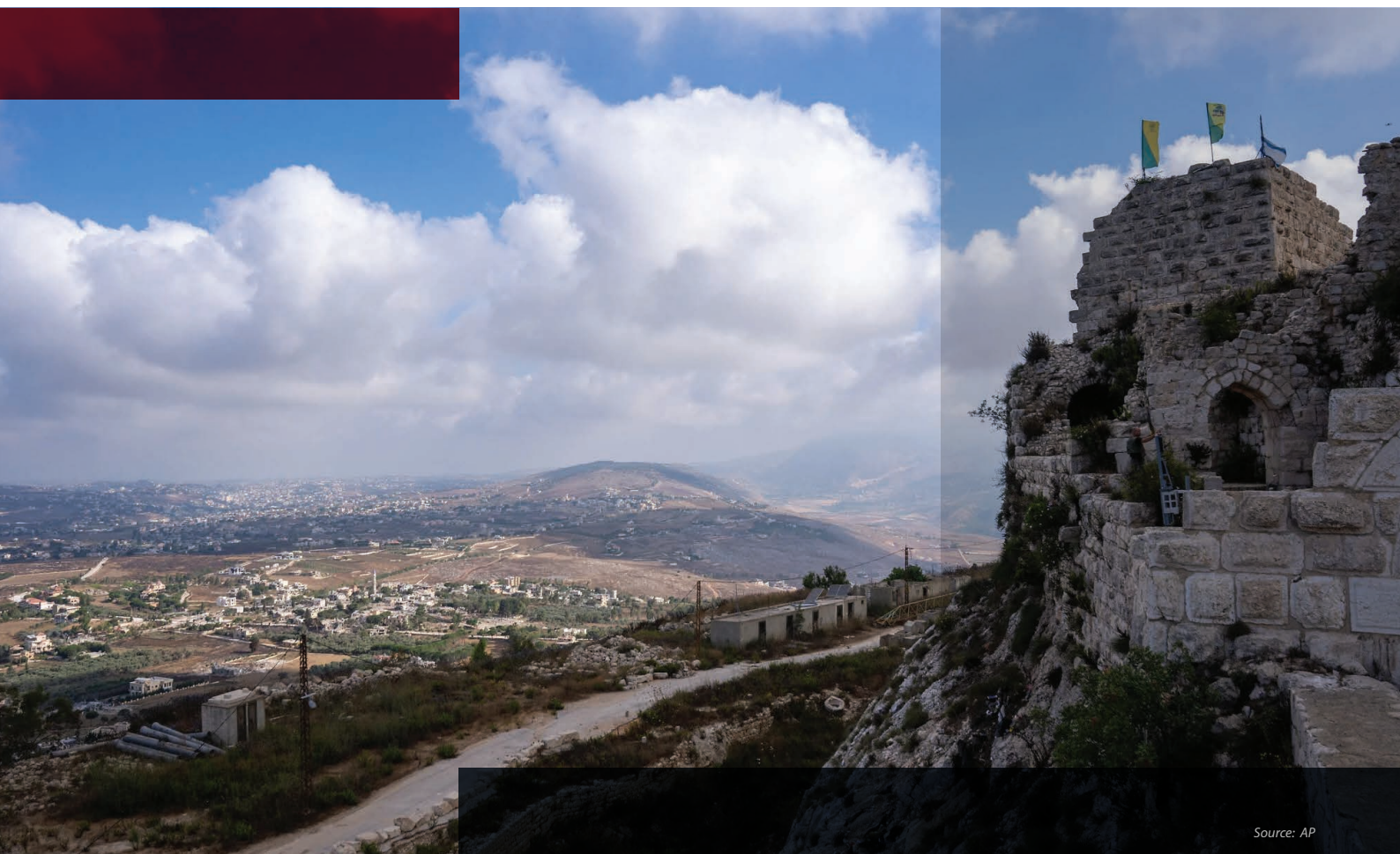


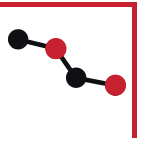
Lebanon Crisis Update

August 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.

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

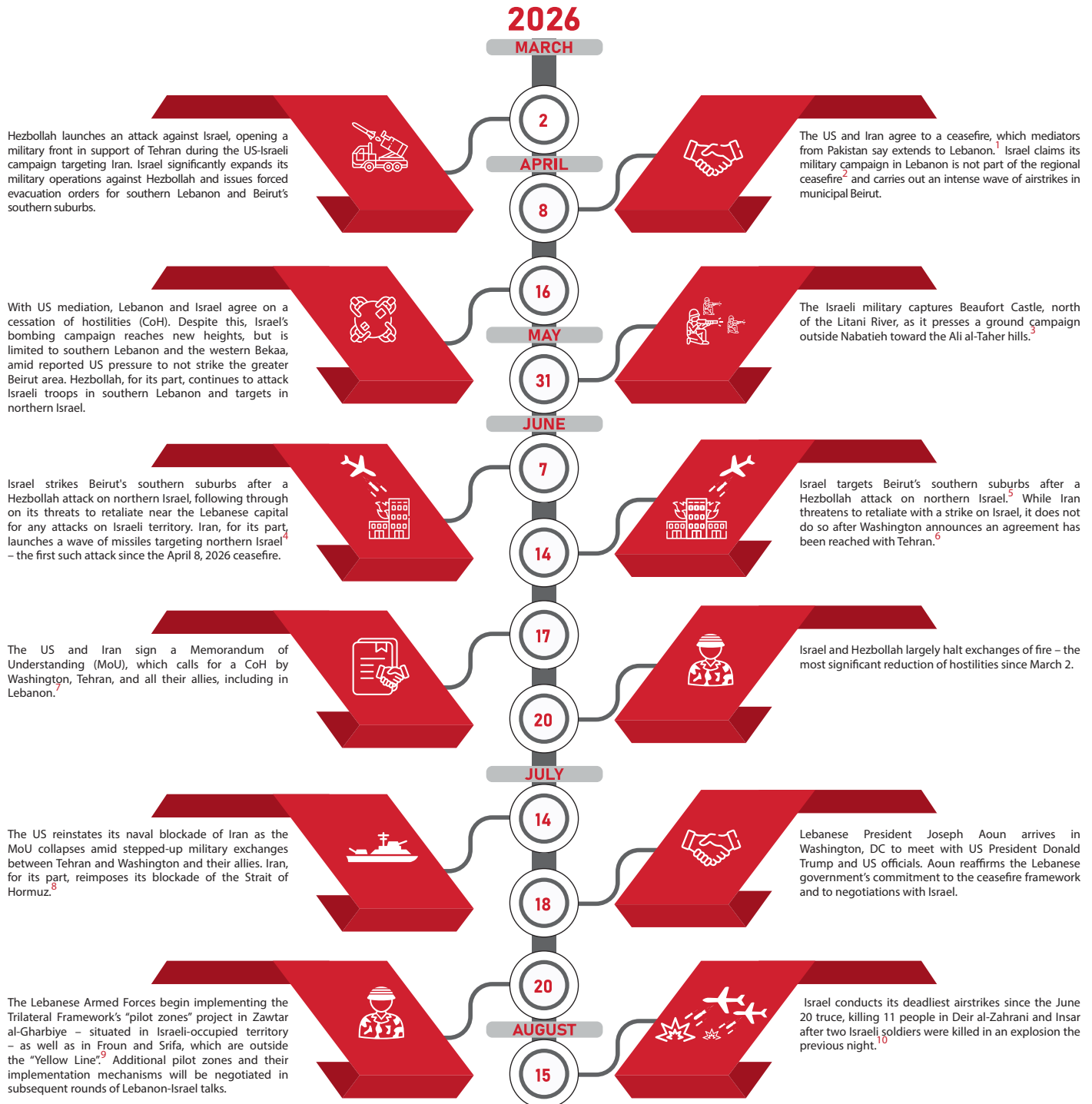


Key Takeaways:

- Since it began on June 20, the Israel-Hezbollah truce has largely held, with limited escalation over the past month. Israel has, however, stepped up attacks around the Ali al-Taher hills outside Nabatieh, amid reports of a possible major offensive against an alleged Hezbollah compound there. According to Tel Aviv, Hezbollah has staged four attacks on Israeli troops since mid-June but has not claimed responsibility.
- The Trilateral Framework diplomatic track between Lebanon and Israel has stalled. The sides have yet to agree on how to implement the Framework's proposed "pilot zones" initiative, under which Israeli forces would withdraw from designated areas and the Lebanese Armed Forces (LAF) would deploy to prevent Hezbollah from re-establishing an armed presence in those areas. Meanwhile, US-Iran diplomatic efforts have broken down, raising the risk that renewed regional conflict could once again include Lebanon.
- Lebanon recorded a nearly imperceptible drop in consumer prices in July (0.03%) – the second consecutive month of negative CPI change since mid-2019. However, year-on-year inflation remains high at 15.69%, with persistent price increases across most governorates and particularly a sharp increase in transportation costs driven by global fuel market disruptions.
- Public sector unions protested the government's failure to fully implement salary adjustments approved in February: the disbursement of six additional monthly salaries for 260,000 workers, military personnel, and retirees has been delayed due to fiscal constraints. Meanwhile, Lebanese MPs approved a 67% pay increase for themselves, drawing widespread condemnation from civil society and media.
- Parliament passed a General Amnesty Law, under whose terms some 3,300 detainees will be released in the coming years, particularly nonviolent offenders and long-term pretrial detainees, while the sentences of other certain convicted individuals will be reduced. While the Law is expected to ease overcrowding in prisons, several political parties demanded that the eligibility criteria should be broadened.
- The appointment of the National Social Security Fund (NSSF) board is expected to advance implementation of the delayed 2023 pension reform, including operationalizing the measures needed for the regular dispersion of pension benefits and improving insurance fund governance.
- In response to persistent public sector arrears, Électricité du Liban (EdL) has cut electricity to public institutions and municipalities that are behind on their energy bills. With 192 public entities owing EdL around 218 million US dollars as of late 2025, the measure reflects EdL's need to improve collection and maintain liquidity amid higher fuel costs.



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 US Central Command, [U.S. Forces to Resume Naval Blockade Against Iran](#) July 13, 2026;

Reuters, [Iran expands attacks on Gulf states after US strikes, says Strait of Hormuz closed](#) July 13, 2026

⁹ US Department of State, [Launch of First Pilot Zones in Lebanon](#) July 20, 2026;

Lebanese Army, [قيادة الجيش: الوحدات العسكرية دخلت بلدة زوطر الغربية ولم تدخل زوطر الشرقية](#) July 21, 2026

¹⁰ National News Agency, [ارتفاع حصيلة غارات العدو اليوم إلى 11 شهيدا و19 جريحا](#) August 15, 2026; Israeli military via Telegram, [@idofficial](#) August 15, 2026



Security

High-intensity hostilities in Lebanon remain paused, although the risk of expanded conflict remains significant amid ongoing regional tensions between the US and Iran.

- Since June 20, 2026, levels of Israeli fire in Lebanon have decreased significantly in both geographic scope and tempo. Israel says Hezbollah carried out three attacks in southern Lebanon, though the group has not claimed responsibility (see conflict trend analysis below). This tentative truce came as part of US pressure to implement the MoU between Iran and the US.¹¹
- Signed on June 17, the MoU calls for a CoH in Lebanon between the “allies” of Washington and Tehran,¹² an implicit reference to Israel and Hezbollah. However, the MoU effectively collapsed within weeks when Iran closed the Strait of Hormuz and the US resumed its naval blockade.¹³
- Although the MoU lapsed on August 17, the US continues to pressure Israel to avoid military escalation in Lebanon to prevent a broader confrontation with Iran.¹⁴ For its part, Tehran is demanding an end to the conflict in Lebanon, including an Israeli military withdrawal, as a condition for reopening the Strait of Hormuz.¹⁵
- The US has shifted to a strategy of economic warfare against Iran,¹⁶ reportedly seeking to avoid military action in the run up to the midterm elections in November.¹⁷ The US conducted strikes on Iran on August 30, the first in over a month.¹⁸
- However, it is unclear if Iran will refrain from military escalation amid the US naval blockade, tightening sanctions, and continued efforts by Washington to facilitate oil shipments¹⁹ through the Strait of Hormuz. On August 23, Iranian Supreme National Security Council Secretary Mohsen Rezaee warned that Tehran would consider any country’s participation in the new US sanctions campaign as an act of war.²⁰
- Since the start of the US-Iran standoff early this year, events have moved rapidly, with repeated and abrupt shifts between escalation and de-escalation. The likelihood of high-intensity hostilities between Hezbollah and Israel will increase if the broader US-Israel conflict with Iran reignites.²¹

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 Reuters, [Iran expands attacks on Gulf states after US strikes, says Strait of Hormuz closed](#) July 13, 2026

¹⁴ YNet, [The IDF can decide how the battle on the Ali Taher Ridge ends. This is why it is in no hurry](#) August 23, 2026;

