

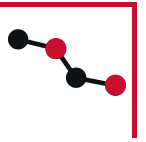
Lebanon Crisis Update

June 2026 ■ ■



Source: AP

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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.

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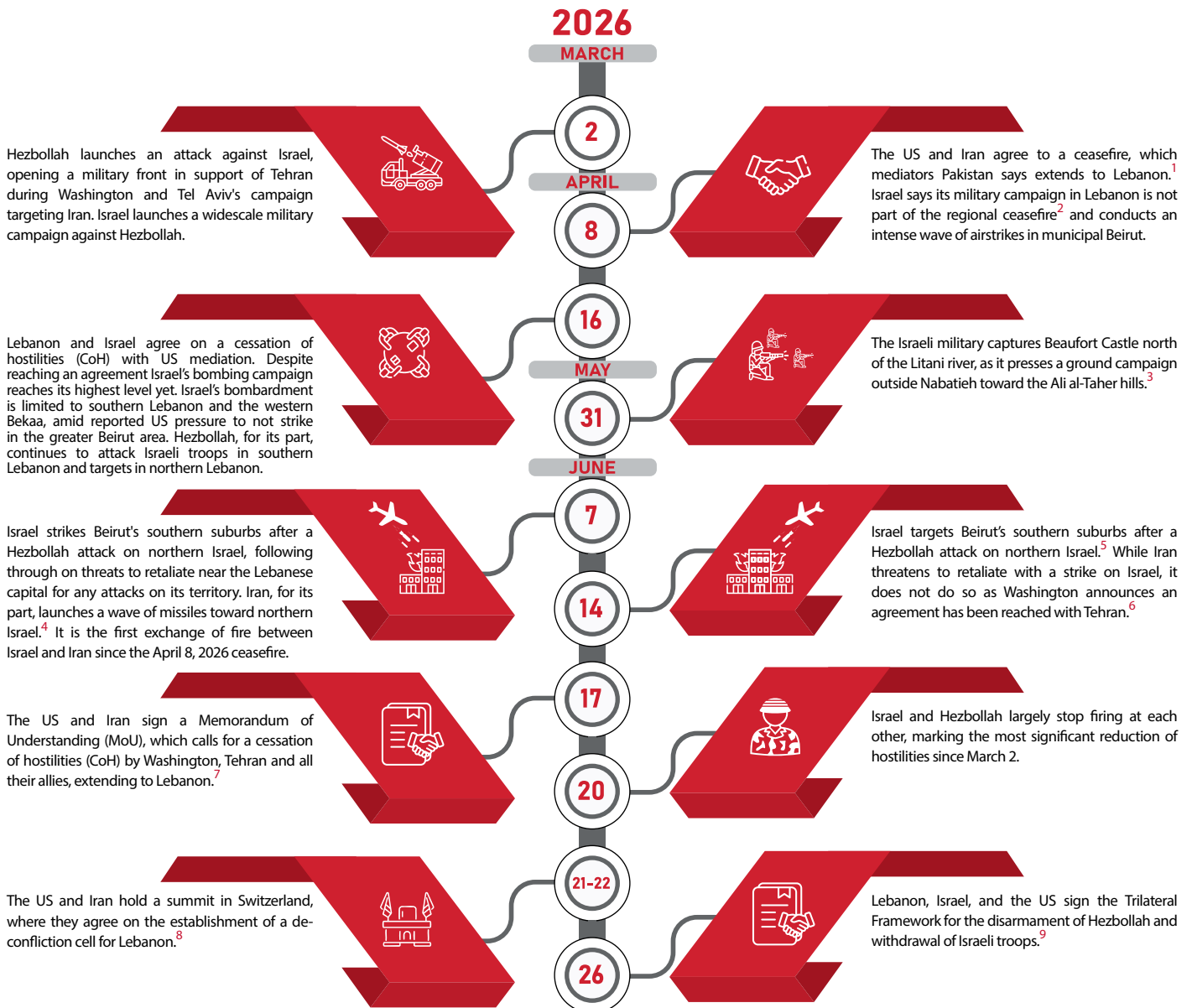


Key Takeaways:

- High-intensity hostilities in Lebanon have paused, yet there is a risk of renewed escalation, given the potentially conflictual situation created by the co-existence of the June 17 Memorandum of Understanding between the US and Iran and the Trilateral Framework between Lebanon, Israel, and the US. However, Israel sharply reduced its military activity between June 20 and through July 5, avoiding the deeper strikes that characterized the early stages of the conflict. Hezbollah has so far not fired into Israeli territory but continues to warn that it reserves its right to defend its homeland and people.
- The diplomatic process has ratcheted up domestic political tensions, but a dramatic escalation remains unlikely; Hezbollah rejects the June 26 Trilateral Framework though has stopped short of issuing direct threats to overthrow the government or mobilize protests. Although limited demonstrations and road closures followed the agreement's announcement, Hezbollah and Amal have framed their responses around preserving civil peace.
- Syrian Foreign Minister Assaad Shaibani visited Beirut, where he met with senior political and religious leaders. Shaibani signed an agreement establishing a Lebanese-Syrian Joint Higher Committee to advance bilateral cooperation, reiterated a pledge not to interfere in Lebanese internal affairs, and signaled openness to mutually beneficial dialogue with all Lebanese parties, including Hezbollah.
- Justice Minister Adel Nassar referred Al-Qard Al-Hasan – a Hezbollah-affiliated financial institution – to the Public Prosecutor for investigation into its financial activities. The move comes amid intensifying international pressure on Lebanon to combat money laundering and terrorist financing.
- The Consumer Price Index increased by only 0.49% during May, compared to 4.91% and 3.04% in March and April, respectively. The regional ceasefire and reopening of the Strait of Hormuz have stabilized fuel prices and decreased expected inflation. The prices for “Food and non-alcoholic beverages” and “Housing, water, electricity, gas, and other fuels” have decreased.
- The IMF's Diagnostic of Governance and Corruption report found oversight institutions severely weakened, unable to operate independently due to fragmentation, limited information-sharing, and delayed establishment. The Ministry of Finance acknowledged past governance failures, welcomed IMF recommendations, and attributed reform delays to regional tensions and institutional weaknesses.
- Restoration of essential services in southern Lebanon is progressing incrementally, with road-clearing operations, electricity repairs, and telecommunications work underway across the Sour, Nabatieh, Bint Jbeil, Marjayoun, and western Bekaa districts.
- For the first time, Lebanon's 2026 general budget allocated funding – USD 50 million – to the “Aman” cash assistance program, marking a shift away from near-total reliance on external donors. The shift signals greater state ownership of safety-net financing.



Conflict Updates :



¹ Pakistani Prime Minister Shehbaz Sharif via X, @CMShehbaz April 8, 2026

² Times of Israel, [Netanyahu: Ceasefire doesn't cover Lebanon, US told Israel it's committed to achieving our shared goals in talks with Iran](#) April 8, 2026

³ L'Orient Today, [Israel says planted flag on medieval Beaufort Castle, near Nabatieh](#) May 31, 2026

⁴ The New York Times, [Iran and Israel Exchange Strikes for First Time Since April Cease-Fire](#) June 7, 2026

⁵ The New York Times, [Israel Strikes Beirut Outskirts as Fighting With Hezbollah Escalates](#) June 14, 2026

⁶ US President Donald Trump via Truth Social, @realDonaldTrump June 15, 2026

⁷ BBC, [US-Iran memorandum of understanding in full](#) June 18, 2026

⁸ Qatar Ministry of Foreign Affairs via X, @MofaQatar_EN June 22, 2026

⁹ US State Department, [Trilateral Framework Between the United States of America, the State of Israel, and the Republic of Lebanon](#) June 26, 2026



Security

High-intensity hostilities in Lebanon have paused, though the potential for renewed conflict remains significant as two potentially contradictory tracks to resolve the Hezbollah-Israel conflict unfold simultaneously.

- Since June 20, Israel has largely refrained from military operations in Lebanon, while Hezbollah has halted its attacks on Israeli troops.¹⁰ This tentative truce began on the same weekend as the June 21-22 Lake Lucerne Summit between the United States and Iran, following Iranian threats to scrap talks with the US and close the Strait of Hormuz.¹¹
- The June 17 Memorandum of Understanding (MoU) between the US and Iran calls for a cessation of hostilities (CoH) in Lebanon between the "allies" of Washington and Tehran – an implicit reference to Israel and Hezbollah.¹² At the Lake Lucerne Summit, the US and Iran agreed to establish a de-confliction cell to implement the CoH in Lebanon.¹³
- Although the June 17 MoU has contributed to halting Israel's widescale military offensive in Lebanon, it is likely unsustainable: it does not include Israel as a signatory and instead relies on US pressure to rein in Tel Aviv's military activities in Lebanon.¹⁴
- Further, the June 17 MoU does not resolve the fundamental differences between Israel's demands and those of Hezbollah and Iran. Iran interprets the June 17 MoU as entrenching its influence over Lebanon,¹⁵ a condition unacceptable for Israel.
- Iran and Hezbollah insist that the 60-day negotiation process established under the MoU should culminate in Israel's military withdrawal from southern Lebanon.¹⁶ Israeli officials, however, have stated that their military will not withdraw until Hezbollah is disarmed,¹⁷ a demand that is unacceptable to the Lebanese organization.¹⁸
- On 26 June, Israel, the United States, and Lebanon agreed to a framework establishing a conditional arrangement whereby Israeli redeployment outside Lebanese territory was linked to the Lebanese state's disarmament of Hezbollah.¹⁹

¹⁰ LCAT logs all Israeli airstrikes and artillery fire across Lebanon reported by the National News Agency, *L'Orient Today*, and *Al-Mayadeen*. Starting from the afternoon of June 20, Israel ceased its widescale bombardment in southern Lebanon, limiting itself to intermittent strikes along the frontlines since. Hezbollah, for its part, has not claimed an attack against Israeli troops since June 19.

¹¹ Reuters, [Lebanon ceasefire agreed after US-Iran talks in Switzerland scrapped](#) June 19, 2026;

PressTV, [Iran closes Strait of Hormuz after US-Israeli violations of MoU](#) June 20, 2026

¹² BBC, [US-Iran memorandum of understanding in full](#) June 18, 2026

¹³ Qatar Ministry of Foreign Affairs via X, [@MofaQatar_EN](#) June 22, 2026

¹⁴ On June 29, Israeli Defense Minister Israel Katz said that US President Donald Trump had linked Washington's standoff with Iran to the conflict in Lebanon, adding that Tel Aviv would "not interfere with the US president's course of action vis-à-vis the Iranians."

