

Lebanon

Lebanon, a country of 5.5 million people, faces the worst economic crisis in its history amid ongoing political unrest, the spread of Coronavirus Disease 2019 (COVID-19), and in the aftermath of an August 2020 explosion that severely damaged the port of Beirut and surrounding areas. Lebanon hosts the largest number of refugees in the world per capita (over 1 million, mostly Syrians), which has raised social tensions and strained public services. U.S. policy has focused on countering the influence of Iran and Hezbollah and on bolstering the Lebanese state while calling for reforms to counter corruption and mismanagement. Lebanon's leaders have warned that the country's economic crisis could lead to a collapse of state institutions.

Government

Lebanon's confessional political system divides power among its three largest religious communities (Maronite Christian, Sunni, Shi'a), to which it allocates the posts of president, prime minister, and parliamentary speaker, respectively. Lebanese President Michel Aoun was elected in 2016 by Lebanon's parliament for a six-year term. Aoun is affiliated with the Free Patriotic Movement (Christian), which along with Hezbollah and the Amal Movement (both Shi'a) comprise the major components of the March 8 political bloc. Parliamentary elections in 2018 gave the bloc, which advocates close ties with Iran and Syria, a simple majority (68 out of 128 seats). The United States has maintained ties with March 8's political rival, known as the March 14 bloc, which includes the Future Movement (Sunni), the Lebanese Forces, and Kataeb (both Christian).

2021 Mikati Government

In September 2021, Prime Minister Najib Mikati and President Michel Aoun agreed on the formation of a new government, following 13 months of political gridlock. Like the outgoing Diab government, the Mikati government is dominated by the March 8 coalition of Hezbollah and its political allies. The new cabinet is to govern until the next parliamentary elections, scheduled for early 2022.

Changes to 2022 Elections

In October 2021, Lebanon's parliament passed amendments to the country's electoral law that would move up Lebanon's 2022 parliamentary elections to March from May and allow Lebanese abroad to vote in their home districts (rather than voting for six new MPs to represent the diaspora). The vote came after Parliament's initial legislation approving the measures was returned to the legislature by President Aoun, whose party (the Free Patriotic Movement) opposes the measures. Expatriates, many of whom are expected to support opposition parties, could have a significant impact on local elections in their home districts. Following Parliament's second vote, Aoun stated that the amendments to the electoral law are now in effect, despite his refusal to sign them.

Figure 1. Lebanon



Source: Created by CRS using ESRI and Google Maps.

Beirut Port Explosion and Investigation

On August 4, 2020, a massive explosion at the port of Beirut killed over 190 people and injured and displaced thousands. Lebanese officials linked the explosion to 2,750 tons of ammonium nitrate that had been confiscated from a disabled cargo ship in 2014 and stored in a warehouse at the port. Authorities named a military judge to lead the investigation into the cause of the blast; in February 2021 he was replaced after two former ministers charged in the case requested that the case be transferred to another judge. Judge Tarek Bitar currently leads the investigation. Several Lebanese officials have refused to appear for questioning, claiming immunity. Two efforts by officials charged in the blast to remove Bitar from the investigation have failed.

Blast Investigation Triggers Sectarian Violence

On October 14, 2021, unknown assailants fired on Hezbollah and Amal supporters who had gathered to protest what they described as Bitar's politicization of the Beirut port blast investigation. The clashes triggered a firefight that killed 7 and injured more than 30. Hezbollah and Amal accused the Lebanese Forces of instigating the violence; the Lebanese Forces have stated that Christian residents of the area acted in self-defense. The events have been described as the worst sectarian clashes in Lebanon since 2008.

Hezbollah

Hezbollah, subject to U.S. sanctions for its activities in Syria and designated as a Foreign Terrorist Organization (FTO) and Specially Designated Global Terrorist (SDGT), operates in Lebanon as a militia force, a political party, and a provider of social services. It is linked to Iran, which

provides it with funding and has used it as a proxy or allied force to threaten Israel. While Israel withdrew in 2000 from areas of southern Lebanon it had occupied since 1982, Hezbollah has used the remaining Israeli presence in disputed areas in the Lebanon-Syria-Israel tri-border region to justify its ongoing conflict with Israel and its continued existence as a militia alongside the Lebanese Armed Forces (LAF). In 2006, Hezbollah and Israel fought a 34-day war in which over 1,200 people, mostly Lebanese, were killed.

Hezbollah has participated in Lebanese elections since 1992. The group first entered the cabinet in 2005, and has held 1 to 3 seats in each subsequent Lebanese government. Hezbollah has two seats in the Mikati cabinet, spanning three portfolios (Public Works, Transport, and Labor).

