



Lebanon: Background and U.S. Relations

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Summary

Lebanon is a religiously diverse country transitioning toward independence and democratic consolidation after a ruinous civil war and the subsequent Syrian and Israeli occupations. The United States and Lebanon have historically enjoyed a good relationship due in part to cultural and religious ties; the democratic character of the state; a large, Lebanese-American community in the United States; and the pro-western orientation of Lebanon, particularly during the cold war. Current policy priorities of the United States include strengthening the weak democratic institutions of the state, limiting the influence of Iran, Syria, and others in Lebanon's political process, and countering threats from Hezbollah and other militant groups in Lebanon.

Following Syrian withdrawal from Lebanon in 2005 and the war between Israel and Hezbollah in the summer of 2006, the Bush Administration requested and Congress appropriated a significant increase in U.S. assistance to Lebanon. Since 2006, U.S. assistance to Lebanon has topped \$1 billion total over three years, including for the first time U.S. security assistance for the Lebanese Armed Forces (LAF) and Internal Security Forces (ISF) of Lebanon.

Several key issues in U.S.-Lebanon relations could potentially affect future U.S. assistance to Lebanon. The scope and influence of foreign actors, primarily Syria and Iran; unresolved territorial disputes; concerns about extremist groups operating in Lebanon; and the strength and character of the LAF are among the challenges facing the Lebanese government and U.S. objectives in Lebanon.

On November 9, 2009, five months after the parliamentary elections, Prime Minister Hariri announced that consensus had been reached and a cabinet had been formed. Since then, Hariri has faced the challenging task of governing in an environment where sectarian tensions, political jockeying, and external actors penetrate deeply and often paralyze the day-to-day functions of government. The United States has thrown its support behind the Hariri government in an effort to build the capacity of state institutions in an attempt to counter those destabilizing forces.

Current U.S. policy toward Lebanon centers on containing Iran's sphere of influence while maintaining security and stability in the Levant. As regional actors like Saudi Arabia, Iran, and Syria continue to compete for influence in the region, Lebanon has become the staging ground for a proxy war that exacerbates historic sectarian tensions and holds hostage the functions of state institutions. The extent to which Prime Minister Hariri's government, bolstered by U.S. support, can overcome these challenges and move toward fully functioning state institutions also depends on the ability of the LAF and United Nations Interim Force in Lebanon (UNIFIL) to keep the peace along Lebanon's southern border with Israel and the willingness of Lebanon's neighbors to limit activities that undermine the Hariri government.

This report provides an overview of Lebanese politics, recent events in Lebanon, and current issues in U.S.-Lebanon relations.

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Recent Developments

Lebanon, Iran, and United Nations Sanctions

Lebanon held the rotating presidency of the United Nations Security Council in May 2010 as a non-permanent member and abstained from the recent vote on sanctions against Iran contained in Resolution 1929. Hezbollah holds two seats in the Lebanese cabinet and rejects sanctions against its primary benefactor. According to Lebanese Ambassador to the United Nations Nawwaf Salam:

Lebanon encourages a peaceful solution to the crisis with Iran. We refuse to imagine a failure to diplomacy. If the current diplomatic efforts fail, our response will be a call for more diplomatic efforts. There are still many opportunities, and we have to secure all means of success for them through support for the mediation of the Brazilian president and the efforts of Turkey. If these efforts do not work, new doors for diplomacy should be opened. This is our position.¹

Weapons Smuggling to Hezbollah and Alleged Missile Transfers

Current international assessments of Hezbollah's military capabilities reflect concern that the organization has replenished and improved its arsenal and capabilities since 2006. In April 2010, U.N. Secretary General Ban Ki-moon reported that he continues "to receive reports asserting that Hezbollah has substantially upgraded and expanded its arsenal and military capabilities, including sophisticated long-range weaponry."² He also noted that "Hezbollah itself does not disavow such assertions and its leaders have repeatedly claimed in public that the organization possesses significant military capabilities, which they claim are for defensive purposes." In testimony before the Israeli Knesset (parliament) on May 4, 2010, Israeli Defense Force (IDF) Military Intelligence research director Brigadier General Yossi Baidatz stated:

Hezbollah has an arsenal of thousands of rockets of all types and ranges, including long-range solid-fuel rockets and more precise rockets.... The long-range missiles in Hezbollah's possession enable them to fix their launch areas deep inside Lebanon, and they cover longer, larger ranges than what we have come across in the past. Hezbollah of 2006 is different from Hezbollah of 2010 in terms its military capabilities, which have developed significantly.³

In early April 2010, multiple reports surfaced suggesting that Syria may have transferred Scud missiles to Hezbollah in Lebanon.⁴ Syria has denied the charges. Unnamed U.S. officials have acknowledged that they believe that Syria intended to transfer long-range missiles to Hezbollah, "but there are doubts about whether the Scuds were delivered in full and whether they were moved to Lebanon."⁵ The State Department issued a statement saying, "The United States

¹ BBC Monitoring Middle East, "Lebanese UN envoy comments on Security Council membership, Iran sanctions," *Al-Arabiya Television*, May 15, 2010.

² U.N. Security Council Document S/2010/193, "Report of the United Nations Secretary-General on the implementation of Security Council Resolution 1559 (2004)," April 19, 2010.

³ Amnon Meranda, "Military Intelligence: Hezbollah Scuds tip of iceberg," *Ynet News Online (Israel)*, May 4, 2010.

⁴ U.S. Open Source Center (OSC) Report GMP20100411184001, "Syria Sends Scud Missiles to Hizballah, Israel Threatens War," *Al Ra'y Online (Kuwait)*, April 11, 2010.

⁵ "U.S. Says Unclear if Hezbollah Took Scuds to Lebanon," *Reuters*, April 16, 2010.

condemns in the strongest terms the transfer of any arms, and especially ballistic missile systems such as the Scud, from Syria to Hezbollah.... The transfer of these arms can only have a destabilizing effect on the region, and would pose an immediate threat to both the security of Israel and the sovereignty of Lebanon.”⁶ Subsequent Israeli press reports have cited Israeli military officials as stating that the missiles transferred to date have been M-600s, a ballistic missile with a 185-mile range and half-ton payload.⁷

Hezbollah leaders deny allegations that they have transferred weapons south of the Litani River in violation of Resolution 1701.⁸ Nevertheless, U.N. reporting has noted Israel’s stated concerns about the use of private homes in southern Lebanon to store weapons and explosives belonging to Hezbollah. Explosions at suspected weapons caches in south Lebanon in July and October 2009 and the discovery of over 600 pounds of explosives near the Israeli-Lebanon border in December 2009 appeared to substantiate general concerns that illegal weaponry continues to enter and circulate in southern Lebanon, in spite of United Nations Interim Force in Lebanon (UNIFIL) and the Lebanese Armed Forces (LAF) presence and patrols.

