Regional Socio-Economic Update

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About the Bulletin

This bulletin is part of the "Strengthening Regional Policy Dialogue and Partnerships on Solutions" project, which fosters evidence-based advocacy and partnerships on adaptive solutions. The project is implemented by the United Nations Development Programme (UNDP) in partnership with Mercy Corps and funded by the European Regional Development and Protection Programme (RDPP III) for Jordan and Lebanon. As a multi-donor platform managed by the Kingdom of Denmark, RDPP was first initiated in 2014 to address the humanitarian and development needs of refugees and displacement-affected communities in the countries neighboring Syria. The project leverages Mercy Corps' Crisis Analysis to support ongoing and emerging policy and advocacy efforts underpinned by a bespoke body of evidence and grounded in contextual realities.

This bulletin provides an overview of developments that directly and indirectly impacted forcibly displaced and host communities across Syria, Lebanon, and Jordan from January to May 2026. It examines recent socio-economic and climate developments and conditions, in both areas of return and host communities, and aims to support evidence-based planning and coordination among actors working on displacement-related issues, including regional and national response stakeholders, donor partners, civil society organizations, and the private sector.

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Summary

- The renewed 2026 military escalation in the Middle East and broader regional instability are leading to rising fuel prices, supply chain disruptions, and energy insecurity in Syria, Lebanon, and Jordan. Syria and Jordan have experienced sharp increases in diesel, gasoline, and cooking gas prices, contributing to higher transportation, food, and utility costs, while Jordan has partially mitigated price shocks through fuel subsidies despite growing fiscal pressure and continued dependence on imported energy, highlighting uneven state capacity to absorb external shocks across the region.

- In Lebanon, the Israel-Hezbollah conflict has caused extensive damage to housing, electricity, water, transport, and agricultural infrastructure, particularly in southern Lebanon, Bekaa, and Beirut's southern suburbs. Conflict-related displacement, market disruptions, movement restrictions, and loss of livelihoods in the agriculture and services sectors have intensified food insecurity, reduced access to healthcare and education, and increased humanitarian needs among Lebanese host communities and Syrian refugees.

- In Syria, extensive housing destruction during the country's 13-year conflict, unresolved housing, land, and property disputes, and concerns over redevelopment policies remain major barriers to return. Large-scale reconstruction initiatives and foreign investment are increasingly focused on higher-end redevelopment in Damascus, Aleppo, and other heavily damaged urban areas, while residents and returnees continue to face limited access to affordable housing and insecure property and compensation rights.

- In Syria and Lebanon, climate-related pressures are negatively impacting displacement. In Syria, rising temperatures, drought, water scarcity, and damaged infrastructure are increasing pressure on livelihoods and basic services in key return areas for Syrian refugees and internally displaced persons. In Lebanon, conflict-related destruction of farmland, water systems, and electricity infrastructure, alongside environmental contamination from bombardment, is worsening food insecurity and rural livelihood conditions for both displaced Lebanese communities and Syrian refugees, particularly in agriculture-dependent communities.

- In Jordan, severe humanitarian funding cuts are causing significant reductions in food assistance and cash support for refugees. These cuts are deepening food insecurity and debt reliance among Syrian refugees, straining urban and camp-based service systems, and increasing socio-economic pressure on already vulnerable households while potentially impacting return decisions driven by reduced assistance and livelihoods opportunities in Jordan.

Domestic and Regional Socio-Economic Dynamics

Domestic and Regional Socio-Economic Dynamics

Impact of the 2026 military escalation in the Middle East on Regional Economic Dynamics

The 2026 military escalation in the Middle East has amplified volatility in regional energy markets and is generating significant economic losses across regional and world economies, reshaping fuel pricing, supply chains, and cross-border energy corridors, with downstream implications for displaced and host communities in Syria, Lebanon, and Jordan. UNDP analysis suggests that the escalation under modeled disruption scenarios could reduce the collective GDP of Arab countries by 3.7–6.0%, equivalent to losses of USD 120–194 billion; increase regional unemployment by up to four percentage points; and push up to 4 million additional people in the region into poverty under the highest-intensity scenario. UNDP also estimates that under its highest-intensity global disruption scenario the global economic shocks are likely to reduce employment opportunities, weaken household purchasing power, and increase humanitarian needs in vulnerable countries, potentially increasing the number of people living in poverty globally by as many as 32 million.

