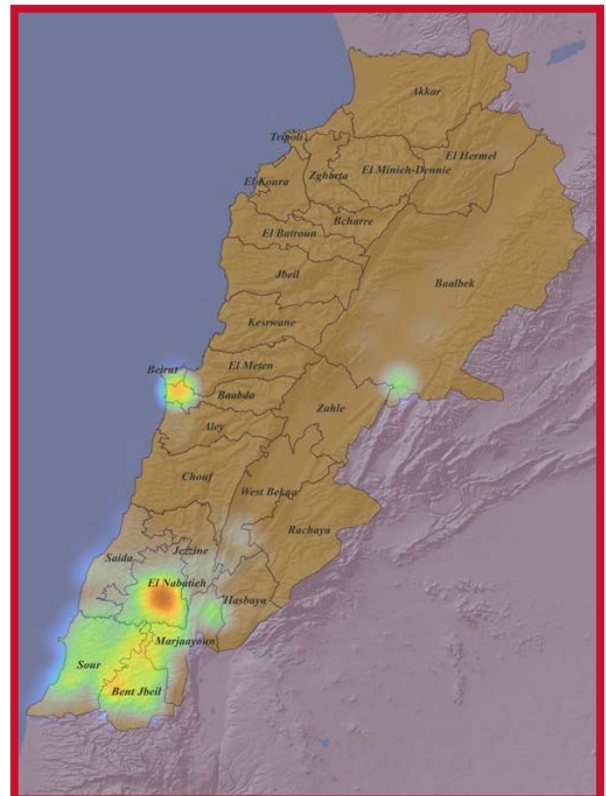


Figure 1. A heatmap of Israel's 2,184 airstrikes across Lebanon from March 2 through March 31.

¹ Israeli military via Telegram, @idfofficial March 3, 2026

² Israeli military via Telegram, @idfofficial March 18, 2026;

Israeli military via Telegram, @idfofficial March 24, 2026

³ Israeli military via Telegram, @idfofficial March 27, 2026;

YNet, מערכת הביטחון לרה"מ: ניתן להשיג את רוב מטרות המלחמה, כולל שינוי משטר, March 11, 2026

⁴ Walla, קצינים בפיקוד הצפון: «צבא לבנון שיקר לצה"ל» | פרסום ראשון, March 25, 2026

⁵ Times of Israel, Katz says Israel will hold 'security zone' in Lebanon until Hezbollah threat removed March 24, 2026



- Israel is also pursuing a policy of mass forced evacuations – including from southern Lebanon and the southern Beirut suburbs⁷ – reportedly aimed at pressuring Hezbollah and driving a wedge with its support base.⁸ The longer the conflict persists, the greater the risk that displacement will exacerbate intercommunal tensions.
- Hezbollah’s publicly stated objectives include the withdrawal of Israeli troops from Lebanese territory, the cessation of Israeli military action in Lebanon, and the release of Lebanese prisoners held in Israel.⁹ Hezbollah Secretary-General Naim Qassem declared in mid-March that the group is fighting an “existential battle” with party sources claiming the battle would continue until Israel halts its attacks and withdraws from Lebanon.¹⁰ While Hezbollah’s maximalist posturing may be a negotiating tactic, **humanitarian actors should not rule out the risk of a protracted and potentially escalating campaign.**
- Hezbollah’s campaign of rocket barrages aimed at northern Israel is intended to force Tel Aviv to evacuate the region.¹¹ Immediately after two major Hezbollah rocket barrages on March 11 and 17,¹² Israel issued evacuation orders for buildings in municipal Beirut.¹³ Ongoing Hezbollah rocket attacks, especially long-range launches from north of the Litani, could prompt additional escalatory Israeli actions. In northern Israel, continuing Hezbollah rocket fire has led to discontent, and Tel Aviv is seeking to prevent a new round of evacuations.¹⁴
- Lebanese state and international initiatives for a ceasefire have faltered. Israel reportedly does not want to enter into talks with Lebanon and prefers to press its military campaign, backed by the United States (US), which is frustrated with Beirut’s perceived lack of action on Hezbollah.¹⁵ Israel is also reportedly seeking to pursue its military campaign past any potential resolution of the regional conflict involving Iran. Lebanese President Michel Aoun’s diplomatic efforts are now reportedly focusing on preventing Israel from targeting key national infrastructure.¹⁷

⁶ Israel Channel 12, [בין רצועת ביטחון לממשלת לבנון: כך אמור להיראות ניצחון ישראלי על חיבאללה](#), March 24, 2026;

Walla News, [מודל הליטני»: התוכנית לשינוי פני דרום לבנון נחשפת | פרסום ראשון](#), March 26, 2026

⁷ Israeli military spokesperson Avichay Adraee via X, [@AvichayAdraee](#) March 7, 2026;

Israeli military spokesperson Avichay Adraee via X, [@AvichayAdraee](#) March 12, 2026

⁸ Walla News, [מודל הליטני»: התוכנית לשינוי פני דרום לבנון נחשפת | פרסום ראשון](#), March 26, 2026;

Israel Channel 14, [«ההזדמנות בלבנון: להוציא את חיבאללה מחוץ לחוק](#), March 19, 2026

⁹ Al-Manar, [الشيخ قاسم يوجه رسالة إلى المجاهدين: الميدان هو الذي يحسم المعركة](#), March 18, 2026;

National News Agency, [قاسم: العدوان على لبنان لم يتوقف بعد اتفاق وقف النار ولمدة 15 شهراً والمعركة اليوم ضدّ هذا العدوان](#), March 13, 2026

¹⁰ France24, [Hezbollah's 'existential' war against Israel could be its last](#) March 14, 2026

¹¹ Al-Manar, [المقاومة الإسلامية تنشي بالعبرية تحذيراً لسكان مستوطنات الشمال](#), March 5, 2026;

Military Media of the Islamic Resistance (Hezbollah), [بيان صادر عن المقاومة الإسلامية](#), March 11, 2026

¹² Times of Israel, [Hezbollah fires 200 rockets at north, Iran launches missiles in 'integrated operation'](#), March 12, 2026;

Israeli military via Telegram, [@idofficial](#) March 17, 2026

¹³ Israeli military spokesperson Avichay Adraee via X, [@AvichayAdraee](#) March 12, 2026;

Israeli military spokesperson Avichay Adraee via X, [@AvichayAdraee](#) March 12, 2026;

Israeli military spokesperson Avichay Adraee via X, [@AvichayAdraee](#) March 18, 2026

¹⁴ Israel Channel 13, [ההיערכות בחיבאללה - והחשש בישראל: תמונות «נטישה» של הצפון](#), March 17, 2026;

Israel Channel 12, [ההכטחה שלא קוימה: כבישים ראשיים בצפון עדיין מוגדרים «שטח פתוח» בהתרעות](#), March 27, 2026

Israel Channel 12, [אמרו לנו שחיבאללה מורתק, זה לא מרגיש ככה»: המלחמה בקו בעימות מהעיניים של החמאס בצפון](#), March 17, 2026

¹⁵ Al-Modon, [واشنطن تُدرك استحالة الإنتهاء من سلاح «الحزب» من دون الجيش](#), March 28, 2026;

Israel Channel 14, [«ככיר ישראל»: «השינוי היחידי בלבנון יהיה רק בפעולה צבאית](#), March 26, 2026;

Nida al-Watan, [جمود التفاوض تحت النار... وحراك دولي بلا خريطة إنهاء للحرب](#), March 28, 2026;

L’Orient Today, [Michel Issa from Bkirki: Washington insists on peace prevailing in Lebanon](#), March 20, 2026

¹⁶ Reuters, [Iran wants Lebanon included in any ceasefire, sources say](#), March 25, 2026

¹⁷ AFP, [Lebanese govt. stuck between Israel and Hezbollah in war it didn't want](#), March 26, 2026;

Nida al-Watan, [التفاوض متعثّر... ولبنان يُحصل 3 ضمانات من واشنطن](#), March 23, 2026

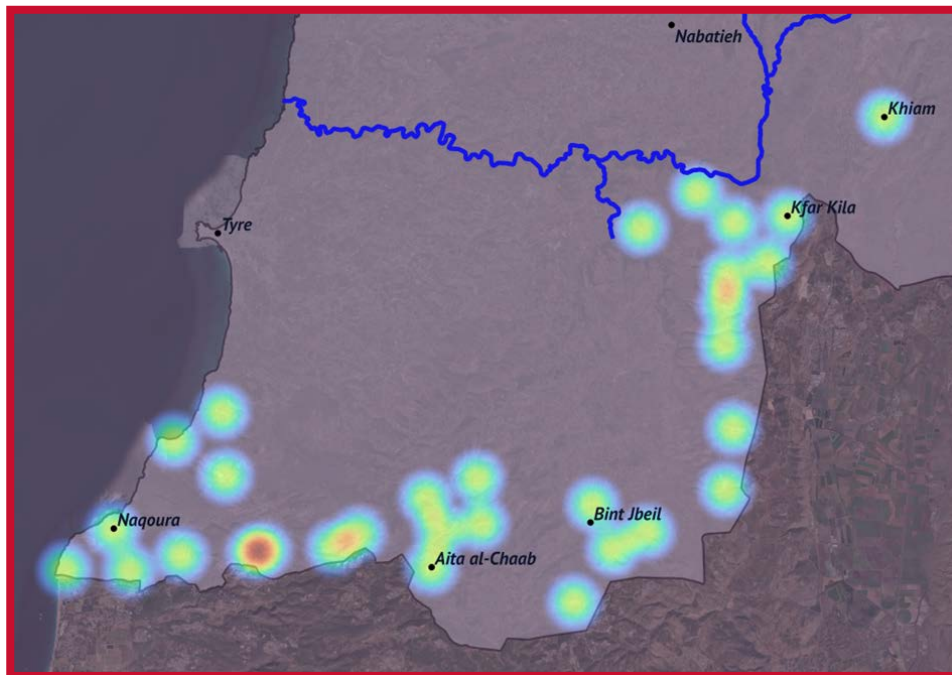


Figure 2. A heatmap of the general locations of Hezbollah's 559 claims of responsibility for attacks on Israeli troops in Lebanon from March 2 through March 31. The map serves as a proxy indicator of locations of Israeli troops, which Tel Aviv does not usually publicly disclose, and generally matches Lebanese media reporting.

