



Lebanon Overview Mid-September 2018

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Glossary

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| IS | Islamic State |
| INGO | International Non-Government Agency |
| UNHCR | United Nations High Commission for Refugees |
| FPM | Free Patriotic Movement |
| GDP | Gross Domestic Product – used to determine the economic performance of a whole country or region, and to make international comparisons. |

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| Locations | Risk Level | Comment | Forecast |
|--|------------|--|---|
| Beirut, Mount Lebanon (ML) & South Lebanon north of Litani River | Low | <i>In addition to the regular criminal & traffic threats faced in any major city, Beirut has the threats related to the religious & ethnic divides that define Lebanon. The situation can change quickly & there is the proliferation of small arms to fuel conflict. However, there are usually strong indicators prior to a major breakdown.</i> | <i>The creation of a new government will continue to be slow. None of the political groups seem to be willing to compromise.</i> |
| Beirut Neighborhoods Haret Hraik & Borjal Brajne, Tripoli, Zahle, Baalbek, South Lebanon south of Litani River | Moderate | <i>The neighborhoods in Beirut are prominently Shia & dominated by Hezbollah. South of the Litani River is controlled by Hezbollah & requires permits to visit. Zahle & Baalbek have a high level of crime. Tripoli has extremist elements & frequent crime.</i> | <i>Hezbollah will continue to be a de-facto regime within Lebanon & is actively targeted by Sunni extremists & Israel. There are no indicators to suggest the security situation in Tripoli, Zahle & Baalbek will change.</i> |
| 5km from all borders, north of Baalbeck, north of Tripoli, Borjal Brajne & Ain el Helweh Palestinian Camps | High | <i>Border areas in the north & north of Baalbek have very high levels of crime including kidnap & illegal drug production. The north east was occupied by extremist groups for several years until 2017. The southern border with Israel is volatile. Palestinian camps are unpredictable & Ain el Helwah is particularly violent.</i> | <i>The situation in the north east has improved, & is expected to remain stable, possibly dropping to moderate. All border areas are expected to remain high risk especially the border with Israel.</i> |

1. Domestic and International News

PARLIAMENTARY ELECTIONS

Four months after the first parliamentary elections in 9 years, a new cabinet still has not been formed. It is the responsibility of the Prime Minister, Saad Hariri, to form the cabinet, but he has been unsuccessful due to disagreements on party representation in the cabinet.

Lebanon's political system is based on a power sharing arrangement that allocates ministries among its 18 different sects. Exactly how cabinet posts are distributed among those sects is the reason for the deadlock. An established feature of Lebanese politics is the negotiation of the positions in backroom talks until a consensus is reached that allocates 'fair representation' to each party.

Currently, Hariri's Future Movement is facing pressure to cede ministries to Sunni leaders outside of his political bloc after suffering losses in May's elections. Conversely, the Lebanese Forces are demanding a greater number of positions from President Michel Aoun's Free Patriotic Movement (FPM) after exceeding expectations. Talks are also said to be stalled over a demand from the FPM for 11 seats in the expected 30-member cabinet, which would give it a veto over all government policy.

Comment: Reportedly the deadlock has put at risk billions of dollars in grants & loans pledged in April by the international community at a time when Lebanon's economy is under severe strain.

ECONOMIC SITUATION

Lebanon has one of the largest debt burdens in the world, with government debt standing at more than 150 percent of GDP. In a recent analysis, the influential economic consultancy firm Capital Economics notes: "The current account deficit stands at 25 percent of GDP. The deficit is funded largely through ... portfolio inflows & deposits into local banks from non-residents - mainly from the Lebanese diaspora."