The effective closure of the Strait of Hormuz has increased energy, shipping, and insurance costs, with impacts most felt in import-dependent economies such as Syria. Syria remains dependent on imported fuel and is particularly vulnerable to regional and international energy shocks. In May, fuel prices rose sharply, including a 17.3% increase in diesel, 26–29% increases in gasoline grades, and a 19% rise in cooking gas (see “Syria: Cost of living and affordability”). Given the central role of diesel and gasoline in transport, food distribution, and supply chains, basic commodity prices could increase by as much as 50–60% in Syria in the coming period if there is no change in the current situation. In Lebanon, the same regional shock has been transmitted more directly through fuel import dependence and exposure to global pricing. Diesel prices increased by approximately 64% and gasoline by around 45% since the onset of the regional conflict. Lebanon has no domestic fuel production capabilities and limited fiscal capacity to subsidize imports.

These dynamics are particularly significant given Lebanon’s heavy reliance on diesel for electricity generation through private generators, as well as for water pumping, healthcare services, and telecommunications. Rising fuel costs are also driving price increases for transportation and consumer goods, placing additional financial burdens on the most vulnerable households, as exemplified in the graph below.

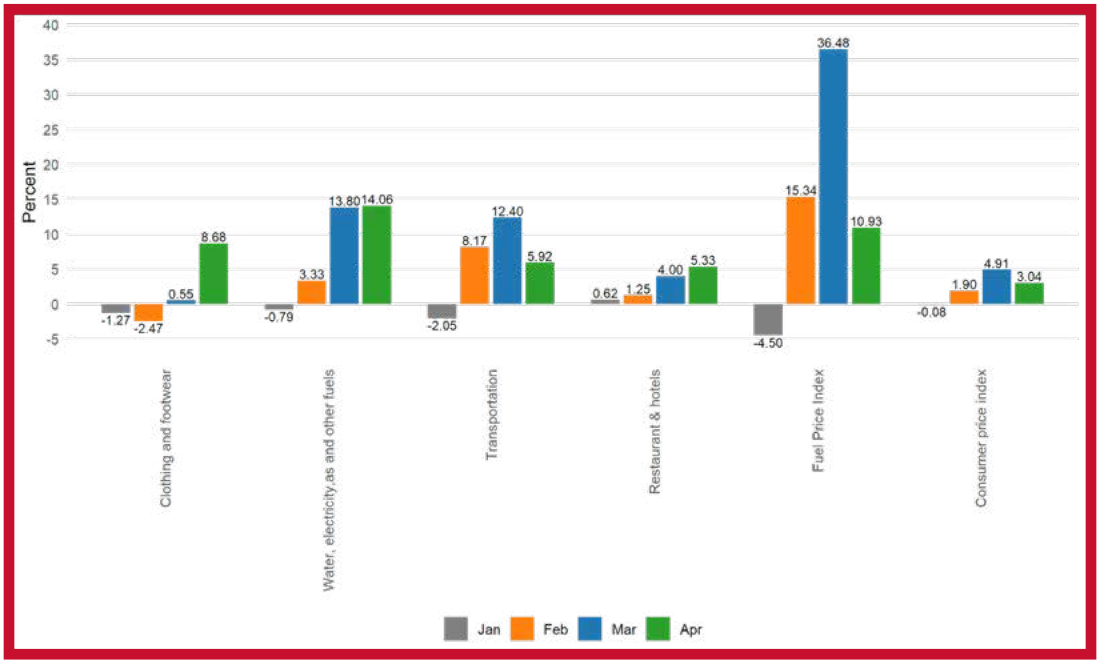

Figure 1: *Fastest-rising Consumer Price Index (CPI) components, Fuel Price Index, and overall CPI (January–April 2026).*
Source: Lebanon Central Administration of Statistics (CAS)

Global price increases are therefore transmitted to local markets, intensifying household and business costs and eroding their purchasing power. These energy shocks have coincided with broader disruptions to livelihoods, supply chains, and mobility, particularly in transport-reliant sectors such as agriculture and services, in which many Syrian refugees and low-income Lebanese workers are employed (see "Lebanon: Impact of Hostilities between Israel and Hezbollah on infrastructure and livelihoods").