According to U.S. officials, the Islamic Republic of Iran is Hezbollah’s principal source of external material, financial, and political support. The Obama Administration’s 2010 report on Iran’s military power states:

With Iranian support, Lebanese Hizballah has successfully exceeded 2006 Lebanon conflict armament levels. On 4 November [2009], Israel interdicted the merchant vessel *FRANCOP*, which had 36 containers, 60 tons, of weapons for Hizballah to include 122mm katyushas [Soviet-style short-range rockets], 107mm rockets, 106mm antitank shells, hand grenades, light-weapon ammunition. The IRGC-QF operates training camps in Lebanon, training as many as 3,000 or more LH fighters. Additionally, Iran also provides roughly \$100-200 million per year in funding to support Hizballah.⁹

For more information, see “Hezbollah” below.

Special Tribunal for Lebanon

After more than five years since the assassination of Prime Minister Rafiq Hariri, the Special Tribunal for Lebanon (STL) at The Hague, Netherlands has yet to issue indictments against any alleged perpetrators. The only suspects ever named in the ongoing investigation, a group of four Lebanese generals who headed Lebanon’s security services at the time of the assassination and were detained in 2005, were released in 2009. According to one Lebanese observer, “Foreign governments fear the instability that might ensue if Mr. Bellemare [STL Chief Prosecutor] issues indictments, so few will regret it if he doesn’t. But the United Nations pushed for the Hariri

⁶ “U.S. Speaks to Syrian Envoy of Arms Worries,” *New York Times*, April 19, 2010.

⁷ Jonathan Lis and Amos Harel, “Syria gave advanced M-600 missiles to Hezbollah, defense officials claim,” *Haaretz* (Israel), May 5, 2010.

⁸ United Nations Security Council 1701 (August 11, 2006) called for, among other things, the full cessation of hostilities between Israel and Hezbollah, Israeli withdrawal from southern Lebanon in parallel with the deployment of LAF and UNIFIL to the area, and the disarmament of all groups in Lebanon other than the LAF and ISF. The full text of the Resolution is available at <http://daccess-dds-ny.un.org/doc/UNDOC/GEN/N06/465/03/PDF/N0646503.pdf?OpenElement>.

⁹ U.S. Department of Defense, Annual Unclassified Report on Military Power of Iran, Required by Section 1245 of the FY2010 National Defense Authorization Act (P.L. 111-84), April 2010.

investigation; its integrity is tied up with a plausible outcome. If that's impossible, there is no point in insulting the victims by letting the charade continue."¹⁰ In March 2010, STL Prosecutor Daniel Bellemare questioned several Hezbollah officials, including Hajj Salim, who heads the Special Operations Department, Mustafa Badreddine, head of the counter-intelligence unit, and Wafiq Safa, chief of security.¹¹ Then, in May 2010, STL President Antonio Cassese stated that "Prosecutor Bellemare announced that he is likely to issue an indictment between September and December of this year." Numerous media reports in July and August 2010 speculated that high-ranking members of Hezbollah may be indicted, and expressed concerns that such indictments could trigger sectarian and regional tensions that could lead to conflict.¹² For background information, see "U.N. Resolutions 1595, 1757, and the Tribunal" below.

U.S. Policy Toward Lebanon

The United States and Lebanon have historically enjoyed a good relationship due in part to cultural and religious ties; the democratic character of the state; a large, Lebanese-American community in the United States; and the pro-western orientation of Lebanon, particularly during the cold war. The American University of Beirut (AUB) was founded in 1866 by Americans in Lebanon and continues to receive the support of the United States Government and the Congress. A large Lebanese-American community further strengthens the cultural ties and has supported U.S. assistance to Lebanon in various forms.

Despite long-standing contact and interaction between the United States and Lebanon, some might argue that Lebanon is of limited strategic value to the United States. Unlike many American partners in the Middle East, Lebanon has no U.S. military bases, oil fields, international waterways, military or industrial strength, or major trading ties with the United States. Others would disagree, pointing to Lebanon's strategic location as a buffer between Israel and Syria, Lebanon's large Palestinian refugee population, and its historical role as an interlocutor for the United States with the Arab world.

Current U.S. policy toward Lebanon centers on containing Iran's sphere of influence while maintaining security and stability in the Levant. As regional actors like Saudi Arabia, Iran, and Syria compete for influence in the region, Lebanon has become the staging ground for a proxy war that exacerbates historic sectarian tensions and holds hostage the functions of state institutions. The extent to which Prime Minister Hariri's government, bolstered by U.S. support, can overcome these challenges and move toward fully functioning state institutions also depends on the ability of the LAF and UNIFIL to keep the peace along Lebanon's southern border with Israel and the willingness of Lebanon's neighbors to limit activities that undermine the Hariri government.

Background

During the 1975-1990 Lebanese civil war, the United States expressed concern over the violence and destruction and provided emergency economic aid, military training, and limited amounts of

¹⁰ "All fall down," *The Middle East*, May 1, 2010.

¹¹ Op.cit.

¹² "UN Hariri court to file charges by year's end," *Middle East Online*, May 17, 2010.

military equipment. In addition, the United States briefly deployed military forces to Lebanon in the early 1980s. The forces withdrew after a bombing at the U.S. Embassy in April 1983 and a bombing at the U.S. Marine barracks in October 1983 collectively killed 272 civilians and members of the U.S. Armed Forces in Lebanon. The United States supported and participated in various efforts to bring about a cease-fire during the civil war and subsequent efforts to quiet unrest in southern Lebanon along the Lebanese-Israeli border.

The United States supported Lebanon in its reconstruction following the civil war with economic assistance aimed at rebuilding Lebanon's badly damaged infrastructure and political support for a democratic, independent Lebanon (see **Appendix A**). In 1996, the United States helped negotiate an agreement between Hezbollah and Israel to avoid targeting civilians and is a member of a five-party force monitoring this agreement. The United States also endorsed the U.N. Secretary General's findings in May 2000 that Israel had completed its withdrawal from southern Lebanon.

Since Israel's withdrawal from Lebanon in 2000, U.S. efforts have focused on countering terrorism and promoting democracy, two agendas that sometimes clash in Lebanon as Hezbollah maintains a political party that competes in Lebanon's national and municipal elections, extensive social and educational services, a militia wing, and an overseas terrorist capability. The United States also opposed the ongoing Syrian occupation of Lebanon as part of its policy to contain Syria as a state sponsor of terrorism.

The Bush Administration reacted strongly to the assassination of the former Prime Minister Rafiq Hariri in February 2005, criticized the Syrian presence in Lebanon, and demanded the withdrawal of Syrian forces from Lebanon. The United States welcomed the formation of a new Lebanese government following the withdrawal of Syrian forces in April 2005 and also supported the United Nations in establishing an independent tribunal to prosecute those responsible for Hariri's assassination. After a meeting with Lebanese Prime Minister Fouad Siniora on July 22, 2005, then-Secretary of State Condoleezza Rice said, "I think that you cannot find a partner more supportive of Lebanon than the United States."¹³

Large-scale fighting between Israel and Hezbollah in mid-2006 complicated U.S. policy toward Lebanon. In a broader sense, the conflict jeopardized not only the long-term stability of Lebanon but presented the U.S. government with a basic dilemma. On one hand, the Bush Administration was sympathetic to Israeli military action against a terrorist organization—and President Bush spoke in favor of Israel's right to self-defense. On the other hand, the fighting dealt a setback to Administration efforts to support the rebuilding of physical infrastructure and democratic institutions in Lebanon. The fighting also served as a reminder of ongoing Syrian and Iranian support to proxies in Lebanon and the possibilities for a larger, regional war.