U.N. Interim Force in Lebanon (UNIFIL)

In 1978, UNIFIL deployed to the Lebanon-Israel-Syria tri-border area to confirm the withdrawal of Israeli forces from southern Lebanon and assist the Lebanese government in expanding its authority there. Following the 2006 Israel-Hezbollah war, UNSCR 1701 expanded UNIFIL's mandate to include assisting the Lebanese government in establishing "an area free of any armed personnel, assets and weapons other than those of the Government of Lebanon and UNIFIL" between the Blue Line [a 120 km line between the two states used to confirm the Israeli withdrawal] and the Litani River. UNIFIL describes this zone as its area of operations. UNSCR 1701 calls upon Lebanon to secure its borders and requests that UNIFIL "assist the government of Lebanon at its request."

Economic Crisis

According to a 2021 World Bank report, Lebanon faces an economic crisis "likely to rank in the top 10, possibly top 3, most severe crises episodes globally since the mid-nineteenth century." The depreciation of the lira resulted in massive inflation, devalued salaries by roughly 90 percent, and forced the government to reduce or eliminate subsidies on essential goods. A lack of foreign exchange to finance imports has triggered shortages of medicine, water, and fuel. Due in part to fuel shortages, Lebanon's energy sector generates less than four hours of electricity daily. The Mikati government has resumed negotiations with the International Monetary Fund (IMF) over an economic rescue package. The IMF reportedly has required an audit of Lebanon's central bank, which remains incomplete.

Competing Gas Deals

In late 2021, the governments of Egypt, Jordan, and Syria agreed to transfer natural gas and electricity to Lebanon in order to alleviate widespread power outages. Egyptian natural gas is to transit Jordan and Syria to reach the Deir Ammar power plant in Lebanon, a transfer expected to generate an additional four hours of electricity per day. The gas is to be distributed first to Syria, which is to send a smaller quantity of gas into Lebanon via the Arab Gas Pipeline—a difference equivalent to an in-kind payment. The agreement reportedly aims to avoid a direct payment of transit fees to Syria in violation of U.S. sanctions. As part of the agreement, Jordan is to transfer excess electricity via Syria to a Lebanese substation, generating an additional two hours of electricity per day. Separately, Hezbollah since August 2021 has coordinated truck shipments of Iranian fuel oil and gasoline into Lebanon via Syria.

Lebanon-Gulf Rift

In October 2021, Saudi Arabia recalled its ambassador to Lebanon, banned all Lebanese imports, and expelled Lebanon's ambassador to the kingdom. The moves came in response to comments made by Lebanese Information Minister George Kordahi criticizing the Saudi-led military intervention in Yemen. The United Arab Emirates (UAE), Kuwait, and Bahrain also recalled their envoys.

U.S. Policy

U.S. policy in Lebanon aims to counter the influence of Iran, Syria, and Hezbollah, secure Lebanon's border against the flow of weapons and militant groups, and preserve domestic stability. To this end, the United States has sought to strengthen the LAF, generating debate in Congress between those who view the LAF as key to countering Hezbollah and those who argue that U.S. assistance to the LAF risks falling into the hands of U.S. adversaries.

U.S. Aid to Lebanon

The United States is the largest provider of development, humanitarian, and security assistance to Lebanon. Congress places several certification requirements on U.S. assistance funds for Lebanon annually in an effort to prevent their misuse or the transfer of U.S. equipment to Hezbollah. In FY2021, the United States provided more than \$400 million in humanitarian assistance for Lebanon, and more than \$200 million in security assistance.

Table 1. U.S. Bilateral Aid to Lebanon

allocations by year of appropriation, current U.S. \$ in millions

	FY18 actual	FY19 actual	FY20 actual	FY21 enacted	FY22 request
DA	-	-	7.55	-	-
ESF	117.00	112.50	78.95	112.5	112.50
FMF	105.00	105.00	105.00	105.00	160.00
IMET	3.12	2.97	2.68	2.97	3.50
INCLE	10.00	10.00	10.00	10.00	8.20
NADR	10.82	11.82	11.82	11.82	11.76
Total	245.94	242.29	216.00	242.29	295.96

Source: State Department Budget Justifications (FY2017-FY2022), P.L. 116-260, and CRS calculations and rounding.

In September 2021, the Biden Administration authorized the State Department to direct the drawdown of up to \$22 million in defense articles and services and up to \$25 million in commodities and services from any federal agency for aid to the LAF.

New U.S. Sanctions Announced

In October 2021, the U.S. Department of the Treasury imposed sanctions on two Lebanese businesspersons and one Member of Parliament, pursuant to Executive Order 13441, for contributing to the breakdown of good governance and rule of law in Lebanon.

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