Times of Israel, [Katz: Israel has 'no territorial ambitions in Lebanon,' but will not withdraw further until Hezbollah disarmed; IDF would have destroyed Hezbollah were it not for US constraints](#) June 29, 2026

¹⁵ Al-Mayadeen, [Tasnim: Iran, US, Lebanon to form unit to monitor MoU clause](#) June 22, 2026

¹⁶ Anadolu Agency, [Iran urges US to set timeline for 'unconditional' Israeli withdrawal from Lebanon](#) June 28, 2026

Al-Akhbar, [إسماعيل يقاين: عدم انسحاب إسرائيل من لبنان نقض لمذكرة التفاهم القواعد الأميركية تعزز أمن الخليج الفارسي للخطر](#) June 18, 2026;

National News Agency, [حسين فضل الله: الاحتلال لا يلتزم وقف النار والمقاومة تمارس حقها المشروع بالتصدي له](#) June 20, 2026

¹⁷ Times of Israel, [Netanyahu touts war gains at IDF officers' ceremony, draws cheers and jeers from crowd](#) June 25, 2026;

Times of Israel, [Katz: Israel has 'no territorial ambitions in Lebanon,' but will not withdraw further until Hezbollah disarmed; IDF would have destroyed Hezbollah were it not for US constraints](#) June 29, 2026

¹⁸ National News Agency, [نعيم قاسم: دخلنا مرحلة جديدة بمواجهة إسرائيل وعلى السلطة السياسية إعادة النظر بمسارها](#) June 26, 2026

¹⁹ Axios, [Behind the scenes: How shared fear of Iran led to an Israel-Lebanon deal](#) June 28, 2026



- The MoU merely provides for a cessation of hostilities without setting out a political roadmap, leaving Lebanon's security environment contingent on broader regional rivalries involving Israel, Iran, Hezbollah, and the United States. Similarly, the trilateral framework lacks the support of Iran and Hezbollah and appears to rest on uncertain Israeli commitment, despite significant US pressure to secure its endorsement.²⁰
- Given the above, humanitarian actors should expect episodes of renewed hostilities, with the likelihood of military escalations in Lebanon increasing if US-Iran talks break down.

Israel's military activity in Lebanon has fallen to its lowest level since widescale hostilities with Hezbollah began on March 2.

- From June 21, 2026, through July 5, 2026, Israel conducted an average of 2.4 airstrikes per day in Lebanon. This rate is consistent with its operational tempo following the November 27, 2024 Cessation of Hostilities (CoH),²¹ albeit with a far more limited geographic scope.

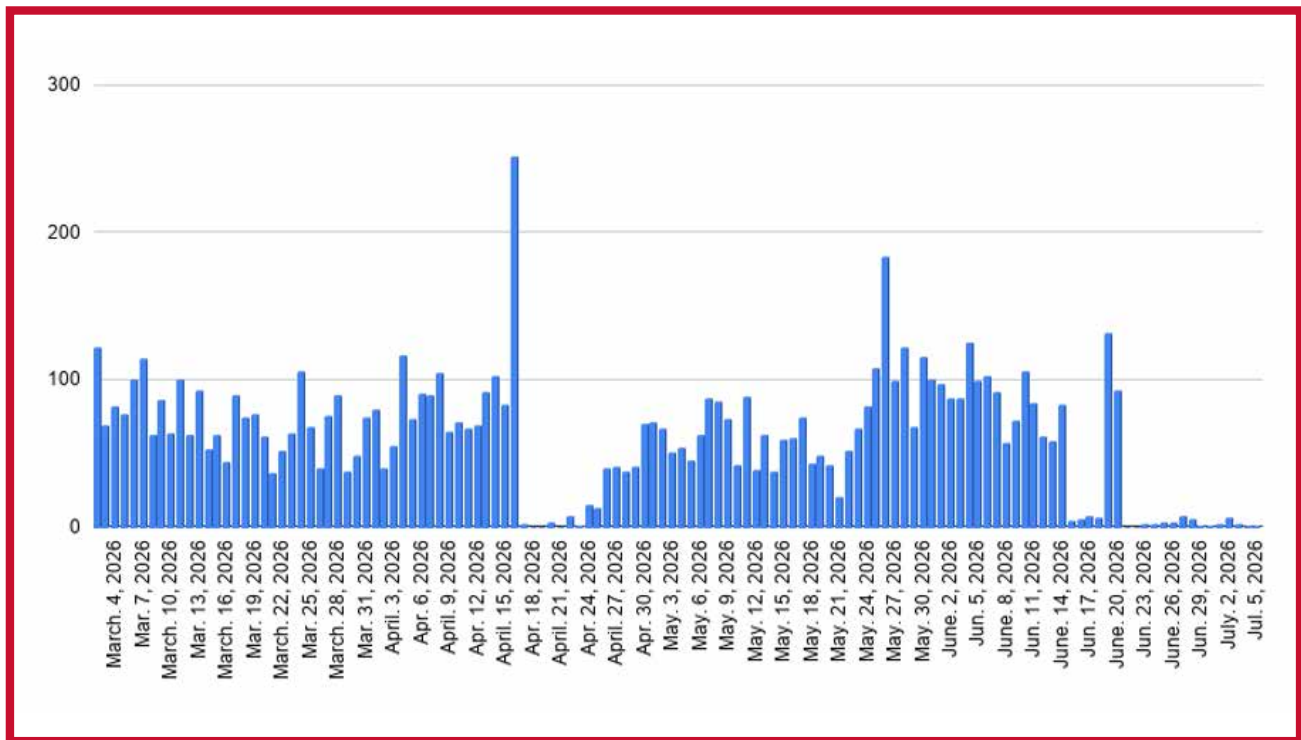


Figure 1. Daily rate of Israeli airstrikes across Lebanon (March 2–July 5, 2026).
Source: LCAT analysis

- Israel's airstrikes have been confined to areas bordering its military positions in southern Lebanon. These strikes, mostly conducted using unmanned aerial vehicles, have targeted alleged Hezbollah operatives and open areas; a single airstrike hit a building in Nabatieh on June 28.²² The targeting pattern indicates that Israel's military has been restricted from targeting infrastructure outside areas under its control.

²⁰ US State Department, [Trilateral Framework Between the United States of America, the State of Israel, and the Republic of Lebanon](#) June 26, 2026

²¹ LCAT logs all Israeli airstrikes and artillery fire across Lebanon reported by the National News Agency, *L'Orient Today*, and *Al-Mayadeen*. Between June 21 and July 5, 2026, Israel conducted a total of 36 strikes. From November 27, 2024 through March 1, 2026, Israel conducted an average of 2.75 airstrikes a day.

²² LCAT logs all Israeli airstrikes and artillery fire across Lebanon reported by the National News Agency, *L'Orient Today*, and *Al-Mayadeen*.

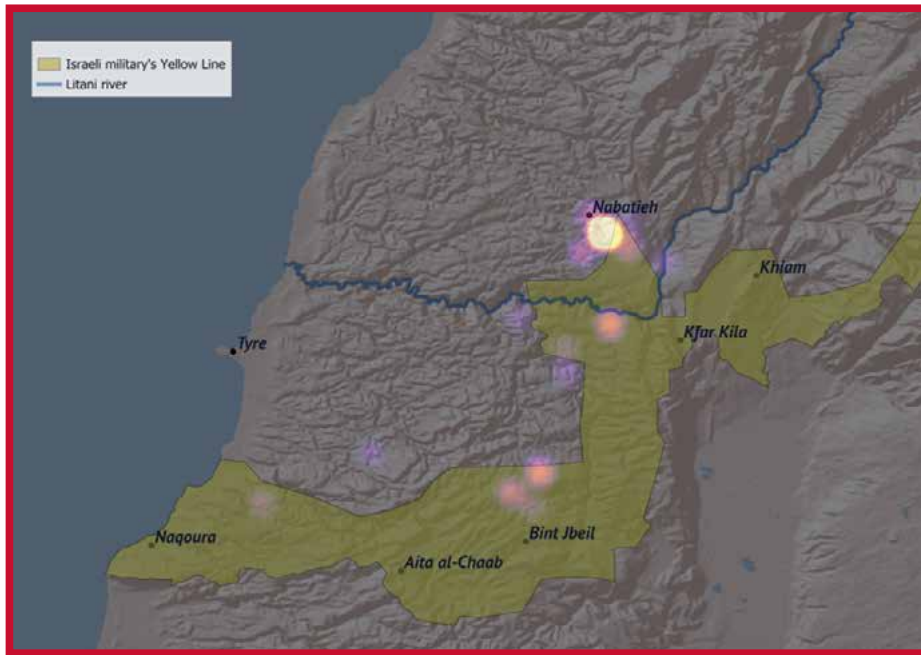


Figure 2. Heatmap of Israeli airstrikes in southern Lebanon from June 21 through July 5.
Source: LCAT analysis

- Israel has also intermittently shelled areas near its military positions, and launched at least 44 attacks with First-Person View (FPV) drones. One such attack in Bourj Qalaouiye on June 28 injured two people, consistent with Israel's policy of using FPVs to harass returning residents along the border after the November 27, 2024 CoH.²³

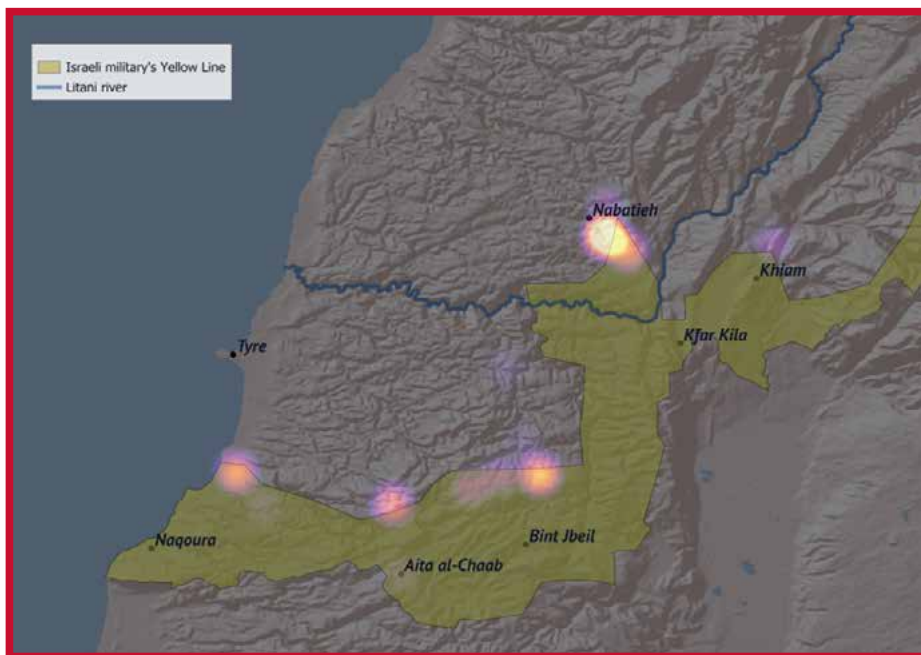


Figure 3. Heatmap of Israeli FPV attacks in southern Lebanon (June 21–July 5, 2026).
Source: LCAT analysis

²³ LCAT logged all Israeli FPV attacks across Lebanon reported by the National News Agency, L'Orient Today, and Al-Mayadeen following the November 27, 2024 CoH. LCAT resumed this logging after the most-recent June 20, 2026.



- Since June 20, Israel has not attacked alleged Hezbollah weapons infrastructure or conducted targeted assassinations of the group's operatives outside southern Lebanon. This suggests that its freedom of action is more constrained than Israeli officials have publicly indicated,²⁴ given that it regularly carried out such strikes following the November 27, 2024 CoH.
- The June 26 Trilateral Framework's unpublished Security Annex reportedly includes a clause granting Israel “freedom of action against emerging and immediate threats” within territory controlled by its military in southern Lebanon.²⁵ However, reports do not clarify the extent of Israel's freedom of action elsewhere in Lebanon. On June 29, Israeli Defense Minister Israel Katz suggested that Washington had imposed significant restraints on Tel Aviv’s military actions in Lebanon amid talks with Tehran.²⁶
- The recent reduction in hostilities follows nearly three months of high-intensity conflict. From March 2 to June 20, Israel conducted an average of 68.2 strikes per day across Lebanon.²⁷ While the US-brokered April 16 CoH limited Israel's military campaign to southern Lebanon, the pace of strikes in this region remained high,²⁸ causing attritional damage to housing and infrastructure.