Israel's Ground Invasion Brings Destruction and Mass Displacement, Jeopardizing Humanitarian Access South of the Litani

- Israeli media and officials have indicated that Tel Aviv is seeking to press its ground invasion to the Litani River and prevent the return of residents until its conflict with Hezbollah is resolved.¹⁸
- The March 2026 War intensified a pattern seen in previous conflicts: using bridge destruction to isolate the south.¹⁹ As of March 31, Israel has damaged eight bridges spanning the Litani River, including a key crossing on the coastal highway from Saida to Sour.²⁰ **Israel's policy of striking these bridges**, which it claims Hezbollah is using to transport weapons, **threatens to effectively isolate the southern border region from the rest of the country.** While alternate routes or ad-hoc crossings may be feasible, Tel Aviv says it will control the remaining bridges, likely making access dependent on deconfliction with the Israeli military.²¹ **The isolation of almost 150,000 individuals with no access to aid risks exacerbating basic needs in areas rendered inaccessible to humanitarian actors.**²²

¹⁸ Times of Israel, [Katz says Israel will hold 'security zone' in Lebanon until Hezbollah threat removed](#) March 24, 2026;

Israeli Channel 14, [כבירים בישראל הכריעו - הגבול הצפוני יורחק בכ-8 קילומטרים](#) March 25, 2026

¹⁹ The 2024 war on Lebanon marked the first significant deterioration since 2006, with over 1 million people displaced between September and November 2024, and aid mobility severely restricted in the south of Litani, where security measures, road closures, and supplier reluctance hindered the access of aid actors in hard to reach areas. Aid actors were also facing communication and community engagement challenges due to household reluctance to specify needs over the phone citing security breaches.

UN OCHA, [Lebanon: Flash Update #11 - Escalation of hostilities in south Lebanon, as of 08 February 2024](#) February 12, 2024

²⁰ The National, [Israel hits eight Lebanese bridges as Smotrich calls for Litani River border](#) March 23, 2026;

National News Agency, [غارة على جسر صيدا - صور للمرة الثالثة منذ أمس](#) March 23, 2026;

Israeli military spokesperson Avichay Adraee via X, [@AvichayAdraee](#) March 18, 2026;

Reuters, [Israel's campaign to sever southern Lebanon in a new 'buffer zone'](#) March 27, 2026

²¹ Times of Israel, [Katz says Israel will hold 'security zone' in Lebanon until Hezbollah threat removed](#) March 24, 2026

²² UN OCHA, [Flash Update #11 - Escalation of hostilities in Lebanon, \(as of 23 March 2026\)](#) March 25, 2026



- Israel is likely to halt transportation into the border region, as it did in 2006,²³ when aid corridors operated under Israeli military restrictions, resulting in acute shortages of essential items in Sour.²⁴
- Markets south of the Litani are stagnating, with many shops closed, delivery disruptions, and distributors rationing supplies. **Many households have elected to remain in isolated areas due to lack of safe transport, fear of losing livelihoods, fear of permanent displacement, and unexploded ordinance.**²⁵ Their dependence on aid deliveries is likely to worsen given Israel's renewed evacuation orders in West Bekaa.
- Israel has concentrated 54.9% of its airstrikes in areas south of the Litani.²⁶ Israeli troops have also conducted large-scale demolitions in border villages, including Kham, Taybeh, Naqoura, and Aita al-Chaab. These tactics will likely be employed in southern Lebanon up to the Litani. As of January 2025, Israeli military activity had destroyed at least 10,000 structures in 26 municipalities along the border.²⁸ On March 19, Israel struck Électricité du Liban's substation in Sultaniyeh, causing power outages in 60 villages across the border region.²⁹

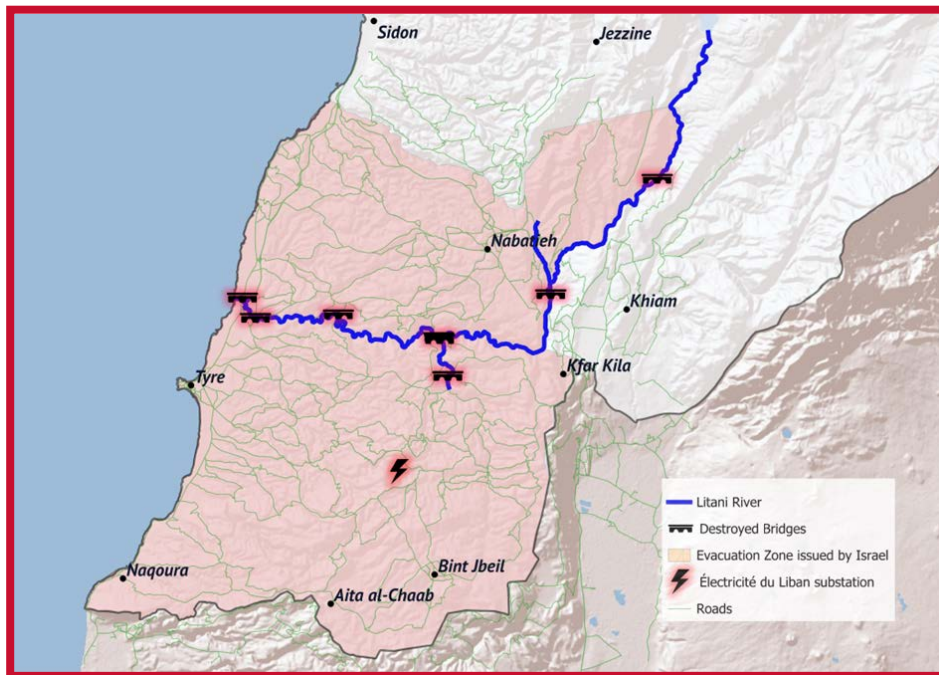


Figure 3. A map of damaged infrastructure in southern Lebanon, including bridges and an EdL substation.

²³ During the 2006 war, bombed bridges (roughly 110 of 360 crossings) obstructed United Nations (UN), World Food Programme, and UN Refugee aid operations across the country. UN aid efforts in southern Lebanon ground to a halt. The systemic destruction took out all bridges over the Litani River, forcing aid workers to hand deliver goods. Even after the IDF allowed relief convoys to go ahead (especially for essential goods such as fuel), this proved unreliable on the ground, creating logistical bottlenecks.

UN OCHA, [Lebanon response OCHA situation report No. 15](#) August 7, 2006;

NBC News, [With bridges gone, Lebanese struggle](#) August 10, 2006;

ReliefWeb, [Lebanon sees two-year reconstruction effort](#) August 22, 2006;

United Nations, [Humanitarian Factsheet on Lebanon](#) August 9, 2006;

World Bank, [Republic of Lebanon Economic Assessment of Environmental Degradation Due to July 2006 Hostilities](#) October 11, 2007

²⁴ UN OCHA, [Lebanon response OCHA situation report No. 12](#) August 4, 2006;

UN OCHA, [Lebanon response OCHA situation report No. 15](#) August 7, 2006;

UN OCHA, [Lebanon response OCHA situation report No. 16](#) August 8, 2006

²⁵ UN OCHA, [Lebanon: Flash Update #9 - Escalation of hostilities in Lebanon, as of 16 March 2026](#) March 18, 2026

²⁶ LCAT logs all Israeli airstrikes and artillery fire across Lebanon reported by the National News Agency. Israel conducted 1,199 strikes in the area south of the Litani from the start of the conflict on March 2 through March 31. Israel conducted a total of 2,184 airstrikes across Lebanon in this time period.

²⁷ LCAT logs all reports of Israeli demolition operations reported by the National News Agency.

²⁸ Amnesty International, [Nowhere to Return](#) August 26, 2025

²⁹ National News Agency, ["كهرباء لبنان": استهداف محطة التحويل الرئيسية في السلطانية وخروجها عن الخدمة](#) March 19, 2026;

National News Agency, [تدمير محطة كهرباء السلطانية بقطع التيار عن أكثر من 60 قرية ويخلف دمارًا واسعًا في الجنوب](#) March 21, 2026



Israel's Air Campaign Threatens Widespread Destruction and Localized Disruptions to Humanitarian Access in Southern Lebanon, the Bekaa, and Beirut's Southern Suburbs

- Israel has concentrated 28.2% of its airstrikes between the Litani and Zahrani rivers – an area under an Israeli evacuation order³¹ – damaging three hospitals and causing widespread property destruction.³² On March 14, the Israeli military warned that vehicles on the coastal road in the area could be targeted, alleging Hezbollah has been moving weapons in civilian trucks.³³
- Absent a major Israeli escalation – entailing ground combat or the systematic destruction of key roadways – widescale transportation disruptions between the Litani and Zahrani are unlikely. **Continued airstrikes could temporarily cut access in areas near Nabatieh** – one of the most heavily-bombarded areas in the country – as occurred on March 10 when rubble severed the road between Nabatieh al-Faouqa and Kfar Tebnit.³⁴ **Humanitarian actors should be aware that Israel may pursue ground operations between the Litani and Zahrani.**³⁵

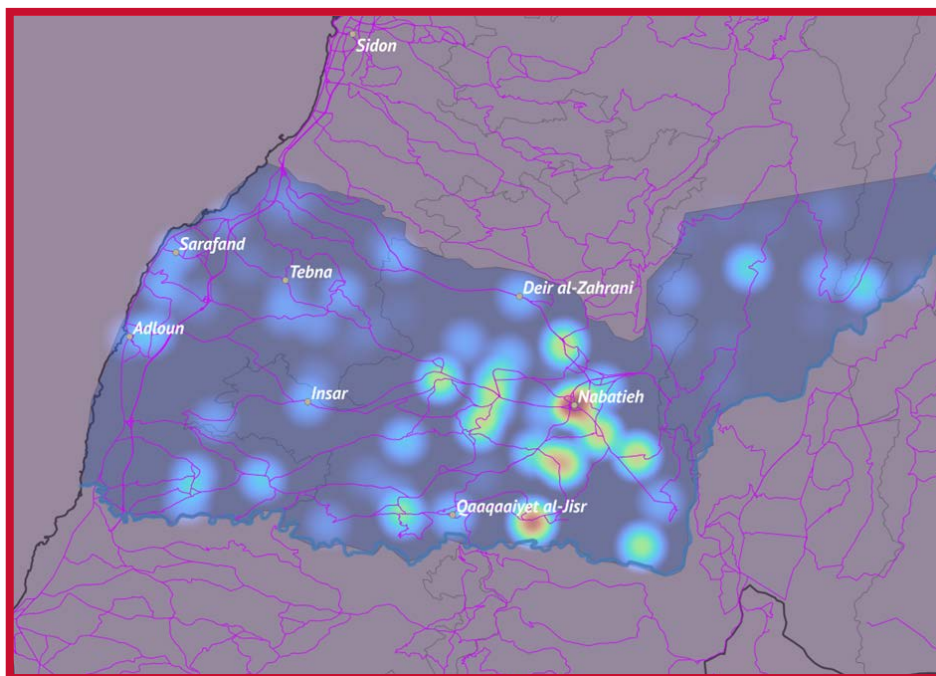


Figure 4. A heatmap of Israel's 616 strikes in the evacuation zone between the Litani and Zahrani rivers.

