

**Written Statement by the Minister of Finance of Lebanon
EBRD Annual Meeting- Riga June 5th-7th 2026**

Lebanon is once again being tested—this time at the intersection of a broad and destructive regional conflict, deep economic fragility, and acute humanitarian pressures, with over one million displaced and widespread destructions across parts of the country. Lebanon has been left to shoulder a disproportionate share of the consequences of this conflict on its territory, with devastating human and economic costs. This underscores the urgency of stronger collective support, including from European countries and international partners with longstanding ties to Lebanon.

Under these exceptionally difficult circumstances, our priorities remain clear: preserving macroeconomic stability, sustaining institutional capacity during crisis times, and preparing the ground for recovery and reform once hostilities subside.

Lebanon's path toward recovery and reform cannot be separated from the urgent need for security and lasting stability. Above all, Lebanon needs a cessation of hostilities and a return to durable stability—not fragile ceasefires that fall short of ensuring long-term stability. The continuation of conflict is imposing severe human, social, and economic costs, while further delaying recovery and deepening pressures on already constrained institutions and public finances.

Macroeconomic risks remain severe. Economic contraction, elevated inflation, declining tourism activity, supply disruptions, higher fuel and import costs, and lower remittance inflows are intensifying pressures on foreign exchange liquidity and the balance of payments. The economy has also been significantly affected by destruction in the south and the displacement of more than one million people. While some recovery had started to emerge, with growth projected at 3.5 percent in 2025, GDP is now expected to contract sharply in 2026 should the regional conflict continue to weigh on confidence and economic activity.

At the same time, fiscal space and foreign exchange reserves remain limited relative to the scale of humanitarian, reconstruction, and recovery needs. The Government has therefore reprioritized spending toward urgent humanitarian priorities—including food security, healthcare, shelter, and essential public services—while continuing to advance key reforms aimed at strengthening governance, public financial management, institutional effectiveness, digitalization, and transparency.

Since the formation of the Government in early 2025, important steps have been taken to strengthen institutional capacities, support legislative reforms, maintain an active development portfolio in critical sectors, and advance long-awaited structural

reforms. In particular, the Government is moving forward with banking sector restructuring and loss allocation, while working to restore confidence in the financial system. Financial sector recovery remains essential to safeguard deposits, revive financial intermediation, attract investment, and support private sector-led growth and job creation.

In parallel, the Government is prioritizing efforts to attract investment, mobilize the private sector through public-private partnerships, and engage Lebanon's diaspora as part of a broader strategy to restore economic dynamism and create opportunities for sustainable and inclusive growth. Lebanon is also positioning itself for engagement under a potential IMF Staff-Level Agreement to help anchor a credible post-crisis reform framework.

At the regional level, Lebanon believes that stronger economic integration and connectivity can become important drivers for recovery and resilience. We are therefore advancing work to strengthen regional economic linkages, trade, and investment cooperation as part of a broader vision for sustainable growth.

In this context, the Government of Lebanon greatly appreciates the EBRD's strong and continued support to Lebanon and its private sector. We welcome the Bank's reinforced commitment to Lebanon and the Eastern Mediterranean through the Middle East Conflict Response (MECR), aimed at addressing the impacts of the ongoing conflict and accelerating critical investments across the region.

We were particularly encouraged by the recent resumption of targeted EBRD investment operations to Lebanon's private sector, including the first loan extended to a Lebanese corporate since 2019. This represents an important signal of confidence at a time when restoring investor trust and supporting private sector resilience are critically needed.

The Government also values the close cooperation between the EBRD, Lebanese institutions, and the private sector to address the immediate impacts of the crisis while laying the groundwork for recovery and reconstruction. For the EBRD to scale up its support in Lebanon, strong donor backing will remain essential. In this regard, we express our appreciation to the European Union for extending its guarantees programme, which supported the EBRD's recent financing operations in Lebanon, and we encourage continued bilateral support for the Bank's conflict response initiatives.

Our message to the international community is clear: Lebanon cannot recover in isolation. Timely, coordinated, and flexible international support remains

essential—not only to address immediate humanitarian pressures, but also to preserve stability, support recovery, and prevent deeper economic and social scarring.

With sustained partnership and coordinated international engagement, Lebanon can move from crisis management toward a credible path of recovery, reform, and inclusive growth that restores opportunity and dignity for its people.