Jordan has experienced moderate spillover effects, despite its high import dependence and exposure to global energy markets. The Jordanian government has partially absorbed global price increases, spending about 68 million Jordanian dinars (JD) (approximately USD 95 million) in consumer fuel subsidies in May and JD 2.9 million in targeted support for the industrial sector. In May, the fuel subsidies limited the increases in Octane 90 gasoline and diesel prices to about 60% and 16% of real market price increases, respectively, and the Jordanian government has fully absorbed the increase in kerosene prices. However, as Jordan imports around 95% of its fuel, increased oil prices in March cost the Jordanian government an additional USD 200 million. Regional disruptions have also affected aviation and tourism, reducing a key revenue source that accounts for up to 18% of national income. Remittances are a core component of the Jordanian economy (8-9% of GDP) and the Lebanese economy (33% of GDP), meaning both countries would face additional secondary shocks from reductions in remittance flows.

Disruptions in gas exports to Egypt and Jordan have negatively affected gas supplies and electricity production in Jordan, as well as gas and electricity exports to Lebanon and Syria. On May 4, Syria, Jordan, and Lebanon announced a planned gas transit arrangement from Jordan to Syria and Lebanon via the Arab Gas Pipeline and the establishment of electricity lines between Syria and Lebanon to stabilize supply and reduce costs, yet the implementation of the arrangement hinges on infrastructure rehabilitation and public financing. This announcement points to the practical importance of regional connectivity in supporting energy security, service continuity, and economic recovery.

Syria: Currency dynamics inflation, and financial reintegration

Syria is undergoing a monetary transition and gradual reintegration into the global financial system, with implications for household resilience among displaced and host communities across the region. In May 2026, the Central Bank of Syria announced that approximately 56% of Syrian currency in circulation had been replaced as part of an ongoing nationwide process to transition away from older banknotes. The Central Bank extended the replacement deadline and expanded exchange operations in select governorates, including al-Hasakah and Raqqa, to address uneven implementation and bolster liquidity. Simultaneously, the Central Bank of Syria authorized local banks and electronic payment companies to cooperate with international payment providers such as Visa and Mastercard to reconnect the country's financial sector with global systems.

These reforms have unfolded alongside some uncertainty among market actors and the public regarding exchange-rate management and the implementation of new remittance regulations. On April 22, Syrian Central Bank Governor Abdulkader Husrieh publicly denied reports that foreign remittances would be delivered exclusively in Syrian pounds. Later the same day, the Central Bank issued a decision (signed by Husrieh on April 21) stating that foreign remittances would be delivered in Syrian pounds. Due to the resulting confusion, markets have reportedly been operating using multiple exchange-rate references, with four different exchange rates for remittances, fuel pricing, exchange companies, and official Central Bank transactions, reflecting ongoing challenges in ensuring clarity, consistency, and predictability in monetary governance and exchange-rate policy.

For displaced Syrians, evolving currency dynamics, fluctuating exchange rates, and uncertainty over remittance access are likely to affect household affordability, savings, market access, and the broader feasibility of sustainable return and economic reintegration in Syria. Given the central role of remittances in supporting household consumption and recovery, uncertainty over exchange-rate conversion and payout mechanisms may reduce the real value of transfers received by families, weakening purchasing power and increasing financial vulnerability. The evolving monetary and exchange rate environment may present challenges for economic planning and decision-making by businesses and households, including prospective returnees assessing housing, employment, and investment opportunities. In response, households and businesses may increasingly rely on informal transfer channels such as hawala networks or conduct transactions in foreign currencies to reduce uncertainty stemming from fluctuating exchange rates. While these strategies may help mitigate short-term exposure to volatility, they may also contribute to a more complex financial environment, with implications for price stability, financial oversight, and confidence in institutions.

Jordan-Syria cross-border trade

Bilateral discussions between Jordanian and Syrian authorities, including in the Higher Coordination Council on cooperation across multiple economic sectors, are facilitating an expansion of cross-border trade despite a raft of logistical and regulatory challenges, with implications for regional livelihoods, reconstruction supply chains, and economic recovery. According to Amman Chamber of Commerce data published in April 2026, bilateral trade between Jordan and Syria reached JD 334 million (approximately USD 470 million) in 2025, compared to JD 116 million (approximately USD 163 million) in 2024. Jordanian exports reached JD 252 million in 2025, driven largely by construction-related and industrial goods linked to reconstruction demand in Syria. Jordan imported JD 82 million of goods from the Syrian market in 2025, mostly agricultural commodities and raw materials.