Following the war, Hezbollah, emboldened by increased popular support, began to push for an increased role in the government in Lebanon, and internal government disputes led to a vacant presidency and 18 months of political stalemate. The United States watched cautiously while continuing assistance and support for the March 14¹⁴ coalition until January 23, 2007, when Hezbollah called a general strike aimed at toppling the government. In response, then-Under

¹³ BBC Monitoring Middle East, Text of live news conference by U.S. Secretary of State Condoleezza Rice and Lebanese Prime Minister Fouad Siniora in Beirut, *Lebanese LBC TV*, July 22, 2006.

¹⁴ The March 14 coalition is led by Prime-Minister Designate Saad Hariri and his Sunni party Future Movement. The opposition March 8 Alliance is led by the Shiite party Amal and the Maronite Christian Free Patriotic Movement. It also includes Hezbollah.

Secretary of State Nicholas Burns called on Arabs and Europeans to throw their support behind Prime Minister Siniora against those who would try to destabilize his regime. Following the Doha Agreement¹⁵ in May 2008 that ended the stalemate, Secretary Rice reiterated U.S. support for the government of Lebanon and its “complete authority over the entire territory of the country.”

The United States welcomed the new unity government in Lebanon following the Doha Agreement and supported the choice of Michel Suleiman to fill the vacant presidency. Lebanese President Michel Suleiman visited Washington on September 26, 2008, while in the United States to attend the U.N. General Assembly meeting in New York. He was the first Lebanese head of state to do so since 1996.

As the Obama Administration and the 111th Congress reevaluate U.S. policy in the region, the U.S. approach toward Lebanon could become a harbinger of a new direction or a continuation of the status quo. While the United States wants to promote stability and curb Iranian influence in Lebanon, there is a debate over how best to achieve these goals. The United States could continue its support for the anti-Syrian March 14 coalition government, promoting democracy and stability with economic and security assistance. Another alternative is to address the situation in Lebanon as part of a larger regional initiative, possibly one that centers on Syria, Israel, and the peace process. However, events may ultimately dictate a U.S. course of action in Lebanon, particularly in the coming months as the international community works to dissuade Iran from a nuclear weapon and the STL prepares to issue indictments.

Recent U.S. Assistance to Lebanon

In recent years, the United States has pledged additional financial resources to reconstruction and military assistance for Lebanon. The withdrawal of Syrian forces from Lebanon and the coming to power of the more moderate March 14 government prompted the Administration and Congress to increase U.S. assistance to Lebanon. The summer 2006 war between Hezbollah and Israel heightened the need for additional economic aid, as the Lebanese government and its international and Arab partners vied with Iran and Hezbollah to win the hearts and minds of many Lebanese citizens who lost homes and businesses as a result of the conflict. From a military standpoint, the war also highlighted the need for a more robust Lebanese military to maintain law and order and to secure Lebanon’s borders against smuggling and, in particular, against the flow of weapons to Hezbollah and other non-state actors.

The FY2007 Emergency Supplemental Appropriations Act (P.L. 110-28, adopted May 25, 2007) provided more than \$580 million in security and economic assistance to support Lebanon’s recovery and to strengthen the Lebanese security forces (See “Security Assistance” below). The supplemental also provided \$184 million in Contributions for International Peacekeeping Activities (CIPA) funding for Lebanon. Appropriations for FY2008, FY2009, and FY2010 and the FY2011 request support the continuation of these efforts, albeit at lower levels. For more information on U.S. economic and security assistance to Lebanon, see “U.S. Assistance to Lebanon” below.

¹⁵ The full text of the Doha Agreement is available online at <http://www.nowlebanon.com/NewsArchiveDetails.aspx?ID=44023>. For more information see “Doha Agreement” below.

Table I. U.S. Assistance to Lebanon, FY2006-FY2011

regular and supplemental appropriations; current year \$ in millions

Account	FY2006	FY2007 ^a	FY2008	FY2009 ^a	FY2010 (estimate)	FY2011 (request)
ESF	\$39.60	\$334.00	\$44.64	\$67.50	\$109.00	\$109.00
FMF	\$30.00 ^b	\$224.80	\$6.94	\$159.70	\$100.00	\$100.00
INCLE	—	\$60.00	\$0.50	\$6.00	\$20.00	\$30.00
NADR	\$2.98	\$8.50	\$4.75	\$4.60	\$6.80	\$4.80
1206 (DOD)	\$10.60	\$30.60	\$15.10	\$49.24	\$33.60	—
IMET	\$0.75	\$0.91	\$1.20	\$2.28	\$2.50	\$2.50
CIPA	—	\$184.00	—	—	—	—
DA	\$2.00	—	—	—	—	—
Total	\$86.21	\$843.85	\$73.13	\$125.70	\$229.00	\$246.30

Source: U.S. Department of State, Congressional Budget Justifications for Foreign Operations. Includes funds from the following accounts: Economic Support Fund (ESF), Foreign Military Financing (FMF), International Narcotics Control and Law Enforcement Assistance (INCLE), Non-proliferation, Anti-terrorism, De-mining, and Related funding (NADR), International Military and Education Training (IMET), Contributions for International Peacekeeping Activities (CIPA) and Development Assistance (DA). Funding for “1206” refers to the Department of Defense Global Train and Equip program, originally authorized by Section 1206 of the National Defense Authorization Act for Fiscal Year 2006 (P.L. 109-163).

- a. FY2007 and FY2009 numbers include regular and supplemental appropriations.
- b. Includes reprogrammed funds. “FY2009 Bridge” refers to the \$66 billion in total request for the Defense Department included in the FY2008 Spring Supplemental Appropriations Act 2008 (P.L. 110-252, June 30, 2008), constituting a “bridge fund” sufficient to allow services to carry out day-to-day peacetime activities and military operations overseas until the middle of 2009.

Economic Issues and Trade Relations

Lebanon has not adopted a national budget since 2005, and, while the cabinet reported progress on a draft 2010 budget during the week of June 18, the March 8 opposition continues to reject proposals for tax increases and spending limits supported by the March 14 leadership. A June 2010 International Monetary Fund assessment noted strong economic growth in Lebanon over the last year, but highlighted the country’s significant public debt (an estimated \$51 billion, or 154% of 2009 GDP)¹⁶ and encouraged the government to implement planned investment in infrastructure while reforming key sectors, such as electricity production.¹⁷ According to the U.S. International Trade Administration, Lebanese exports to the United States in 2009 were \$77 million (down from \$99 million in 2008) and Lebanese imports from the United States were \$1.4 billion (roughly equivalent to the 2008 level).¹⁸ Through the first quarter of 2010, U.S. exports to Lebanon were up 48% compared to the first quarter 2009.

¹⁶ CRS calculation based on Economist Intelligence Unit 2009 GDP and debt estimates.

¹⁷ International Monetary Fund, Lebanon 2010 Article IV Consultation Mission Concluding Statement, June 9, 2010.