- Beirut's southern suburbs have absorbed 6% of Israel's airstrikes,³⁶ but their proximity to the capital makes humanitarian access less of a challenge than other conflict-stricken regions. Israel's average of 4.4 strikes a day has caused heavy damage across the densely-populated area – Tel Aviv has acknowledged destroying approximately 100 buildings.³⁷ The pace of airstrikes in Beirut's southern suburbs has eased since the conflict began, though an escalation in greater Beirut is still possible, with little to no advanced notice.

³⁰ LCAT logs all Israeli airstrikes across Lebanon reported by the *National News Agency*. Israel conducted 616 strikes in the area between the Litani and Zahrani Rivers designated as an evacuation zone by Israel from March 2, 2026 through March 31, 2026. Israel conducted a total of 2,184 airstrikes across Lebanon in this time period.

³¹ Israeli military spokesperson Avichay Adraee via X, [@AvichayAdraee](#) March 12, 2026

³² Lebanese Ministry of Public Health, [وزير الصحة عرض بالأرقام الوتيرة المتزايدة والممنهجة للإعتداءات على القطاع الصحي والإسعافي](#) March 28, 2026

³³ Israeli military spokesperson Avichay Adraee via X, [@AvichayAdraee](#) March 14, 2026

³⁴ National News Agency, [غارة إستهدفت مبنى ومحال على طريق النبطية الفوقا](#) March 10, 2026

³⁵ Al-Modon, [استجالات لبنانية لا تصنع حلاً: «ملف السفير» يُعالج بالتهرب](#) March 26, 2026;

Israeli Channel 14, [ככירים בישראל הכריעו - הגבול הצפוני יורחק בכ-8 קילומטרים](#) March 25, 2026

³⁶ LCAT logs all Israeli airstrikes across Lebanon reported by the National News Agency. Israel conducted 133 strikes in the southern Beirut suburbs from March 2, 2026 through March 31, 2026. Israel conducted a total of 2184 airstrikes across Lebanon in this time period.

³⁷ Israeli spokesperson Avichay Adraee via X, [@AvichayAdraee](#) March 30, 2026

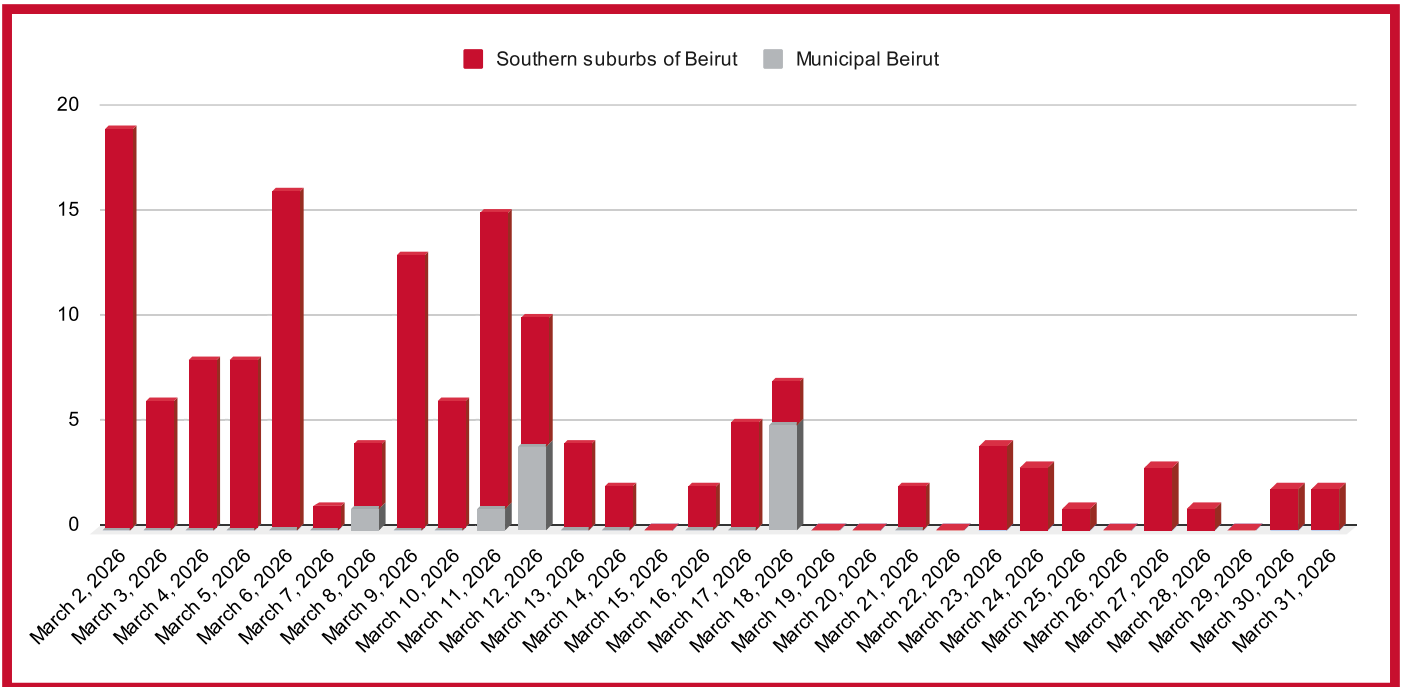


Figure 5. Israel's strikes in the southern suburbs of Beirut and within the municipal boundaries of the Lebanese capital from March 2 through March 31.

- Israel has conducted intermittent strikes elsewhere, including municipal Beirut, Saida, and the Chouf district, all destinations for internally displaced persons (IDPs). **Israel's tactic of targeted assassinations in destination localities minimally linked to Hezbollah raises risks of intercommunal tensions.**

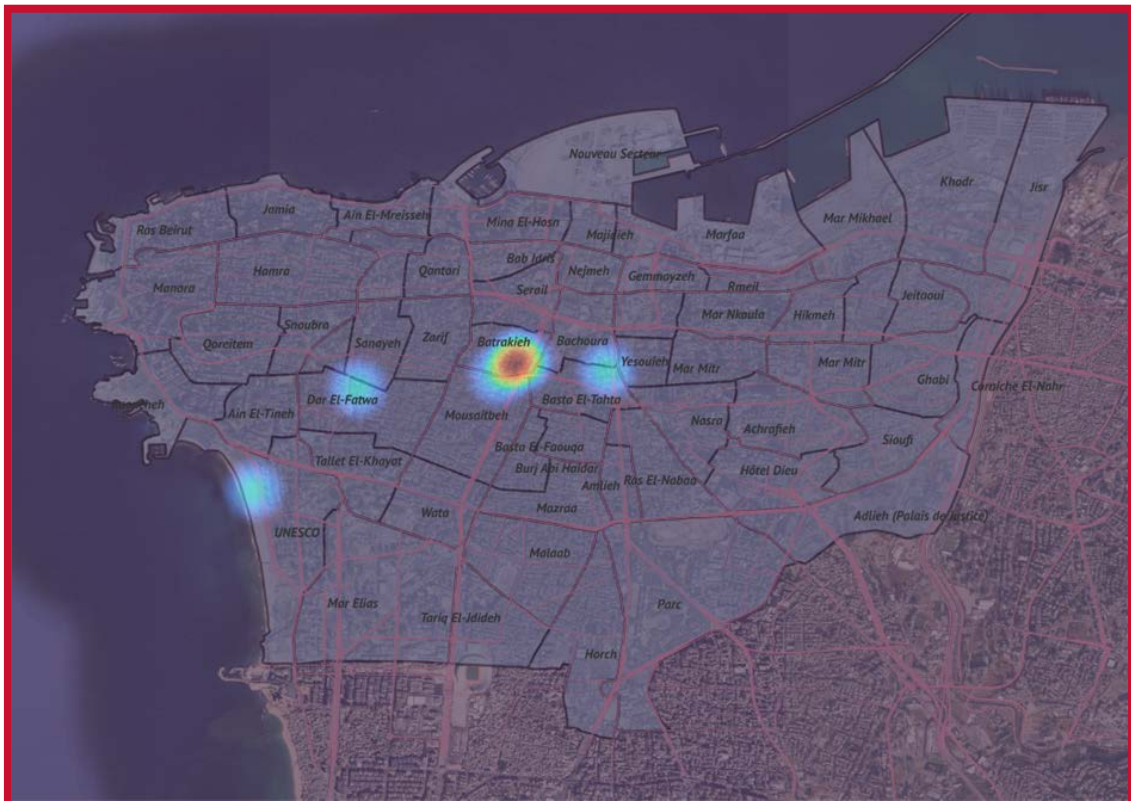


Figure 6. A heatmap of Israel's airstrikes on eight sites within the municipal boundaries of Beirut from March 2 through March 31.