In April, Jordan lifted several long-standing restrictions on Syrian imports and imposed protective tariffs on sectors such as food industries and textiles to balance economic normalization with protection of domestic industry. This followed trade complications due to Syria's February decision to shift freight transport from a "door-to-door" system to a "back-to-back" cargo transfer model at border crossings. Under the back-to-back system, non-Syrian trucks are not allowed to enter Syrian territory through land crossings, requiring that goods be transferred between Syrian and non-Syrian trucks inside the customs yard at each crossing, with few exceptions. The decision has increased transportation costs, delayed shipments, and disrupted freight operations for Jordanian transport companies.

While Jordanian and Syrian authorities continue to discuss ways to manage cross-border truck movement, Syrian authorities have implemented limited exemptions to the back-to-back system for certain cargoes based on type and origin. The exemptions have sparked criticism by Syrian truckers who fear that they will reduce the amount of available work. These developments highlight both the growing reintegration of regional trade networks and the persistent operational constraints shaping cross-border commerce. Expanded reconstruction-related trade could improve access to jobs and support local economic recovery in some areas of return, while rising transport costs and delays may contribute to higher commodity prices, slower reconstruction progress, and continued economic uncertainty for displaced Syrians and communities in both Syria and Jordan.

Socio-Economic Conditions and Service Access

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Syria: Availability of housing and basic services

Syria's housing sector was decimated by more than a decade of conflict, with the heaviest damage in Aleppo and Homs governorates, Damascus suburbs, and parts of Idleb, Deir ez-Zor, and Raqqa governorates. Rebuilding housing, non-residential buildings, and infrastructure is projected to cost roughly 216 billion US dollars (USD). Unresolved housing, land, and property (HLP) challenges, including destruction of government land registries, lack of property ownership documentation held by displaced families, weak mortgage financing, and limited institutional capacity for large-scale redevelopment, continue to shape displacement and return dynamics. According to the 2026 Syria Humanitarian Needs and Response Plan, 67% of internally displaced person (IDP) sites have invalid or pending HLP statuses, increasing risks of evictions, land ownership disputes, and secondary displacement. HLP insecurity limits returnees' ability to reclaim or legally occupy their homes, access compensation and housing reconstruction support, and secure affordable housing where property has been damaged, destroyed, or occupied by others. Lack of civil documentation, often tied to proof of residence or property rights, can also restrict access to basic services. As a result, unresolved HLP issues remain a major barrier to the safety, sustainability, and long-term feasibility of voluntary returns. Women face particular challenges in accessing HLP rights due to legal, administrative, and social barriers to owning, claiming, and inheriting property.

The Syrian government is promoting public-private partnership models under Decree 114/2025, while regional actors and investors have expressed interest in supporting large-scale urban redevelopment and infrastructure projects. In early May, Syrian ministers met with officials from Mauritania and Saudi Arabia to discuss joint housing, infrastructure, and urban development projects. The United Arab Emirates (UAE)-based company Eagle Hills is reviewing plans to launch two urban development projects in Syria at an estimated cost of over USD 50 billion. However, investors appear to be focused on higher-end housing demand in Damascus, Aleppo, and coastal cities, raising concerns that reconstruction may not adequately address affordable housing needs for vulnerable returnees, IDPs, and host communities.

Urban redevelopment initiatives have raised concerns among affected residents and activists over property rights and displacement. In March, Damascus Governor Maher Marwan announced plans for a USD 21 billion redevelopment project covering the heavily damaged neighborhoods of Jobar, al-Qaboun, and Tishreen. Uncertainty about compensation, zoning, and the recognition of informal housing may undermine confidence in long-term return and reintegration prospects. For actors supporting return-related planning and coordination, these developments underscore the need to not only monitor and assess reconstruction policies and the scale of investment but also the mechanisms through which it is distributed.

In the absence of robust legal safeguards and financing instruments that prioritize affordable housing and restitution for displaced populations who often are unable to claim property ownership due to lost, destroyed, or informal documentation, redevelopment of war-damaged urban areas risk exacerbating existing housing inequalities and limiting the ability of returnees to secure durable housing solutions.