Jerusalem Post, [As Trump pushes for peace, Netanyahu is curbing IDF strikes in Gaza - analysis](#) August 17, 2026

¹⁵ Tasnim News Agency, [Iranian Deputy FM Expounds on Conditions for Reopening Hormuz Strait](#) August 26, 2026;

Al-Nour Radio, ["اللواء محسن رضائي: فتح مضيق هرمز مرتبط بانتهاء الحروب في لبنان وغزة... وسيبوت والضاحية الجنوبية" خطنا الأحمر](#) August 27, 2026

¹⁶ US President Donald Trump via Truth Social, [@realDonaldTrump](#) August 20, 2026;

US Department of the Treasury, [Remarks from Secretary of the Treasury Scott Bessent on Operation Economic Outcast against Iran](#) August 24, 2026

¹⁷ Axios, [Rubio tells allies U.S. shifting from strikes to sanctions on Iran](#) August 25, 2026;

The Atlantic, [The Real Reason Trump Wants Economic Sanctions in Iran](#) August 26, 2026

¹⁸ BBC, [US strikes Iranian launchers on Larak Island in first known attack in weeks](#) August 31, 2026

US CENTCOM, [U.S. Concludes 13th Night of Strikes on Iranian Military Targets](#) July 23, 2026

¹⁹ The New York Times, [How the U.S. Navy Is Helping Get Oil Through the Strait of Hormuz](#) August 19, 2026

²⁰ Secretary of the Supreme National Security Council of Iran Mohsen Rezaee via X, [@ir_rezaee](#) August 23, 2026

²¹ Hezbollah recently sent a letter to Mojtaba Khamanei reaffirming their loyalty to Iran’s new supreme leader. On July 23, *L'Orient Today* reported that if the US were to launch a new war against Iran in an attempt to overthrow the regime, Hezbollah would “be compelled to respond.” According to Lebanese media, the US has warned Lebanese authorities that if Hezbollah were to reenter the regional conflict, Israel would launch a large-scale military retaliation in Lebanon.

Al-Mayadeen, [السيد محتبي لمجاهدي حزب الله: أنتم رواد فصائل الجهاد... وصون سيادة لبنان شرط أول لإيران](#) July 26, 2026

L'Orient Today, [Aoun-Trump meeting: Will Lebanon be able to separate itself from the Islamabad process?](#) July 23, 2026

Nida al-Watan, [إنذار أميركي للمليشيا: لا صواريخ ولا مستترات وإلا فأبواب جهنم](#) July 28, 2026;

Al-Jadeed News via X, [@ALJADEEDNEWS](#) July 29, 2026



The US-brokered diplomatic track between Lebanon and Israel, which has served as a barrier to escalation, has stalled.

- On June 26, Israel, the US, and Lebanon agreed to a Trilateral Framework that established a conditional arrangement linking the Lebanese state's "disarmament of non-state armed groups" to Israel "progressively redeploy[ing] out of Lebanese territory."²² The framework is not supported by Iran or Hezbollah.²³
- To facilitate progress on the Trilateral Framework, the US has pressured Israel to limit its military actions in Lebanon.²⁴ An Israeli escalation of fire on August 5, after Israel said its troops had been attacked by Hezbollah, disrupted talks between Lebanon and Israel in Rome, underscoring the fragility of the diplomatic process.²⁵
- The June 26 Framework is predicated on preventing or deescalating potential military actions by Hezbollah or Israel.²⁶ While it does establish "pilot zones" – areas from which the Israeli military should withdraw and to which the Lebanese Armed Forces (LAF) will deploy to prevent Hezbollah from re-establishing an armed presence – the mechanism's success depends on Israel's continued commitment to the framework,²⁷ the LAF's capacity to execute its mission, and sustained US engagement as the chief guarantor of the process.
- Three pilot zones in Zawtar al-Gharbiyeh, Froun, and Ghandouriyeh were launched on July 20,²⁸ though it remains unclear when and how the program will be expanded. The US has yet to set a date for the next round of Lebanon-Israel talks, which were last held in early August. Washington's mid-month shuttle diplomacy between Beirut and Tel Aviv has so far failed to bridge the gap between the two sides on key issues, including Israeli military withdrawal and an independent verification mechanism for the LAF's efforts to disarm Hezbollah.²⁹
- A breakdown in the Trilateral Framework process risks Israeli escalation. At the end of the month, Israel reportedly informed Washington that it believes the pilot zone program and efforts to disarm Hezbollah have failed.³⁰ On August 26, US Ambassador to Lebanon Michel Issa reiterated Washington's support for Israel's military operations, saying its strikes have not ended because Hezbollah has yet to hand over its weapons.³¹

²² US State Department, [Trilateral Framework Between the United States of America, the State of Israel, and the Republic of Lebanon](#) June 26, 2026

²³ L'Orient Today, [Naim Qassem rejects Lebanon-Israel agreement, declares it 'null and void'](#) June 27, 2026;

Radio Free Europe, [Skepticism in Iran Over Israel-Lebanon Framework Agreement](#) June 29, 2026;

Amwaj, [Israel-Lebanon deal, clashes in Hormuz put Iran-US diplomacy to the test](#) June 29, 2026

²⁴ Walla News, [מקורות ביטחוניים: צה"ל כבש את רכס עלי טהאר שבדרום לבנון - ושוטל ברוכו](#) August 12, 2026

Haaretz, [Why Israel and Lebanon Are in No Hurry to Implement Their Fragile Deal](#) August 9, 2026;

Kan News, [רחפן נפץ שוגר לעבר כוח צה"ל בלבנון: הצבא בחר שלא לעדכן את הציבור](#) August 7, 2026;

²⁵ L'Orient Today, [Lebanon-Israel negotiations teeter, but fall short of collapse](#) August 6, 2026

²⁶ L'Orient Today, [The Lebanon-Israel 'Security' annex agreement revealed](#) June 29, 2026

²⁷ Axios, [Behind the scenes: How shared fear of Iran led to an Israel-Lebanon deal](#) June 28, 2026

²⁸ US Department of State, [Launch of First Pilot Zones in Lebanon](#) July 20, 2026

²⁹ Al-Modon, [عقبات التفاوض والتحقق... المشهد يزداد تعقيداً](#) August 26, 2026;

Nida al-Watan, [الحزب يُشيطن الدولة و"تغازل" واشنطن بلسان قماطي](#) August 24, 2026;

L'Orient Today, [General Clearfield in Beirut amid 'significant increase' in Israeli attacks, says UNIFIL](#) August 17, 2026;

Al-Modon, [لا ثمار لحراك كليفلاند: من روما للجنوب معادلة إسرائيلية صعبة](#) August 18, 2026

³⁰ Walla News, [Israel to the US: "The pilot in southern Lebanon failed"](#) August 27, 2026

³¹ L'Orient Today, [Issa: No deal to end Israeli attacks because Hezbollah has not handed over its weapons](#) August 26, 2026

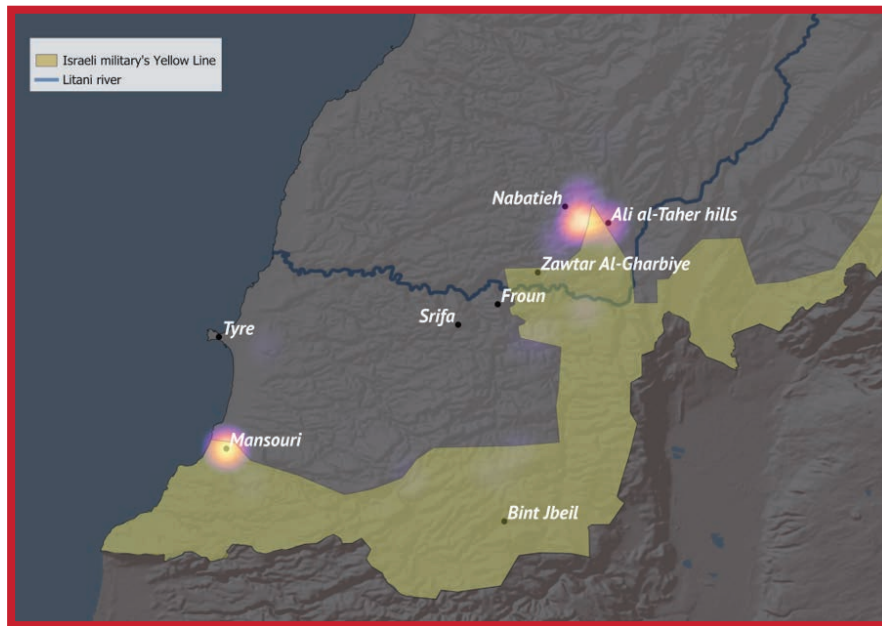
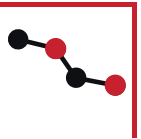


Figure 1. Heatmap of Israeli airstrikes in southern Lebanon (June 21 through August 31.) Source: LCAT analysis

Israeli military activity in Lebanon has increased over the past month after falling to its lowest level since widescale hostilities with Hezbollah began on March 2, 2026.

- Since June 21 through August 31, Israel has conducted an average of 3.7 airstrikes per day in Lebanon. This rate is consistent with its operational tempo following the November 27, 2024 CoH,³² albeit with a far more limited geographic scope. In August, Israel more than doubled its airstrike tempo compared to the period from June 21 to July 31, averaging 5.7 strikes per day, with most concentrated on the Ali al-Taher hills outside Nabatieh and the town of Mansouri, south of Tyre.³³

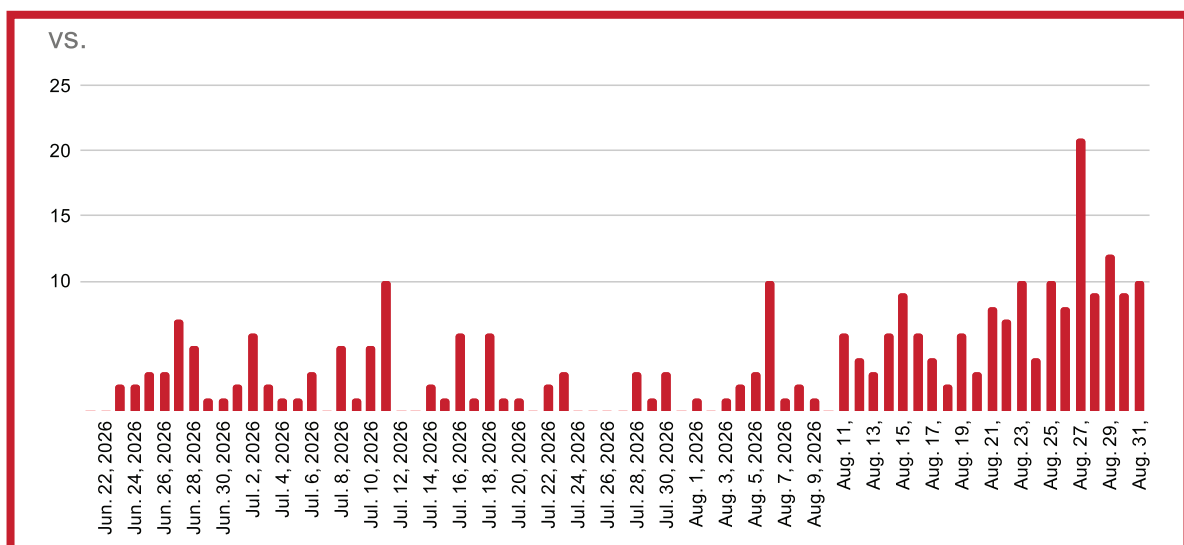


Figure 2. Daily rate of Israeli airstrikes across Lebanon since the latest truce (June 21-August 31, 2026). Source: LCAT analysis

³² 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 August 31, 2026, Israel conducted a total of 268 strikes. From November 27, 2024 through March 1, 2026, Israel conducted an average of 2.75 airstrikes a day.

³³ 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 31, 2026, Israel conducted a total of 90 strikes. Between August 1 and 31, Israel conducted a total of 178 strikes.