- The Bekaa and Baalbeck-Hermel governorates have been hit with 7.6% of Israel's airstrikes, a decline from the 66-Day War.³⁸ In the event of a major escalation, Israel might attempt to sever transport links from Lebanon's coastal region, mirroring tactics used south of the Litani, though the absence of such signals from Israeli media and officials suggests this remains unlikely in the near term.
- Israel has indicated that it might conduct ground operations in the Western Bekaa district. On March 29, Israeli forces reportedly entered Lebanese territory from Syria, near Mount Hermon, a route that would allow access to the Western Bekaa.³⁹ The following day, the Israeli military announced evacuation warnings for towns in the Western Bekaa,⁴⁰ where it has conducted 43 strikes since the start of the current conflict.⁴¹

Israeli Airstrikes Are Systematically Targeting Health Care Services, Including Paramedics, in Conflict-Affected Areas, Consistent With Patterns During the 66-Day War

- Israeli military actions have damaged nine hospitals and forced five to halt operations, all of them concentrated in Beirut's southern suburbs and across southern Lebanon – south of the Litani River and between the Litani River and Zahrani River.⁴² All five closed hospitals had also been damaged in the 66-Day War.⁴³ So far, no hospitals have been closed in the Bekaa Governorate, where at least one did in the 66-Day War.⁴⁴
- Damage to hospitals is likely to intensify: during the 66-Day War, Israeli attacks damaged 38 hospitals, including 13 in the Western Bekaa, Zahle, Bekaa, and Hermel districts.⁴⁵
- **Israeli strikes have killed at least 46 EMTs and damaged 48 ambulances⁴⁶** as part of a systematic targeting policy, with the Israeli military claiming that Hezbollah uses emergency vehicles to transport weapons.⁴⁷

³⁸ LCAT logs all Israeli airstrikes across Lebanon reported by the National News Agency. Israel conducted 167 strikes in the Baalbek-Hermel and Bekaa governorates from March 2, 2026 through March 31, 2026. Israel conducted a total of 2,184 airstrikes across Lebanon in this time period.

³⁹ Lebanon24, [لبنان «إنزال مُحتمل».. إسرائيل قد تدخل البقاع](#), March 30, 2026

⁴⁰ Israeli military spokesperson, [@AvichayAdraee](#) March 30, 2026

⁴¹ LCAT logs all Israeli airstrikes and artillery fire across Lebanon reported by the National News Agency. Israel conducted 43 strikes in the Western Bekaa district from the start of the conflict on March 2 through March 31.

⁴² Lebanese Ministry of Public Health, [وزير الصحة عرض بالأرقام الوتيرة المتزايدة والممنهجة للإعتداءات على القطاع الصحي والإسعافي](#), March 28, 2026

⁴³ Lebanese Ministry of Public Health, [Israeli Attacks on Lebanon's Health Sector - From 8 October, 2024 to 27 January 2025](#), January 30, 2025

⁴⁴ L'Orient Today, [Which hospitals has the Israeli army damaged and forced to close?](#), November 11, 2026

⁴⁵ Lebanese Ministry of Public Health, [Israeli Attacks on Lebanon's Health Sector - From 8 October, 2024 to 27 January 2025](#), January 30, 2025

⁴⁶ Lebanese Ministry of Public Health, [وزير الصحة عرض بالأرقام الوتيرة المتزايدة والممنهجة للإعتداءات على القطاع الصحي والإسعافي](#), March 28, 2026

⁴⁷ Israeli military via Telegram, [@idfofficial](#) March 30, 2026

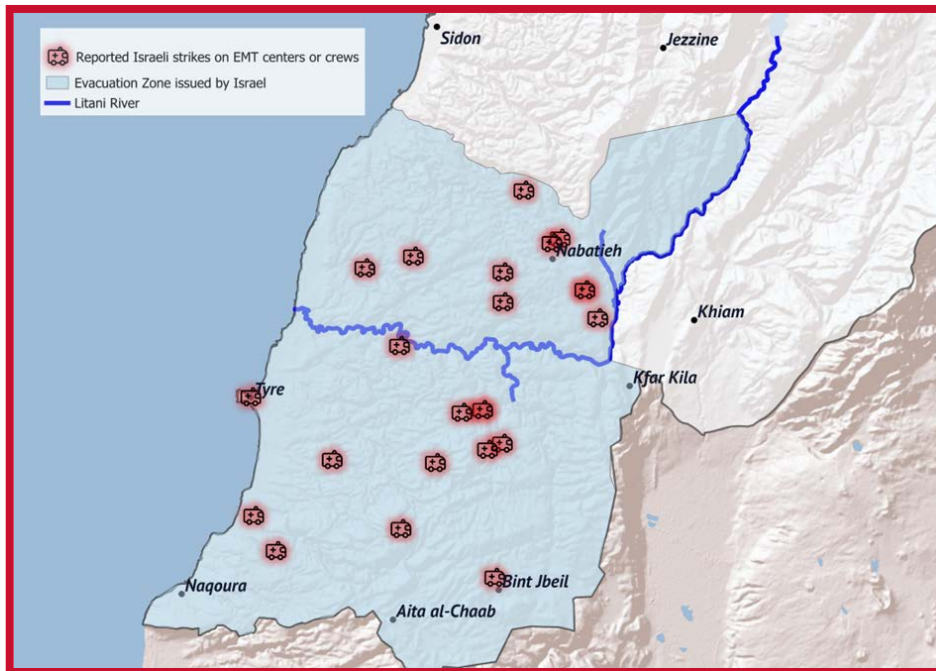


Figure 7. A map of Israeli strikes on EMT centers or crews reported by Lebanon's National News Agency from March 2 through March 31.

- While Israel's attacks on EMTs have been concentrated in southern Lebanon,⁴⁸ humanitarian actors should expect a potential expansion. In the 66-Day War, Israeli forces conducted 237 attacks on EMTs, including in the southern Beirut suburbs and the Western Bekaa, Zahle, Bekaa, and Hermel districts.⁴⁹
- Israeli military actions have killed an average of 42.2 people a day since the start of the conflict through March 31,⁵⁰ a similar fatality rate to the 66-Day War.⁵¹ The current hostilities are likely to place significant strain on the national hospital sector, which during the 66-Day War remained largely operational.

Lebanon's Political Divisions are Deepening, but a Dramatic Escalation is Unlikely in the Near Term

- On March 2, following Hezbollah rocket fire into Israel, Lebanon's government announced a ban on all of the party's security and military activities, and tasked the LAF and security agencies with preventing Hezbollah from conducting military operations against Israel. It also called on the party to surrender its arsenal and confine its work to the political sphere, a direct challenge to Hezbollah's core identity as a military resistance movement against Israel.⁵²

⁴⁸ LCAT logs all Israeli airstrikes across Lebanon reported by the National News Agency. Israel conducted at least 23 attacks on paramedics and EMT centers between March 2 and March 31, all in southern Lebanon.

⁴⁹ Lebanese Ministry of Public Health, [Israeli Attacks on Lebanon's Health Sector - From 8 October, 2024 to 27 January 2025](#) January 30, 2025

⁵⁰ National News Agency, [التقرير اليومي للعدوان الإسرائيلي على لبنان: 1268 شهيدا](#) March 31, 2026

⁵¹ LCAT does not have full daily casualty figures from the 66-Day War, but can extrapolate at least 3,121 deaths between September 23-November 27, 2024, or 47.3 a day.

⁵² National News Agency, [سلام بعد انتهاء جلسة مجلس الوزراء: حظر فوري لنشاطات حزب الله الأمنية والعسكرية والزامه بتسليم سلاحه وخصي عمله في المجال السياسي](#) March 2, 2026



- Shortly after, LAF Commander in Chief Rodolphe Haykal implicitly rejected direct action against Hezbollah.⁵³ The LAF reportedly will not attempt to pursue Hezbollah's disarmament during active hostilities,⁵⁴ limiting itself to containment measures such as setting up checkpoints to restrict Hezbollah's access to and movement of arms.⁵⁵
- Hezbollah, which has two affiliated ministers in the Council of Ministers, rejected the government's decision and called on the cabinet to avoid steps that would increase domestic tensions.⁵⁶ In mid-March, Hezbollah's Deputy Head of the Political Council Mahmoud Qmati and former Liaison and Coordination head Wafiq Safa gave interviews in which they alluded to a forceful overthrow of Lebanon's government.⁵⁷
- However, Hezbollah reportedly favors keeping the government in place for the time being, in a bid to avoid being drawn into political or civil strife while fighting a military campaign against Israel.⁵⁸ The party has not yet taken politically escalatory steps, such as announcing prolonged boycotting of cabinet sessions or ordering affiliated ministers to resign.
- Hezbollah's decision to reignite hostilities with Israel has drawn widespread anger from across Lebanon's political spectrum,⁵⁹ notably widening the rift with key ally Parliament Speaker Nabih Berri, leader of the Amal Movement, Lebanon's other main Shia Muslim political party.⁶⁰ Despite this, Hezbollah and Amal ministers boycotted⁶¹ a March 26 cabinet session to protest the Foreign Ministry's expulsion of Iran's ambassador⁶² – a decision both parties rejected.⁶³

Looking Forward / Analysis:

IDPs and Tensions with Host Communities

On March 24, as part of efforts to address burgeoning tensions between IDPs and host communities, the Lebanese government ordered the LAF and Internal Security Forces to implement heightened security measures in Beirut and Mount Lebanon.⁶⁴ The measures center on municipal Beirut, where hundreds of thousands of individuals have temporarily relocated,⁶⁵ many of whom are already facing exclusionary practices or financial barriers to housing and basic services. Since the early days of the war, many IDPs were required to register with some municipalities in order to rent private residences, often at inflated prices. The measures were intended to prevent individuals affiliated with Hezbollah and Iran's Islamic Revolutionary Guard Corps (IRGC) – whom Israel has targeted several times in greater Beirut – from residing in these areas and drawing further strikes.⁶⁶

⁵³ Lebanese Armed Forces, [اجتماع قائد الجيش مع أركان القيادة وقادة الوحدات والأفواج العملائية](#) March 7, 2026

⁵⁴ L'Orient Today, [Beirut receives a US message: Disarm Hezbollah and start direct negotiations with Israel](#) March 10, 2026;

AFP, [Lebanese govt. stuck between Israel and Hezbollah in war it didn't want](#) March 25, 2026

⁵⁵ Lebanese Armed Forces, [بيان من قيادة الجيش – مديرية التوجيه](#) March 4, 2026