¹⁸ U.S. Department of Commerce, International Trade Administration Office of Trade and Industry Information (OTII), National Trade Data, Custom Report - Lebanon, June 2010. Available at <http://tse.export.gov/>.

Political Profile

The Lebanese government, with support from the United States and the international community, constantly struggles to maintain the delicate political balance of its confessional system (see below) and ongoing sectarian tension. The legacy of civil war and foreign occupation left government institutions weak, and recovery has been difficult, particularly in the face of foreign interference from Iran and Syria through their proxies. Political parties and citizens of Lebanon express both a sense of dissatisfaction with the political system and a reluctance to alter it, possibly because of the national memory of the civil war and a fear that any attempt to alter the political system could reignite the tensions that led the country to fracture along sectarian lines in 1975.

Demography

Lebanon is the most religiously diverse society in the Middle East, with 17 recognized religious sects. The Lebanese government operates under a confessional system, or the distribution of government positions by religion. In 1943, when Lebanon became fully independent from France, leaders of the principal religious communities adopted an unwritten agreement known as the National Covenant, which provided that the president be a Maronite Christian, the prime minister a Sunni Muslim, and the speaker of parliament a Shiite Muslim. Parliamentary seats were apportioned between Christians and Muslims according to a ratio of 6:5, until 1989 when the ratio was evened. Cabinet posts are generally distributed among the principal sectarian communities.

The 1943 ratios were developed based on the sole Lebanese census conducted in 1932 and became less reflective of Lebanese society as Muslims gradually came to outnumber Christians. Within the Muslim community, Shiite Muslims came to outnumber Sunni Muslims.¹⁹ As a result of this system, Lebanese political parties developed along religious, geographic, ethnic, and ideological lines and are often associated with prominent families. Discontent over power-sharing imbalances was an important factor in the inter-communal tensions and civil strife culminating in the 1975-1990 civil war, and these issues are still unresolved.

Civil War, Occupation, and Taif Reform

At stake in the civil war were control over the political process in Lebanon, the status of Palestinian refugees and militia, and the respective goals of Syria and Israel. From 1975-1990, hundreds of thousands were killed, wounded, or disabled, and comparable numbers were left homeless at one time or another. The war was marked by foreign occupations, kidnappings, and terror bombings. In the aftermath, Lebanon's warring factions reached a precarious consensus, but sectarian divisions and a culture of distrust among Lebanon's various demographic groups persist.

¹⁹ Because no census has been conducted in Lebanon since 1932, the proportion of Shiite to Sunni Muslims is uncertain. The latest CIA World Fact Book estimates state that Lebanon's population is 35% Shiite Muslim, 25% Sunni Muslim, 35% Christian, and 5% Druze and other groups.

Syrian and Israeli Incursions

Both Syria and Israel sent troops into Lebanon during the 15-year civil war. Syria sent troops into Lebanon in 1976 at the request of then-President Suleiman Frangieh. Israel invaded in 1978 following PLO attacks against Israelis that originated from southern Lebanon.

35,000 Syrian troops entered Lebanon in March 1976 to protect Christians from Muslim and Palestinian militias. From 1987 and June 2001, Syrian forces occupied most of west Beirut and much of eastern and northern Lebanon.

In March 1978, Israel invaded and occupied Lebanese territory south of the Litani River to destroy Palestinian bases that were being used as staging grounds for attacks against Israel. Israeli forces withdrew in June 1978, after the United Nations Interim Force in Lebanon (UNIFIL) was deployed to southern Lebanon to act as a buffer between Israel and the Palestinians (U.N. Security Council Resolution 425, March 19, 1978). In June 1982, Israel mounted a more extensive invasion designed to root out armed Palestinian guerrillas from southern Lebanon. Israel defeated Syrian forces in central Lebanon and advanced as far north as Beirut.

Israeli forces completed a phased withdrawal in 1985, but maintained a 9-mile-wide security zone in southern Lebanon from 1985 to 2000. About 1,000 members of the Israeli Defense Forces (IDF) patrolled the zone, backed by a 2,000 to 3,000 member Lebanese militia called the South Lebanon Army (SLA), which was trained and equipped by Israel. Israel withdrew unilaterally from southern Lebanon in 2000, with the exception of its continuing presence in a small area known as the Shib'a farms, which remains disputed. For more information, see "Unresolved Territorial Disputes" below.

Taif Agreement

The Lebanese parliament elected in 1972 remained in office for 20 years because it was impossible to elect a new parliament during the civil war. After a prolonged political crisis near the end of the war, Lebanese parliamentary deputies met in Taif, Saudi Arabia, under the auspices of the Arab League, and adopted a revised power-sharing agreement. The Taif Agreement²⁰ raised the number of seats in parliament from 99 to 108 (later changed to 128), replaced the former 6:5 ratio of Christians to Muslims with an even ratio, provided for a proportional distribution of seats among the various Christian and Muslim sub-sects, and left appointment of the prime minister to parliament, subject to the president's approval. In addition, Syria and Lebanon signed a treaty of brotherhood, cooperation, and coordination in May 1991, which called for creating several joint committees and coordinating policies. Although Syrian troop strength in Lebanon reportedly declined over time, Syria continued to exercise controlling influence over Lebanon's domestic politics and regional policies. Syrian intelligence agents also were active in Lebanon.

Even after Syrian withdrawal from Lebanon in 2005, the Taif agreement continues to be the benchmark to which Lebanese people refer in times of stress and sectarian violence. The consensus reached in Taif still guides the distribution of political power in Lebanon. For many in Lebanon, the Taif Agreement is still viewed as the compromise between Sunnis, Christians, and Shiites that keeps the country from falling back into civil war. At the same time, ongoing

²⁰ The full text of the Taif Agreement is available online at <http://almashriq.hiof.no/lebanon/300/320/327/taif.txt>.

sectarian violence and political stalemate reflect deep tension over revisiting the core principles of the agreement and the absence of a political framework for reevaluating the distribution of political power in Lebanon.

Syrian Withdrawal and Parliamentary Elections of 2005

In 2004, tensions mounted between then-Prime Minister Rafiq Hariri, who favored more independence from Syria, and pro-Syrian President Emile Lahoud. On September 2, 2004, the U.N. Security Council adopted Resolution 1559, calling for “all remaining security forces to withdraw from Lebanon,” among other things. The next day, the Lebanese parliament, under suspected Syrian pressure, adopted a constitutional amendment that extended President Lahoud’s term by three years. Hariri, who disagreed with the amendment, resigned in October 2004 and aligned himself with the anti-Syrian opposition coalition.

Hariri was killed when his motorcade was bombed in Beirut on February 14, 2005. Many suspect Syrian involvement in the assassination. His death led to widespread protests by the anti-Syrian coalition including Christians, Druze, and Sunni Muslims and to counter-demonstrations by pro-Syrian groups including Shiites who rallied behind the Hezbollah and Amal parties. Outside Lebanon, the United States and France were particularly vocal in their denunciation of the assassination and of Syria for its suspected role in the bombing.