- In another limited escalation, in retaliation for purported Hezbollah attacks, Israel conducted rounds of deadly airstrikes on residences in southern Lebanese towns on August 5,³⁴ 15³⁵ and 27.³⁶ LCAT also logged an uptick in reports of Israeli demolitions and other property destruction along the border, amid reports that Israeli Defense Minister Israel Katz had ordered that such operations be intensified.³⁸

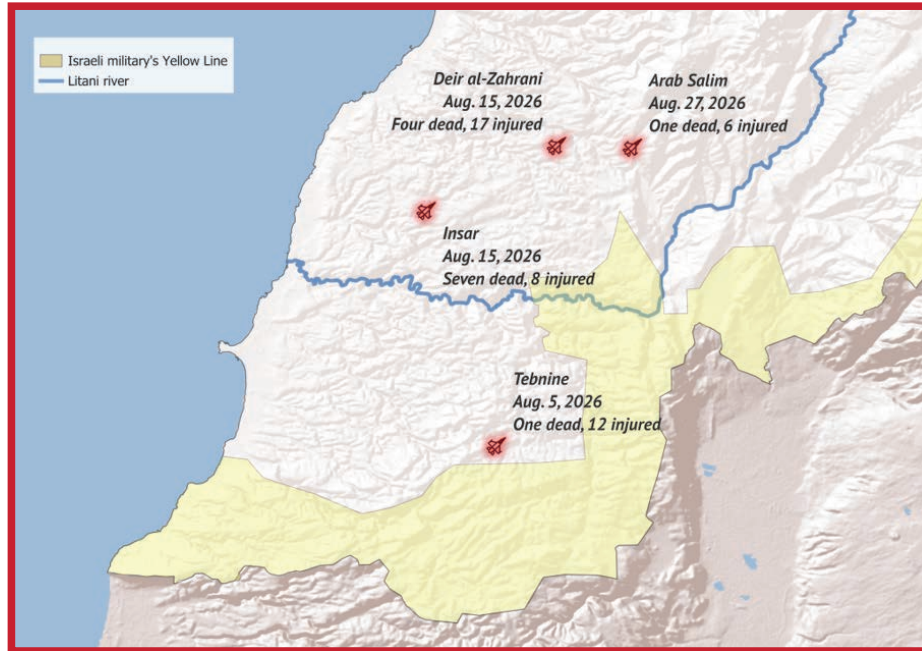


Figure 3. Deadly Israeli airstrikes in southern Lebanon in retaliation for purported Hezbollah attacks (August 1–31, 2026).
Source: LCAT analysis, Lebanon's Ministry of Public Health

- Since June 21, Israel has concentrated 51.4% of its airstrikes on the Ali al-Taher hills and neighboring towns.³⁹ The Israeli military says it is besieging an underground Hezbollah military compound in Ali al-Taher and has struck what it claims were Hezbollah operatives emerging from the site.⁴⁰ Over the past month, Israeli and Lebanese media have speculated over whether the Israeli military would launch a major operation to seize the Ali al-Taher hills.⁴¹
- Israel has also conducted another 130 airstrikes since June 21 in villages along the “Yellow Line” demarcating the extent of its military occupation along the border. Of these, Mansouri has been the hardest-hit, with 65 airstrikes. At least 70% of the town – which is divided by the Yellow Line – has been destroyed by Israeli military operations.⁴² The mayor stated on August 25 that he believed the Israeli military was poised to advance and take control of the entire municipality, which lies on elevated terrain overlooking the valleys below.⁴³

³⁴ National News Agency, [طوارئ الصحة: شهيد و12 جرحا حصيلة الغارة المعادية على تبينين](#) August 5, 2026

³⁵ National News Agency, [ارتفاع حصيلة غارات العدو اليوم إلى 11 شهيدا و19 جرحا](#) August 15, 2026

³⁶ National News Agency, [طوارئ الصحة: شهيدة و6 جرحى من بينهم طفلة حصيلة الغارة على عربصايم](#) August 27, 2026; Israeli military via Telegram, [@idfofficial](#) August 27, 2026; Israeli military via Telegram, [@idfofficial](#) August 16, 2026; Israeli military via Telegram, [@idfofficial](#) August 6, 2026

³⁷ LCAT logs all reports of Israeli controlled demolitions and other property destruction across southern Lebanon reported by the National News Agency, *L'Orient Today*, and *Al-Mayadeen*. Between June 21 and July 31, Israel conducted an average of 5.9 operations a day. From August 1 through 31, Israel conducted an average of 8.1 operations a day.

³⁸ The Jerusalem Post, [Katz orders IDF to accelerate destruction of Hezbollah infrastructure in southern Lebanon](#) August 23, 2026

³⁹ 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 August 31, 2026, Israel conducted 138 strikes within a 30-square-kilometer area around the Ali al-Taher Hills that includes the towns of Nabatieh, Nabatieh al-Fauqa, Kfar Tebnit, Maifadoun, Kfar Roummane, Choukine, and Maifadoun.

⁴⁰ Israeli military via Telegram, [@idfofficial](#) July 10, 2026; Times of Israel, [IDF confirms Hezbollah drone hit bulldozer, breaking Lebanon truce](#) July 29, 2026

⁴¹ Al-Modon, [إسرائيل تلهب الجنوب وتتأهب لضربة: علي الطاهر "ستسقط في أيام"](#) August 27, 2026;

Nida al-Watan, [العركة في إسرائيل: חיזبالלה מנסה לגרור את איראן](#) August 18, 2026; Israeli Channel 14, [הערכה בישראל: צה"ל כבש את רכס עלי טאהר שכדורם לכנון - ושולט ברוכו](#) August 17, 2026; Walla News, [מקורות ביטחוניים: צה"ל כבש את רכס עלי טאהר שכדורם לכנון - ושולט ברוכו](#) August 12, 2026

⁴² *L'Orient Today*, [In Mansouri, 70% destroyed by Israel, just a few dozen returnees out of 4,000 residents](#) June 22, 2026

⁴³ *L'Orient Today*, [Mansouri, the village divided by Israel's 'yellow line'](#) July 25, 2026

⁴⁴ *L'Orient Today*, [Israel intensifies attacks on Mansouri, Ali Taher fronts](#) August 26, 2026;

L'Orient Today, ['Any Israeli military presence north of the Blue Line is a violation of Resolution 1701,' says UNIFIL](#) August 24, 2026



- Israel has intermittently shelled areas close to its military positions, and launched at least 176 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.⁴⁴ On August 24, an Israeli FPV attacked an ambulance in Kfar Roummane, highlighting the continued danger to emergency responders in southern Lebanon.⁴⁵ Several of these FPV attacks have also ignited fires, including a July 12 attack outside Marjayoun that set wheat fields and olive groves ablaze.⁴⁶

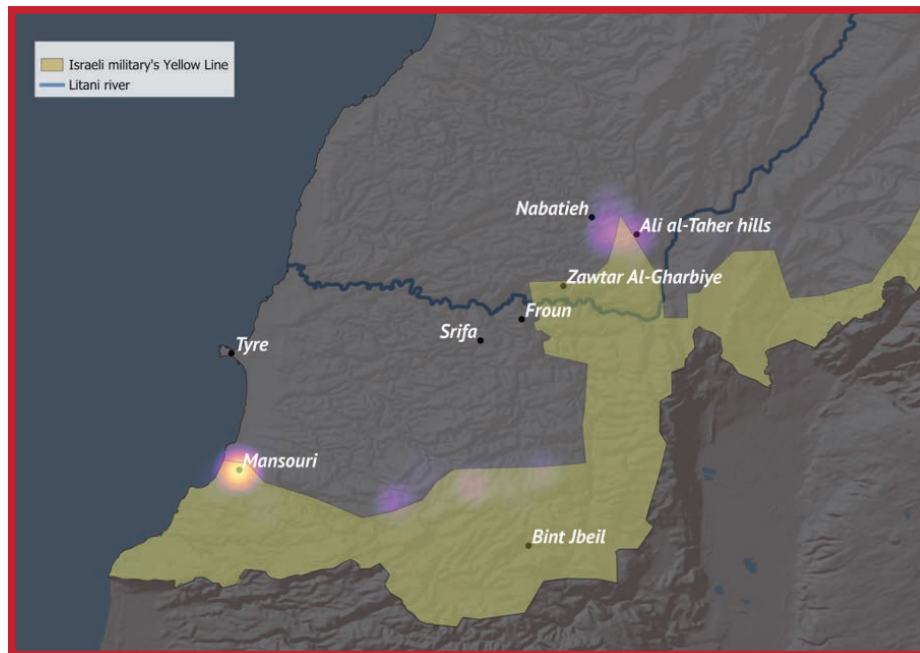


Figure 4. Heatmap of Israeli FPV attacks in southern Lebanon (June 21–August 31, 2026). Source: LCAT analysis

- While Israeli military activity has increased throughout August, it remains more limited than in the period following the November 27, 2024, CoH. 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,⁴⁷ given that it regularly carried out such strikes since the start of hostilities on October 8, 2023, including following the November 27, 2024 CoH.
- The unpublished Security Annex to the June 26 Trilateral Framework reportedly includes a clause granting Israel "freedom of action against emerging and immediate threats" within territory controlled by its military in southern Lebanon.⁴⁸ 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.⁴⁹

⁴⁴ 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 escalation on June 19–20, 2026.

⁴⁵ National News Agency, [مسييرة قنبلة صوتية على سيارة إسعاف لجمعية "الرسالة" أثناء قيام مسعفيها بمسح في دوحة كفرمان أثر غارة سابقة](#) August 24, 2026

⁴⁶ National News Agency, [قنابل حارقة من مسيرة معادية على خراج جديدة مرجعون تسببت باندلاع حريق كبير](#) July 12, 2026

⁴⁷ Times of Israel, [Katz reiterates IDF's 'complete freedom of action' to counter threats in Lebanon and elsewhere](#) June 22, 2026

⁴⁸ Times of Israel, [Source: Israel-Lebanon security annex preserves full IDF freedom of action; Jerusalem remains wary of Iran interference](#) June 28, 2026

⁴⁹ 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

Hezbollah has reportedly resumed attacks against Israeli troops but has not claimed responsibility, suggesting it may be seeking to avoid further escalation.

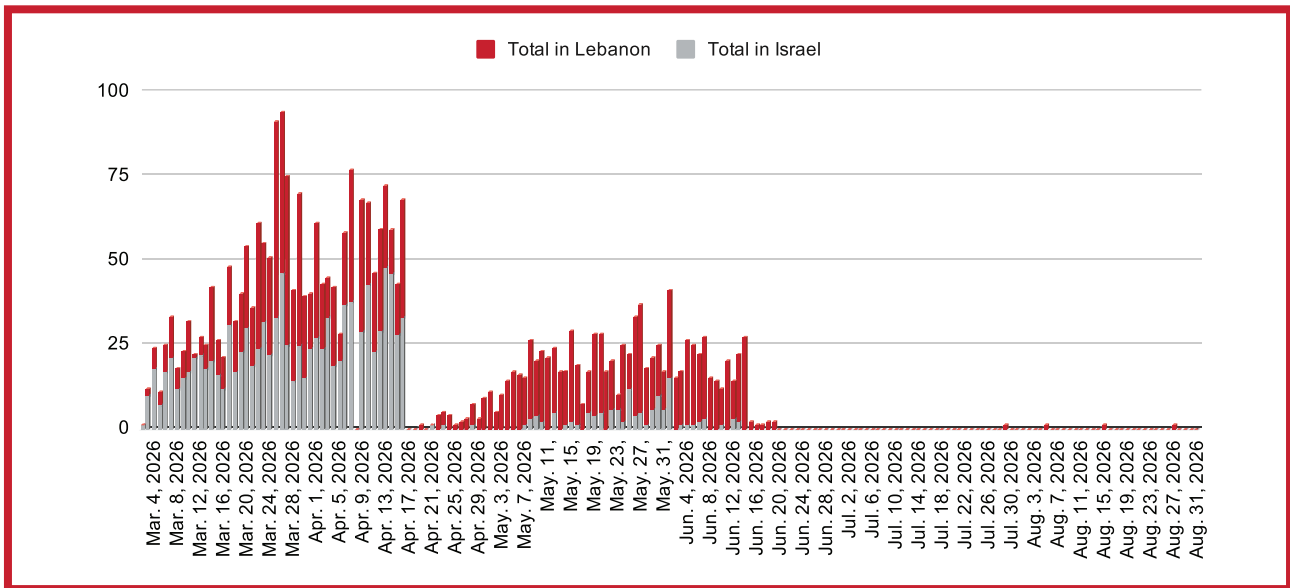


Figure 5. Daily rate of Hezbollah attacks since March 2, 2026, including three purported attacks in August.