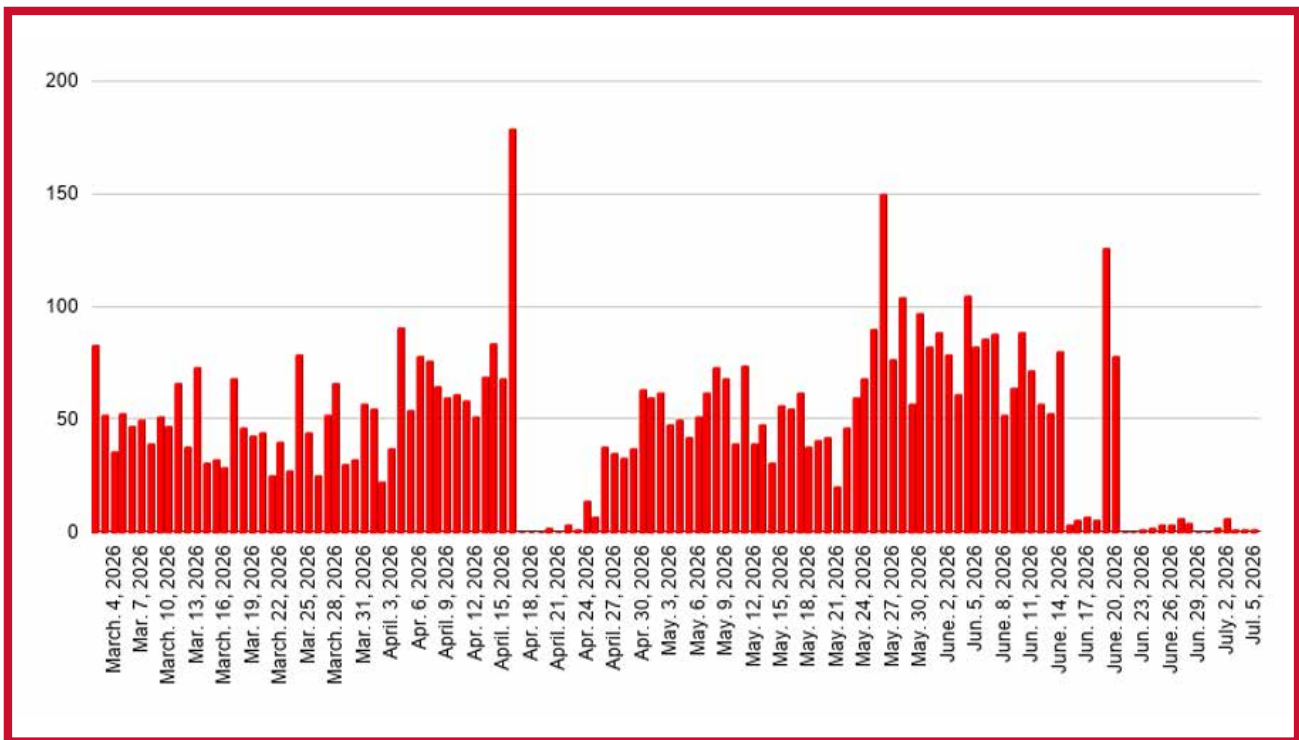


Figure 4. Daily rate of Israeli airstrikes between the Yellow Line and the Zahrani River (March 2–July 5, 2026).
Source: LCAT analysis

²⁴ Times of Israel, [Katz reiterates IDF's 'complete freedom of action' to counter threats in Lebanon and elsewhere](#) June 22, 2026

²⁵ Times of Israel, [Source: Israel-Lebanon security annex preserves full IDF freedom of action; Jerusalem remains wary of Iran interference](#) June 28, 2026

²⁶ On June 29, Israeli Defense Minister Israel Katz said that US President Donald Trump had linked Washington’s standoff with Iran to the conflict in Lebanon, adding that Tel Aviv would “not interfere with the US president’s course of action vis-à-vis the Iranians.”

Times of Israel, [Katz: Israel has 'no territorial ambitions in Lebanon,' but will not withdraw further until Hezbollah disarmed; IDF would have destroyed Hezbollah were it not for US constraints](#) June 29, 2026

²⁷ LCAT logs all Israeli airstrikes and artillery fire across Lebanon reported by the National News Agency, L'Orient Today, and Al-Mayadeen. Between March 2 and June 20, 2026, Israel conducted a total of 7,572 strikes throughout Lebanon.

²⁸ LCAT logs all Israeli airstrikes and artillery fire across Lebanon reported by the National News Agency, L'Orient Today, and Al-Mayadeen. Between April 17 and June 20, 2026, Israel conducted an average of 52.4 airstrikes a day between the Yellow Line and Zahrani River.



Hezbollah has not conducted military operations against Israel since the most recent truce but humanitarian organizations should not rule out action in the near term.

- Since the first attempt at a cessation of hostilities in Lebanon in April, Hezbollah officials have repeatedly ruled out exercising restraint shown after the November 27, 2024 CoH.²⁹ At the time, the group absorbed Israeli strikes, including in the southern suburbs of Beirut, without responding.

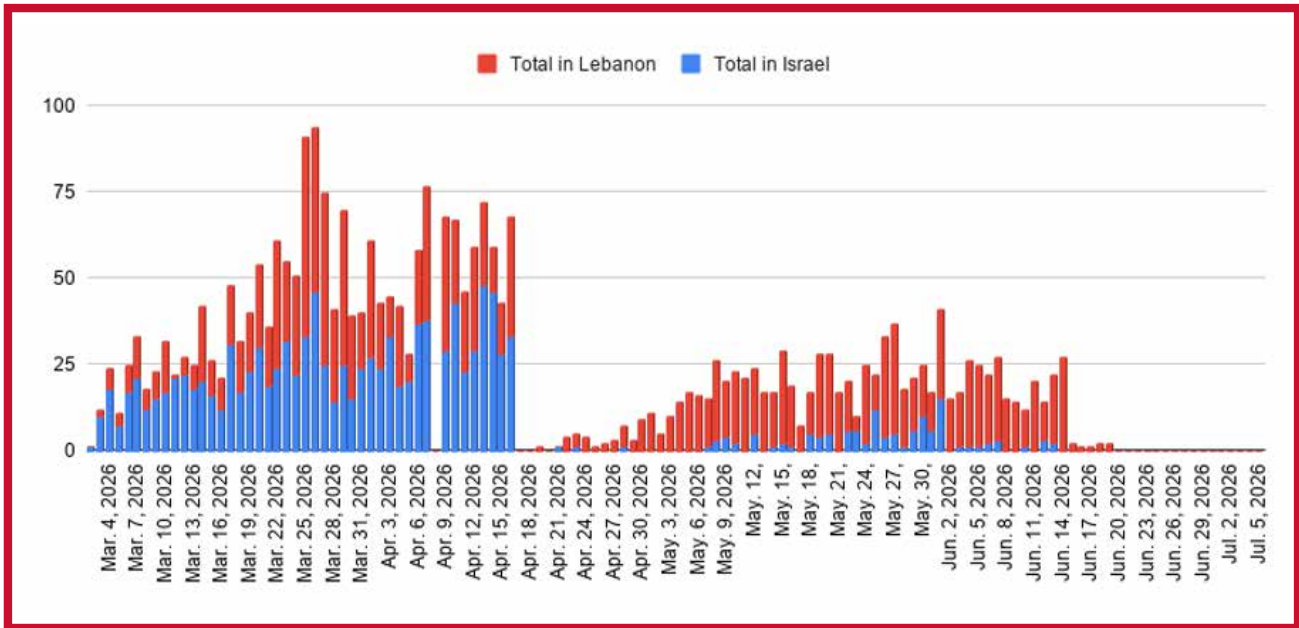


Figure 5. Daily rate of Hezbollah attacks since March 2, 2026.
Source: LCAT analysis of Hezbollah claims of responsibility of attacks.

- Since June 20, Hezbollah has issued a series of statements listing Israeli military actions it considers violations. In these announcements, the group warns that it “reserves its right to defend its homeland and people,” suggesting it would retaliate against any Israeli action that crosses a threshold.³⁰
- Similar to how Israel’s military campaign in Lebanon has been severely constrained by the US following the June 17 MoU with Iran, Tehran is likely limiting Hezbollah’s military operations. Further deterioration of the diplomatic process, already strained by limited US-Iran exchanges of fire, would increase the likelihood of Hezbollah military action against Israel.

²⁹ National News Agency, [نعيم قاسم: لم تهزمتا إسرائيل ومنفتحون لأقصى تعاون مع السلطة في لبنان بصفحة جديدة مبنية على تحقيق سيادة وطننا](#) April 18, 2026;

National News Agency, [حزب الله "بارك لإيران وحيا كل الدول المساهمة في إنجاز الإتفاق : مقدمة لاستكمال مسار التحرير"](#) June 15, 2026

³⁰ National News Agency, [حزب الله: "نراقب انتهاكات العدو ونرصدها ونحتفظ بحق الدفاع عن وطننا وشعبنا"](#) June 29, 2026



Displacement

While hostilities have significantly reduced since June 20, displacement will remain one of the most pressing humanitarian concerns in Lebanon.

- Israel's occupation of some 650 square kilometers of Lebanese territory along the border – some 6% of the country – is preventing the return of residents. According to an analysis of WorldPop Global Demographic Data,³¹ the population of this zone is approximately 147,000. LCAT estimates that nearly all these residents – with the exception of those from Christian-populated villages – are unable to return, comprising an estimated 134,000 internally displaced persons (IDPs).

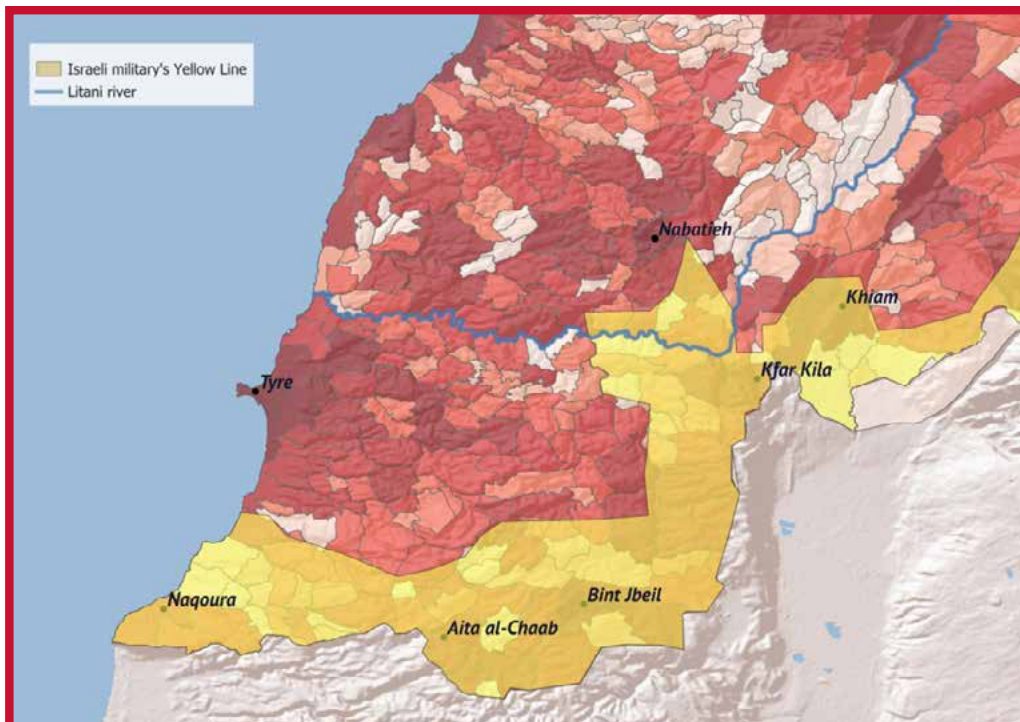


Figure 6. The Israeli military's Yellow Line laid over a population density map of southern Lebanon (darker shades of red indicate higher population levels).