⁵⁶ National News Agency, [NÚÍ NÍC Úáí ÓáCá: BÇá CAAÉäÇáíæä äËËÛNæä pÑÇÑÇö ÈÛN ÇáÚíæÇá ÝÄÇ Èää ÄäÇá pÑÇÑ ÌÛN NYÖ ÇáÚíæÇá](#) March 2, 2026

⁵⁷ BBC, [محمود قماطي: «قاديون على قلب البلد والحكومة».. تصريح القيادي في حزب الله يثير جدلا](#) March 17, 2026;

Al-Modon, [وفيق صفا يرفع سقف ويجزم: دخلنا الحرب ثأراً لقائدنا ومرجعنا](#) March 22, 2026

⁵⁸ L'Orient Today, [Why Hezbollah doesn't want the government to fall](#) March 28, 2026

⁵⁹ L'Orient Today, [Wave of condemnation against Hezbollah after overnight attacks](#) March 2, 2026

⁶⁰ Reuters, [Hezbollah's entry into Iran crisis deepens its isolation at home](#) March 4, 2026

⁶¹ L'Orient Today, [Expulsion of Iranian ambassador: Cabinet presses on despite boycott by Amal and Hezbollah](#) March 26, 2026

⁶² Lebanese Foreign Minister Youssef Raggi, [@YoussefRaggi](#) March 24, 2026;

⁶³ National News Agency, ["حزب الله": قرار الخارجية خطيئة وطنية واستراتيجية كبرى لا تخدم الوحدة بل تفتح أبواب الانقسام الداخلي](#) March 24, 2026;

Al-Akhbar, [حركة أمل: للعودة عن قرار إبعاد السفير الإيراني لتجنب البلاد الدخول بأزمة وطنية](#) March 25, 2026

⁶⁴ National News Agency, [Hajjar: Security Forces Fully Mobilized, Weapons Banned in Shelters](#) March 24, 2026

⁶⁵ Asharq al-Awsat, [لبنان: الاستهدافات الإسرائيلية المتتالية توسع القلق... وتشديد أمني لمواكبة النزوح](#) March 24, 2026

⁶⁶ Tensions Monitoring System, [Tensions Landscape Amid Escalating Hostilities in Lebanon](#) March 6, 2026



Hotel operators have also introduced enhanced security procedures, including identity checks and data-sharing with the Directorate of General Security. While these practices are intended to head off the threat of Israeli strikes,⁶⁷ they are also indicative of a broader shift from management of the displacement crisis to securitization – one which could drive intercommunal tensions and violence.

According to UN Development Programme monitoring data from March 14 to 20, relations between displaced and host communities have become more openly confrontational, with reported clashes in Khalde and Naccache, and growing calls to limit or reverse hosting arrangements. Notably, these dynamics are also driven by the spread of security-related misinformation and increasingly politicized narratives.⁶⁸ Host communities' security concerns have been compounded by reports that weapons are present in displacement centers and individuals ostensibly linked to Hezbollah are relocating to densely populated areas.⁶⁹ Tensions recently came to a head over plans to establish a displacement center in Karantina near the Beirut Port, with opponents of the plan warning that such sites could become flashpoints for instability.⁷⁰

Combined with high rents in host communities, security vetting risks becoming a mechanism of exclusion – pushing displaced households into secondary displacement with fewer housing and service options, or forcing returns to home communities still under Israeli evacuation orders.

⁶⁷ Asharq al-Awsat, «الفنادق اللبنانية تبدأ تطبيق إجراءات أمنية لتجنب إقامة مشبوهين» March 10, 2026

⁶⁸ Tensions Monitoring System, [TMS Tensions Weekly Pulse | 14-20 March 2026](#) March 20, 2026

⁶⁹ Asharq al-Awsat, [لبنان: الاستهدافات الإسرائيلية المتتالية توسع القلق... وتشديد أمني لمواكبة النزوح](#) March 24, 2026

⁷⁰ Asharq al-Awsat, [بين الهواجس الأمنية والطائفية: رفض إقامة مركز نزوح في وسط بيروت](#) March 22, 2026



Source: AP

Political Updates:

2026

MARCH

Lebanese authorities introduce visa restrictions on Iranian nationals.⁷¹



5

UN Secretary-General António Guterres meets with President Joseph Aoun in Beirut, where he reaffirms the UN's solidarity with Lebanon and its commitment to a peaceful resolution to the ongoing conflict.⁷²



13

175,134 Syrians return to their home country from Lebanon.⁷³



2-27

More than 130 Syrian prisoners in Lebanese prisons are transferred to Syrian custody.



17

Lebanon declares the Iranian Ambassador Mohammad Reza Sheibani persona non grata.



24

Amid mass displacement, Beirut's administrative authorities begin implementing enhanced security measures to preserve stability across the city.



26

The Lebanese Forces convenes a meeting of anti-Hezbollah parties and figures under the banner of a "National Meeting to Save Lebanon." Participants called for stricter measures against Hezbollah, including legal action against figures they accuse of leading the country into conflict – a reference to Hezbollah and its political allies.⁷⁴



28

⁷¹ Presidency of the Council of Ministers, [جلسة مجلس الوزراء محضر رقم 21/1](#) March 5, 2026

⁷² Al-Araby al-Jadeed, [غوتيريس في بيروت: لبنان نحو حرب لم يخترها](#) March 13, 2026

⁷³ UNHCR, [Middle East Situation Lebanon - Flash Update #4 \(23 – 29 March 2026\) - Lebanon | ReliefWeb](#) March 30, 2026

⁷⁴ L'Orient Today, [Meerab meeting: Messages to Hezbollah... and to Aoun?](#) March 29, 2026



Lebanese Government Actions on Hezbollah's Military Activities

On March 2, the Lebanese Council of Ministers formally declared Hezbollah's military and security activities illegal, ordered an immediate halt to the group's armed operations, and tasked the LAF with enforcing a full state monopoly on arms.⁷⁵ Although the action has had a negligible effect on Hezbollah military operations, the decision reversed a decades-long state policy that effectively legitimized the party's military operations.

Prime Minister Nawaf Sallam described the move as a means to ensure peace, adding that he does not "seek a confrontation with" Hezbollah but that the state cannot assent to continued missile launches from Lebanese territory or threats of civil conflict.⁷⁶ Hezbollah leaders slammed the decision, with former Hezbollah Liaison and Coordination head Wafiq Safa and Deputy Head of the Political Council Mahmoud Qmati signalling that the decision could precipitate a clash with the government after the war.⁷⁷

Enforcement of Ban on Hezbollah's Military Activities

During the month of March, the LAF detained at least 27 individuals for illegal possession of weapons and ammunition, following the Military Prosecutor's March 5 order to identify and arrest individuals responsible for rocket and drone launches.⁷⁸ The military tribunal released three Hezbollah-linked individuals – who had been arrested for illegal weapons possession – on a bail of approximately USD 20. His action was widely denounced for minimizing an offense that is normally punishable by six months' to three years' imprisonment.⁷⁹ Government Commissioner Claude Ghanem later charged two Hezbollah members under Article 288, which prohibits acts that could endanger Lebanon's neutrality or harm its relations with foreign states.⁸⁰ Judicial measures against alleged party members are currently limited, but could serve as the basis of a legal precedent to prosecute Hezbollah members.

Lebanon Declares that the Iranian Ambassador Must Depart Lebanon

On March 29, 2026, the Lebanese Ministry of Foreign Affairs declared Iranian Ambassador Mohammad Reza Sheibani persona non grata, citing his interference in Lebanon's internal affairs and his public criticism of government decisions.⁸¹ While Lebanon stated that the decision did not represent a full break in diplomatic relations, Hezbollah and Amal rejected the decision and boycotted the cabinet sessions.⁸² Sheibani remained in the country beyond March 29, in defiance of the government-imposed deadline. His stance was met with criticism by opposing political parties and MPs, who branded it a breach of international law and a challenge to the presidency and state sovereignty.⁸³

⁷⁵ Presidency of the Council of Ministers, [مجلس الوزراء في قصى بعيداً قرر الحظر الفوري لنشاطات حزب الله الأمنية والعسكرية](#), March 2, 2026; L'Orient Today, [Nassar to L'Orient-Le Jour: I trust the army and it's easier to criticize from afar](#), March 15, 2026

⁷⁶ Presidency of the Council of Ministers, [مجلس الوزراء في قصى بعيداً قرر الحظر الفوري لنشاطات حزب الله الأمنية والعسكرية](#), March 2, 2026

⁷⁷ Asharq al-Awsat, [حزب الله يصعد خطابه ويهدد الحكومة اللبنانية](#), March 23, 2026

⁷⁸ Asharq al-Awsat, [الجيش اللبناني يوقف 27 شخصاً لحيازتهم أسلحة بعد حظر أنشطة «حزب الله» العسكرية](#), March 4, 2026;

L'Orient Today, [Missile fire on Israel: Military prosecutor department starts an investigation](#), March 5, 2026

⁷⁹ L'Orient Today, [Three Hezbollah supporters, arrested last week, were released on \\$21 bail](#), March 9, 2026

⁸⁰ L'Orient Today, [Three Hezbollah supporters, arrested last week, were released on \\$21 bail](#), March 9, 2026;

Asharq al-Awsat, [«القضاء العسكري يقفل قرار الحكومة بحظر نشاط «حزب الله»](#), March 17, 2026

⁸¹ Asharq al-Awsat, [لبنان يطرد السفير الإيراني ولا يقطع العلاقات مع طهران](#), March 24, 2026

⁸² Asharq al-Awsat, [لبنان يطرد السفير الإيراني ولا يقطع العلاقات مع طهران](#), March 24, 2026;

Elaf, [رغم انتهاء المهلة.. السفير الإيراني يرفض مغادرة لبنان بقرار من بري وحزب الله](#), March 30, 2026;

Al-Ain, [إيران تخالف الاتفاقيات الدولية وترفض الانصياع لقرار طرد سفيرها في لبنان](#), March 30, 2026

⁸³ Al-Sharq Al-Awsat, [أزمة السفير الإيراني تتفاقم: بيروت تتمسك بالقرار وطهران تتحدى](#), March 30, 2026



The Parliament Extends Its Mandate

On March 9, amid the ongoing war between Israel and Hezbollah, the Lebanese Parliament extended its mandate by two years, postponing elections scheduled for May 2026.⁸⁴ According to sources, lawmakers justified the extension on the basis of security challenges, mass displacement, war damage, and unresolved electoral law disputes such as diaspora voting.⁸⁵ Appeals have been filed with the Constitutional Council, questioning the constitutionality of such an extension.⁸⁶

The move ensures that Nawaf Salam's cabinet will stand, as a vote of no confidence in the near term is unlikely from the same parliament that brought his government to power.⁸⁷ From a political and humanitarian perspective, the extension entrenches the status quo. As political parties and MPS shield themselves from electoral scrutiny and postpone much-needed fiscal and economic monetary reforms, conflict-related needs will deepen even as donor fatigue sets in. A gridlocked political landscape will prolong legal ambiguity, leaving local interlocutors weak and displacements unresolved, with reconstruction delayed indefinitely.