Source: LCAT analysis of 1) Hezbollah claims of responsibility for attacks and 2) Israeli military statements on purported Hezbollah attacks

- While the Israeli military has accused Hezbollah of carrying out at least four separate attacks in southern Lebanon since June 21,⁵⁰ the organization has neither publicly confirmed nor denied responsibility. The reason for its silence is unclear.
- On August 15, Hezbollah said that ongoing Israeli attacks would be met with “an appropriate response.”⁵¹ Al-Akhbar, a Lebanese newspaper considered close to Hezbollah, reported that the organization was behind an FPV drone attack that same day on Israeli troops.⁵²
- Public statements by Hezbollah figures suggest the party is seeking to avoid triggering a broader Israeli military response. On July 7, Hezbollah MP Hussein Jeshi said that Hezbollah would refrain from any action that would give Israel a pretext to launch military strikes.⁵³ In a sign that the organization views the current status quo favorably, Hezbollah MP Hassan Ezzedine said on August 24 that the ongoing truce had significantly reduced Israel’s targeted assassinations in Lebanon.⁵⁴
- While Hezbollah has so far appeared reluctant to confront Israel, party figures have warned that it would respond if Israel takes significant military action in the Ali al-Taher hills.⁵⁵

⁵⁰ Israeli military via Telegram, @idfofficial August 27, 2026;

Israeli military via Telegram, @idfofficial August 16, 2026;

Israeli military via Telegram, @idfofficial August 6, 2026

Israeli military via Telegram, @idfofficial July 29, 2026

⁵¹ National News Agency, حزب الله: “آن للسلطة أن تراجع حساباتها مراجعة شاملة بما يحفظ سيادة لبنان وحقوقه” August 15, 2026

⁵² Al-Akhbar, ماذا جرى على تلال علي الطاهر؟ August 16, 2026

⁵³ National News Agency, جشي في تكريم شهداء “حزب الله” في دبعال: لسننا في وارد أن نعطي العدو ذريعة لتخريب اتفاق وقف إطلاق النار ولكن لصبرنا حدود July 7, 2026

⁵⁴ National News Agency, عز الدين من عبا: خيارنا المواجهة وليس الاستسلام والسلطة السياسية في لبنان فقدت اهليتها للحكم August 24, 2026

⁵⁵ On August 22, Hezbollah official Mahmoud Qomati said that “any Israeli attempt to advance and occupy new lands or points will be met with resistance in a manner appropriate to the nature of the field developments,” adding that the organization would “stand firm and confront” Israel at the Ali al-Taher hills. On August 18, Hezbollah MP Hassan Ezzedine said that the “Ali Taher site is one of the main sites of the Resistance,” adding that “Hezbollah will not abandon, and will confront any act of aggression with all the capabilities and resources it possesses... if Israel attacks this site.”

Nida al-Watan, قماطي: “المقاومة” اتخذت قرارا بإعطاء فرصة للمسار السياسي القائم August 22, 2026;

National News Agency, عز الدين: لن نتخلى عن علي الطاهر واتفاق الإطار ولد ميتا ويمثل انتهاكا للسيادة August 18, 2026



- Last month, Hezbollah military figures sent a letter to Iranian Supreme Leader Mojtaba Khamanei reaffirming their loyalty to Iran's ultimate decision-maker.⁵⁶ Hezbollah is ideologically bound to adhere to the decisions of Iran's supreme leader under the doctrine of Velayat-e Faqih.⁵⁷ A renewed major US and/or Israeli military campaign against Iran would likely prompt Hezbollah to attack Israel, as it did on March 2 in retaliation for the killing of former Supreme Leader Ali Khamanei.⁵⁸

Displacement

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

- Israel's occupation of some 650 square kilometers of Lebanese territory along the border – about 6% of the country – is preventing the return of residents. According to an analysis of WorldPop Global Demographic Data,⁵⁹ the zone is home to approximately 147,000 people. **LCAT estimates that nearly all of them – with the exception of those from Christian-populated villages – are unable to return, comprising an estimated 134,000 internally displaced persons (IDPs).**

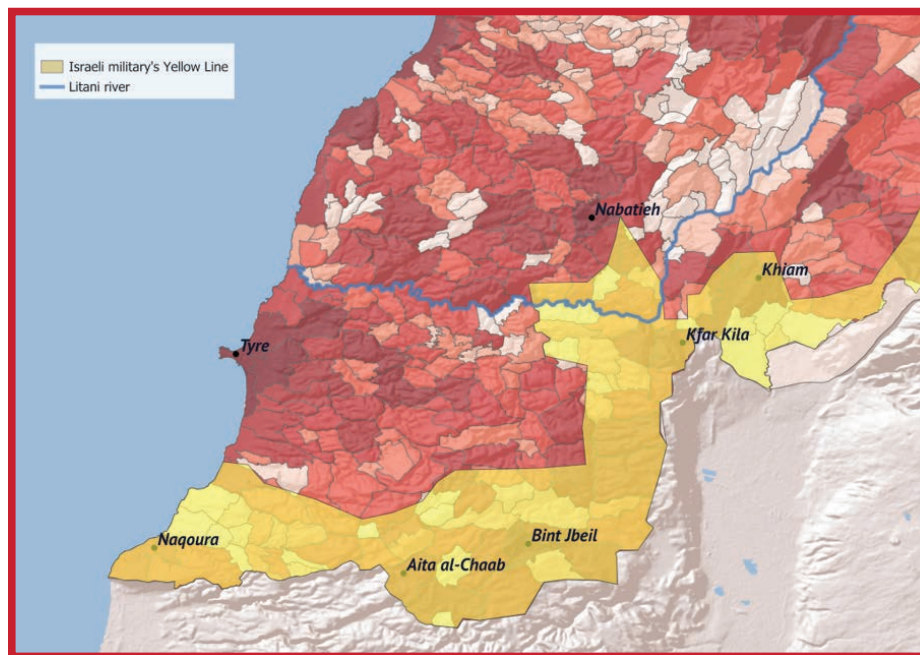


Figure 6. The Israeli military's Yellow Line laid over a population density map of southern Lebanon (darker shades of red indicate higher population levels). Sources: LCAT analysis, [WorldPop](#)

- Just prior to the most recent truce, an estimated 1 million people were displaced in Lebanon.⁶⁰ Since then, some 817,458 have begun returning to their homes.⁶¹ As of mid-July, the number of IDPs in communal shelters had fallen from a high of 141,440 to 29,729.⁶²

⁵⁶ Al-Mayadeen, السيد مجتبيٰ لمجاهدي حزب الله: أنتم رواد فضاء الجهاد... وصورون سيادة لبنان شرط أول لإيران July 26, 2026

⁵⁷ L'Orient Today, [Could Hezbollah survive the fall of the Iranian regime?](#) January 15, 2026

⁵⁸ National News Agency, المقاومة الإسلامية تستهدف موقع "مشمش الكرمل" في حيفا بالصواريخ والمسيرات March 2, 2026

⁵⁹ 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](#)

⁶⁰ United Nations Office for the Coordination of Humanitarian Affairs, [Lebanon: Flash Update #36 - Escalation of hostilities in Lebanon](#) June 18, 2026

⁶¹ International Organization for Migration, [Lebanon — Mobility Snapshot - Round 113](#) August 20, 2026

⁶² International Organization for Migration, [Lebanon — Mobility Snapshot - Round 109](#) July 23, 2026;

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



- Several factors will hamper residents' permanent return to homes outside of Israeli-occupied territories, primarily heavy property damage across southern Lebanon.
- Additionally, any intensified Israeli shelling risks displacing returnees again. Since March 2, there have been several waves of returns followed by renewed displacements. On August 5, Israel's first evacuation notice since June 14 triggered limited displacement from Mansouri.⁶³
- Humanitarian actors should factor in the possibility of rapid Israeli escalations that are limited in duration and geographic scope, such as the intense wave of Israeli shelling in southern Lebanon between June 19-20, 2026, which led to displacement from the Bint Jbeil and Sour districts.⁶⁴

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 is pursued, or if efforts are made to disarm the group. The party has strongly rejected the Trilateral Framework, though its leaders have stopped short of directly threatening to take down the government in the near term.⁶⁵ Hezbollah's messaging implies that the party does not believe current circumstances are conducive for political action against Lebanon's government, including resigning from the Council of Ministers or staging mass protests.
- On August 14, Hezbollah Secretary-General Naim Qassem urged supporters to "contain their anger" and prepare to use it "at the appropriate time."⁶⁶ The following week, Hezbollah official Mahmoud Qomati said the party would give the political process a chance, but street protests remained an option depending on timing and political and security conditions.⁶⁷ In March, Qomati said Hezbollah could overthrow the government, but added that any such move would come after the conflict with Israel was resolved.⁶⁸
- Hezbollah is unlikely to engage in any political escalation in Lebanon without the support of the Amal Movement.⁶⁹ However, Amal Movement's leader, Parliament Speaker Nabih Berri, has tacitly rejected such a move.⁷⁰ While Berri has publicly rejected the Trilateral Framework, he has reiterated his opposition to domestic conflict in Lebanon and has demonstrated support for President Aoun following the latter's visit to Washington.⁷¹ In the wake of the July 21 White House meeting, Lebanese President Joseph Aoun and US President Donald Trump both praised Berri, reflecting hopes in Washington and Beirut that Berri will support the Trilateral Framework.⁷²

⁶³ L'Orient Today, [Israel issues forced evacuation order for village of Mansouri in Sour district, a first since June 'cease-fire'](#) August 5, 2026

⁶⁴ National News Agency, [حركة نزوح كثيفة من قضاءي صور وبنيت جبيل باتجاه صيدا وبيروت](#) June 19, 2026

⁶⁵ Alaraby Aljadeed, [قيادي في حزب الله: لن نسمح بتطبيق اتفاق واشنطن ولن نستقبل من الحكومة](#) June 29, 2026

⁶⁶ Al-Modon, [فضل الله: السلطة عاجزة عن تنفيذ الاتفاق إلا بحرب أهلية](#) June 26, 2026

⁶⁷ L'Orient Today, [Qassem again threatens the state: 'The hour of anger is near, and it may erupt'](#) August 14, 2026;

⁶⁸ National News Agency, [قاسم في الذكرى الـ 20 لانتصار تموز 2006: اتفاق الإطار إملاءات إسرائيلية ولن نقبل بالاستسلام وبانتهاك السيادة](#) August 14, 2026

⁶⁹ Nida al-Watan, [قماطي: "المقاومة" اتخذت قرارا بإعطاء فرصة للمسار السياسي القائم](#) August 22, 2026

⁷⁰ Ashaq Alawsat, [Hezbollah Escalates its Rhetoric, Threatens Lebanese Govt](#) March 24, 2026

⁷¹ 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.

⁷² National News Agency, [حسن عز الدين من معروب: السلطة الحاكمة تنقض الدستور وتتجاوز القوانين النافذة](#) June 29, 2026

⁷³ L'Orient Today, [Salam and Berri reject any attempt at 'national division'](#) June 29, 2026

⁷⁴ L'Orient Today, [Nabih Berri to L'OLJ: The Israel-Lebanon agreement 'will not pass'](#) June 28, 2026;

⁷⁵ TRT World, [Aoun and Trump see Lebanon Speaker Nabih Berri, a Hezbollah ally, coming on board with their plans](#) July 21, 2026

⁷⁶ The White House via YouTube, [President Trump Participates in a Bilateral Meeting with the President of the Republic of Lebanon](#) July 21, 2026 (quotes start at 05:44)



- At present, Hezbollah lacks the political leverage to topple the Lebanese government through constitutional means, such as the resignation of a sufficient number of 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 2008.⁷³
- Following the June 26 announcement of the Trilateral Framework, Hezbollah supporters staged limited protests and briefly closed Beirut's airport road, which the LAF later reopened.⁷⁴ This mirrors similar limited protests in Beirut in mid-April.⁷⁵ 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."⁷⁶
- Lebanese state authorities will likely seek to quickly quash any future Hezbollah attempt to block the road to Beirut International Airport, a common protest tactic. Following Trump's directive to resume direct civilian flights between the US and Lebanon, the Lebanese government will likely seek to demonstrate that it can secure access to the airport. The LAF has reportedly drawn up plans for immediate intervention in the event of protests on the road.⁷⁸ In mid-July, Qomati threatened that "no planes would be allowed to land" at Beirut's Rafik Hariri International Airport if the Lebanese government continued to ban Iranian flights.⁷⁹

A potential new campaign for Hezbollah's disarmament remains subject to diplomatic negotiations, with civil strife over the issue unlikely in the near term.

- The Trilateral Framework calls for the "verified disarmament" of Hezbollah, with the LAF assuming control of pilot zones and Israel "progressively" redeploying out of Lebanese territory.⁸⁰ Hezbollah has rejected the implementation of such zones or efforts aimed at disarmament that are outside a framework of domestic Lebanese dialogue.⁸¹

⁷³ 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.