Source: LCAT analysis [WorldPop](#)

- Just prior to the most recent truce, an estimated 1 million people were displaced in Lebanon.³² Since then, some 400,000 have returned to their homes. The number of IDPs in communal shelters has fallen from a high of 141,440 to 52,234.³³
- Several factors will challenge the permanent return of residents to their homes outside of Israeli-occupied territories, primarily heavy property damage across southern Lebanon. Additionally, any new Israeli shelling risks displacing returnees yet again. Indeed, since March 2, 2026, there have been several waves of returns followed by renewed displacements. For example, an intense wave of Israeli shelling in southern Lebanon between June 19-20, 2026 sparked displacement from the Bint Jbeil and Sour districts.³⁴

³¹ LCAT cross-referenced geographic data on Israel's evacuation notices, airstrikes, and artillery shelling with WorldPop's global demographic data, which uses satellite imagery and geospatial analysis to estimate population distribution. WorldPop, [Population Data](#)

³² OCHA, [Lebanon: Flash Update #36 - Escalation of hostilities in Lebanon](#) June 18, 2026

³³ L'Orient Today, [40% of forcibly displaced return to home regions, announces Haneen Sayed](#) June 29, 2026

³⁴ National News Agency, [حركة نزوح كثيفة من قضاءي صور و بنت جبيل باتجاه صيدا و بيروت](#) June 19, 2026



Political and Social Tensions

Lebanon's diplomatic process with Israel is heightening political tensions, but a dramatic escalation remains unlikely in the near term.

- Hezbollah has repeatedly warned of strife if direct diplomacy with Israel or efforts to disarm it are pursued, and in line with this rhetoric has strongly rejected the June 26 Trilateral Framework, though has stopped short of direct threatening to take down the government in the near term.³⁵ On June 29, Hezbollah official Mahmoud Qomati said that his organization does not plan to resign from the government in the near future or to stage mass protests in response to the Trilateral Framework.³⁶ In March, Qomati said Hezbollah could overthrow the government, but added any such move would come after the conflict with Israel was resolved.³⁷
- Following the announcement of the Trilateral Framework, Hezbollah supporters staged limited protests and closed the airport road in Beirut, which the Lebanese Armed Forces (LAF) later reopened.³⁸ This mirrors similar limited protests in Beirut in mid-April.³⁹ Hezbollah and its ally the Amal Movement, the two main Shia Muslim political parties in the country, called off the protests to “protect civil peace.”⁴⁰
- Hezbollah would likely seek to coordinate any political escalation in Lebanon with the Amal Movement.⁴¹ However, it is unclear whether the Amal Movement's leader, Parliament Speaker Nabih Berri, would support such a move. While Berri has rejected the Trilateral Framework, he has reiterated his opposition to domestic conflict in Lebanon.⁴²
- At present, Hezbollah lacks the political leverage to topple the Lebanese government through constitutional means, such as the resignation of a sufficient number of cabinet ministers or a parliamentary vote of no confidence. Without the support of Berri and other major allies, Hezbollah would struggle to challenge the Lebanese government's legitimacy or attempt to unseat it through mass protests or armed action, as it did during Lebanon's political crisis between November 2006 and May 2008.⁴³

Efforts to implement Hezbollah's disarmament under the Trilateral Framework could exacerbate civil strife over the medium to long term.

- The Trilateral Framework calls for the “verified disarmament” of Hezbollah, with the LAF assuming control of “pilot zones” in select territory. In return, Israel would stage a “progressive redeployment” from Lebanese territory.⁴⁴ Hezbollah has rejected the implementation of such zones or its disarmament outside a framework of domestic Lebanese dialogue.⁴⁵

³⁵ Alaraby Aljadeed, [قيادي في حزب الله: لن نسمح بتطبيق اتفاق واشنطن ولن نستقبل من الحكومة](#) June 29, 2026

Al-Modon, [فضل الله: السلطة عاجزة عن تنفيذ الاتفاق إلا بحرب أهلية](#) June 26, 2026

³⁶ Alaraby Aljadeed, [قيادي في حزب الله: لن نسمح بتطبيق اتفاق واشنطن ولن نستقبل من الحكومة](#) June 29, 2026

³⁷ Ashaq Alawsat, [Hezbollah Escalates its Rhetoric, Threatens Lebanese Govt](#) March 24, 2026

³⁸ L'Orient Today, [Hezbollah supporters protest in Beirut against deal with Israel](#) June 27, 2026

³⁹ L'Orient Today, [Hezbollah supporters protest in Beirut against negotiations with Israel](#) April 10, 2026;

Al-Jadeed, [العلم الأزرق إلى جانب الأصفر... والمستقبل يستنكر](#) April 11, 2026

⁴⁰ National News Agency, [قيادتا "أمل" و"حزب الله" في بيروت: ندعو أهلنا الشرفاء إلى عدم التظاهر في هذه المرحلة الدقيقة](#) April 11, 2026

⁴¹ On June 29, Hezbollah MP Hassan Ezzedine said that Hezbollah would “assess the current situation to determine the necessary mechanisms and methods of action” with the Amal Movement.

National News Agency, [حسين عز الدين من معروب: السلطة الحاكمة تنقض الدستور وتتجاوز القوانين النافذة](#) June 29, 2026

⁴² L'Orient Today, [Nabih Berri to L'OLJ: The Israel-Lebanon agreement 'will not pass'](#) June 28, 2026

⁴³ In May 2008, Hezbollah spearheaded an armed challenge to political rivals and the government at the time with the support of Amal Movement. At the time it had political backing from the Free Patriotic Movement, which is now politically distanced from Hezbollah, and the armed support of the Amal Movement.

⁴⁴ US State Department, [Trilateral Framework Between the United States of America, the State of Israel, and the Republic of Lebanon](#) June 26, 2026

⁴⁵ National News Agency, [قاسم عن اتفاق الاطار: مذلّة وعارٌ وتنازلٌ عن السيادة وحرمان اللبنانيين من العودة إلى أرضهم](#) June 27, 2026



- While the LAF may move forward with its pilot zones project, recent precedent suggests it is unlikely to pursue nationwide disarmament of Hezbollah. On March 2, Lebanon's government banned the group's security and military activities and ordered the LAF and security agencies to prevent further attacks. Shortly after, LAF Commander in Chief Rodolphe Haykal implicitly rejected direct action against Hezbollah.⁴⁶
- The implementation of pilot zones might prove to be untenable. On June 27, the mayor of Froun, a village in southern Lebanon outside Israeli military control, rejected the town becoming one of the zones.⁴⁷ If Hezbollah maintains its opposition to the Framework, the LAF would likely face local opposition in designated pilot zone towns where Hezbollah has local support.
- The LAF will likely continue its policy of avoiding civil strife by directly confronting Hezbollah over its arms, and instead favor containment measures such as setting up checkpoints to restrict Hezbollah's access to and movement of arms.⁴⁸ However, the US and Israel will likely push for direct action.
- On April 27, US Secretary of State Marco Rubio said Washington was working on a plan to train and equip select LAF units "to go after elements of Hezbollah and dismantle them so Israel doesn't have to do it."⁴⁹ The US sanctioned a senior LAF officer on May 21 for allegedly sharing intelligence with Hezbollah and obstructing the group's disarmament,⁵⁰ further suggesting Washington could pursue a policy of vetting select Lebanese military officials and units.
- While disarming Hezbollah is a stated objective of the Lebanese government and the Trilateral Framework, opponents of a confrontational approach caution that pursuing this goal without a broader political settlement could create internal divisions within the LAF and risk destabilizing an already fragile context.
- Moreover, the US reportedly had stopped delivering aid to the LAF since the start of the latest war between Israel and Hezbollah and March 2.⁵¹ After the arrival of a single US military cargo plane in Lebanon in March,⁵² aid flights to Lebanon appear to have recently increased in frequency.⁵³ The US may make future aid contingent on the LAF taking action against Hezbollah.⁵⁴
- A fracturing of the LAF or a degradation of its capacities would deprive the state of its primary security institution, compounding political and social tensions while likely accelerating nascent efforts at localized self-security.⁵⁵

⁴⁶ Lebanese Armed Forces, [اجتماع قائد الجيش مع أركان القيادة وقادة الوحدات والأفواج العملائية](#) March 7, 2026

⁴⁷ National News Agency, [بلدية فرون: بلدتنا تقع خارج الخط الأصفر ونستنكر الحديث عن ضمها إلى ما يسمى بالمناطق التجريبية](#) June 27, 2026

⁴⁸ Lebanese Armed Forces, [بيان من قيادة الجيش – مديرية التوجيه](#) March 4, 2026

⁴⁹ US Department of State, [Secretary of State Marco Rubio With Trey Yingst of Fox News Channel](#) April 27, 2026

⁵⁰ US Department of the Treasury, [Treasury Targets Hizballah-Aligned Officials Obstructing Peace and Disarmament](#) May 21, 2026

⁵¹ The National, [US tightens grip on Lebanese army aid as delays bite in Beirut](#) April 24, 2026

⁵² LebanonJets via X, [@LebanonJets](#) April 1, 2026

⁵³ The open source intelligence (OSINT) account @LebanonJets on X tracks US military flights into and out of Lebanon. Since June 1, LebanonJets has tracked at least six US military flights into Lebanon.

⁵⁴ ibid

⁵⁵ An-Nahar, [الأمن الذاتي... هاجس يتقدّم وواقع يتراجع](#) March 20, 2026;

Independent Arabia, [هل تتحصن البلدات اللبنانية بالأمن الذاتي؟](#) November 18, 2024;

Al-Akhbar, [حزاس كسروان... عودة إلى نعمة الأمن الذاتي](#) March 18, 2026



Scenario Analysis:

While the conflict in Lebanon has significantly subsided, the situation could deteriorate rapidly. The standoff between the US and Iran will likely be the decisive factor in Lebanon's security outlook. How the US, Iran, Israel, and Hezbollah navigate the June 17 MoU, which includes a ceasefire clause for Lebanon, and the June 26 Trilateral Framework will determine the course of events.

In a bid to inform contingency and preparedness planning by humanitarian actors and other relevant stakeholders in Lebanon, LCAT has prepared three short- to medium-term scenarios. Since the standoff between the US and Iran remains highly volatile, LCAT is unable to assign likelihoods of any of them.

Scenario 1: Status Quo

Potential Barriers to Escalation:

- Iran-US talks make sufficient progress to either reach a final agreement by the end of the 60-day negotiating period in mid-August or extend the diplomatic process.
- Amid regional diplomatic progress, the US constrains escalatory Israeli military action in Lebanon. Washington also seeks to ensure the success of the Trilateral Framework, applying further pressure on Israel to not take military actions apart from intermittent strikes along the Yellow Line.
- Iran instructs Hezbollah from launching military attacks against Israel or Israeli troops in southern Lebanon.