Comment: This economic dependence on the diaspora puts Lebanon in a vulnerable position to further interference by the government of Saudi Arabia – there are over 200,000 Lebanese working in Saudi Arabia. The Saudi leadership puts Lebanon in the front-line in its religious & international dispute with Iran, due to the prominence of the Iranian backed militia, Hezbollah, in Lebanon's governance. A year ago, the Saudi government bungled an attempt to undermine Hezbollah by putting Lebanon's Prime Minister, Saad Hariri, under house arrest during a visit to Riyadh & forced him to publicly resign. Hariri later returned to Lebanon & rescinded his resignation. A concern is that the Saudi government could threaten to expel the Lebanese workers, prevent any dealings with Lebanese banks – thereby freezing the diaspora's assets, & put an embargo on Lebanese goods, if the Lebanese government does not reduce Hezbollah's political & military strength.



CRIME AND CIVIL UNREST

UNDSS Daily Security Information Reports continue to demonstrate the high level of violence, crime & civil unrest in the country. Daily there are shootings, including celebration shootings, family & personal disputes, military raids & armed robbery. Frequent crimes are forgery, robbery, & drug related crimes. Physical assaults & murder are also not uncommon. Weekly there are armed clashes between opposing criminal families or Palestinian groups in Palestinian camps. Occasionally there are kidnappings that are usually criminal motivated – there was one in August.

Protests & demonstrations are the most frequent reported incident type with several a week, mostly in Beirut but also elsewhere in the country. In August protests included those by teachers, taxi & truck drivers, journalists, contracted workers, & local communities protesting about water shortages.

Comment: The UNDSS reports draw information from a limited number of open sources & undoubtedly underreport. Whilst the high level of crime & civil disputes represents largely an indirect threat, it is indicative of the latent dangers in a deeply divided country facing many social, political & economic issues.

ARREST OF SUSPECTED IS MILITANTS

In August 2018, Lebanon's security forces arrested 2 IS suspects while reportedly planning attacks against army checkpoints & a church. Weapons & explosives were also seized. The suspects were thought to be receiving direction from IS militants in neighbouring Syria.

On 10 Sept, another 2 suspected IS militants were arrested in connection with plans to target the security forces in the capital Beirut's south districts. Reportedly, they are believed to be affiliated to a domestic IS cell.

Comment: The security forces periodically announce arrests of suspected militants & thwarted plots. Despite being driven out of north-eastern border areas by the Lebanese Armed Forces in August 2017, IS & other Sunni Islamist extremist groups retain the intent & limited capability to carry out attacks in Lebanon. Beirut remains the most likely target, notably Shia Muslim majority areas in the city's southern suburbs. However, attacks also pose a risk in the city centre, including areas frequented by foreigners.