Syrian Withdrawal

The Hariri assassination prompted strong international pressure on the Syrian regime, particularly from the United States and France, to withdraw its forces and intelligence apparatus from Lebanon in accordance with Resolution 1559. On April 26, 2005, the Syrian foreign minister informed then-U.N. Secretary-General Kofi Annan and the President of the U.N. Security Council that Syrian forces had completed their withdrawal from Lebanon. The United Nations confirmed that all Syrian troops had been removed but acknowledged allegations that Syrian intelligence still operates in Lebanon and that close, historical ties between the two nations make evaluating the Syrian role in Lebanon difficult.²¹

Syria has long regarded Lebanon as part of its sphere of influence. Some international observers have expressed concern that Syrian leaders might try to circumvent the effect of the withdrawal by maintaining their influence through contacts they have acquired over the years in the Lebanese bureaucracy and security services.²² Attacks on and assassinations of some prominent Lebanese critics of Syria in addition to Hariri have accentuated these fears.

Parliamentary Elections of 2005

As Syrian troops departed from Lebanon under U.S. and international pressure, Lebanon prepared to hold parliamentary elections without overt Syrian interference for the first time since 1972. Parliamentary elections, held in four phases between May 29 and June 5, 2005, gave a majority

²¹ See U.N. Security Council Document S/2006/832, October 19, 2006 and U.N. Security Council Document S/2007/262, May 7, 2007.

²² Robin Wright, “Syria Moves to Keep Control of Lebanon,” *Washington Post*, March 31, 2005. Syria also has potential built-in assets through parliamentary speaker Nabih Berri.

(72 out of 128 seats) to a large, anti-Syrian bloc known as the Bristol Gathering or the March 14 Movement, headed by Saad Hariri, a son of the late prime minister. A second, largely Shiite and pro-Syrian bloc combining Hezbollah and the more moderate Amal organization won 33 seats. A third bloc, the Change and Reform Movement (also known as the Free Patriotic Movement), consisted of largely Christian supporters of former dissident armed forces chief of staff General Michel Aoun,²³ who returned to Lebanon from exile in France in May 2005. Aoun's bloc, which adopted a somewhat equivocal position regarding Syria, gained 21 seats.

Despite Hariri's success, the electoral system resulted in a mixed government, which complicated its ability to adopt clear policies. Hariri associate Fouad Siniora became prime minister, and the 24-member cabinet contained 15 members of Hariri's bloc. It also contained five members of the Shiite bloc, including for the first time in Lebanese history a member of Hezbollah. Other key pro-Syrians remaining in the government were President Lahoud and veteran parliamentary speaker Nabih Berri, who heads the Amal organization (Hezbollah's junior partner in the Shiite coalition). Berri has held the speakership since 1992.

U.N. Resolutions 1595, 1757, and the Tribunal

On February 25, 2005, the president of the U.N. Security Council issued a statement that condemned the assassination of Rafiq Hariri. On April 7, the U.N. Security Council adopted Resolution 1595 to establish an International Independent Investigation Commission (UNIIC) in Lebanon "to assist the Lebanese authorities in their investigation of all aspects of this terrorist act, including to help identify its perpetrators, sponsors, organizers, and accomplices." The commission was fully functional as of June 16, 2005, but has requested multiple extensions for its work. The U.N. Security Council has passed a number of resolutions to extend the mandate of the commission, call for Syrian cooperation with the investigation, and facilitate the establishment of a tribunal to try suspects identified in the commission investigation.²⁴

Political instability in Lebanon delayed the opening of the tribunal. On November 25, 2006, members of the Lebanese cabinet approved the U.N. Security Council proposal to establish the court, in the face of strong opposition from pro-Syrian elements.²⁵ Approval from the Parliament and pro-Syrian then-President Emile Lahoud proved all but impossible to obtain. Hezbollah and the opposition reportedly stated that they supported the principle of the court but did not want it to become a vehicle for attacking Syria.

Confronted with this impasse, supporters of the tribunal decided on a new approach that would circumvent the need for parliamentary approval and enlist the international community. On April 4, 2007, a U.N. spokesman announced that 70 members of the Lebanese parliament petitioned the U.N. Secretary-General, asking that the Security Council establish the court as a matter of urgency. Subsequently, on May 30, 2007, a divided U.N. Security Council voted 10 to 0 with 5 abstentions (Russia, China, South Africa, Indonesia and Qatar) to adopt Resolution 1757, which established a tribunal outside of Lebanon to prosecute persons responsible for the attack against Hariri.

²³ General Aoun (variant spelling: Awn), a controversial former armed forces commander and prime minister, fought against Syria in Lebanon, rejected the Taif Agreement, and eventually obtained political asylum in France.

²⁴ See U.N. Security Council Resolutions 1636, 1644, 1686, 1748, and 1815.

²⁵ The U.N. proposal for the international court is contained in U.N. Security Council Document S/2006/893, Report of the Secretary-General on the establishment of a special tribunal for Lebanon, November 15, 2006.

Resolution 1757 has proven divisive in Lebanon and elsewhere in the region. Pro-Syrian elements have criticized it and Syria has threatened not to cooperate with the tribunal. Western countries, including France and Germany, praised this step. Opponents of the resolution objected on the grounds that it was passed under Chapter VII of the U.N. Charter, which could include the use of force, and that it represented interference in Lebanon's internal affairs. The Russian delegate to the U.N. commented that "never before has the Security Council ratified agreements on behalf of a parliament of a foreign country."²⁶

The United States has contributed \$20 million for the tribunal.²⁷ Lebanon is expected to fund 49% of its costs.²⁸

Sectarianism and Stability

Despite the end of Israeli and Syrian occupation, and the coming to power of a more moderate Sunni coalition in March 14, Lebanon's struggle for stability has continued, largely due to a lasting environment of distrust between Lebanon's demographic groups left over from the civil war. As demographic groups have vied for a political stake in post-occupation Lebanon, the weaknesses of the Taif Accords have become more evident. The strong showing of the March 14 coalition in the 2005 elections and the prospects for stability in Lebanon were soon jeopardized by months of protracted political crises and renewed sectarian violence.

Political Stalemate

From mid-2007 until the agreement in Doha in May 2008, Lebanon's political environment was paralyzed by a number of interrelated disagreements. Preparations for a scheduled September 2007 presidential election went ahead, but were mooted by Lebanese leaders' inability to agree on a consensus presidential candidate and subsequent wrangling over the distribution of cabinet seats under potential candidate Michel Suleiman. As a result, a vote to elect a new president was postponed until October 23, 2007. Hezbollah and its allies boycotted the balloting and the election was repeatedly delayed as a result. Parties failed to agree on a consensus presidential candidate prior to the expiration of President Emile Lahoud's term in November 2007.

The circumstances created an intricate set of possible outcomes and the issue of choosing a president remained mired in constitutional questions. Debates centered on requirements for a parliamentary quorum for a presidential election, with some constitutional scholars maintaining that attendance by two-thirds of the Members was needed before elections could be held.²⁹ Some observers believed that opponents of an election, a group that perhaps included pro-Syrian actors, were behind assassinations of anti-Syrian Lebanese members of parliament in an effort to derail the elections or shape their outcome by undermining the dwindling majority of the March 14 bloc.³⁰

²⁶ Samar El-Masri, "The Hariri Tribunal," *Middle East Policy*, Fall 2008.