Key Dynamics:

- Israel conducts infrequent airstrikes along the Yellow Line, with limited property damage and few casualties.
- Israel refrains from conducting targeted assassinations or strikes against alleged Hezbollah infrastructure deeper in Lebanon.
- Hezbollah carries out few or no military operations against Israeli troops in southern Lebanon and does not strike northern Israel.
- Israel maintains its military occupation in territory in southern Lebanon, with possible limited withdrawals as part of the Trilateral Framework's pilot zone mechanism.
- Returns of IDPs to southern Lebanon are slowed by a stalled reconstruction process as overall implementation of the Trilateral Framework lags.
- Hezbollah does not stage significant escalatory action to challenge the Trilateral Framework, such as mass protests aimed at toppling the Lebanese government. However, political tensions between Hezbollah and the Lebanese cabinet heighten. The LAF quells any limited street protests staged by Hezbollah while avoiding direct confrontation against the group regarding its disarmament.



Scenario 2: Deteriorating Status Quo

Potential Barriers to Escalation:

- The US-Iran diplomatic process stalls over issues such as management of transit through the Strait of Hormuz, Israel's military occupation of southern Lebanese territory, and the release of frozen Iranian assets.
- Increasingly frequent military exchanges take place between the US and Iran, including widening waves of US airstrikes and Iranian attacks on shipping and neighboring Gulf states.
- With tacit Iranian approval, Hezbollah stages attacks against Israeli troops in southern Lebanon or northern Israel.
- Israel conducts strikes against Hezbollah targets deeper into Lebanon, possibly due to domestic political calculations amid the electoral season or to test constraints imposed by the June 17 MoU and June 26 Trilateral Framework.

Key Dynamics:

- Israel conducts regular strikes between the Yellow Line and the Zahrani River, causing moderate property and infrastructure damage. Strikes elsewhere, including urban areas such as Saida, Beirut, and Baalbek, remain infrequent, with limited casualties and damage.
- Short bursts of intense Israeli bombardment in southern Lebanon are possible following a Hezbollah attack, mirroring the June 19–20 wave of strikes launched after Hezbollah inflicted casualties on Israeli troops.

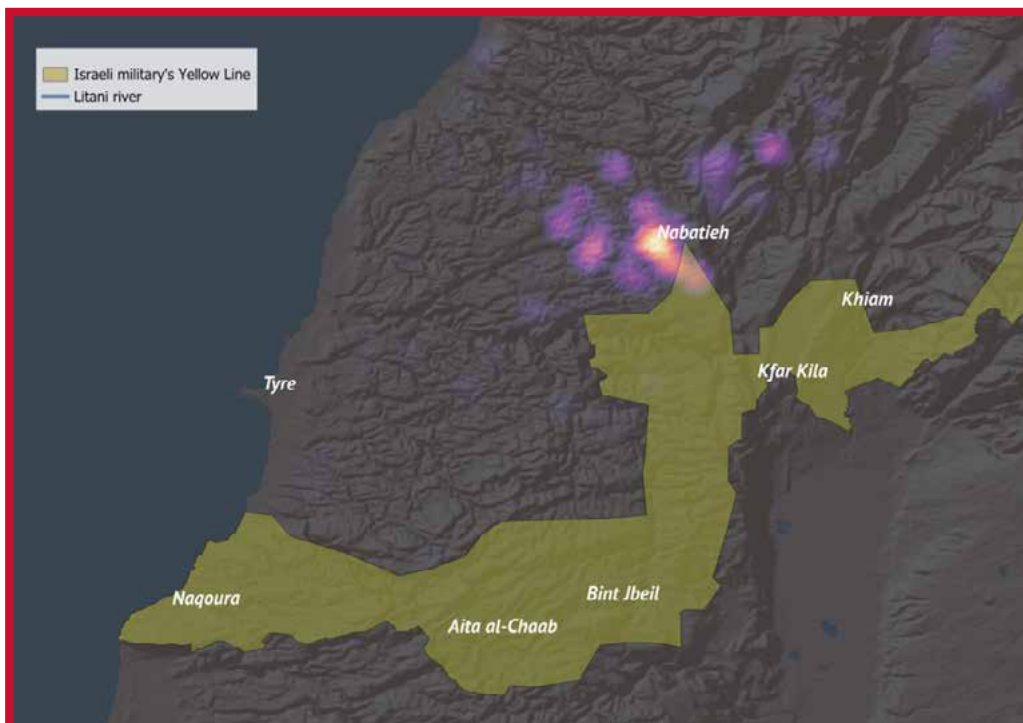


Figure 7. Heatmap of Israel's 225 airstrikes (June 9–10, 2026).
Sources: LCAT analysis



- Tensions build after Israeli strikes outside southern Lebanon or Hezbollah attacks against Israel. Iran may threaten to or launch ballistic missile attacks on Israel. However, regional diplomatic processes prevent wider hostilities.
- Returns of displaced people to southern Lebanon remain obstructed by Israeli military actions and a stalled reconstruction process. The risk of rising tensions increases in destination areas in the Saida and Chouf districts as well as Beirut if significant numbers of IDPs remain.
- Hezbollah avoids any domestic strife regarding the Trilateral Framework as it prioritizes readiness for a potential conflict with Israel.

Scenario 3: Resumption of Widescale Conflict

Potential Triggers for Escalation

- The Washington-Tehran diplomatic process faces severe roadblocks or entirely collapses, with the US reimposing a naval siege of Iran.
- Frequent military exchanges between the US and Iran, with increasingly heavy waves of tit-for-tat strikes against Iran and Gulf states.
- Amid the worsening regional situation, security tensions rise significantly between Israel and Hezbollah and Iran.
- Israeli bombardment of the southern Beirut suburbs inflicts significant casualties.
- Hezbollah attack(s) on northern Israel inflict casualties.
- Iranian missile attack(s) result in casualties or significant damage in Israel.

Key Dynamics:

- This scenario would mirror recent bouts of widescale hostilities in Lebanon, including the 66-Day War from September 23 to November 27, 2024 and the most recent war from March 2, 2026 until June 20, 2026.
- Israel conducts intense and widespread airstrikes, with the US likely constraining action against the Greater Beirut region, as well as national-level infrastructure, such as Beirut's Rafik Hariri International Airport, seaports, key import facilities, and energy infrastructure. Localized infrastructure and healthcare facilities and personnel would be targeted in heavily bombarded areas, such as southern Lebanon.
- Israel expands its ground invasion in southern Lebanon, seeking to advance toward the western Bekaa, Nabatieh and all areas south of the Litani River.



Economic Updates:

2026
JUNE

The Central Bank extends Circulars 158 and 166⁵⁶ through June 2027, enabling USD depositors to continue to make limited withdrawals each month. The decision reflects the recent war impact. Initially, plans called for phasing out these circulars and moving urgently toward bank restructuring and deposit recovery.⁵⁷



4

In a show of support for the current Lebanese government, Saudi Arabia lifts a five-year-long ban on Lebanese imports.⁵⁸ The first shipment of Lebanese exports to the kingdom left on June 20.⁵⁹



10

Lebanon's State Shura Council rules that commercial bank deposits in the Central Bank and debts to commercial banks cannot be written off or cancelled by a government decision. Any such measure will require explicit legislation that respects constitutional property rights and provides compensation mechanisms.⁶⁰



21

Lebanon's Finance and Budget Committee approves a draft "golden visa" law that would give wealthy foreigners and Lebanese expatriates special residency and tax-residency rights in exchange for at least a USD 500,000 deposit at a commercial bank or investments in real estate or a business.⁶¹



22

Lebanon's Finance Ministry raises the minimum threshold for the exceptional Sayrafa tax (17%), from USD 15,000 to USD 100,000, applying to dollar purchases made on the official currency exchange platform between 2021 and 2023.⁶²



30

⁵⁶ These circulars allow USD depositors to access a monthly fractions of their accounts. They were established by the Central Bank as a form of partial justice and social containment awaiting for definitive solutions for the banking crisis.

⁵⁷ Al-Modon, [166 و 158 للتعميم](#) 2027.. التمديد عاماً للتعميم June 5, 2026banks'6

⁵⁸ Reuters, [Saudi Arabia lifts Lebanese import ban in sign of support for government](#) June 10, 2026

⁵⁹ Enmaeya, [Lebanon Reopens to Saudi Markets, but Export Revival Depends on More Than Access](#) June 21, 2026

⁶⁰ Al-Nahar, [مجلس شورى الدولة يحسم النزاع بين الدولة اللبنانية والمصارف لاشطب للودائع بقرار حكومي](#), June 23, 2026

⁶¹ L'Orient Today, [Finance Committee approves government draft law for Lebanese Golden Visa](#) June 22, 2026

⁶² L'Orient Today, [Finance Ministry sets new mechanism for Sayrafa tax, raises threshold to \\$100,000](#) June 29, 2026



Inflation

Consumer Price Index (CPI) growth slowed in May. Prices increased by only 0.49% during the month, compared to 4.91% and 3.04% in March and April, respectively. The regional ceasefire and reopening of the Strait of Hormuz have stabilized fuel prices and calmed inflation expectations.⁶³ Prices in the categories of “Food and non-alcoholic beverages” and “Housing, water, electricity, gas, and other fuels” have decreased. Some commodities, however, remained unchanged due to, among other reasons, time lags and suppliers profiteering off higher margins (see Figure 8).⁶⁴

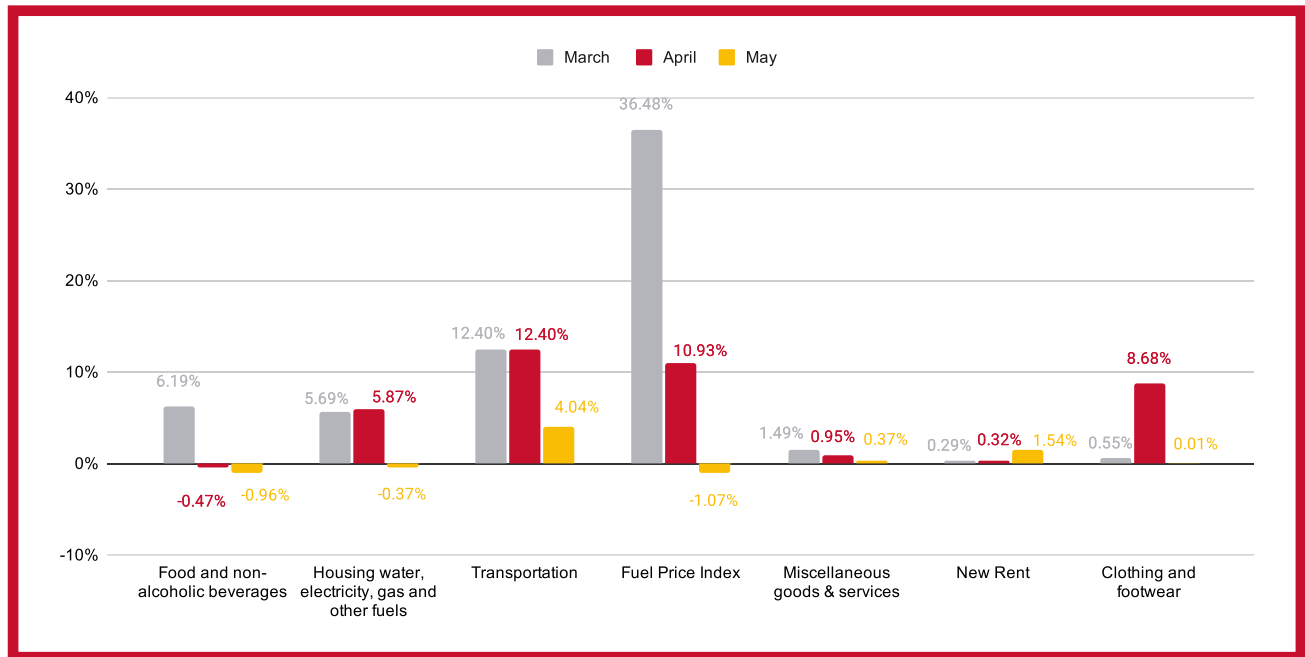


Figure 8. CPI components in March, April, and May.