Syria: Cost of living and affordability

Syria continues to face a deepening cost-of-living and affordability crisis that remains a core factor influencing return-decision making among Syrian refugees. Between February and May 2026, the median national cost of the Survival Minimum Expenditure Basket (SMEB) increased by 10% in Syrian pounds (SYP), reaching SYP 2.17 million. The increase was particularly pronounced in Central Southern Syria (+9%) and Northeastern Syria (+8%), highlighting the impact of currency depreciation on local prices and continued pressure on household purchasing power. Accelerating food price inflation is exacerbating the crisis. The prices of most food items in the SMEB basket increased between February and May 2026 when measured in SYP, while only chicken and eggs remained relatively stable or experienced slight declines.

Despite recent legislation raising fixed salaries and wages by 50%, the continuous depreciation of the SYP against the USD has contributed to a precipitous erosion of purchasing power. As of June 1, the US dollar was trading at nearly SYP 13,900 on the parallel market compared with the Central Bank's official rate of SYP 11,250–11,350. Although the minimum monthly wage was increased to new SYP 12,560 (following the currency redenomination) and exempted from income tax, its value is equivalent to only about USD 91 at parallel market rates, limiting its ability to cover basic household needs. Due to the exchange-rate depreciation, households dependent on SYP-denominated income face particularly severe challenges in affording basic food items.

In recent months, sharp increases in fuel and utility costs have added further pressure on already strained household budgets. In May 2026, diesel prices increased by 17.3% (from USD 0.75 to 0.88 a liter), gasoline prices rose by 26-29% (from USD 0.91 to 1.15), and household cooking gas cylinders by 19% (from USD 10.50 to 12.50). Syrian authorities attributed the increases to rising global oil prices, tighter supply and higher shipping costs, and regional instability affecting trade routes around the Strait of Hormuz. Given the central role of fuel in transportation, food production, electricity generation, and heating, these increases are likely to have cascading effects on the price of other basic goods and services, further reducing the purchasing power of vulnerable households.

For humanitarian and development actors supporting return-related planning across Syria, Lebanon, and Jordan, these developments underscore the importance of incorporating affordability indicators and MEB considerations into return sustainability assessments. Even in areas where security conditions may improve, high living costs, weak income opportunities, and limited access to affordable housing, food, and utilities continue to represent major obstacles to sustainable returns and reintegration.

Lebanon: Impact of Hostilities between Israel and Hezbollah on infrastructure and livelihoods

The escalation of the hostilities between Israel and Hezbollah has negatively impacted livelihoods and degraded economic stability across Lebanon, with significant implications for IDPs, host communities, and broader regional return dynamics affecting Syrians in Lebanon. The conflict has unfolded against the backdrop of a prolonged economic collapse that has affected Lebanon since 2019, characterized by a severe currency depreciation, banking sector crisis, high inflation, declining public services, and widespread erosion of household purchasing power. Direct war damage is officially estimated at between USD 3 and 4 billion, while other estimates place total losses higher, in addition to USD 1.6 billion in secondary economic losses. The conflict has compounded existing structural vulnerabilities, further constraining economic recovery, reducing employment opportunities, and increasing pressure on already overstretched public services and humanitarian assistance systems.

As of June 1, more than 1 million people were self-registered as internally displaced in Lebanon, with around 133,800 people living in 634 collective shelters, many of which are overwhelmed, while women and girls account for 52% of shelter residents, underscoring both the scale of displacement and the heightened protection pressures facing IDPs. According to a UN Women report, the escalation deepened already existing gender inequalities and reshaped daily life for IDPs outside collective shelters, where household separation, overcrowding, shared living arrangements, and dependence on relatives and friends for shelter and support are intensifying unpaid care burdens and heightening protection risks for women and girls.

Infrastructure damage, disruptions to trade, and successive waves of displacement have contributed to negative GDP projections for 2026, ranging from 7% to as high as a 12–16% contraction. Many Syrian refugees and migrant workers are employed in southern Lebanon, Bekaa, and Beirut's southern suburbs, and many workers reportedly lost their jobs or had wages suspended as businesses shut down or employers fled insecurity. Disruptions to local economies and livelihoods are acute in the agriculture and services sectors, which are heavily reliant on displaced and migrant labor.

Wartime market disruptions and fears of shortages have also contributed to panic buying and sharp increases in fuel and bread prices, prompting Lebanese authorities to open investigations into wartime price gouging involving importers, distributors, retailers, business owners, and generator operators.

Food insecurity has notably worsened, with approximately 1.24 million people projected to face crisis-level food insecurity or worse between April and August 2026, compared to 874,000 during the previous reporting period. Simultaneously, displacement pressures have sharply increased housing costs, forcing many families to seek shelter in roadside tents, public shelters, or vehicles.