⁷⁴ L'Orient Today, [Hezbollah supporters protest in Beirut against deal with Israel](#) June 27, 2026

⁷⁵ 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

⁷⁶ National News Agency, [«حزب الله» في بيروت: ندعو أهلنا الشرفاء إلى عدم التظاهر في هذه المرحلة الدقيقة](#), @RealDonaldTrump April 11, 2026

⁷⁷ US President Donald Trump via TruthSocial, [@RealDonaldTrump](#) July 21, 2026

⁷⁸ Nida al-Watan, [المليشيا تهدد بخطف المطار](#) July 28, 2026

⁷⁹ Asharq Alawsat, [«حزب الله» يلوح بشلّ مطار بيروت دفاعاً عن «الطيران الإيراني»](#) July 21, 2026

⁸⁰ US State Department, [Trilateral Framework Between the United States of America, the State of Israel, and the Republic of Lebanon](#) June 26, 2026

⁸¹ National News Agency, [قاسم عن اتفاق الاطار: مذلة وعار وتنازل عن السيادة وحرمان اللبنانيين من العودة إلى أرضهم](#) June 27, 2026

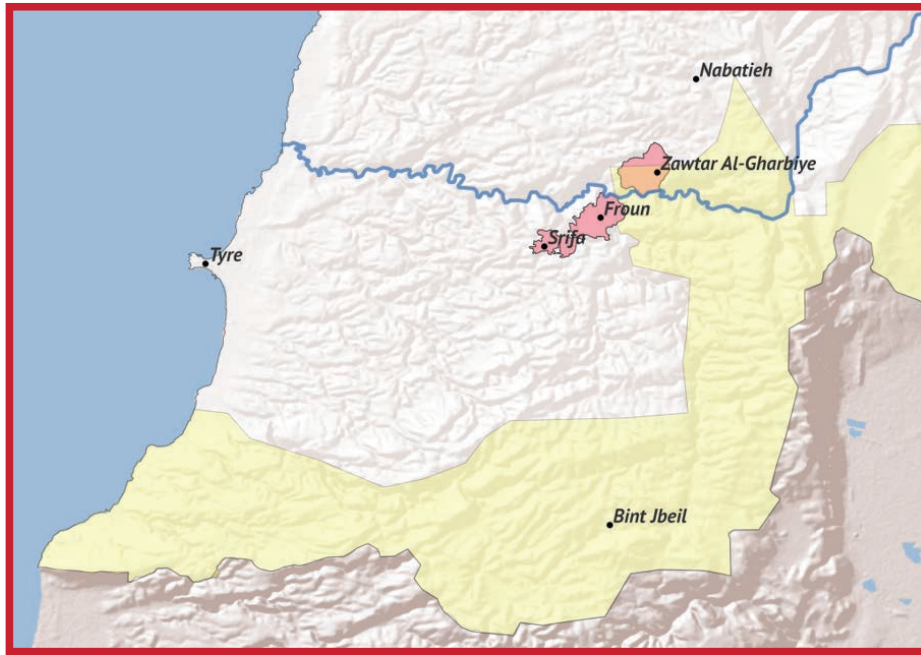


Figure 7. The Israeli military's Yellow Line overlaid the pilot zones of Zawtar Al-Gharbiye, Froun, and Srifa (shaded in pink).
Sources: US Department of State, LAF

- However, it is unclear whether Hezbollah will choose to block the LAF's implementation of any pilot zones in the coming months. Its actions will likely depend on the scope of the LAF's mission, with forcible attempts to dismantle Hezbollah's infrastructure more likely to trigger a response.
- Lebanon and Israel are still negotiating key elements of the pilot zones, with talks currently stalled. These include the mechanism for verifying Hezbollah's disarmament and whether the LAF will enter private property as part of the effort.⁸² The areas selected as pilot zones will be a point of contention.⁸³ If Israel's occupation continues indefinitely, it will undermine confidence in the Trilateral Framework and increase the likelihood of political opposition to the agreement.
- During his visit to the White House, Aoun reportedly presented Trump with a long-term plan for Hezbollah's gradual nationwide disarmament based on economic and political incentives rather than solely on the use of force.⁸⁴ The Trump administration has yet to publicly articulate its preferred policy on Hezbollah's disarmament.

⁸² Al-Modon, [عقبات التفاوض والتحقق...المشهد يزداد تعقيداً](#) August 26, 2026;

Reuters, [UK, Italy among states considered to verify Hezbollah disarmament, sources say](#) August 12, 2026

⁸³ Al-Modon, [جراك سعودي قطري: لنلا يصبح لبنان "على صورة" نتنياهو-الصحنائي](#) July 29, 2026;

L'Orient Today, [Lebanon caught between Netanyahu's endless war and Sharaa's regional bet](#) July 28, 2026;

The Jerusalem Post, [Katz rejects Trump's claim that Israel will withdraw from Lebanon, confirms IDF will remain there](#) July 9, 2026;

The Times of Israel, [Katz: Israel has 'no territorial ambitions in Lebanon,' but will not withdraw further until Hezbollah disarmed](#) June 29, 2026

⁸⁴ Al-Modon, [نقاشات واشنطن: اتفاق دفاعي يحصّن لبنان مقابل إسرائيل وإيران](#) July 25, 2026;

Nida al-Watan, [التحقق في الجنوب بعهدة شركات أمنية؟](#) July 23, 2026;

Al-Arabiya via X, [@AlArabiya_Eng](#) July 21, 2026



Looking Ahead:

While the conflict in Lebanon has significantly subsided, military escalation remains a possibility. The standoff between the US and Iran will likely be the decisive factor in Lebanon's security outlook,⁸⁵ though security tensions are also mounting in Lebanon, where Tel Aviv perceives Beirut as stalling on Hezbollah's disarmament, potentially driving renewed Israeli escalation.

Since Israel and Iran have adopted highly escalatory deterrence measures involving Lebanon, any minor security incident potentially could set off a chain reaction triggering a large-scale conflict.

- As noted above, in June, Israel adopted a policy of striking Beirut's southern suburbs in retaliation for any cross-border Hezbollah attack.⁸⁶ It made good on this threat by launching strikes against Beirut's southern suburbs on June 7 and 14, shortly after Hezbollah attacks on northern Israel.⁸⁷
- Iran announced that it would launch missile barrages at Israel in response to any strike on Beirut's southern suburbs.⁸⁸ Tehran followed through on this threat on June 7, but refrained from striking Israel on June 14 ahead of a US announcement on a diplomatic deal.⁸⁹ The newly-appointed head of the Supreme National Security Council of Iran, Mohsen Rezaee reiterated this policy on August 27.⁹⁰

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 to any of them.

Scenario 1: Status Quo

Potential Barriers to Escalation

- The US seeks to avoid exchanges of fire with Iran, particularly ahead of the November 3 US midterm elections, and to constrain Israeli military action in Lebanon.
- Washington seeks to ensure the success of the Trilateral Framework, applying further pressure on Israel to not take military actions apart from strikes along the Yellow Line.
- Hezbollah seeks to prevent Israeli military escalation while avoiding significant actions, such as strikes into northern Israel. Iran, for its part, pressures Hezbollah to exercise restraint to avoid following through on its publicly stated red line of striking Israel if Israel strikes Beirut's southern suburbs.

⁸⁵ On August 27, the US ambassador to Lebanon said that the Iran-US standoff affects the Israel-Lebanon conflict because Hezbollah's actions are tied to Iran. LBCI reporter Toni Mrad via X, [@murat_toni](#) August 27, 2026

⁸⁶ Israeli Prime Minister Benjamin Netanyahu via X, [@Netanyahu](#) June 1, 2026

⁸⁷ Times of Israel, [IDF strikes Hezbollah targets in Beirut's southern suburbs after 3 drones hit northern Israel](#) June 14, 2026; Times of Israel, [IDF strikes Beirut's Dahiyeh after Hezbollah fires rockets at northern Israel](#) June 7, 2026

⁸⁸ PressTV, [Iran announces suspension of operations after 'painful response' to Zionist regime](#) June 8, 2026;

Kayhan, [Resistance Axis Hails 'New Equation' Established by Iran](#) June 8, 2026

⁸⁹ CBS News, [Iran and U.S. reach deal, Trump and Pakistani prime minister say, as Israeli strikes in Lebanon threaten agreement](#) June 15, 2026

⁹⁰ Al-Nour Radio, ["اللواء محسن رضائي: فتح مضيق هرمز مرتبط بانتهاء الحروب في لبنان وغزة... وسيرت والضاوية الجنوبية" "خطنا الأحمر"](#) August 27, 2026



Key Dynamics

- Israel conducts daily airstrikes along the Yellow Line, mostly concentrated around the Ali al-Taher hills and Mansouri areas. Infrequent rounds of Israeli fire in retaliation for presumed Hezbollah attacks continue to cause casualties.
- Israel refrains from conducting targeted assassinations or strikes against alleged Hezbollah infrastructure deeper in Lebanon.
- Hezbollah carries out limited 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 government 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 Triggers for Escalation

- The US-Iran diplomatic process remains stalled 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.
- Tehran approves Hezbollah attacks on Israel to pressure Washington with the threat of regional military escalation ahead of the November 3 US midterm elections.
- Israel conducts strikes against Hezbollah targets deeper into Lebanon, citing perceived LAF delays to disarming Hezbollah and possibly due in part to domestic political calculations ahead of Israel's October 27 general elections

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.



- 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 moderately 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

- Hezbollah or Israel breach current red lines with a provocative attack, such as an Israeli strike on Beirut's southern suburbs or a Hezbollah attack on northern Israel, triggering a cycle of escalating violence.
- Amid mounting regional tension, such a cycle of escalating violence could worsen into a large-scale conflict, potentially brief in duration, or mirroring the weeks-long 2024 and 2026 wars.
- The US and/or Israel launch a widescale military campaign against Iran, prompting Hezbollah to intervene on Tehran's behalf against Israel.
- Amid Washington's economic warfare campaign, Tehran could seek to assert escalation dominance through attacks on US military targets in the region, Gulf energy infrastructure, or Israel, which could spill over into conflict in Lebanon.

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 national 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, including 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
AUGUST

Parliament's Finance and Budget Committee convenes to discuss amendments to the Bank Restructuring and Reform Law.⁹¹



3

7



The Council of Ministers approves the reception of two gasoline shipments – despite the fact that the fuel's sulphur content exceeded Lebanese regulatory standards – citing seasonal demand and regional supply constraints.⁹²

Lebanon signs a 150 million US dollar (USD) World Bank loan to fund a public sector digitalization plan.



10

12



Parliament approves amendments to the Bank Restructuring and Reform Law.

The Council of Ministers issues a decree levying duties of 1.5% to 3% on imported waste-generating products.



13

20



The World Bank's Lebanon Economic Monitor projects that Lebanon's real GDP will contract by 6.4% in 2026, reversing the fragile recovery recorded in 2025.⁹³

The International Monetary Fund officially welcomes amendments to the Bank Restructuring and Reform Law, while cautioning that its success hinges on successful implementation.⁹⁴



20

21



Minister of Energy and Water Joe Saddi launches a tender for a comprehensive audit of Lebanon's Turkish power-barge contracts and associated fuel imports from 2012 to 2021 to identify waste or corruption.⁹⁵

⁹¹ National News Agency, [كشور أعلن إنجاز إصلاح المصارف في لجنة المال... أناشد الحكومة أن تكون التعديلات عادلة وبإمكانات للتمويل الفعلي](#), August 3, 2026; Parliament of Lebanon, [لجنة المال والموازنة أنجزت قانون إعادة هيكلة المصارف وإصلاحها](#), August 3, 2026

⁹² Presidency of the Council of Ministers, [جلسة لمجلس الوزراء في قصر بعبدا بعد ظهر اليوم تطرقت إلى ملف سوليدير وإقرار عدد من التعيينات](#), August 7, 2026

⁹³ World Bank, [Lebanon Economic Monitor: Summer 2026 – A Conflict Economy at a Crossroads](#), August 20, 2026

⁹⁴ Reuters, [IMF welcomes Lebanon bank law changes as 'major step'](#), August 20, 2026

⁹⁵ L'Orient Today, [Saddi launches audit of power barges July Statistics and fuel imports between 2012 and 2021](#), August 21, 2026

Inflation

Prices marginally declined in July; the Central Administration of Statistics' (CAS) July Consumer Price Index (CPI) registered a 0.03% drop in inflation.⁹⁶ This marks the second month of negative CPI change after June's -0.75% drop in prices. This is the first time since June-July 2019 that Lebanon has seen two consecutive monthly declines in CPI, even though inflation remains high overall.