⁶³ LBCI, [انعكاس انخفاض أسعار النفط على أسعار المواد الغذائية حتمي... ما العوامل المؤثرة؟](#), June 21, 2026

⁶⁴ Central Administration of Statistics (CAS), [Consumer Price Index \(CPI\)](#);

L'Orient Today, [Rise in Lebanese consumer price index slows significantly in May](#), June 22, 2026



New Indirect Taxes

Tax provisions included in the 2026 Budget Law went into effect in late June in a bid to shore up state revenues and improve tax compliance. However, these new provisions also mean additional costs and greater complexity for traders, who are already navigating a fragile economy.

Article 42 extends the existing 3% fee on goods subject to value-added tax (VAT) through December 31, 2030. In practice, this fee functions as an additional charge on most taxable imports, on top of customs duties and the standard VAT rate.⁶⁵ The new Budget Law also introduces a 1.5% advance tax on import transactions by taxpayers who have not filed income tax and VAT returns for the previous three years. Customs collects this advance tax at the border and offsets it against future tax liabilities, effectively using import flows as leverage to enforce compliance. However, the broad-based nature of this tax, when combined with weak or insufficiently enforced penalties, may prove counterproductive by encouraging taxpayers whose actual tax liabilities exceed 1.5% of their income to continue withholding payment.

As a result, imports in June 2026 might be subject to four separate taxes: customs duties (typically 0-30%, depending on the type of shipment), the standard 11% VAT, the supplementary 3% fee on VAT-liable imports, and the 1.5% advance tax for non-compliant taxpayers.⁶⁶ These measures are significant for humanitarian stakeholders because they raise the costs of importing essential goods,⁶⁷ incentivize informal trade, and signal the government's continued reliance on broad-based taxation rather than structural reform to manage fiscal pressures.

⁶⁵ ALDIC, [Budget Law 2026 – Tax amendments](#)

⁶⁶ Ibid;

FreightAmigo, [2025 Guide: Understanding Import Taxes and Customs Duties for Shipping to Lebanon](#) March 13, 2026

⁶⁷ National News Agency, [الاتحاد العمالي العام عن الزيادات الضريبية: دليل فشل للسياسات العامة والمعالجات الاقتصادية في ظل غياب المراقبة الرادعة](#) June 25, 2026



IMF Report on Lebanon's Governance and the Impact of Delayed Reform

The International Monetary Fund's (IMF) Diagnostic of Governance and Corruption report on Lebanon, released on June 1, 2026, examines corruption and weaknesses regarding "fiscal governance, central bank operations, financial sector oversight, anti-money laundering, and rule of law."⁶⁸ It assesses that oversight institutions have been severely weakened, and are unable to operate independently or coordinate effectively due to systemic fragmentation and limited information-sharing. Moreover, the report highlights that the establishment of key oversight bodies has been delayed for years, often over appointments made on a sectarian and partisan basis, leaving critical vacancies that undermine accountability and transparency.⁶⁹

The Ministry responded broadly to the IMF's governance and corruption diagnostic, without directly addressing certain issues highlighted in the report. It noted progress in public finance, including budgets approved on constitutional deadlines since 2024, the halt of Central Bank borrowing, and the end of treasury advances in 2025. The statement also blamed regional tensions, hostilities, economic pressure, and institutional weaknesses for slowing complex reforms, and reaffirmed Lebanon's commitment to work with the IMF and international partners on reforms, reconstruction, and institutional strengthening to restore trust and support sustainable, inclusive growth.⁷⁰

⁶⁸ International Monetary Fund, [Lebanon: Diagnostic of Governance and Corruption](#) June 1, 2026

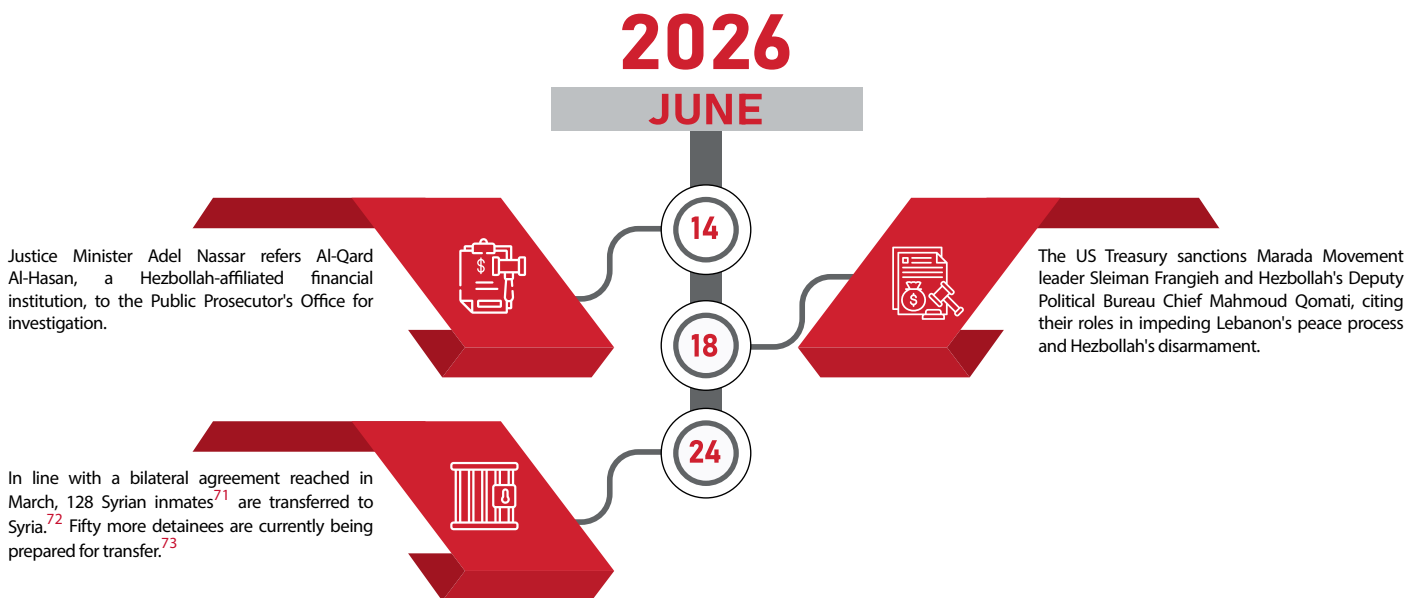
⁶⁹ L'Orient Today, [IMF sheds light on Lebanon's weakened oversight institutions](#) June 5, 2026

⁷⁰ National News Agency, [وزارة المال عن "التقرير التشخيصي لصندوق النقد حول الحوكمة والفساد": الحكومة رغم كل التحديات ملتزمة المضي قدماً في تنفيذ الإصلاحات الأساسية](#) June 2, 2026



Source: L'Orient-Le Jour

Political Updates:



⁷¹ The prisoner transfer agreement, which entered into force on February 19, 2026, established a framework for transferring Syrian convicts from Lebanon to complete their sentences in Syria. The following month, Lebanon transferred more than 130 Syrian prisoners after ensuring their cases were in compliance with the agreement's provisions.

Al-Araby, [دمشق تعلن قرب استلام 128 سجيناً من لبنان... ومحاكمة عاطف نجيب تتواصل](#) June 23, 2026;

National Human Rights Commission, [Lebanon hands over 137 Syrian prisoners to Damascus in implementation of the prisoner transfer agreement](#) March 18, 2026

⁷² L'Orient Today, [Lebanon transfers 128 Syrian prisoners to Syria under agreement](#) June 24, 2026;

Asharq al-Awsat, [لبنان يسلم سوريا 129 سجيناً محكوماً الأسبوع المقبل ويحفظ على 7](#) June 17, 2026;

Al-Modon, [الدفعة الثانية إلى دمشق: سجين يرفض الرحيل وعقبات أمام الثالثة](#) June 24, 2026

⁷³ Al-Modon, [الدفعة الثانية إلى دمشق: سجين يرفض الرحيل وعقبات أمام الثالثة](#) June 24, 2026



Assad Shaibani's Visit to Lebanon

Syrian Foreign Minister Assaad Shaibani visited Lebanon on July 2, where he met with President Joseph Aoun, Prime Minister Nawaf Salam, Speaker Nabih Berri and a range of Lebanese religious and political figures.⁷⁴ In line with his previous comments and those of other Syrian officials,⁷⁵ Shaibani stressed the importance of reciprocal state-to-state engagement, non-interference, and practical cooperation.⁷⁶ After meeting most of Lebanon's major political players, Shaibani stated that Damascus is open to mutually beneficial dialogue with all Lebanese parties, including Hezbollah.^{77,78}

Shaibani signed an agreement establishing the Lebanese-Syrian Joint Higher Committee, to be chaired by the Lebanese Prime Minister and the Syrian Minister of Foreign Affairs representing the Syrian President.⁷⁹ Under the terms of the agreement, the committee will advance cooperation between the two states and serve as a platform for ministries from both countries to cooperate on political, economic, and security issues. The most pressing topics include electricity interconnection between Lebanon and Syria, transport, trade and facilitating cross-border movement.⁸⁰

US Sanctions Targeting Hezbollah-Linked Political Figures

On June 18, the US Treasury Department added Marada Movement leader Sleiman Frangieh and Hezbollah Deputy Political Bureau Head Mahmoud Qomati to its sanctions list,⁸¹ accusing both of using their influence "to obstruct the peace process" and delay Hezbollah's disarmament.⁸² The Treasury alleges that Frangieh – whose political standing mirrors that of Free Patriotic Movement leader Gebran Bassil, under US sanctions since 2020 – accepted financial support from Hezbollah in exchange for backing the party's efforts to target reformist and independent parliamentary candidates in the 2022 Lebanese parliamentary elections. The designations also targeted a Lebanon-based individual, Wael Constantine, and several companies operating across Lebanon, Oman, Iraq, and Syria. The move followed sanctions announced less than a month earlier against nine individuals, including two active-duty Lebanese officers accused of sharing intelligence with Hezbollah.⁸³

⁷⁴ National News Agency, [الشيباني في السرايا](#) (*) July 2, 2026;

National News Agency, [الشيباني في عين التينة](#) (*) July 2, 2026;

National News Agency, [الرئيس عون استقبال الشيباني: لبنان متمسك بعلاقات أخوية مع سوريا قائمة على التعاون والتنسيق وعدم التدخل في الشؤون الداخلية لكلا البلدين](#) (*) July 2, 2026 ;

National News Agency, [الرابع يستقبل وزير الخارجية السورية في بركي](#) (*) July 2, 2026;

National News Agency, [الشيباني في دار فتوى طرابلس ويجتمع مع مفتي طرابلس ووكار ونواب وقيادات روحية ونقابية](#) (*) July 2, 2026;