The destruction of civilian infrastructure has also severely restricted freedom of movement in southern Lebanon, limiting access to livelihood sources, services, and aid. Airstrikes have repeatedly targeted civilian homes, roads, and bridges connecting areas south of the Litani River to the rest of the country, while ground operations have intensified concerns over a prolonged displacement situation. The prospect of a sustained military presence and restrictions on movement may extend the duration of displacement for both Syrian workers and Lebanese residents originating from affected areas. Such measures could also limit access to agricultural land and other livelihood resources located within or near the proposed security zone, reducing opportunities for income generation and land cultivation. Municipalities in some areas introduced curfews, movement restrictions, and additional identification requirements primarily applying to Syrians.

Lebanon: Impact of Hostilities between Israel and Hezbollah on access to services for host communities and refugees

Reduced access to housing, healthcare, education, and other basic services has further strained coping capacities for displaced Lebanese and Syrians, as well as Lebanese host communities. The hostilities between Israel and Hezbollah have caused extensive damage to housing and essential services across Lebanon, compounding pre-existing structural weaknesses linked to the country's prolonged economic crisis and underfunded public sector. Between early March and early April 2026, approximately 40,000 housing units were reported as partially or fully damaged. The destruction of electricity, water, and telecommunications networks in conflict-affected areas and limited healthcare access has undermined the viability of returns to affected communities. Many households returning to conflict-affected areas have reportedly been forced to relocate multiple times due to the lack of habitable housing and functioning services. While impacts are most severe in southern Lebanon, service disruptions and increased demand are also placing additional pressure on already overstretched systems in urban and peri-urban areas hosting displaced populations.

Access to emergency shelter for Syrian refugees is highly constrained, forcing many to rely on overcrowded informal shelters or return to unsafe areas in southern Lebanon and the southern suburbs of Beirut. Refugees also face difficulties accessing healthcare due to high costs, reduced humanitarian funding, and administrative and documentation requirements within an already overstretched health system.

The conflict has also strained Lebanon's education system, which has affected low-income and displaced communities. Although the Ministry of Education gradually reopened more than 700 public schools by late April 2026, over 460 schools continued to function as collective shelters for displaced populations and all schools south of Saida remained closed. Conflict-related disruptions to the education system have disproportionately affected displaced children and students living in shelters and exacerbated pre-existing inequalities within the sector. These legal barriers are compounded by the conflict, increasing risks of school dropouts, child labor, and early marriage among vulnerable refugee households, as families increasingly adopt negative coping strategies in response to economic hardship and prolonged disruption. Beyond this, the interruptions to education, if sustained, also risk contributing to long-term human capital losses by reducing learning outcomes and limiting future employment opportunities.

The continued deterioration of infrastructure and essential services, combined with affordability constraints and limited access to assistance, may contribute to more prolonged and/or repeated displacement, as households face growing uncertainty over whether conflict-affected areas can support safe and sustainable living conditions. For Syrian refugees, worsening insecurity and declining access to livelihoods and services in Lebanon may increase pressure to consider return to Syria, heightening the risk that return decisions are driven primarily by deteriorating conditions in host countries rather than meaningful improvements in safety, access to services, or reintegration conditions in areas of origin.

Jordan: Effects of most recent humanitarian funding cuts

Severe humanitarian funding constraints are undermining assistance to refugees in Jordan and the incoming funding for Jordan in 2026 of about USD 48 million remains significantly below projected needs, with direct implications for urban refugee households and broader regional displacement dynamics involving Syria and Lebanon. Since 2024, funding reductions have forced humanitarian organizations to suspend basic needs cash assistance transfers to more than 100,000 vulnerable refugees in Jordan. In April 2026, funding shortfalls prompted the World Food Programme (WFP) to suspend food assistance for approximately 135,000 refugees living in host communities in Jordan, significantly reducing essential support for populations already facing worsening economic hardship. These cuts come at a time when Jordan continues to host one of the largest refugee populations per capita globally, placing additional pressure on already strained public services and social protection systems.

