

LEBANON

WHAT HAPPENED IN APRIL?

Armed groups in southern Lebanon and Israel exchanged fire in the most significant **cross-border escalation since the 2006 war**. The parliament postponed municipal council elections slated for May, while the presidential search dragged on. The economic crisis continued to bite.

WHY DOES IT MATTER?

Cross-border skirmishing raised the spectre of **Israel-Hizbollah conflict** triggered by Israeli actions in the occupied territories. Postponing municipal council elections could weaken institutions that play increasingly important governing roles given state weakness. Lebanon's economic crisis continues to drive unrest.

MARCH TRENDS

Lebanon's economic crisis worsened as the **currency spiralled to new lows**. The leadership vacuum continued and political parties showed no signs of reaching compromise. Israel said Hizbollah might be responsible for an explosion in northern Israel that wounded a civilian.

1 Cross-border hostilities flared with Israel

In retaliation for Israeli police violence against Palestinian worshippers at Jerusalem's Al-Aqsa Mosque, militants in southern Lebanon on 6 April fired 34 rockets into northern Israel. It was the **largest cross-border barrage since 2006**, causing minor injuries and property damage. Israel responded the next day with airstrikes on alleged Hamas infrastructure in Gaza and southern Lebanon.

The incident demonstrated a potentially new escalatory dynamic, in which Israeli actions in Jerusalem trigger direct confrontation with Hizbollah or associated armed groups elsewhere.

2 Parliament postponed municipal elections and presidential vacuum continued

Members of parliament on 18 April extended the mandate of municipal councils and local public officials by one year, effectively postponing local elections due in May. The already **long-overdue polls could be indefinitely delayed**, eroding the functional capacity of municipal councils, which have become increasingly important institutions given state-level dysfunction.

The presidential vacuum entered its sixth consecutive month. Samir Geagea, leader of the Lebanese Forces party, reiterated on 1 April his party would block any candidate politically aligned with Hizbollah.

3 Economic crisis persisted amid widespread hardship

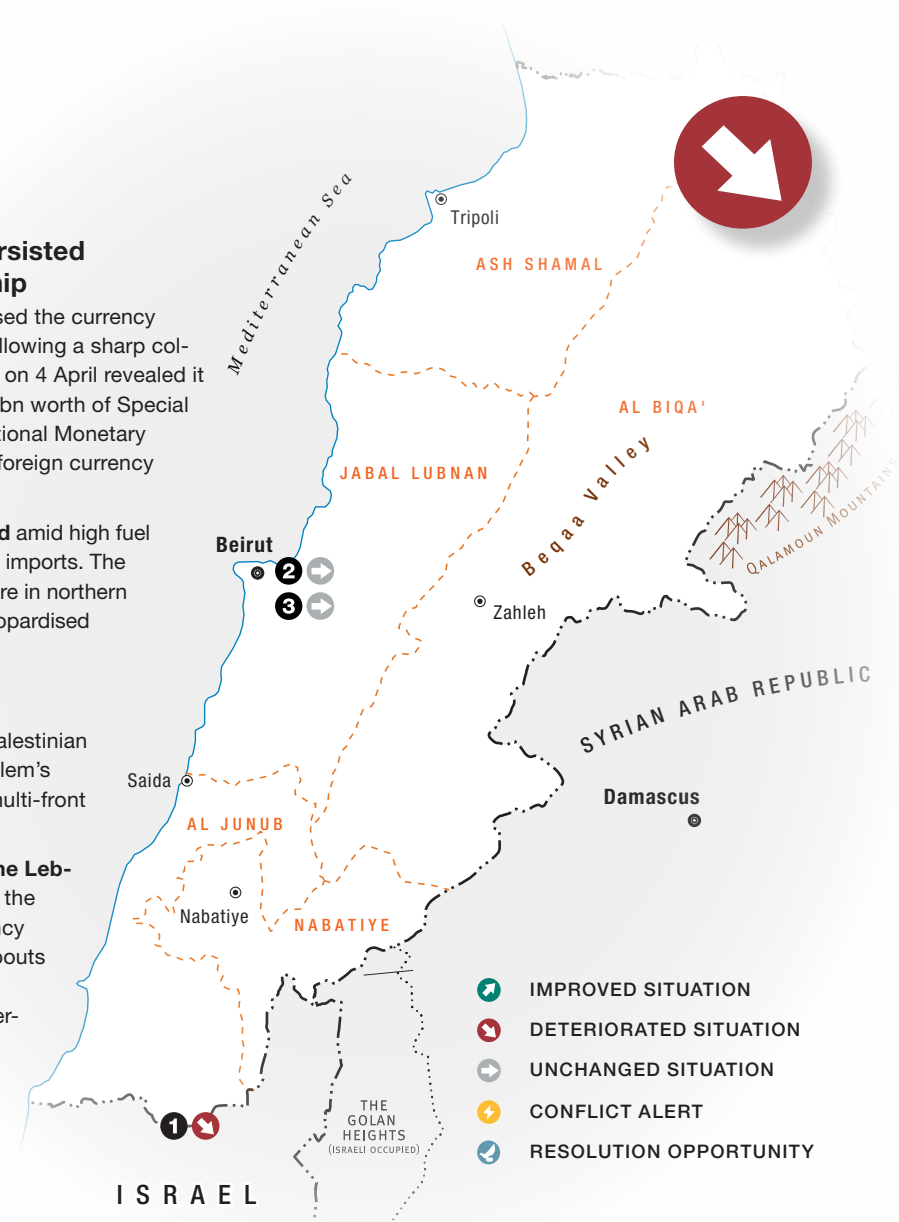
Central bank intervention stabilised the currency around 100,000 to \$1 in April, following a sharp collapse in March. The government on 4 April revealed it spent almost two thirds of \$1.13bn worth of Special Drawing Rights from the International Monetary Fund – one of its few remaining foreign currency sources.

Living conditions further eroded amid high fuel prices and shortages of essential imports. The collapse of electricity infrastructure in northern Bekaa due to the theft of steel jeopardised regional electricity availability.

WHAT TO WATCH

Israeli actions in the occupied Palestinian territories, in particular at Jerusalem's Al-Aqsa, could trigger a wider, multi-front escalation involving Hizbollah.

Another **sharp devaluation of the Lebanese lira remains likely**, given the central bank's low foreign currency reserves, which could fuel new bouts of public unrest. The caretaker cabinet's inability to enact desperately-needed reforms threatens to intensify the impact of the economic crisis.



TRENDS TIMELINE