Lebanese-Syrian Prison Transfers

On March 17, more than 130 Syrian inmates in Lebanese prisons were transferred to Syrian custody, as part of the first phase of a bilateral agreement reached in early February. Viewed as a key step in normalizing ties between the two countries following the fall of the Assad regime,⁸⁸ the accord applies to all convicted persons whose nationality is solely Syrian, who are not under active prosecution for other crimes, and whose underlying offense is also punishable in Syria.^{89,90} It covers some 20% of the total Syrian prison population in Lebanon, as most are pretrial detainees or of mixed status (convicted in one case and still awaiting trial for another).^{91,92}

This is expected to alleviate severe prison overcrowding, as Syrian nationals account for more than a quarter of all inmates. However, the transfer has triggered political friction inside the country. On the same day of the transfer, Lebanese prisoners in Roumieh protested and started fires, calling for a general amnesty law and shortened sentences.⁹³ Prisoners and their families protested against what they perceived as unfair treatment, while advocating for equitable reforms to address judicial delays and ensure humane conditions in Lebanese prisons.

Judicial Status	Prisoners	Percentage of total
Detained	1,076	60.55%
Convicted	356	20%
Detained and convicted	342	19.24%
Currently being processed	3	0.17%
Total	1,777	100%

Table 1. Status of Syrian Prisoners in Lebanon as of December 31, 2025. Sources: Directorate of Prisons at the Ministry of Justice, Legal Agenda

⁸⁴ Hawar News, [البرلمان اللبناني يقوّ تأجيل الانتخابات التشريعية عامين](#) March 9, 2026

L'Orient Today, [To prepare for 'post-war' period, Lebanese Parliament extends mandate by two years](#) March 9, 2026

⁸⁵ Lebanon 24, [لا حماسة للطعون النيابية لاربعة أسباب](#) March 13, 2026

⁸⁶ L'Orient Today, [To prepare for 'post-war' period, Lebanese Parliament extends mandate by two years](#) March 9, 2026

⁸⁷ Lebanon Files, [هل تستقبل حكومة سلام حكماً عند بدء التمديد لولاية مجلس النواب؟](#) March 10, 2026

⁸⁸ Al-Araby, [لبنان: احتجاجات داخل سجن رومية عقب تسليم موقوفين سوريين إلى دمشق](#) March 18, 2026

⁸⁹ Legal Agenda, [تسليم سجناء سوريين من لبنان إلى سورية: ماذا تتضمن اتفاقية نقل المحكوم عليهم؟](#) March 21, 2026

⁹⁰ Asharq al-Awsat, [بيروت تسلّم دمشق 731 سجيناً تنفيذياً للاتفاقية القضائية](#) March 16, 2026

⁹¹ The agreement does not explicitly prohibit the re-examination of the sentences nor does it limit the right of either country to grant amnesty, effectively leaving the scope of Syrian-issued amnesties open-ended and legally ambiguous. It could therefore act as an incentive for Syrian detainees to seek conviction and formal sentencing, enabling a request for repatriation.

⁹² Legal Agenda, [تسليم سجناء سوريين من لبنان إلى سورية: ماذا تتضمن اتفاقية نقل المحكوم عليهم؟](#) March 21, 2026

⁹³ Al-Araby al-Jadeed, [لبنان: احتجاجات داخل سجن رومية عقب تسليم موقوفين سوريين إلى دمشق](#) March 18, 2026;

Al-Anbaa, [هل يفتح إطلاق المحكومين السوريين الباب أمام](#) March 19, 2026



Source: L'Orient Le Jour

Economic Updates:

2026
MARCH

Minister of Economy Amer Bisat holds an extraordinary meeting of the National Price Policy Council to examine increases in consumer prices and develop recommendations to protect consumer purchasing power.⁹⁴



6

17

20



Lebanon's Central Bank governor travels to France to meet with representatives of the International Monetary Fund (IMF) in preparation for the Fund's April Spring Meetings.⁹⁵

The US Department of the Treasury sanctions a "global network" that has allegedly funneled over USD 100 million to Hezbollah since 2020. Members of the sanctioned group include Hezbollah-linked financier Alaa Hassan Hamieh.⁹⁶



⁹⁴ Ministry of Economy, [وزير الاقتصاد يدعو المجلس الوطني لسياسة الأسعار لاجتماع استثنائي الجمعة](#) March 5, 2026

⁹⁵ National News Agency, [حاكم مصرف لبنان ونوابه غادروا الى فرنسا للمشاركة في جلسات عمل تحضير لاجتماعات صندوق النقد في نيسان](#) March 17, 2026

⁹⁶ U.S. Department of the Treasury, [Treasury Sanctions Global Network Diverting Funds to Benefit Hizballah](#) March 20, 2026



Inflation Trends:

In February, the Consumer Price Index (CPI) rose by 1.9% month on month, the first such increase since October 2025.⁹⁷ **Transportation and food prices witnessed the sharpest rise, by 8.17% and 2.09%, respectively.** The increase in food prices was partly due to seasonal inflation coinciding with Lent and vendors adjusting prices ahead of a planned value-added tax (VAT) increase.⁹⁸ Similarly, the Fuel Price Index surged due to a new excise tax on gasoline (Figure 8).⁹⁹

The CPI is likely to rise further in March. **Global fuel price shocks will affect fuel-related household costs, particularly electricity from private generators, energy for cooking and heating, and transportation.** Additionally, higher production and distribution costs – both domestically and for imports – are expected to be passed on to Lebanese consumers. While these additional costs may be spread out over the medium to long term, **experts estimate that the fuel shock will push inflation up by 8-10%.**¹⁰⁰

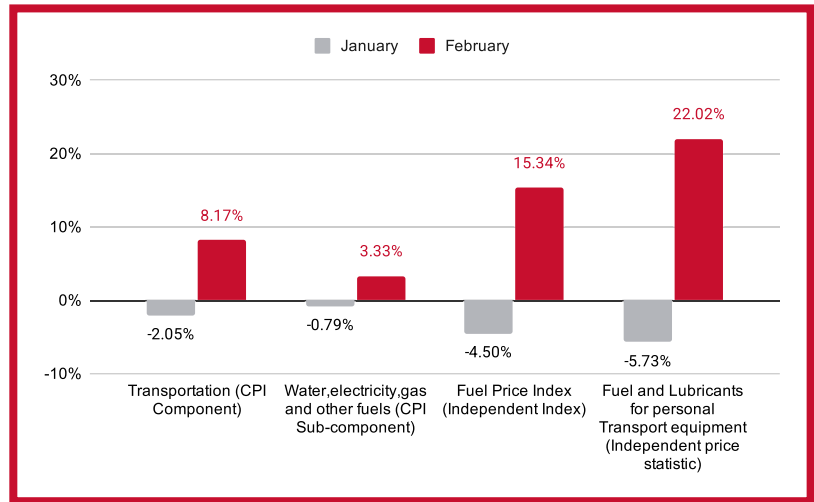


Figure 8. The percentage change of fuel-based commodities prices, fuel-related CPI components, and the Fuel Price Index in January and February.

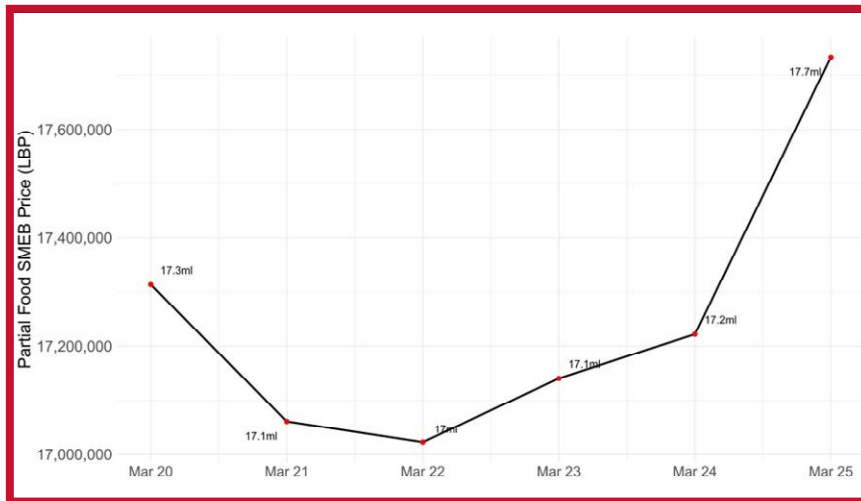


Figure 9. The Partial Food SMEB Price change in Lebanese pounds (LBP) between March 20 and March 25.¹⁰¹

To track the recent evolution of essential item prices, LCAT collected prices from Carrefour's online grocery store from March 20 to 25. The partial Food SMEB price remained relatively constant from March 20 to 24 but increased by 500,000 LBP from March 24 to 25, which suggests that inflationary effects on grocery prices may be beginning to materialize. LCAT will continue to track prices from Carrefour to monitor price inflation of essential items as the conflict continues.

⁹⁷ Central Administration of Statistics - [Consumer Price Index](#)

⁹⁸ Mercy Corps Lebanon, [February Crisis Update](#) March 8, 2026

⁹⁹ 320,000 Lebanese pounds (LBP) per 20 liters of 95- and 98-octane fuel.