²⁷ CRS Consultation with U.S. Department of State, July 8, 2010.

²⁸ U.N. News Service Press Release, "First Official of U.N. Backed Tribunal on Lebanese Killings Starts Work," April 28, 2008.

²⁹ "Lebanese Constitution Said 'vague' on Outgoing President's Last 10 Days," BBC Monitoring Middle East, November 15, 2007.

³⁰ Nadra Bakri and Hassan M. Fatah, "Car Bomb Near Beirut Kills Christian Lawmaker," *New York Times*, September (continued...)

Renewed Sectarian Violence

The political stalemate in Lebanon lasted until May 2008, when the worst round of sectarian violence since the civil war broke out in Beirut. The violence and the resulting Doha Agreement ended 18 months of political stalemate in the Lebanese parliament that had been marked by cabinet resignations, a vacant presidency, political assassination, political demonstrations, and a general strike that paralyzed the city of Beirut. On May 6, 2008, Parliament voted to replace the pro-Hezbollah chief of security³¹ at Rafiq Hariri International Airport and to dismantle Hezbollah's extensive telecommunications network following accusations that the organization was using these tools to monitor the movement of anti-Syrian politicians. At a press conference on May 8, Hezbollah Secretary General Hassan Nasrallah stated that the cabinet's position was "a declaration of war and a launching of war by the government ... against the resistance and its weapons." A week-long confrontation between Hezbollah and its opposition allies and militias loyal to the Siniora government followed. Shiite protestors burned tires in major thoroughfares, effectively closing the airport. Hezbollah seized control of March 14 coalition strongholds in West Beirut, looting and burning Future Movement media offices.

Doha Agreement

Fearing continued violence and possibly another civil war, the Arab League and the Qatari government facilitated negotiations between the rival factions. In the resulting "Doha Agreement," the factions committed to end the violence, fill the vacant presidency, arrange for a power-sharing agreement in the cabinet, and hold parliamentary elections in 2009 based on updated electoral laws. In a statement following the negotiations, then-Secretary of State Condoleezza Rice stated that the Administration viewed the agreement as a "positive step toward resolving the current crisis" and added that "the United States supports the government of Lebanon in its complete authority over the entire territory of the country."

In accordance with the agreement, General Michel Suleiman, perceived as relatively neutral, was elected president on May 25, 2008. He chose Prime Minister Fouad Siniora to continue as the head of the government. Disagreements over the assignment of ministry positions in the cabinet delayed the formation of a unity government until July 11, 2008.

In the new government, Hezbollah and the opposition gained a blocking minority (one-third plus one) of cabinet seats. Eleven ministerial portfolios went to the opposition, including one to Hezbollah itself—the Ministry of Labor. Hezbollah and the opposition have repeatedly pushed for this veto power to block certain government decisions. In particular, Hezbollah has long sought to block any attempt by the government to disarm its militia, as called for in United Nations Security Council Resolution 1701. On August 4, the government released its policy statement to the Lebanese News Agency. Paragraph 24 recognized "the right of Lebanon's people, army and resistance to liberate the Israeli-occupied Shebaa (alternate spelling: Shib'a) farms, Kfar Shuba Hills, and the Lebanese section of Ghajar village, and defend the country using all legal and possible means." On the other hand, the statement included the "commitment of the government

(...continued)

20, 2007; Nadra Bakri, "In Lebanon, Staying Alive in Order to Preserve the Government," *New York Times*, September 21, 2007.

³¹ The chief of security at Beirut airport was a member of the Lebanese Armed Forces (LAF) accused by Druze leader Walid Jumblatt of assisting Hezbollah with monitoring the travel of anti-Syrian diplomats and government officials.

to United Nations Security Council Resolution 1701 with all its clauses.” The policy statement also reaffirmed the government’s commitment to hold parliamentary elections in accordance with the Doha agreement.

Parliamentary Elections 2009

On June 7, 2009, Lebanese voters elected 128 deputies—from 26 districts and 11 politically recognized religious sects—to Lebanon’s unicameral legislature. The March 14 coalition won 71 seats to March 8’s 57 seats, maintaining its slim majority in parliament.³² The election took place without any major sectarian violence or substantial accusations of fraud by any party. The outcome shocked many observers who expected a closer outcome or a slight advantage for the March 8 coalition, or who expressed concerns about security and logistical challenges associated with holding the election on one day for the first time.

The somewhat unexpected outcome of the election led observers to speculate about what might have tipped the balance in March 14’s favor. They cited President Obama’s speech in Cairo, lingering anger toward Hezbollah for its May 2008 siege of Beirut, and last-minute political jockeying in contested districts on the part of March 14 parties, among other factors. Whatever the cause, many observers viewed the election results as a setback for Syrian and Iranian influence and a success for recent U.S. policy aimed at promoting independence and democratic reforms in Lebanon. Others cautioned against framing the results in such terms, in part because the March 8 coalition won the popular vote.³³

On November 9, 2009, Minister-designate Saad Hariri announced that consensus had been reached and that a cabinet had been formed. The announcement followed five months of tense negotiations between Hariri and his March 14 coalition and the March 8 opposition. The debate centered on the minority March 8 coalition’s desire to retain the veto power (one-third plus one or 11 of the 30 cabinet seats) that it was granted in the Doha Agreement of May 2008.³⁴ Also at issue was the distribution of ministerial portfolios among the parties. Reports indicate that the March 8 coalition fought to keep the Ministry of Telecommunications, which plays an important role in funding the treasury and in security matters involving surveillance and monitoring communications.³⁵

The consensus cabinet is made up of 15 ministers appointed by the majority March 14 coalition, 10 ministers appointed by the March 8 opposition, and 5 ministers appointed by President Michel Suleiman. This formula differs from the previous cabinet, which provided the March 8 coalition with 11 (one-third plus one) of the 30 ministerial positions and an effective veto over cabinet decisions. The March 8 coalition did retain the telecommunications portfolio, but the Labor

³² The March 14 coalition is led by Prime-Minister Designate Saad Hariri and his Sunni party Future Movement. The opposition March 8 Alliance is led by the Shiite party Amal and the Maronite Christian Free Patriotic Movement. It also includes Hezbollah.

³³ For official election results, see <http://www.elections.gov.lb/>. For a detailed analysis of the election outcome, see Richard Chambers, “Lebanon’s June 7 Elections: The Results,” IFES. Available online at http://www.ifes.org/files/IFES_LebanonReview060709Results.pdf.

³⁴ The Doha Agreement was a negotiated resolution of 18 months of sectarian violence that preceded Hezbollah’s May 2008 siege of Beirut. In the agreement, the March 8 coalition was granted a minority veto in the cabinet (one-third plus one seats).

³⁵ U.S. Open Source Center (OSC) Document GMP20091030644003, “Administrative Problems Delaying Cabinet - Sleiman,” *Daily Star Online*, October 29, 2009.