The reductions in humanitarian assistance have weakened access to health services in the Azraq and Zaatari refugee camps, including specialized care, chronic disease management, reproductive health services, and mental health support. Simultaneously, the results of the latest 2026 Vulnerability Assessment Framework (VAF) survey in Jordan, conducted by UNHCR, in collaboration with the World Bank and WFP, also indicate that declining humanitarian assistance and limited livelihood opportunities are contributing to rising debt burdens, worsening food insecurity, vulnerability to climate change-related risks, and increased reliance on negative coping mechanisms, including reduced food consumption, child labor, and other protection risks. The erosion of refugees' coping capacities may increase pressure on vulnerable households to pursue onward movement, return under adverse conditions, or adopt other survival strategies that undermine long-term well-being.

The reduction in food and basic needs cash assistance is likely to deepen livelihood insecurity among refugee households and intensify competition for limited income opportunities in urban labor markets shared with vulnerable host communities. Emerging funding gaps are raising concerns about potential reductions in UN-led services in major camps, including the Azraq Refugee Camp and Zaatari Refugee Camp, where refugees depend on humanitarian actors to access food, healthcare, education, and water and sanitation services. The assistance and service cuts may also shape mobility decisions.

Impact of climate change and Impact on Services

Impact of Climate Change and Impact on Services

Syria: Projected heat waves, water scarcity, and population return

Although remote sensing and drought indicators suggested partial recovery in rainfall and vegetation during the 2025–2026 winter compared with the exceptionally severe drought of 2024–2025, conditions in many areas remained below long-term averages and continued to reflect significant climate-related stress. Climate-related pressures are expected to remain a key factor shaping return and displacement dynamics across Syria. Monitoring data released through the Syrian government's "Syria Drought Monitoring Project" indicated healthier vegetation coverage and substantially improved drought conditions across all governorates in April 2026, particularly in al-Hasakah, al-Raqqa, Aleppo, and the Badia region, contributing to stronger winter agricultural production than in the previous year. This follows a particularly severe dry season in 2024–2025, when rainfall fell below historical norms and came in shorter, more intense bursts. Despite this short-term increase in precipitation, climate projections indicate that Syria is likely to face rising temperatures and more frequent heat waves in the coming years. According to Overseas Development Institute (ODI) projections, average maximum temperatures could increase by approximately 1.3°C–1.9°C above historical 1980–2010 averages by the 2030s under a moderate emissions scenario, and by as much as 2.5°C–3.2°C by the 2050s under a high-emissions scenario. These trends, combined with population return and growing cooling needs, are expected to place additional pressure on already fragile electricity, water, and urban service systems.

Higher temperatures, declining and inconsistent rainfall patterns, groundwater depletion, and advancing desertification have reduced agricultural productivity and undermined rural livelihoods, particularly in northeastern and eastern Syria. Reports indicate that reservoir levels in several governorates have fallen to critically low levels, while prolonged drought and unsustainable groundwater extraction continue to strain access to water for agriculture and household use. ODI analysis finds that increasing aridity and hotter temperatures are expected to intensify hydrological and agricultural droughts across all regions of Syria, especially in northern areas surrounding Lake Tabqa and major hydropower facilities on the Euphrates.

Syria's electricity infrastructure is heavily damaged and fragmented after years of conflict, particularly in the cities of Aleppo, Deir ez-Zor, Idleb, Hama, and Homs, which are also projected to experience some of the country's sharpest increases in electricity demand due to increased population growth from returns, increased temperatures, and projected recovery of industry and services. Elevated temperatures may also reduce electricity transmission efficiency and increase the likelihood of outages during periods of peak summer demand because transmission lines carry less power safely under extreme heat conditions. The World Bank approved USD 146 million in grant financing to Syria in June 2025 to rehabilitate key transmission lines, but Syria still lacks a comprehensive financing framework for electricity sector reconstruction and estimates of total electricity sector reconstruction in Syria range from USD 5.5 billion to USD 115.2 billion.

Beyond financing constraints, Syria also lacks a long-term low-emission development strategy (LT-LEDS), and its Nationally Determined Contribution (NDC) under the Paris Agreement has not been updated since 2016. The absence of these strategic frameworks may limit the country's ability to align energy sector recovery with climate and development objectives, mobilize climate finance, and establish clear indicators for tracking emissions reductions and energy-transition outcomes. As a result, Syria risks missing a relatively low-cost opportunity to integrate monitoring, reporting, and climate-related performance metrics into ongoing electricity sector investments, including World Bank-supported rehabilitation efforts, potentially reducing the visibility of progress and limiting access to future climate-linked financing mechanisms.