National News Agency, [وصول وزير الخارجية السوري إلى بيت الكتائب](#) (*) July 2, 2026;

National News Agency, [الشيباني من معراب: نتطلع إلى تطوير العلاقة بين سوريا وسيرت جعجع: ما يحصل بشأن تفسير اتفاق الإطار غش للرأي العام](#) (*) July 2, 2026

⁷⁵ France 24, [Syria president denies wanting to intervene in Lebanon after Trump remarks](#) June 21, 2026

⁷⁶ National News Agency, [الشيباني من السرايا: وقعنا على تاليف اللجنة العليا للتعاون والشراكة واتفاق الإطار بشأن لبنان](#) (*) July 2, 2026

⁷⁷ National News Agency, [يرى بحث ووزير خارجية سوريا في الأوضاع في لبنان والمنطقة واستقبل نائبة مستشار الأمن القومي البريطاني وحان أرنو الشيباني: اللقاء كان](#)

[ممتازا جدا ويصب في صالح العلاقات اللبنانية السورية](#) July 2, 2026

⁷⁸ National News Agency, [رئيس الجمهورية تسليم من الشيباني دعوة رسمية لزيارة دمشق. وأكد تمسك لبنان بإقامة علاقات أخوية ورحب بتشكيل اللجنة العليا بين البلدين وزير](#)

[الخارجية السوري: السلطة الحالية تعمل على طي صفحة التدخلات السابقة وهناك مساع لإقامة شراكة اقتصادية لبنانية - سورية مع دول الخليج](#) July 2, 2026

⁷⁹ National News Agency, [مبادرات لبنانية - سورية في السرايا أعقبها توقيع اتفاقية بإنشاء اللجنة العليا المشتركة سلام: نأمل أن نرى قريباً ثمار عملها على أرض الواقع](#)

[الشيباني: موقفنا الداعم والمتضامن مع لبنان سيرسخ لعلاقة مستدامة وصحية بين البلدين](#) July 2, 2026

⁸⁰ Anadolu Ajansi, [Lebanon, Syria sign agreement to establish joint higher committee](#) July 2, 2026;

National News Agency, [الشيباني من السرايا: وقعنا على تاليف اللجنة العليا للتعاون والشراكة واتفاق الإطار بشأن لبنان](#) July 2, 2026

⁸¹ Specially Designated Nationals and Blocked Persons (SDN) List designated by the Treasury Department's Office of Foreign Assets Control.

⁸² U.S. Department of Treasury, [Treasury Targets Hizballah-Aligned Officials and Intensifies Pressure on Global Financial Network](#) June 18, 2026

⁸³ L'Orient Today, [Washington sanctions Frangieh, Qomati in new measures targeting individuals linked to Hezbollah](#) June 18, 2026



Lebanese experts characterized the move as part of a broader US strategy to isolate Hezbollah and pre-empt any domestic realignment, which Washington fears could enable the re-entrenchment of Iranian influence in Lebanon and the region. Among these concerns were Hezbollah's reported ambition of pushing for a cabinet reshuffle that would destabilize the government. The sanctioning of Frangieh also effectively disqualifies him from any future presidential bid, signaling that progress on the Iran file will not soften Washington's commitment to Hezbollah's political isolation.⁸⁴

Referral of Al-Qard Al-Hasan to the Public Prosecutor

On June 14, Amid intensifying international pressure on Lebanon to combat money laundering and terrorist financing, Justice Minister Adel Nassar referred Al-Qard Al-Hasan – a Hezbollah-affiliated financial institution already under US sanctions – to the Public Prosecutor's Office.⁸⁵ The controversial move has reignited tensions between state institutions and Hezbollah over parallel financial networks operating outside Central Bank oversight, widely seen as a test of the state's capacity to assert regulatory authority over informal financial institutions. The issue is expected to spark widespread political controversy, viewed by Hezbollah supporters as an extension of the financial blockade imposed on its community.

Hezbollah is expected to engage with the judicial process rather than resist it outright. Prior to the referral, a Hezbollah delegation met with the Public Prosecutor to explore legal options, with discussions focusing on distinguishing between activities permitted under its original association license and those constituting regulated banking activity under the Currency and Credit Law. The institution has since begun shutting down most of its ATMs across Lebanon and halting any transfers or deposits in violation of its license.⁸⁶

⁸⁴ L'Orient Today, [U.S. sanctions Frangieh, Qomati: What political messages is Washington delivering?](#) June 19, 2026;

Asharq al-Awsat, [أي رسائل من العقوبات الأميركية على فرنجة ومقربين من «حزب الله»؟](#) June 19, 2026

⁸⁵ Al Arabiya, [لبنان... إحالة «القرض الحسن» التابعة لحزب الله إلى النيابة](#) June 14, 2026

⁸⁶ Asharq al-Awsat, [الذراع المالية لـ«حزب الله» أمام القضاء اللبناني](#) June 16, 2026;

The Independent Arabia, [القرض الحسن: في مواجهة القضاء اللبناني والضعف الدولية](#) June 16, 2026



Source: MH

Access to Services Updates:

2026
JUNE

Environment Minister Tamara Elzein announces the establishment of an air quality monitoring network in Beirut to measure fine particulates and pollutant gases. The goal of the project, which was co-implemented with the United Nations Office for Project Services, is to produce a public air quality index and system to alert vulnerable groups during pollution spikes.⁸⁷



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The National Social Security Fund expands coverage for heart and cancer treatments.⁸⁸



The Council of Ministers cancels the Lebanese secondary and technical baccalaureate exams for the 2025–2026 school year, replacing them with completion certificates based on school grades and continuous assessment results.

⁸⁷ L'Orient Today, [Environment Ministry announces installation of air quality measurement stations in Beirut](#) June 22, 2026

⁸⁸ Al-Modon, [الضمان الاجتماعي: تغطية شاملة لعلاجات القلب والسرطان](#) June 29, 2026



Restoration of Essential Services

On June 18, as part of its "Reconnecting Lebanon" campaign, the Ministry of Public Works and Transport relaunched field operations in southern Lebanon, clearing debris and reopening damaged roads in the districts of Sour and Nabatieh. Efforts in the city of Sour were focused on the industrial zone, the bus terminal, and public housing areas. In Nabatieh, the market and the Nabatieh–Zabadin–Harouf roundabout road were prioritized.⁸⁹

Throughout the spring, repeated Israeli attacks on southern Lebanon's transmission grid have damaged and destroyed power lines, electrical towers, and substations,⁹⁰ and deprived communities of power for days at a time.⁹¹ In June, Electricité du Liban (EDL) successfully restored power to the Marjayoun substation, reconnecting supply to parts of the Marjayoun and Hasbaya districts as well as the western Bekaa.⁹² In a knock-on effect, repeated power cuts forced the South Lebanon Water Establishment to ration water supplies to subscribers in Saida, Al-Fawwar, and Harat Saida. The Establishment noted that backup generators were insufficient to make up the shortfall, and urged residents to conserve water.⁹³

In mid-June, national telecommunications company Touch began repairing and restoring service to 49 transmission stations across Nabatieh, Sour, Bint Jbeil, and Marjayoun districts, and the Western Bekaa, with technical teams completing maintenance and refueling stations under a security escort from the LAF.⁹⁴ In a bid to restore connectivity to over 100,000 users, Alfa, another telecommunications provider, announced the deployment of six mobile cell sites, or "Cells On Wheels", in the Nabatieh, Sour, Bint Jbeil, and Marjayoun districts. This interim measure is expected to close roughly 30% of the network coverage gap.⁹⁵

Building-Level Damage Assessment

A June 8 UNDP damage assessment found that Israeli strikes in Beirut and Mount Lebanon had caused an estimated USD 365 million in damages between February 1 and April 14, destroying 146 structures and partially damaging another 264. Mount Lebanon alone accounted for nearly USD 350 million of the estimated damage. The assessment used remote sensing and geospatial AI, and on-the-ground verification was carried out by the Lebanese Army, the UN Department of Safety and Security, and the National Council for Scientific Research.

The damage is concentrated in Beirut's southern suburbs, mainly Hadath, Burj al-Barajneh, Haret Hreik, Laylaki, Chiyah, and Choueifat al-Amrousieh. Buildings were also destroyed in Mazraa, Bashoura, Ain al-Mreisseh, and Moseitbeh in Beirut. Baabda district took the hardest hit – accounting for 91% of destroyed buildings in the Greater Beirut area.⁹⁶

⁸⁹ National News Agency, "وزارة الأشغال العامة والنقل تواصل عملياتها الميدانية جنوباً وتوسع نطاق فتح الطرق وإزالة آثار الدمار" June 23, 2026;

National News Agency, "وزارة الأشغال تستأنف عملياتها الميدانية جنوباً وتوسع فتح الطرقات في المناطق المتضررة" June 18, 2026

⁹⁰ National News Agency, "كهرباء لبنان: عدت الأضرار على شبكة النقل في الجنوب: نقوم بأقصى طاقتنا لإصلاح الأعطال في مناطق الاعتداءات من موارنتنا الخاصة" June 9, 2026

⁹¹ MTV, "بيان هام بشأن الكهرباء في بلدات جنوبية" April 16, 2026

⁹² National News Agency, "كهرباء لبنان: تصليح الأضرار على شبكة النقل وإعادة التيار إلى محطة مرجعيون في الجنوب والبقاع الغربي الناتجة عن الاعتداءات الإسرائيلية" June 18, 2026

⁹³ National News Agency, "مياه الجنوب: انخفاض التغذية من محطات العربي الفوار وحارة صيدا بسبب تكرار انقطاع خط الخدمات" June 16, 2026

⁹⁴ National News Agency, "تاتش: إعادة الخدمة إلى 30 محطة ضمن محافظتي النبطية والجنوب - قضاء صور" June 17, 2026;

National News Agency, "تستكمل عملها في استعادة الخدمة لـ 49 محطة ضمن محافظتي النبطية والجنوب وقضاء البقاع الغربي" June 22, 2026

⁹⁵ National News Agency, "في المناطق المتأثرة في الجنوب لتأمين الخدمة COWs ألفا" تعلن نشر محطات متنقلة" June 22, 2026

⁹⁶ L'Orient Today, "Key takeaways from the UN study on Israeli destruction in Beirut and Mount Lebanon" June 12, 2026;

UNDP, "Building-Level Damage Assessment: Beirut and Mount Lebanon" June 8, 2026



Domestic Funding for the "Aman" Social Safety Net Program

For the first time, the Ministry of Social Affairs will draw on general budget appropriations to fund the "Aman" program, which provides direct cash assistance to Lebanon's most vulnerable households. Up to now, Aman was entirely reliant on external financing – some USD 200 million from the World Bank and EUR 45 million from the European Union – to support a target caseload of some 160,000 families, or roughly 800,000 people.⁹⁷ The 2026 budget earmarked USD 50 million for Aman, and the ministry reported that an initial tranche of USD 13.73 million – 27.5% of the allocated amount – had already been disbursed.⁹⁸

The significance of the state's contribution lies less in the amount – it only covers about 25% of program costs – than in the fact that social spending has been introduced as a fixed budget line, and as such may be adjusted in the future. This marks a departure from Lebanon's post-crisis fiscal planning, in which austerity dominates public finance debates at the expense of social protection.⁹⁹