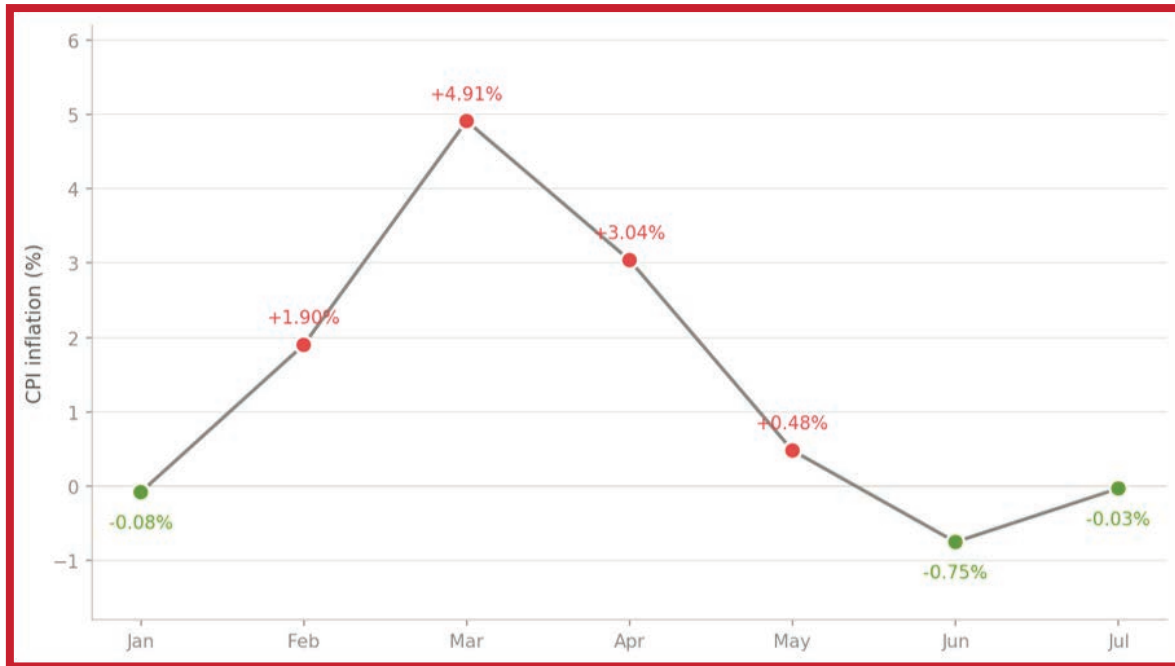


Figure 8. Monthly Consumer Price Index (CPI) growth in 2026
Source: The Central Administration of Statistics, Economic Indicators, [CPI](#)

Nevertheless, the year-on-year inflation rate remains at 15.69%, and there were price increases in Bekaa, South Lebanon, Beirut, and Nabatieh.⁹⁷ Figure 8 highlights how July's negligible drop in inflation had a limited impact on the real inflation trend. Transportation inflation is particularly striking because of the global fuel crisis sparked by the US-Iran war and the closure of the Strait of Hormuz. July's monthly fuel index registered a -2.82% negative growth, while the year-on-year rate stands at 37.85%, which partly explains the year-on-year inflation trend that passed through to other commodity prices, as evident in Figure 9.⁹⁸

⁹⁶ The Central Administration of Statistics, Economic Indicators, [CPI](#)

⁹⁷ L'Orient Today, [Second consecutive drop in Lebanon's consumer price index, a first since 2019](#) August 25, 2026

⁹⁸ The Central Administration of Statistics, Economic Indicators, [CPI](#)

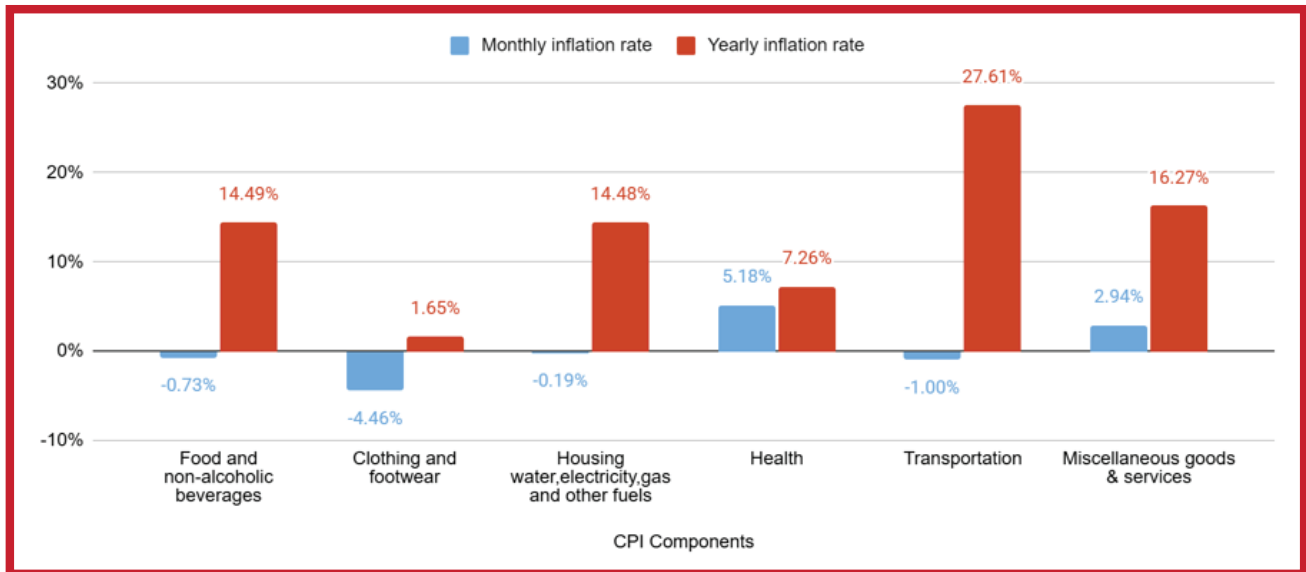


Figure 9. Monthly (July) and yearly inflation of some CPI components
Source: The Central Administration of Statistics, Economic Indicators, [CPI](#)

Solidere's Mandate

The Lebanese government is preparing to decide on the renewal of Solidere's mandate for developing Downtown Beirut.⁹⁹ The company initially requested a 40-year extension. However, the government pointed out that many parts of Beirut that were stipulated in the original 1994 agreement remain underdeveloped. On August 7, the government requested legal documentation, an independent audit, performance targets, phased extension options, financial and tax reviews, and binding priority projects before it will approve any extension. It also wants the company to step up the pace on unfinished projects, undeveloped land, and public-space commitments. Priority projects include Beirut's waterfront, Martyrs' Square, cultural heritage sites, the eastern harbor basin, and better urban connectivity across central Beirut.¹⁰⁰ On August 13, the government announced that the ministerial committee chaired by the deputy prime minister should begin negotiations as soon as Solidere submits its reply.¹⁰¹

Waste Fees

The government has approved an amended version of Decree No. 3214,¹⁰² which levies an environmental fee on 26 categories of imported goods deemed to be polluting. The rate ranges from 1.5% to 3%.¹⁰³ The legislation had originally been signed in mid-June, but was later suspended after public outcry. The original decree covered 98 categories, but was revised to exclude basic food items, raw materials for local production, and hydrocarbons, while still applying to a broad range of consumer and industrial products.¹⁰⁴

⁹⁹ Solidere (the Lebanese Company for the Development and Reconstruction of Beirut Central District) was established in 1994 as a special-purpose real estate company to rebuild Downtown Beirut after the Civil War. The company was granted exceptional powers to plan and develop the area, and its original 25-year mandate was extended until 2029. Solidere, [About](#);

L'Orient Today, [Solidere: Government weighs in on Beirut downtown's future](#) August 7, 2026

¹⁰⁰ L'Orient Today, [Cabinet meeting begins, Solidere among main topics](#) August 7, 2026;

Presidency of the Council of Ministers, [جلسة لمجلس الوزراء في قصر بعبدا بعد ظهر اليوم تطرقت الى ملف سوليدير وإقرار عدد من التعيينات](#) August 7, 2026

¹⁰¹ Presidency of the Council of Ministers, [الرئيس سلام يترأس جلسة لمجلس الوزراء](#) August 13, 2026

¹⁰² Mercy Corps Lebanon, [July Crisis Update](#) August 4, 2026

¹⁰³ The former tax ranged from 0.1% to 0.5%

The Beirut, [What changes with Lebanon's revised waste fee?](#) August 18, 2026

¹⁰⁴ L'Orient Today, [Waste fees: Agreement reached on tariff schedule to be submitted to Salam Tuesday](#) August 11, 2026



The measure is expected to generate about USD 150 million, down from roughly USD 300 million under the previous version.¹⁰⁵ For households already coping with rising inflation and diminished purchasing power, the new levy is likely to increase the monthly per-household cost of everyday imported items by an estimated USD 1–2. Businesses are warning that added costs will be passed on to consumers.¹⁰⁶ The policy reflects the government’s effort to apply the “polluter pays” principle and secure dedicated waste-management revenue, but it also exposes the tension between environmental financing and the risk of further burdening the population economically.¹⁰⁷

Public Sector Salary Adjustments

Public sector unions protested the government’s failure to fully implement salary adjustments that had been approved in February.¹⁰⁹ While Parliament approved an extra USD 630 million in the 2026 budget to fund six additional monthly salaries retroactive to March 1, the disbursement has been delayed. The Finance Ministry cited fiscal constraints and the need to secure revenue sources as the reason for the slow rollout. The delay affects some 260,000 public sector workers, military personnel, and retirees.

Meanwhile, in early August, it was revealed that Lebanese MPs would receive about USD 5,000 a month starting in September 2026, up from nearly USD 3,000, a 67% increase funded by transferring public money to Parliament’s mutual fund. The increase came after the legislature, which had been elected in May 2022, had extended its own mandate by two years in March 2026, pushing elections to 2028 and drawing further criticism that lawmakers are enriching themselves while avoiding accountability.¹¹⁰ Civil society and media outlets condemned the pay hike as morally indefensible amid Lebanon’s ongoing economic crisis. Critics pointed out that although the additional cost of the increase, approximately USD 3 million per year for 128 lawmakers,¹¹¹ is modest in budgetary terms, it sends a damaging signal of elite self-enrichment while hundreds of thousands of public servants struggle with delayed wages and eroded purchasing power.

Banking Reform

On August 12, Parliament adopted amendments to the Bank Resolution and Restructuring Law that establishes a legal framework for restructuring, resolving, or liquidating banks.^{112,113} The amendments were made at the behest of the International Monetary Fund (IMF), which favors state-led, transparent commercial bank restructuring under an independent authority that can rapidly determine which banks are viable and which must be resolved or liquidated, with the process insulated from political and banking-lobby influence.

¹⁰⁵ L’Orient Today, [Waste fees: What was taxed, and by how much?](#) August 14, 2026

¹⁰⁶ L’Orient Today, [Environmental waste fee: What will the cost be for Lebanese households?](#) August 20, 2026

¹⁰⁷ Mercy Corps Lebanon, [July Crisis Update](#) August 4, 2026

¹⁰⁸ L’Orient Today, [Public sector salaries: A draft implementing decree sparks opposition](#) August 1, 2026

¹⁰⁹ By February, the Cabinet approved a plan granting the equivalent of six additional months of salary, capped at 50 million Lebanese Lira per month (around \$560), but made this measure conditional on a series of fiscal measures including new fuel taxes and a VAT increase from 11% to 12%.

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

¹¹⁰ Libnanews, [Lebanon: \\$5,000 for protracted members](#) August 10, 2026;

Asharq Alawsat, [Lebanon: Suffering continues](#) August 19, 2026;

Global Arab Network, [Lebanese lawmakers face backlash over pay hike amid economic crisis](#) August 11, 2026

¹¹¹ *ibid.*

¹¹² The law was originally adopted in July 2025 but was subsequently revised in July and August following feedback from the IMF.

¹¹³ L’Orient Today, [Amendments to bank resolution law clear Lebanese Parliament hurdle](#) August 12, 2026



Prior to their passage, there was concern that the proposed amendments had strayed too far from the version negotiated with the IMF,¹¹⁴ leaving MPs a choice between meeting IMF requirements and accommodating the Central Bank's demands (see Table 1).

Article(s) amended	Finance and Budget Committee amendment to the original government draft	Final Parliament decision	Impact
Article 3 (Legal basis for reform)	Banking reform should be carried out “in accordance with the Money and Credit Code, in particular Article 70.” This would explicitly link the law to the Central Bank’s mandate to preserve monetary, economic, and financial stability	Original wording maintained. Law is not linked to the Money and Credit Code.	• The text is not explicitly linked to the Money and Credit Code • Less risk of conflict with the IMF’s preferred framing, and more flexible implementation • Less direct legal reference to BDL’s responsibilities.
Articles 11/13 (Shareholder restrictions)	Broader powers for the Higher Banking Commission, allowing it to deny any shareholder the right to take part in a post-restructuring capital increase	Original narrower wording maintained. The Commission only has the power to deny majority shareholders	• Minority shareholders are less exposed to exclusion during recapitalization.
Article 23 (Deposits in liquidation)	Committee added a reference to the future Financial Stabilization and Deposits Repayment Act (FSDR Act)	Reference retained, despite objections from some government officials and the IMF	• Links bank liquidation treatment to the still-pending broader FSDR Act • Deposit repayment remains partly dependent on pending legislation, which complicates enforcement

Table 1. Amendments to the Law on Bank Resolution and Restructuring and their impact.

Source: L’Orient Today¹¹⁵

On August 20, the IMF officially welcomed the amendments, signaling tentative approval of the compromise reached. However, the Fund emphasized that key issues remain unresolved, particularly how deposits will be treated in the event of a full-scale bank restructuring, and the need for a comprehensive financial regularization law to address the financial gap and restore confidence in the banking system.¹¹⁶

¹¹⁴ Finance and Budget Commission Chair Ibrahim Kanaan and Central Bank Governor Karim Souhaid pushed for a more gradual, bank-friendly approach, and greater deference to the Central Bank’s role and constitutional independence. The Central Bank has also raised constitutional and governance concerns about giving too much power to a “Higher Banking Authority”.