¹⁰⁰ L'Orient Today, [Impact of oil surge to ripple through Lebanon's economy, prices](#) March 9, 2026

¹⁰¹ The partial Food SMEB included the following 16 items: Apples, Brown Bulgur, Chickpeas, Eggs, Lentils, Pasta, Potatoes, Powdered Milk, Rice, Salt, Sardines, Sugar, Sunflower Oil, Tea, Tomato Paste, White Beans. The median price among the bottom third of prices, per-item, were reported to account for the wide range of products available at Carrefour and more accurately represent the purchasing behavior of typical shoppers.



A significant issue facing Lebanon is how higher Brent crude prices will affect household spending on fuel, transportation, and utilities. According to the 2025 MSNA, **the typical Lebanese household allocated 17.9% of monthly expenditures to fuel, 8.5% to transportation, and 9.8% to utilities.**¹⁰² Applying diesel and gasoline projections¹⁰³ to these spending categories (Figure 10), **Lebanese households would spend roughly 27% more overall, across all three categories if Brent crude reaches USD 150 per barrel.** For more on this topic, see LCAT’s March 2026 flash report, “[Economic and Humanitarian Impacts of Higher Global Oil Prices on Lebanon.](#)”

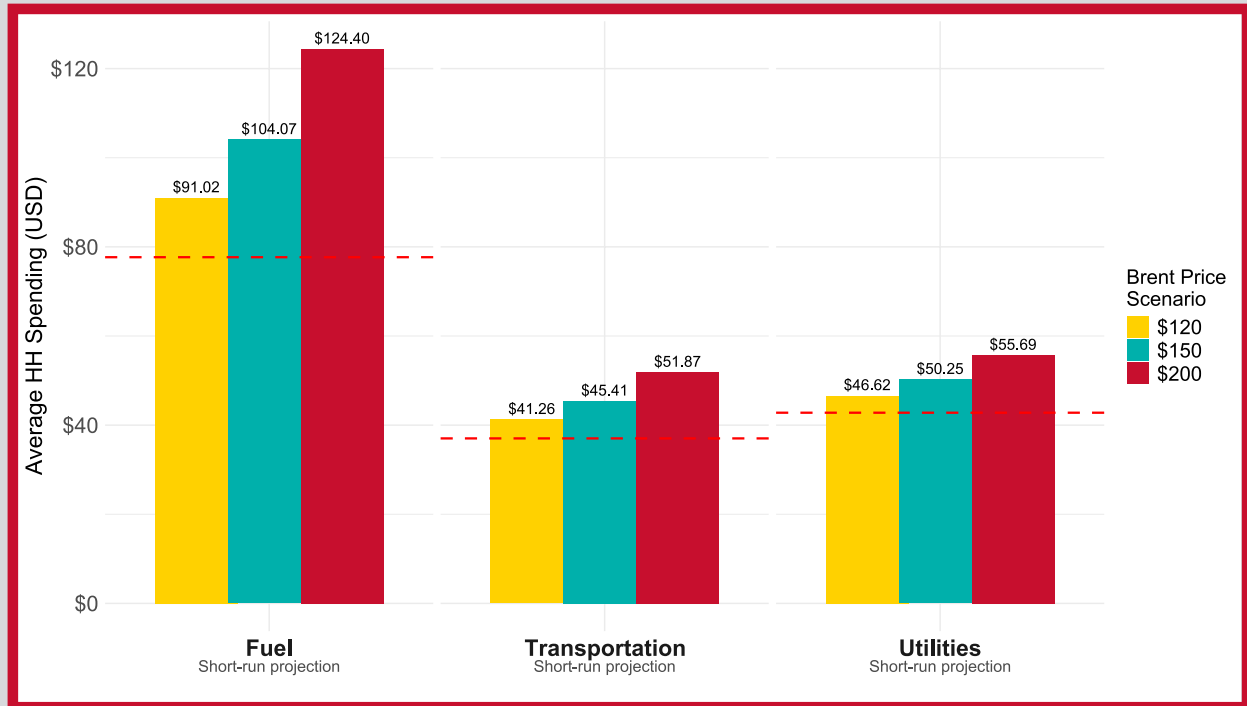


Figure 10. Projected change in average Lebanese household monthly spending on fuel, transportation, and electricity under each Brent price increase scenario. The red dotted lines indicate the average monthly expenditure, per category, observed in the 2025 MSNA.

Source: [REACH Lebanon, MSNA 2025](#)

¹⁰² REACH, [Multi-Sector Needs Assessment Dataset](#) 2025

¹⁰³ The projections assume the following: 1) 75% of the gasoline price rise is passed on to fuel spending to avoid conflating cooking fuel in the total spending; 2) 50% of the diesel price rise is passed on to utilities to account for electricity generators and remove other utility costs; and 3) 50% of the gasoline price rise is passed on to transportation under the assumption that taxi drivers absorb some additional costs to maintain demand.



The Socio-Economic and Financial Impact of the Conflict

Economic Losses:

The conflict in Lebanon is further undermining the country's fragile prospects for economic recovery. The World Bank has estimated the total economic cost of the two-month 2024 conflict at USD 14 billion – USD 6.8 billion in physical structural damage and USD 7.2 billion in economic losses from reduced productivity, foregone revenues, and operational costs.¹⁰⁴ LCAT calculates that the economic cost of the current conflict – covering the period between March 2 and April 2 – is substantially lower than USD 7 billion, the approximate cost of one month of conflict derived from the previous war. This lower estimate reflects two factors: the intensity of Israeli strikes is significantly reduced compared to the previous conflict (by 40%)¹⁰⁵ and strikes remain highly concentrated in the south (approximately 54%),¹⁰⁶ an already economically devastated area following the previous war.

Despite these dynamics, Lebanon is set to experience a significant GDP contraction that will deal a serious blow to the country's key economic sectors, particularly tourism and agriculture, and to a lesser extent services. The tourism sector faces an immediate decline driven by the collapse of domestic tourism and a sharp reduction in flights to Beirut Airport, from which only Middle East Airlines and Royal Jordanian currently operate.¹⁰⁷ **Agriculture has sustained some USD 40 million in losses during the first two weeks of escalation alone** – multiplying difficulties for a sector that has barely recovered since 2024, given conflict-related contamination of southern farmland, fires, and infrastructure damage.¹⁰⁸ The services sector will also face additional pressure from logistical disruptions and mitigation measures required to maintain supply continuity, compounded by damage to energy and digital infrastructure that threatens both remote workers and businesses dependent on stable cash flow.¹⁰⁹

Financial Losses:

Reports indicate that the Central Bank lost approximately USD 1 billion in total reserves in the first two weeks of the war, driven by a USD 212 million drop in foreign currency reserves and a USD 797 million decline in the book value of gold, underscoring the fragility of the financial system. This erosion reflects pressure from exchange rate defense and heightened dollar demand, rather than increased government spending. Notably, public-sector deposits at the Central Bank actually rose over the same period.¹¹⁰ A prolonged conflict will place additional pressure on Central Bank reserves, which are essential for maintaining exchange rate stability and providing both the state and severely impaired commercial banks with USD liquidity.¹¹¹

¹⁰⁴ The World Bank, Lebanon's Recovery and Reconstruction Needs Estimated at US\$11 Billion March 7, 2025

¹⁰⁵ As of March 31, Israeli attacks averaged 74 strikes daily since the start of the war on Lebanon, compared to 121 daily strikes during the 2024 conflict. LCAT logs all Israeli airstrikes across Lebanon reported by the National News Agency. Israel conducted a total of 2,184 airstrikes across Lebanon between March 2 and March 31.

¹⁰⁶ LCAT logs all Israeli airstrikes and artillery fire across Lebanon reported by the National News Agency. Israel conducted 1,199 strikes in the area south of the Litani from the start of the conflict on March 2 through March 31. Israel conducted a total of 2,184 airstrikes across Lebanon in this time period.

¹⁰⁷ L'Orient Today, Apart from MEA and Royal Jordanian, no airline will operate out of Beirut airport before April March 26, 2026

¹⁰⁸ Al-Modon, 40 مليون دولار خسائر قطاع الزراعة اللبناني خلال أسبوعين March 25, 2026

¹⁰⁹ The Policy Initiative, Blurred Lines: Lebanon's mutating workforce January 17, 2024

¹¹⁰ Al-Modon, مصرف لبنان خلال الحرب: خسائر بقيمة مليار دولار March 23, 2026

¹¹¹ The Central Bank commits part of its foreign reserves in USD to government spending credits, since the government refrains from spending revenue collected in LBP to conserve the exchange rate stability. The Central Bank also supplies commercial banks with USD liquidity.



Socio-Economic Impact:

The escalation has dealt a severe and compounding socioeconomic shock to a struggling population. Mass displacement is generating market distortions in host areas, as concentrated demand for essential goods from newly displaced populations is pressuring supply chains and local markets that are ill-equipped to absorb the sudden influx, thereby accelerating inflation and shortages in the short term. Yet, this apparent surge in commercial activity masks structural damage: displaced households have lost wages, businesses, and income-generating assets, many of which are permanent.

Critically, this crisis is hitting populations with near-zero financial resilience. The brief recovery window between the 2024 ceasefire and this escalation was insufficient to rebuild household savings.¹¹² With savings depleted, many households are being forced to adopt harmful coping strategies: borrowing, cutting expenditure below subsistence levels, or selling off productive assets.¹¹³ For households that have lost both shelter and livelihoods to airstrikes, displacement risks becoming permanent. If the conflict is prolonged, these populations will seek permanent settlement in host communities, driving competition for scarce low-wage jobs and increasing the risks of communal tensions.

Reform Disruptions:

The timing of the conflict between Israel and Hezbollah hits the government's planning for fiscal and financial reform at a critical stage. Prime Minister Salam's government has been developing a Medium-Term Fiscal Framework (MTFF), entailing a structured plan to implement urgently required IMF fiscal, tax, and financial reforms.¹¹⁴ The government has based this plan on earlier economic projections and assumptions, most of which are detailed in the 2026 Budget Law.¹¹⁵ These include presumed GDP growth,¹¹⁶ recovery of USD 7 billion in economic losses from the 2024 conflict, some USD 6 billion in projected government revenues,¹¹⁷ and an expenditure line unrelated to the ongoing conflict. This framework, along with the banking resolution implementation, will drop to the bottom of the government priorities amid the ongoing conflict, undermining a minimal yet long-awaited stepping stone toward economic, fiscal, and financial recovery.