To avoid paying high public electricity bills, many Syrians use rooftop solar systems and informal neighborhood mini-grids. While these arrangements provide an important coping mechanism in the context of structural scarcity and government constraints, they may also create disparities in access dependent on household income, property ownership, and the ability to finance installation and maintenance costs. These trends could increase pressure on housing and electricity supplies in key areas of return, while also contributing to heightened competition over limited resources and services.

The expansion of informal energy solutions may also complicate efforts to restore and regulate public utility networks, further fragmenting service provision and recovery outcomes across communities. However, locally led efforts to generate off-grid sources of electricity may create opportunities for enhanced grid infrastructure and locally resilient energy solutions, including in hard-to-reach areas, if supported through clearer regulation and sector reform.

At the regional level, growing water stress has also prompted expanded institutional cooperation between Syria and Jordan on the management of shared water resources. In April 2026, the two countries launched the Jordanian–Syrian Joint Water Platform in Amman, with data management support from the US government, to strengthen technical coordination, data exchange, and joint management of shared water resources and address water scarcity challenges, particularly in the Yarmouk Basin. Jordan also reported that Syria had halted illegal well drilling near the southern border, a measure expected to support the recovery and sustainability of shared groundwater basins. While the long-term effectiveness of these efforts remains uncertain, the initiative reflects recognition in both countries that climate-related water pressures require greater regional coordination and may shape broader cooperation on climate change-related issues that undermine stability, livelihoods, and resource management in displacement-affected areas.

Lebanon: Damage to water and sanitation infrastructure, agricultural land, fisheries, and other environmental and infrastructural loss from conflict exacerbate climate-related challenges

Environmental degradation and infrastructure destruction have further intensified climate-related vulnerabilities in Lebanon, with implications for displacement, livelihoods, and the sustainability of returns across the region. Lebanon's Ministry of Agriculture estimated that approximately 22% of the country's agricultural land has been damaged by bombing since October 2023. This has rendered more than one-third of farmland in southern Lebanon and the Bekaa Valley – the two regions comprise 65% of Lebanon's agricultural land – unusable due to contamination from white phosphorus and heavy metals. White phosphorus contaminates soil, water systems, and agricultural land, reinforcing concerns that environmental harm during conflict is not localized or temporary but structurally disruptive to long-term national food security and ecosystem stability.

Damage to water and electricity infrastructure has further deepened environmental and humanitarian pressures in conflict-affected areas. Attacks in 2026 damaged critical water facilities in the Bekaa Valley, including reservoirs, pumping stations, and water distribution networks serving thousands of people. Environmental experts have noted that both direct strikes on water systems and indirect disruption through electricity outages have severely impaired water supply and wastewater management. Repeated targeting of electricity infrastructure, including high-voltage transmission lines and substations, has resulted in widespread and prolonged power outages in southern Lebanon, further isolating communities and complicating service restoration. Bombardment has also contributed to a significant deterioration in air quality, with fires and explosions releasing pollutants such as particulate matter and toxic combustion by-products into the atmosphere, increasing long-term health risks for exposed populations.

These environmental and infrastructural impacts may further increase pressure on forcibly displaced and host communities in Lebanon, particularly in rural and border areas already facing economic fragility and climate-related stress. The compounding effects of damaged farmland, contaminated soils, and disrupted irrigation systems threaten agricultural productivity and undermine livelihoods in regions that are central to national food security. Environmental contamination from conflict, including risks to soils, rivers, and aquifers, may also have long-term implications for public health, water safety, and rural employment. Research suggests that toxic residues can persist in ecosystems used for drinking water and irrigation. In rural areas, contamination may reduce access to arable land, increase production costs, and limit farmers' ability to sell products in local and regional markets due to real or perceived food safety concerns. These impacts can undermine agricultural livelihoods, constrain rural employment opportunities, and weaken a key source of income for returnees and host communities, further affecting the sustainability of return and recovery efforts. For Syrian refugees, many of whom were residing in southern Lebanon and working in agriculture or informal rural livelihoods, the loss of agricultural employment opportunities combined with damaged land, contaminated environments, and unreliable basic services forces many households to choose between deteriorating conditions in Lebanon and uncertain return and reintegration prospects in Syria. In this context, the interaction between conflict-related destruction and climate stress is likely to remain a critical consideration for humanitarian planning, resilience programming, and return-related coordination across Lebanon and the wider region.