L’Orient Today, [Banking resolution: MPs asked to choose between IMF or BDL](#) August 10, 2026

¹¹⁵ L’Orient Today, [Amendments to bank resolution law clear Lebanese Parliament hurdle](#) August 12, 2026

¹¹⁶ L’Orient Today, [IMF officially welcomes recent amendments to Lebanon’s bank resolution law](#) August 20, 2026;

L’Orient Today, [Bank resolution in Lebanon: Parliamentary compromise leaves key issues unresolved](#) August 19, 2026



Source: AFP

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The LAF seizes rockets and other military equipment and arrests two alleged members of a Syria-Lebanon smuggling network in Aarsal.¹¹⁷



Families of Beirut Port blast victims gather on the sixth anniversary of the explosion.¹¹⁸



Lebanese Interior Minister Ahmad Al-Hajjar and Syrian Assistant Interior Minister for Security Affairs Mulham Al-Shantout meet in Beirut to discuss strengthening security coordination, combatting cross-border crime, and supporting the return of Syrian refugees.¹¹⁹



Parliament passes the new Media Law.¹²⁰



Parliament approves legislation to abolish the death penalty.¹²¹



Parliament passes the General Amnesty Law.¹²²



The Directorate of General Security grants a six-month "courtesy residence" permit to Iranian Ambassador-designate Mohammad Reza Shibani.¹²³



¹¹⁷ National News Agency, الجيش: ضبط صواريخ غراد تم تهريبها من الأراضي السورية وإيقاف مواطنين من أفراد الشبكة وتنفيذ عمليات دهم August 4, 2026

¹¹⁸ National News Agency, تجمع لأهالي ضحايا انفجار بيروت داخل حرم المرفأ الوزير نصار: القرار الطئي سيصدر والمحاكمة ستتم الوزير مرقص: القرار خلال أشهر معدودة August 4, 2026

¹¹⁹ National News Agency, لقاء أممي لبناني - سوري في وزارة الداخلية بحث في مكافحة الإرهاب والتهريب وملف النازحين واتفاق على اجتماعات دورية لتطوير التنسيق August 5, 2026

¹²⁰ National News Agency, إقرار اقتراح قانون الإعلام كما عدلته اللجان المشتركة من دون أي تعديل August 11, 2026;

National News Agency, الوزير مرقص: قانون الإعلام صدر من دون أي تعديل وسجلات اعتراض على مادة تجريم الصحافيين August 11, 2026

¹²¹ National News Agency, مجلس النواب أقر اقتراح قانون إلغاء عقوبة الإعدام بعد إدخال تعديلات عليه August 11, 2026;

France 24, لبنان: البرلمان يقر قانوناً للعفو العام يرمي إلى تخفيض مدة بعض العقوبات بشكل استثنائي August 12, 2026;

France 24, لبنان بلغي عقوبة الإعدام في سابقة بالشرق الأوسط والأمم المتحدة تحرب بالقرار August 11, 2026

¹²² National News Agency, مجلس النواب يستكمل جلسته التشريعية مساء بعد إقرار "العفو العام" و"إصلاح المصارف" معدلين يرفع الجلسة بعد تلاوة المحضر والتصديق August 12, 2026

¹²³ Alaraby, أزمة السفير الإيراني في لبنان... تمديد إقامة شباني بصفة "مواطن إيراني" | التلفزيون العربي August 25, 2026



Parliament Passes the General Amnesty Law

On August 12, Parliament passed a General Amnesty Law, the provisions of which apply to certain individuals convicted of crimes committed before March 1, 2026, primarily nonviolent offenders and long-term pretrial detainees. The law is expected to result in the release of some 3,300 prisoners over the coming years.¹²⁴ The Law preserves the right of victims to seek civil compensation: claims already brought before or referred to criminal courts before the law entered into force remain within those courts' jurisdiction, while other compensation claims can be heard by civil or administrative courts.¹²⁵

Under the new legislation, death sentences will be commuted to 28 years (which in practice means a 21-year sentence under current regulations, since nine months served in prison covers one year of a sentence),¹²⁶ life imprisonment will be reduced to 17 years, other sentences will be cut by one third.¹²⁷ The Law also stipulates that detainees who have been awaiting trial for more than 12 years must be released.¹²⁸

Individuals convicted of serious crimes such as intentional and premeditated murder; terrorism targeting civilians, military personnel, or members of the security forces members; and treason, espionage, and unlawful contact with the enemy will not have their sentences reduced or commuted. Additionally, certain other offenses are not covered under the Amnesty Law.¹²⁹

These provisions affect so-called Islamist detainees (there are some 400 such detainees in the prison system, of whom 170 are Syrian nationals). While some Islamist detainees or convicts are expected to be released in the immediate term, most will not, although they may still benefit from sentence reductions.¹³⁰

The scope of the Amnesty Law was the subject of heated debate.¹³¹ Hezbollah lawmakers pushed for the inclusion of detainees from Baalbek and Hermel,¹³² while the Lebanese Forces, Kataeb, and several other lawmakers called for a "special arrangement" for hundreds of families who fled to Israel in 2000, as Israeli forces withdrew from southern Lebanon.¹³³ The law also drew criticism over the crimes covered (including corruption) and reduced sentences for offenses otherwise excluded from amnesty, which raise constitutional alignment concerns.¹³⁴

¹²⁴ France 24, [لبنان: البرلمان يقر قانوناً للعفو العام يرمي إلى تخفيض مدة بعض العقوبات بشكل استثنائي](#) August 12, 2026;

Alarabiya, [لبنان... البرلمان يقر قانون العفو العام المثير للانقسامات](#) August 12, 2026;

France 24, [لبنان يلغي عقوبة الإعدام في سابقة بالشرق الأوسط والأمم المتحدة ترحب بالقرار](#) August 11, 2026

¹²⁵ Lebanon Debate, [لبنانيون ديبات ينفرد بنشر الصيغة النهائية المعدلة لقانون العفو العام](#) May 19, 2026;

Lebanese Parliament, [إقتراح قانون: يرمي إلى منح عفو عام وتخفيض مدة بعض العقوبات](#)

¹²⁶ In practice, the amended text may result in a "double reduction" for those serving death sentences – an initial commutation to a life sentence of 28 years due to the abolition of the death penalty, and the reduction of life sentences to 17 years.

¹²⁷ Legal Agenda, [Amnesty as Cover-Up: Lebanon Falls Victim to Self-Pardon](#) August 29, 2026;

Al Jazeera, [Lebanon passes long-sought amnesty law, a day after death penalty repeal](#) August 12, 2026

¹²⁸ Alsharq Alawsat, [لبنان: العفو العام بين مقتضيات العدالة ومنع الإفلات من العقاب](#) August 16, 2026;

BBC News, [قانون العفو العام في لبنان: البنود والمستفيدون والجرائم المستثناة](#) August 12, 2026;

Almodon, [العفو العام يقر بالمناداة... تأشيرة خروج للأسير و79 إسلامياً](#) August 12, 2026

¹²⁹ Additionally, individuals convicted of the following crimes are not covered under the general amnesty: repeat drug offenses; drug offenses committed by members of the military or security services, excluding drug cultivation and production; corruption, illicit enrichment, money laundering, terrorist financing, and banking or monetary crimes, particularly those involving depositors' funds; antiquities theft; rape; incest; human trafficking; domestic violence; sexual abuse of minors; torture; enforced disappearance; repeated theft offenses; and environmental crimes.

Lebanese Parliament, [إقتراح قانون: يرمي إلى منح عفو عام وتخفيض مدة بعض العقوبات](#)

¹³⁰ Al Jazeera, [يُقر للمرة الأولى منذ 35 عاماً 6 أسئلة بشأن قانون العفو العام بلبنان](#) August 12, 2026

¹³¹ ...خلاف رئيس الحكومة وزير الدفاع بشأن العفو العام يفتح ملف الصلاحيات, August 12, 2026

¹³² France 24, [لبنان: البرلمان يقر قانوناً للعفو العام يرمي إلى تخفيض مدة بعض العقوبات بشكل استثنائي](#) August 12, 2026;

Lebanon 24, [...خلاف رئيس الحكومة وزير الدفاع بشأن العفو العام يفتح ملف الصلاحيات](#) August 12, 2026

¹³³ Alarabiya, [لبنان... البرلمان يقر قانون العفو العام المثير للانقسامات](#) August 12, 2026

¹³⁴ Legal Agenda, [إشكاليات دستورية في العفو عن عائلات الفارين إلى إسرائيل: هذا الخلط بين العفو العام والعفو الخاص](#) August 27, 2026;

Legal Agenda, [بيان حول قانون العفو العام: لهذه الأسباب نطلب رده وإلا إبطاله](#) August 24, 2026



While the Amnesty Law was framed by many in humanitarian terms, in practice, it serves to reduce the population of Lebanon's overcrowded prisons. As of March 30, there were 6,268 people incarcerated in Lebanon, with unofficial estimates putting the total close to 8,500, triple the capacity of the prison system.¹³⁵

Lebanese-Syrian Relations

On August 5, a Syrian delegation led by Deputy Interior Minister for Security Affairs Mulham al-Shantout met with Interior Minister Ahmad Hajjar and Lebanese officials in Beirut for talks on managing the countries' common border, combating cross-border crime, and streamlining procedures at official crossings.¹³⁶ One week later, on August 12, Lebanese Prime Minister Nawaf Salam and Syrian Foreign Minister Asaad al-Shaibani spoke remotely, with both agreeing to build on a July agreement to establish the Higher Joint Lebanese-Syrian Commission. The Higher Commission is slated to replace the Syria-Lebanon Higher Coordination Council, and will serve as a permanent forum for political, economic, and security cooperation.¹³⁷

These developments point to a gradual shift toward more structured, institutionalized security coordination between Damascus and Beirut, particularly as regards border management. Although Lebanon and Syria have taken steps toward establishing the Higher Commission, it has yet to meet.¹³⁸ How swiftly it convenes, and how other bilateral cooperation measures are implemented, will indicate how quickly bilateral ties are likely to develop. The real test, however, concerns consistency: whether decisions are fully implemented and their effect on border communities and returnees.

¹³⁵ Aljazeera, [لبنان: البرلمان يقر قانوناً للعفو العام يرمي إلى تخفيض مدة بعض العقوبات بشكل استثنائي](#), August 12, 2026;

France 24, [لبنان: البرلمان يقر قانوناً للعفو العام يرمي إلى تخفيض مدة بعض العقوبات بشكل استثنائي](#), August 12, 2026

¹³⁶ Arab News, [Syria, Lebanon step up border coordination to curb smuggling, ease trade](#) August 13, 2026;

Alshareq Alawsat, [لبنان وسوريا يفعّلان آلية تنسيق أمني لمكافحة الإرهاب والتطرف](#), August 5, 2026;

Anadolu Ajansi, [لبنان وسوريا يبحثان تعزيز التعاون الأمني ومكافحة التطرف](#), August 5, 2026

¹³⁷ Arab News, [Syrian and Lebanese ministers discuss cooperation and latest regional developments](#) August 12, 2026;

Syria TV, [الشبايني يبحث مع نواف سلام تعزيز التعاون بين سوريا ولبنان](#), August 12, 2026;

Mercy Corps Lebanon, [June Crisis Update | 2026](#) July 9, 2026

Syrian Foreign Minister Assaad Shaibani's July 2 visit to Lebanon resulted in the establishment of the Lebanese-Syrian Joint Higher Committee, chaired by the Lebanese prime minister and Syria's foreign minister on behalf of the Syrian president. The committee is intended to institutionalize state-to-state dialogue and coordinate bilateral cooperation across political, economic, and security matters, with immediate priorities including electricity interconnection, transport, trade, and facilitating cross-border movement. Shaibani also reaffirmed Damascus's commitment to non-interference and dialogue with all Lebanese parties, including Hezbollah.