¹¹² Annahar, [One year after the war, southern Lebanon faces fragile reconstruction](#) January 30, 2026

¹¹³ Peace Insight, [No peace yet in South Lebanon but devastation and insecurities](#) March 18, 2025

¹¹⁴ Mercy Corps Lebanon, [February Crisis Update](#) March 8, 2026

¹¹⁵ Ministry of Finance, [Budget Law 2026](#)

¹¹⁶ The World Bank, [Lebanon: Economic Rebound Marks Cautious Recovery amidst Progress on Reforms](#) January 22, 2026

¹¹⁷ Ministry of Finance, [Budget Law 2026](#)



Source: Lebanese Red Cross

Access to Services Updates:

2026
MARCH

The Ministry of Public Health announces that it will cover treatment costs for wounded individuals in all public and some private hospitals, regardless of insurance status, including lump-sum support for non-hospitalized cases. The Ministry also confirmed 100% coverage in public hospitals for Lebanese patients during the war.¹¹⁸



3

The Council of Ministers announces that Lebanese and Syrian students can take official exams even if they lack the full slate of required identity documents.¹¹⁹



5

The Council of Ministers exempts in-kind medical donations from taxes and import customs.¹²⁰



12

The United Nations launches a Flash Appeal to support the humanitarian response in Lebanon.



13

The European Commission allocates 100 million euros to Lebanon to support emergency healthcare, basic assistance, protection services, shelter, and access to education for out-of-school children.¹²¹



16

Israeli airstrikes target the main substation in Al-Sultaniya, rendering it inoperable and disrupting electricity supply to Bint Jbeil, surrounding villages, and parts of Tyre district.¹²²



19

¹¹⁸ Ministry of Public Health, [وزير الصحة أعلن زيادة التغطية الاستشفائية والدوائية خلال فترة الحرب وطمان إلى أن الدواء متوافر](#) March 3, 2026

¹¹⁹ National News Agency, [مجلس الوزراء عين أعضاء المجلس الاقتصادي والاجتماعي والبيئي وعلق عمل المجلس الأعلى اللبناني السوري واجتماعات وزارية يومية في السرايا](#) March 5, 2026

¹²⁰ Presidency of the Council of Ministers, [مقررات جلسة الوزراء اللبناني](#) March 12, 2026

¹²¹ European Commission, [EU announces €458 million in humanitarian aid for the war-torn Middle East](#) March 16, 2026

¹²² Asharq al-Awsat, [هجوم إسرائيلي على جنوب لبنان يُخرج محطة كهرباء رئيسية عن الخدمة](#) March 19, 2026



Flash Appeal

The UN launched a USD 308.3 million Flash Appeal to support the government-led humanitarian response to the conflict and displacement over a three-month period (March to May 2026), targeting up to 1 million people.¹²³ The appeal comes amid estimates that as many as 1.3 million people could be impacted, with rising needs for shelter, food, healthcare, water and sanitation, and protection services. Approximately 20% of those are expected to rely on collective shelters, increasing pressure on already strained infrastructure.¹²⁴ As of March 26, 29% of the Appeal had been funded and humanitarian operations have been scaled up in collaboration with the Ministry of Social Affairs, governorates and municipalities.¹²⁵

Strain on Services and Humanitarian Operations

More than 47,000 children are sheltering in 481 schools (361 public, 74 private, 46 technical and vocational) across Lebanon, which in turn has disrupted access for around 400,000 public school students.¹²⁶

The health system is also under intense pressure, with 49% of casualties treated in ERs, 43% admitted to wards, and 8% in intensive care units. Around 195 primary health care centers serve 661 collective shelters with sexual and reproductive health, immunization, non-communicable disease care, and mental health and psychosocial support.¹²⁷

Mitigating the Effect of Displacement on Education

As of March 26, humanitarian organizations distributed more than 1,031 education kits to shelters and learning centers across Lebanon and supported more than 630 displaced/non-Lebanese children with non-formal education. The Ministry of Education and Higher Education is gradually reopening some 300 vacant schools in northern Lebanon, using both morning and afternoon shifts to accommodate a hybrid online/in-person mode of learning. Additional schools in Mount Lebanon and Bekaa are expected to open shortly.¹²⁸ The ministry has also launched a remote platform to accommodate 390,000 students and 40,000 teachers, providing each with a 20 GB data plan.¹²⁹

¹²³ UN News, [UN chief launches major humanitarian appeal from war-torn Lebanon](#) March 13, 2026

¹²⁴ UN OCHA, [Flash Appeal: Lebanon, March - May 2026 \(March 2026\) \[EN/AR\] - Lebanon | ReliefWeb](#) March 13, 2026

¹²⁵ UN OCHA, [Lebanon: Flash Update #12 - Escalation of hostilities in Lebanon](#) March 28, 2026

¹²⁶ *ibid.*

¹²⁷ WHO, [Lebanon Health Sector Emergency Situation Report - Issue #4 via ReliefWeb](#) March 30, 2026

¹²⁸ *ibid.*

¹²⁹ El-Nashra, [تاتش وألغا تطلقان باقة 20 جيجا مجانية لضمان استمرارية التعليم عن بُعد](#) March 12, 2026



Non-Lebanese IDPs on the fringe of the social protection system

Migrant workers, Syrian refugees, and Palestinian refugees remain on the margins of Lebanon's social protection and emergency response systems, and have difficulty accessing shelter, healthcare, and basic assistance. Despite official claims of inclusivity, government shelters remain largely inaccessible to non-Lebanese persons, with Syrian refugees facing denials. Although the Ministry of Public Health has mandated free treatment for uninsured patients during the war, the plan has favored Lebanese nationals, limiting Syrian nationals' access.¹³⁰ Efforts to address gaps through the opening of 14 dedicated shelters for non-Lebanese, as well as targeted assistance by UNHCR have yielded limited results.¹³¹

Palestinian refugees face similar constraints, with displacement largely absorbed within overcrowded camps and host communities. Camps in areas such as the Bekaa and northern regions have received displaced families, straining already limited services, while some families have no option but to remain in their homes, despite evacuation orders.¹³² UNRWA hosted fewer than 2,000 individuals in two collective shelters as of late March, highlighting the gap between needs and available support.¹³³

¹³⁰ Access Center for Human Rights, [Statement- Syrian Refugees Remain Acutely Vulnerable During Times of Crisis](#) March 4, 2026;

The National News, [Shelter only for Lebanese: Syrian refugees face another desperate escape as war spreads](#) March 7, 2026

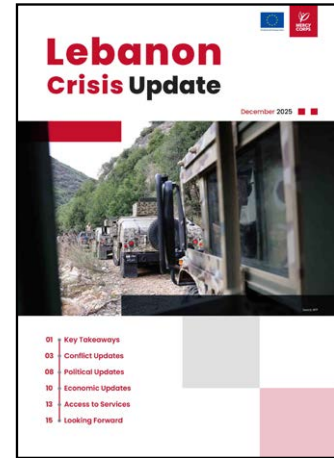
¹³¹ UNHCR, [Middle East Situation Lebanon - Flash Update #4 \(23 – 29 March 2026\) - Lebanon | ReliefWeb](#) March 30, 2026

¹³² Palestinian Refugees Portal, [«مخيم الجليل يستقبل النازحين... تضامن مجتمعي واسع وغياب «أونروا»](#) March 27, 2026;

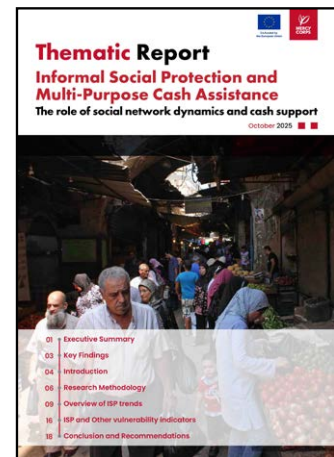
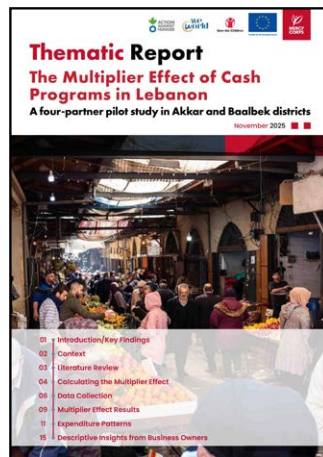
Palestinian Refugees Portal, [أهالي مخيمات صور بين النزوح القسري والبقاء تحت القصف... أزمة إنسانية تتفاقم](#) March 28, 2026

¹³³ UNRWA, [UNRWA Situation Report #4 on the Lebanon Emergency Response 2026 \(26 March 2026\) \[EN/AR\] - Lebanon | ReliefWeb](#) April 1, 2026

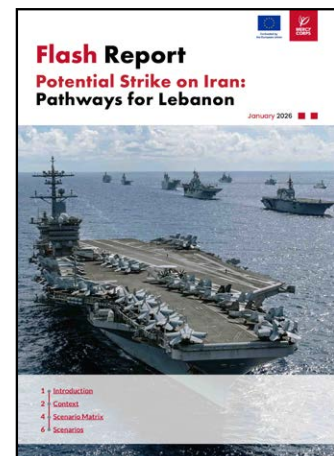
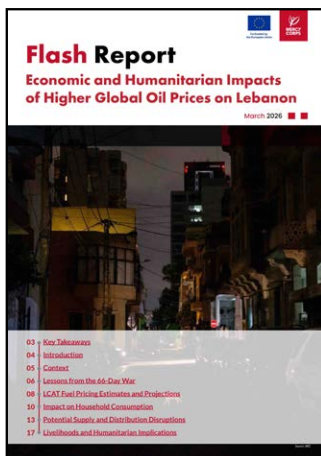
Latest Monthly Reports



Latest Thematic Reports



Latest Flash Reports



Contact

Team Lead: Crisis Analytics | Lebanon
lb-lcat@mercycorps.org



ABOUT MERCY CORPS

Mercy Corps is a leading global organization powered by the belief that a better world is possible. In disaster, in hardship, in more than 40 countries around the world, we partner to put bold solutions into action – helping people triumph over adversity and build stronger communities from within. Now, and for the future.