Ministry, which was headed by a Hezbollah member in the previous cabinet, went to the March 14 coalition. Hezbollah now holds two ministry positions, the Ministries of Agriculture and Administrative Reform.³⁶ Some observers have argued that March 8 still holds an unofficial veto in the new cabinet even though it only has 10 seats. The Shiite Minister of State Adnan Hussein, appointed by President Suleiman, reportedly has long-standing ties with Hezbollah and is presumed to be Hezbollah's swing vote on crucial issues.

While Lebanon's various factions managed to form a government, many observers believe that this government remains paralyzed by the same sectarian tensions as prior governments. A number of encouraging developments have now stalled. For the first time since 2005, all three branches of government are functioning simultaneously. On June 18, 2010, the cabinet approved Finance Minister Rayya al-Hassan's proposed budget (with amendments). It is the first time since 2005 that the cabinet has endorsed a budget. The budget was referred to the full parliament for ratification on July 10, 2010. A session of the Finance and Budget Commission to discuss the budget, scheduled for July 27, 2010, was postponed indefinitely.³⁷

Current Issues in U.S.-Lebanon Relations

Current U.S. policy toward Lebanon centers on supporting the Lebanese government as it struggles to rebuild institutions and exert control over the entire territory of Lebanon. Years of civil war and foreign occupation have left several key issues unresolved. The scope and influence of foreign actors, primarily Syria and Iran, unresolved territorial disputes, concerns about extremist groups operating in Lebanon, and the strength and character of the Lebanese Armed Forces are among the challenges facing the new Lebanese government and U.S. objectives in Lebanon. Rapprochement with Syria or confrontation with Iran also could alter the political landscape in Lebanon, changing the calculus of U.S. policy.

Hezbollah

Syrian and Iranian backing of Hezbollah, an organization that has committed terrorist acts against U.S. personnel and facilities and has sworn to eliminate Israel, is perhaps the greatest obstacle to U.S. efforts to bolster the pro-Western forces in Lebanon. With Hezbollah deeply entrenched in Lebanese Shiite society, the movement has become a fixture in the Lebanese political system and a symbol of resistance against Israel for many in the region. This dual identity has benefitted Hezbollah, and there have been no recent indications that it is willing to renounce armed struggle against Israel and become solely a Lebanese political movement. There also is little evidence to suggest that Iran and Hezbollah's strategic relationship could be severed despite the fact that Hezbollah's agenda may be more nationalist while Iran's may be more revolutionary pan-Shiite. Though some analysts argue that Hezbollah has grown more independent of Tehran since the 1980s, Hezbollah still requires advanced weaponry and outside funding, while Iran requires a

³⁶ For an overview of the new cabinet, see "Lebanon's New Government," International Foundation for Electoral Systems (IFES) Briefing, November 9, 2009. Available online at http://www.ifes.org/publication/38e87b372599cdf387c76fd022fb123/Lebanons_new_government.pdf.

³⁷ See U.S. Open Source Center (OSC) Documents GMP20100727966016, "Over a Month After Cabinet Approval, Parliament Begins Budget Talks," and GMP20100727966091, "Telecommunications, Finance And Budget Parliamentary Commissions Meetings Postponed," *NOW Lebanon* (Beirut), July 27, 2010..

proxy to pressure Israel and the United States. Both parties have found this relationship to be mutually beneficial.

Hezbollah's claim of victory in the 2006 war with Israel and its swift humanitarian aid delivery following the conflict increased the organization's popularity among Lebanese, particularly the Shiite population. A prisoner exchange with Israel³⁸ and the gains Hezbollah made in the government during the May negotiations at Doha also might have served to further improve the organization's public image. Regardless, any new Lebanese government, along with the international community, will likely continue to struggle with Hezbollah's role in the government and the status of its militia wing.

Lebanon's National Dialogue, Hezbollah, and Israel

The role Hezbollah will play in Lebanon's future political and security arrangements is the focus of intense public debate in Lebanon. Hezbollah has traditionally defined itself and justified its paramilitary actions as legitimate resistance to Israeli occupation of Lebanese territory and as a necessary response to the relative weakness of Lebanese state security institutions. However, Israel's withdrawal from Lebanese territory in May 2000 and the strengthening of the Lebanese Armed Forces (LAF) and Internal Security Forces (ISF) with international and U.S. support since 2006 have undermined these arguments and placed pressure on Hezbollah to adapt its rhetoric and policies.

The terms of the current debate were framed by the late 2009 release of Hezbollah's new political doctrine statement and the new government's ministerial statement. Hezbollah seeks to maintain its armed capabilities in "union" with the national army, and the majority March 14 coalition and its allies seek to circumscribe the role of "the resistance" within the boundaries of specific territorial disputes with external parties. The majority March 14 movement and its allies continue to seek to preserve their nationalist credentials by opposing Israeli occupation and over-flights of Lebanese territory while maintaining political pressure on Hezbollah through public debate and the mechanism of the National Dialogue. The government's ministerial statement asserts "the right of Lebanon, through its people, army and resistance, to liberate or recover the Shib'a Farms, Kfar Shouba Hills and the Lebanese part of the occupied village of Al Ghajar and to defend Lebanon against any assault and safeguard its right to its water resources, by all legitimate and available means."⁴⁰

³⁸ On July 16, 2008, Hezbollah and Israel completed a prisoner exchange brokered by German intelligence. In exchange for the remains of the two Israeli Defense Force (IDF) soldiers captured by Hezbollah at the outset of the 2006 conflict, Israel freed five Lebanese militants, all alive. The most controversial release was that of Samir Kantar (alternate spellings: Kuntar, Qantar), a Lebanese militant who had been convicted of the murder of an Israeli police officer and a young civilian and his four-year-old daughter during a Palestinian Liberation Front raid in the coastal Israeli town of Nahariya in 1979. Kantar and the other prisoners were greeted by Hezbollah Secretary General Hassan Nasrallah, Prime Minister Siniora, and a crowd of thousands in southern Beirut. The government declared a national day of celebration, closing government offices, schools, and banks. Despite government attempts to present the swap as a national triumph, analysts have expressed concerns that the exchange bolstered support for Hezbollah, and that national power in Lebanon appears to be in the hands of a non-state actor. On the other hand, some argue that the resolution of the issue of prisoners and a renewed dialogue about the disputed Shib'a Farms territory could undermine the legitimacy of Hezbollah's armed wing, which the organization maintains is necessary to support the "resistance" to Israeli occupation.

³⁹ The withdrawal of Israeli forces from southern Lebanon in May 2000 left several small but sensitive border issues unresolved, including the Shib'a Farms, a ten-square mile enclave near the Lebanon-Syria-Israel tri-border area.

⁴⁰ As cited in U.N. Security Council Document S/2010/193, "Report of the United Nations Secretary-General on the (continued...)"