¹³⁸ L'Orient Today, [Government approves joint Lebanese-Syrian commission signed by Salam and Shaibani](#) July 2, 2026



Source: AFP

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The Council of Ministers orders the Ministry of Agriculture to prevent farms and slaughterhouses from operating within five kilometres of Beirut International Airport to reduce bird strike risks.¹³⁹



7

14



To prevent wildfires and protect forests, Minister of Agriculture Minister Nizar Hani issues a circular mandating proactive forest maintenance, regulated grazing, and closer coordination with municipalities and environmental groups.¹⁴⁰

Sky Lounge Services announces that René Moawad Airport will begin limited operations by late October.¹⁴¹



20

21



The United Nations Development Programme, Lebanon's Council for Development and Reconstruction, and the Lebanese Ministry of Agriculture sign a World Bank-funded agreement to provide USD 18.5 million in matching grants for farmers, cooperatives, and agricultural associations. The application process is expected to begin next month.¹⁴²

Lebanese Public Works and Transport Minister Fayeze Rasamny meets with Syrian Transport Minister Yarub Badr in Damascus, where the two agree to establish a joint technical team to study the development of a modernized railway link between Lebanon and Syria.¹⁴³



25

¹³⁹ Presidency of the Council of Ministers, [جلسة لمجلس الوزراء في قصر بعيدا بعد ظهر اليوم تطرقت الى ملف سوليدير واقرار عدد من التعيينات](#) August 7, 2026

¹⁴⁰ Ministry of Agriculture, [وزارة الزراعة تعزز الوقاية من حرائق الغابات: صيانة استباقية وتنظيف للغطاء النباتي وتنظيم للرعي الوق](#) August 14, 2026

¹⁴¹ National News Agency, [Sky Lounge Services: تقديم متواصل في أعمال تطوير وتشغيل مطار الرئيس الشهيد رينيه معوض - القليعات](#) August 20, 2026

¹⁴² National News Agency, [منح جديدة لدعم المزارعين والتعاونيات وتعزيز صمود قطاع الأغذية الزراعية في لبنان](#) August 21, 2026

¹⁴³ National News Agency, [راسمني زار دمشق وتفاهم لبناني- سوري على تفعيل الربط السككي وتشكيل فريق فني مشترك لتعزيز النقل الإقليمي](#) August 25, 2026



National Social Security Fund Board:

On August 7, the Council of Ministers appointed the new National Social Security Fund (NSSF) board, which convened 10 days later. The board elected General Labour Union head Bechara al-Asmar as chair, Bassam Aleik as vice-chair, and Maroun al-Skeily as secretary.¹⁴⁴ It now comprises 10 members, down from the original 26. Members are expected to facilitate the implementation of decrees for the 2023 Pension and Social Protection Law and the establishment of an Investment Committee to manage insurance funds in a more transparent manner and in compliance with risk-management standards.¹⁴⁵

Separately, the NSSF office in Nabatieh reopened on August 12 after a five-month closure. After reopening, the office issued about 900 beneficiary checks worth LBP 18 billion, processed 300 hospitalization approvals and received around 3,500 medical forms. When the office was closed, Lebanese residents of Nabatieh needed to travel to Saida to file claims and receive approvals for medical procedures.¹⁴⁶

New World Bank Loan

On Monday, August 10, Finance Minister Yassin Jaber and World Bank's Regional Head for the Middle East Dalia Khalifeh signed a memorandum of understanding concerning a USD 150 million loan to fund a public-sector digital transformation project. The loan, part of the Bank's broader support for modernizing Lebanon's outdated state institutions, is intended to strengthen digital infrastructure and improve the quality, accessibility, and efficiency of public services. Parliament must approve the memorandum before implementation.¹⁴⁷

Power Plant Refitting and Pipeline Repairs

The Deir Ammar power plant in northern Lebanon is slated to begin operating on natural gas. Repairs and upgrades at the plant and along the 30-kilometer pipeline servicing Deir Ammar – gas will be sourced from Aqaba, Jordan, and transit through Syria – are scheduled for completion by early to mid-September.¹⁴⁸ The arrangement is part of a broader plan to transition part of Lebanon's state electricity production from fuel oil to liquefied natural gas, which is expected to lower production costs and reduce environmental impact.¹⁴⁹

However, plant and pipeline repairs alone are unlikely to translate into wider power coverage as Deir Ammar's turbines still require maintenance by the German manufacturer Siemens, whose engineers have yet to visit Lebanon due to security concerns.

¹⁴⁴ Lebanon files, "الضمان" يستعيد مجلسه: التقاعد والإصلاح على الطاولة, August 15, 2026;

Annahar, لبنان - انتخاب بشارة الأسمر رئيساً لمجلس إدارة الضمان, August 17, 2026;

Presidency of the Council of Ministers, جلسة لمجلس الوزراء في قصر بعبدا بعد ظهر اليوم تطرقت الى ملف سوليدير وإقرار عدد من التعيينات, August 7, 2026

¹⁴⁵ Lebanon's Social Security and Pension System Law, adopted in late 2023, provides for the gradual replacement of the existing end-of-service indemnity system with a lifetime pension scheme. The reform aims to ensure a sustainable income for insured workers after retirement, addressing the vulnerabilities of the existing lump-sum system exposed during Lebanon's successive crises. Implementation requires a series of implementing decrees and administrative, financial, and technical measures.

¹⁴⁶ National News Agency, كركي: 15 دفعة خلال 8 أشهر بقيمة 45 مليون دولار لاستشفاء المضمونين ومكتب النبطية يواصل استقبال المضمونين, August 20, 2026;

National News Agency, مكتب الضمان في النبطية عاد للعمل بعد توقف 5 أشهر فرضها العدوان الإسرائيلي ازدحام غير متوقع وعدد المعاملات فاق الـ 500... والقبض مرتبط, August 12, 2026;

Lebanon Files, لبنان من الإقبال... الضمان الاجتماعي يعاود العمل في النبطية, August 12, 2026

¹⁴⁷ L'Orient Today, What does the \$150 million World Bank loan signed Monday involve?, August 11, 2026;

National News Agency, جابر وقع اتفاقية بـ 150 مليون دولار مع البنك الدولي للتحويل الرقمي: تحديث الإدارة والخدمات العامة, August 10, 2026

¹⁴⁸ Ministry of Energy and Water, الصدي تفقد منشآت النفط والغاز في البديوي وأطلق على الخزانات وأعمال صيانة خط الغاز: تأهيل خط الغاز إلى دير عمار تنجز خلال, August 9, 2026

¹⁴⁹ Alsharq Alawsat, لبنان يقترب من توليد الكهرباء على الغاز, August 10, 2026



Public Sector Electricity Arrears:

On August 24, Électricité du Liban (EdL) began disconnecting electricity connections with several public institutions and municipalities that had neither settled their overdue bills nor agreed on a payment plan since EdL's board issued a call on August 14 for outstanding payments to be made or a payment plan to be agreed upon.¹⁵⁰ Among those affected were the Ministry of Public Works, the NSSF, and the Lebanese Agricultural Research Institute – public hospitals are exempt.¹⁵¹

The move came in response to significant public sector payment shortfalls. EdL reported that 192 public or publicly funded institutions owed approximately USD 218.18 million for bills accumulated between November 2022 and December 2025.¹⁵² Minister of Energy and Water Joe Al-Sadi had stated on July 23 that public sector obligations were increasing by approximately USD 12 million per month.¹⁵³

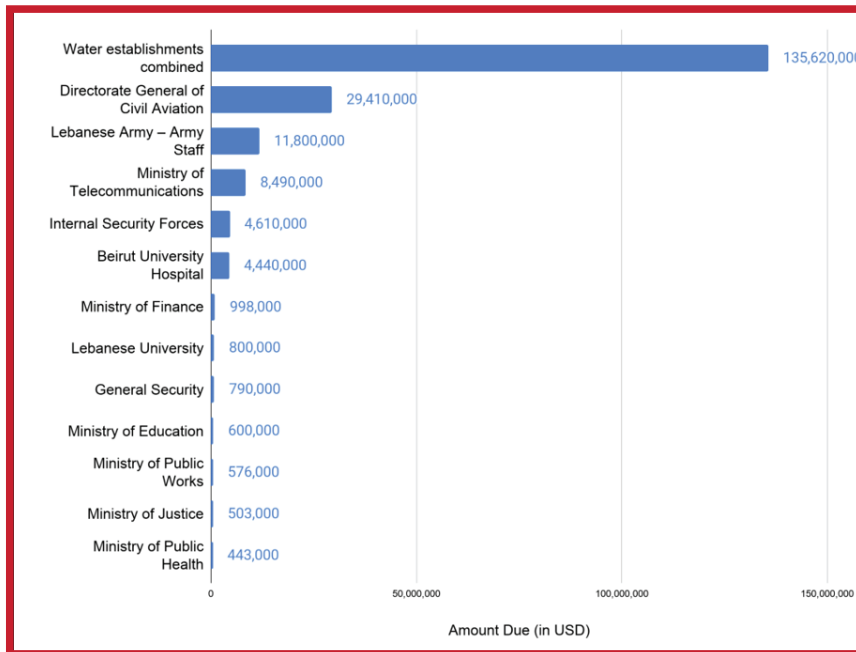


Figure 10. Accumulated arrears (November 2022 – December 31, 2025)¹⁵⁴

In July, the Lebanese Government rejected a billing adjustment proposed by Minister Al-Sadi. He urged the government to repay USD 50 million monthly for four to five months, a temporary mechanism intended to sustain electricity production while global fuel prices remain volatile.¹⁵⁵ The August collection ultimatum delivered to public institutions – in addition to other measures, including cutting service hours in areas with poor bill collection rates – was justified by Al-Sadi, who asserted that fuel prices have increased by around 90% compared to the rates used to estimate costs in the 2026 Budget.¹⁵⁶

¹⁵⁰ Ministry of Energy and Water, [صدر عن مجلس إدارة مؤسسة "كهرباء لبنان" بيان، تضمن إنذارا عاما عاما بقطع التيار الكهربائي لاسيما عن القطاع العام، مشددا على](#), August 14, 2026; [تفعيل جباية الفواتير وحملات نزع التعديلات](#)

National News Agency, ["كهرباء لبنان": بدء حملات قطع التيار لاشتراكات القطاع العام](#), August 24, 2026

¹⁵¹ Alsharq Alawsat, [كهرباء لبنان تبدأ قطع التيار عن القطاع العام لتحصيل المتأخرات](#), August 24, 2026

¹⁵² ibid.

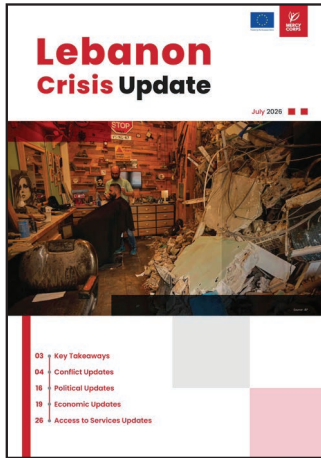
¹⁵³ Ministry of Energy and Water, [الصادي من السراي: إما تسدّد الدولة ومؤسساتها 50 مليون دولار شهرياً من الاعفاءات والديون المترتبة عليها لمؤسسة كهرباء لبنان وإما](#), July 23, 2026; Ministry of Energy and Water, [جدول مستحقات الدولة اللبنانية](#), July 24, 2026

¹⁵⁴ Ministry of Energy and Water, [جدول مستحقات الدولة اللبنانية](#), July 24, 2026

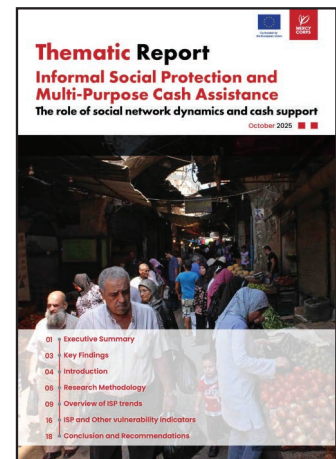
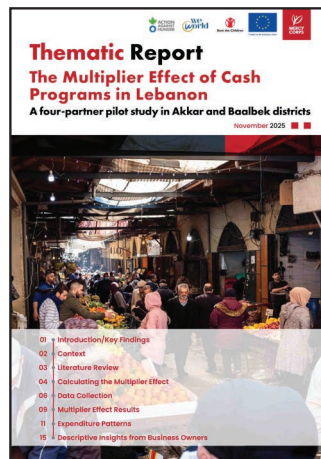
¹⁵⁵ Ministry of Energy and Water, [الصادي من السراي: إما تسدّد الدولة ومؤسساتها 50 مليون دولار شهرياً من الاعفاءات والديون المترتبة عليها لمؤسسة كهرباء لبنان وإما](#), July 23, 2026; [سيكوني لي تصرف آخر](#)

¹⁵⁶ Ministry of Energy and Water, [صدر عن مجلس إدارة مؤسسة "كهرباء لبنان" بيان، تضمن إنذارا عاما عاما بقطع التيار الكهربائي لاسيما عن القطاع العام، مشددا على](#), August 14, 2026; [تفعيل جباية الفواتير وحملات نزع التعديلات](#)

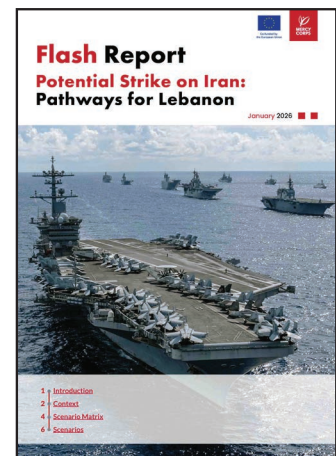
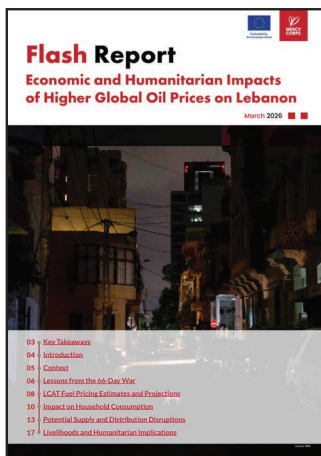
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ABOUT MERCY CORPS

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