For international donors – including the IMF, which has, since 2022, repeatedly called for increased social spending in Lebanon's national budget – the move signals greater state ownership of safety-net financing, potentially increasing donor confidence and unlocking further external support rather than substituting for it.¹⁰⁰ In terms of the 2027 budget, Minister of Social Affairs Hanin Al-Sayyid confirmed that she has requested an increase in the state's contribution to USD 150 million.¹⁰¹

Suspension of Baccalaureate Examinations

On June 25, the Council of Ministers cancelled the secondary and technical baccalaureate exams for students in public and private secondary schools and technical institutes for the 2025–2026 school year. Instead of exams, students with a minimum grade point average of 9.5 as of March 1, 2026, will receive a certificate of completion based on school grades and assessment results. A one-time special session will be held from July 21 for students requiring official certificates for specific purposes.¹⁰²

Minister of Education Rima Karami framed the decision as a response to deteriorating security conditions, noting that despite earlier exceptional measures – including curriculum streamlining, flexible exam scheduling, and proximity-based exam centers – security and military authorities could no longer guarantee the safe and equitable conduct of exams countrywide.¹⁰³

The decision has drawn mixed reactions. Supporters argued that proceeding with standardized national exams amid widespread displacement and acute regional disparities would have been inherently inequitable, given the difference in conditions between students in conflict-affected areas and those in more stable regions.¹⁰⁴

⁹⁷ Annahar, [هل تُموّل "أمان" بالكامل من الموازنة؟ حنين السيد لـ"النهار": الإنفاق على الحماية استثمار لا عبء](#), July 1, 2026

⁹⁸ Al-Modon, [تحوّل نوعي في وزارة الشؤون: تمويل "أمان" من الموازنة العامة](#), June 24, 2026

⁹⁹ Annahar, [هل تُموّل "أمان" بالكامل من الموازنة؟ حنين السيد لـ"النهار": الإنفاق على الحماية استثمار لا عبء](#), July 1, 2026;

Al-Modon, [تحوّل نوعي في وزارة الشؤون: تمويل "أمان" من الموازنة العامة](#), June 24, 2026

¹⁰⁰ Al-Modon, [تحوّل نوعي في وزارة الشؤون: تمويل "أمان" من الموازنة العامة](#), June 24, 2026

¹⁰¹ Annahar, [هل تُموّل "أمان" بالكامل من الموازنة؟ حنين السيد لـ"النهار": الإنفاق على الحماية استثمار لا عبء](#), July 1, 2026

¹⁰² Elnashra, [مجلس الوزراء يلغي الإمتحانات الرسمية لشهادة الثانوية العامة والباكالوريا الفنية للعام 2025-2026](#), June 25, 2026

¹⁰³ ibid.

¹⁰⁴ Sky News Arabia, [إلغاء الإمتحانات الثانوية بشرّ جدلا واسعا في لبنان](#), June 27, 2026



Critics, however, raised concerns about the reliance on school grades, warning that inconsistent assessment standards between public and private schools could widen educational inequalities – particularly as private schools had yet to submit first-semester grades at the time the decision was taken, potentially enabling private schools to retroactively adjust results to meet the 9.5 threshold in ways public schools, whose grades were already on record, could not. Educators and union representatives further argued that students in the south, Beirut's southern suburbs, and other conflict-affected areas would bear the greatest cost of any resulting grade disparities.¹⁰⁵ At university level, concerns were raised that academic transcripts may not fully substitute for official diplomas and that universities may need to administer remedial assessments for incoming students to address curriculum gaps, particularly in the sciences.¹⁰⁶

Agricultural Damage in South Lebanon

A joint assessment by the National Council for Scientific Research and the Ministry of Agriculture, conducted in coordination with UNDP, FAO, and WFP, documented the scale of agricultural damage across war-affected areas of southern Lebanon.¹⁰⁷ Direct damage to agricultural lands, orchards, production facilities, and equipment was estimated at USD 41.2 million, affecting approximately 1,380 hectares. However, the far greater economic toll stemmed from production losses, with some 56,320 hectares affected by the suspension or disruption of agricultural activity, yielding estimated losses of USD 530.5 million.¹⁰⁸

These figures are compounded by findings from a prior CNRS assessment covering October 2023 to November 2024, which saw USD 118 million in agricultural damage and USD 586 million in losses across southern Lebanon and the Bekaa, together with USD 263 million in reconstruction needs.¹⁰⁹ Beyond the immediate financial losses, continued Israeli military presence has disrupted farming operations and undermined rural livelihoods, which, compounded by environmental degradation, risks entrenching long-term socioeconomic fragility in affected border villages.¹¹⁰

Damage to Cultural Heritage in Southern Lebanon

The Israeli military campaign has caused severe and, in some cases, irreversible damage to cultural heritage sites across southern Lebanon – archaeological ruins, historic urban centers, and religious landmarks. These include Shama Castle – where three of four domes were demolished in what Culture Minister Ghassan Salameh described as a deliberate act – the Ottoman-era serail in Bint Jbeil, the Taybeh Library, and the historic markets of Bint Jbeil and Nabatieh, alongside religious buildings in Blida, Yaroun, and Bint Jbeil. In Sour – a UNESCO World Heritage Site – shells landed within the archaeological zone, damaging the Sour Museum, while a Roman mosaic sustained significant damage from nearby strikes.¹¹¹

¹⁰⁵ Al-Akhbar, [إلغاء الامتحانات لا يثني الجدل: أسئلة حول معايير التقييم وتكافؤ الفرص](#) June 26, 2026

¹⁰⁶ Sky News Arabia, [إلغاء الامتحانات الثانوية بشر جدلا واسعا في لبنان](#) June 27, 2026

¹⁰⁷ National News Agency, [التقييم العلمي الشامل للأضرار والخسائر الزراعية جنوبا: خسائر الإنتاج تتجاوز النصف مليار دولار](#) June 17, 2026

¹⁰⁸ National News Agency, [التقييم العلمي الشامل للأضرار والخسائر الزراعية جنوبا: خسائر الإنتاج تتجاوز النصف مليار دولار](#) June 17, 2026;

Beirut Today, [Over Half a Billion in Agricultural Production Losses in Lebanon as a Result of Israeli Attacks](#) June 19, 2026

¹⁰⁹ Beirut Today, [Over Half a Billion in Agricultural Production Losses in Lebanon as a Result of Israeli Attacks](#) June 19, 2026

¹¹⁰ National News Agency, [التقييم العلمي الشامل للأضرار والخسائر الزراعية جنوبا: خسائر الإنتاج تتجاوز النصف مليار دولار](#) June 17, 2026;

Beirut Today, [Over Half a Billion in Agricultural Production Losses in Lebanon as a Result of Israeli](#)

¹¹¹ Asharq al-Awsat, [وزير لبناني: إسرائيل دمرت مواقع تراثية في الجنوب](#) June 28, 2026;

Asharq al-Awsat, [معالم جنوب لبنان الأثرية مهددة بالقصف والنسف الإسرائيلي](#) June 10, 2026



Assessment and verification efforts remain severely hampered: Israeli forces continue to control a roughly 10-kilometer strip of Lebanese territory, and satellite imagery of conflict zones has been blocked by US institutions. Dr. Ali Badawi, director of archaeological sites in southern Lebanon, estimates that 60 villages – many with pre-Phoenician historic centers – have suffered partial or total damage. Al-Shaqif/Beaufort Castle, now under Israeli military control, faces an uncertain fate, with officials warning of the risk of its conversion into a military installation.¹¹²

Lebanon has pursued the issue internationally: Salameh requested UNESCO to reclassify Sour as a World Heritage Site in Danger, urged the UNESCO Director-General to intervene at Beaufort Castle, and intends to submit a report to the World Heritage Committee in South Korea in mid-July. For its part, UNESCO has condemned the attacks on Sour, Shama Castle, and Beaufort Castle as illegal, though Salameh characterized its statements as insufficient and called for a dedicated fact-finding mission.¹¹³ The Modern Heritage Observatory echoed this, warning that without sustained institutional engagement and a long-term recovery framework, the window for preservation may close irreversibly.¹¹⁴

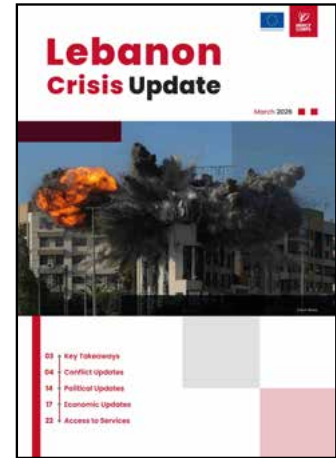
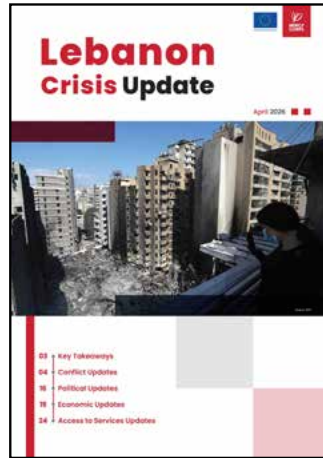
¹¹² Ibid.

¹¹³ Asharq al-Awsat, [وزير لبناني: إسرائيل دمرت مواقع تراثية في الجنوب](#) June 28, 2026;

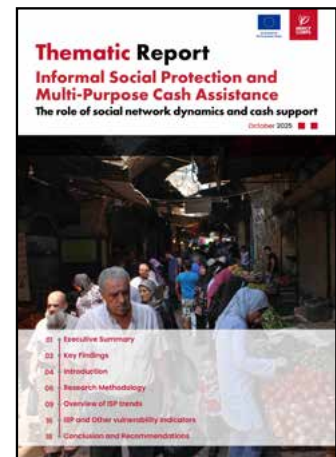
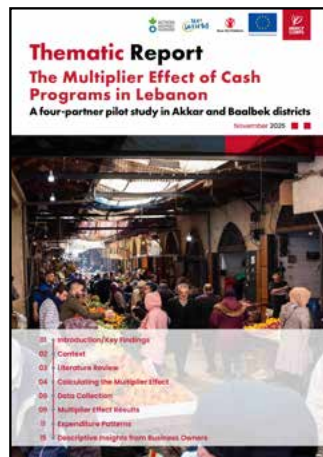
Asharq al-Awsat, [معالم جنوب لبنان الأثرية مهددة بالقصف والتسيف الإسرائيلي](#) June 10, 2026

¹¹⁴ Asharq al-Awsat, [تحذيرات من تهديدات تواجه التراث الثقافي في جنوب لبنان نتيجة الحرب](#) June 16, 2026

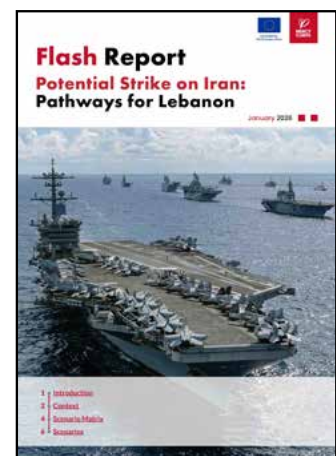
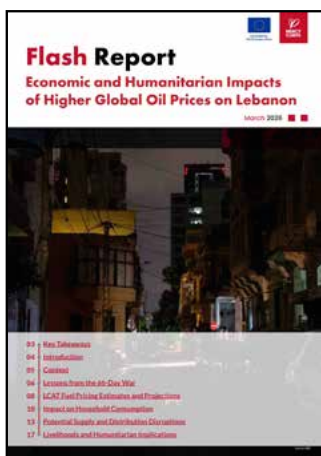
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