REFUGEE RETURNS

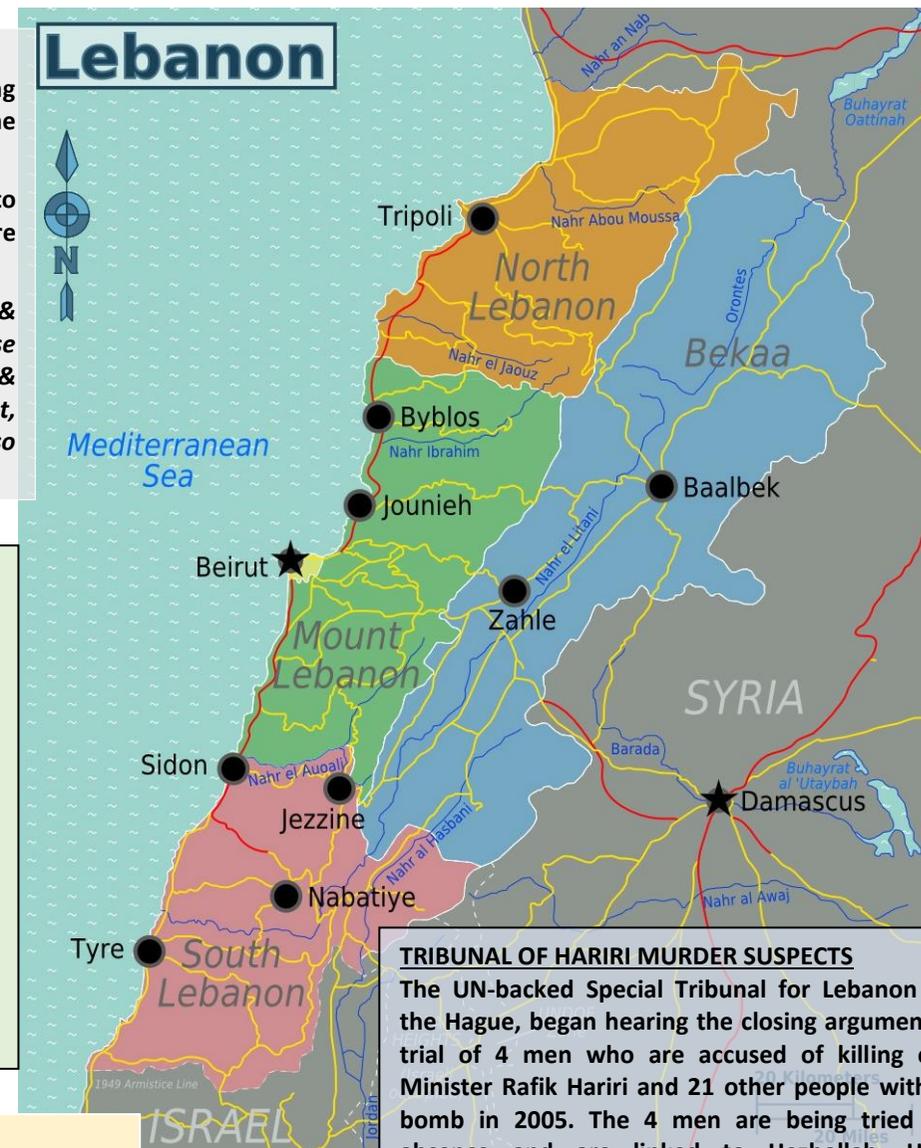
The governments of Syria & Lebanon are coordinating the return of Syrian refugees. In early August, Lebanon's General Security Directorate announced that it had opened 17 new centers across the country that would receive applications for Syrians who want to return home. This came the month after Hezbollah announced a similar programme. Since April, Lebanese authorities report 3,000 refugees have registered to return. The UNHCR are not involved in either of these schemes but reported around 13,000 Syrians had returned home from Lebanon during the first six months of 2018.

Comment: Lebanon hosts more than 1 million Syrian refugees, which is more than a quarter of its population & has the highest number of refugees per capita than any country in the world. There is much social & political pressure on the Lebanese government to return the refugees. However, UN agencies, International donors, INGOs & diplomats are also wary of the Syrian government's claim it is safe for the refugees to return. An estimate puts between 50 & 60 percent of refugees in Lebanon are not supporters of the regime.

ISRAELI BORDER WALL

Israel continues to build a security wall along its northern border with Lebanon. The Government of Israel says it is necessary to protect its civilians from Hezbollah attacks. The build has raised tensions with the government of Lebanon, who claim the wall encroaches on its territory at several points. The Israeli military insists the entire barrier is being constructed in Israeli territory.

Comment: Hezbollah does not accept the border, and Lebanon & Israel are technically still at war.



TRIBUNAL OF HARIRI MURDER SUSPECTS

The UN-backed Special Tribunal for Lebanon (STL) at the Hague, began hearing the closing arguments in the trial of 4 men who are accused of killing ex-Prime Minister Rafik Hariri and 21 other people with a truck bomb in 2005. The 4 men are being tried in their absence and are linked to Hezbollah. Hezbollah condemns the trial & its leader, Hassan Nasrallah, has refused to hand over the 4 suspects & has warned the tribunal against "play[ing] with fire". The tribunal is attended by Rafik Hariri's son, Saad Hariri, Lebanon's current Prime Minister.