Multiple critiques of Hezbollah's "union" proposal have been aired in recent months, with several majority figures warning of Hezbollah's intention to maintain its "state within a state." In response to increasingly heated rhetoric from both sides, Prime Minister Saad Hariri emphasized on April 29, 2010, that:

the Lebanese disagree these days over the issue of Hezbollah's weapons, and a dialogue must be held over these weapons, given that the language of dialogue is the one which we want to triumph over any other considerations.... Any decision we take will be consensual and a dialogue is ongoing these days. We do not disclose the nature of the deliberations held on the dialogue table since this issue is sensitive and has some sort of uniqueness. This is why this issue will remain within the framework of the dialogue table and the fact of raising it is of paramount importance.⁴¹

As such, observers were closely monitoring statements by Prime Minister Hariri and other political leaders in the run-up to the June 17 National Dialogue session. However, the session did not produce an agreement on national defense or other issues, and the next session has been scheduled for August 19. Some observers continue to warn about the potential for political paralysis similar to the stalemate that prevailed from 2006 through 2008 and fueled sectarian tension. Other observers suggest that such paralysis has already reemerged based on the largely predetermined outcome of recent local elections and the apparent failure of recent National Dialogue sessions to address the overarching question of a national defense strategy. In June 2010, March 14 forces called for a deadline to be set for the development of such a strategy. To date, no deadline has been set.

Hezbollah's fundamental refusal to recognize Israel as outlined in its November 2009 doctrine statement suggests that potentially irreconcilable differences remain within Lebanon's political leadership that could be exacerbated in the event that the Lebanese or Syrian governments attempt to resolve disputes with Israel over specific territories or otherwise improve the prospects for bilateral peace agreements. The Obama Administration maintains a non-engagement policy toward Hezbollah, in spite of calls from some former U.S. officials to engage with Hezbollah figures holding elected positions in the national government. Some European governments have adopted this approach, while contributing military forces to international efforts to limit the flow of weaponry to Hezbollah. The Administration is requesting over \$130 million in FY2011 security assistance for Lebanon, but Administration officials argue that U.S. policy does not seek to arm or train Lebanese security forces for a confrontation with Hezbollah.⁴² Administration officials have stated their belief that improving the capabilities of Lebanon's security forces will improve the prospects for those forces to serve as a non-sectarian, unifying institution. However, statements from local political figures suggest that Lebanese society remains deeply divided about the respective capabilities and roles of national security forces and Hezbollah's militia, along with international efforts to support or limit their respective development or survival.

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implementation of Security Council Resolution 1559 (2004)," April 19, 2010.

⁴¹ OSC Report GMP20100501158001, "PM Al-Hariri on Hizballah's Weapons, Ties With Syria, Mideast Peace Process" *Al Watan* (Doha), April 29, 2010.

⁴² In June 2010, Assistant Secretary of State for Near Eastern Affairs Jeffery Feltman stated in testimony before the Senate Foreign Relations Committee: "I don't see the government itself as saying, 'We're going to adopt policies that are confronting Hezbollah.' That's not the question. The question is can the government provide the type of services that build a national allegiance to the state that transcends all of these boundaries."

Hezbollah's Al Manar TV

Al Manar, Hezbollah's television station,⁴³ broadcasts via satellite throughout the Middle East and in most areas of the world with the stated mission of conducting "psychological warfare against the Zionist enemy." The station was added to the U.S. State Department's Terrorist Exclusion List (TEL) in December 2004 for inciting terrorism and providing material support to terrorists. Concurrent with this designation, Al Manar's satellite signal was banned from broadcasting in the United States.

On March 23, 2006, at the request of Congress, the Department of the Treasury named Al Manar a Specially Designated Global Terrorist (SDGT) entity. As a result, the U.S. government blocked access to the organization's assets and prohibited future transactions between U.S. companies and individuals and Al Manar.

These two designations have stopped Al Manar broadcasts in the United States and prohibited material support to the station in areas under U.S. jurisdiction. However, Al Manar continues to broadcast across the Middle East via Nilesat and Arabsat, two of the largest satellite providers in the region, and to many other areas of the world. Lebanese sources estimate that Al Manar is the third most popular station in the country, but often rises to number one during times of conflict or tension in southern Lebanon or the Palestinian territories. Israeli sources estimate that it is the second most popular station in the West Bank and the Gaza Strip.⁴⁴ Al Manar also maintains a website featuring news, television programs, and other material that is available anywhere there is an internet connection. As a result, Al Manar still reaches audiences worldwide.

In the past, Congress has called upon the Lebanese government to revoke Al Manar's license and called upon the Arab Stations Broadcasting Union to revoke its membership. In H.Res. 1069, passed by the House of Representatives on September 9, 2008, Members of the 110th Congress called upon Saudi Arabia and Egypt, the primary shareholders in Arabsat and Nilesat, respectively, and all other Arab states that hold shares in Arabsat, to stop the transmission of telecasts by Al Manar. In the 111th Congress, H.R. 2278, introduced on May 6, 2009, if passed, would state as official U.S. policy the intention to designate as SDGTs satellite providers that knowingly contract with Al Manar. H.R. 2278 also considers "state-sponsorship of anti-American incitement to violence when determining the level of assistance to, and frequency and nature of relations with, regional states."

Critics of this proposed legislation argue that designating NileSat and ArabSat as SDGTs could lead to a deterioration in U.S. relations with Egypt and Saudi Arabia. In particular, they argue that conditions on U.S. assistance to Egypt that might result from the legislation could further complicate U.S.-Egypt relations, at a time when Egyptian cooperation on other areas of concern in the region, like Palestinian reconciliation and the smuggling of arms and other materials into Gaza through illicit tunnels along Egypt's border with the territory, are seen as a priority. On the

⁴³ Reports indicate that Al Manar is funded by Iran, but the station maintains that it complies fully with Lebanese TV licensing law, which prohibits stations from accepting foreign funding. Most suspect that Hezbollah funnels Iranian funds to the station. Hezbollah denies that it controls Al Manar, but it is widely accepted that the organization uses Al Manar as its mouthpiece in Lebanon and the Middle East.

⁴⁴ Avi Jorisch, "Beacon of Hatred: Inside Hizballah's Al Manar TV," Washington Institute of Near East Policy, 2004, and Anne Marie Baylouny, "Al Manar and Alhurra: Competing Satellite Stations and Ideologies," George C. Marshall European Center for Security Studies Occasional Paper Series, October 2006.

other hand, proponents of such measures argue that recent developments, like the discovery of a Hezbollah cell operating in Egypt, might make Egypt more willing to cooperate.

Al Manar's programming, even if removed from NileSat and ArabSat, would still be widely available in Lebanon, where Al Manar is just one of many television stations affiliated with political parties and sectarian groups. In the past, Hezbollah has reacted strongly to government efforts to limit its influence or curtail its activities as illustrated by its 2008 takeover of Beirut, which stoked significant political crisis and which most analysts agree increased Hezbollah's ability to operate in Lebanon.

Lebanon-Syria Relations

Most analysts agree that Syrian interference is the single greatest hindrance to Lebanon's independence and stability. A cornerstone of Syrian foreign policy is to dominate the internal affairs of Lebanon. For many hard-line Syrian politicians, Lebanon is considered an appendage of the Syrian state and, until recently, Syria never formally recognized Lebanon as a state. From a geostrategic standpoint, Lebanon is considered by the Syrian government to be a buffer between Syria and Israel. The Lebanese economy also is deeply penetrated by pro-Syrian business interests.

Between 2008 and 2009, Syria improved its relationships with France and Saudi Arabia, established diplomatic relations with Lebanon for the first time in history, and refrained from overtly manipulating the June 2009 Lebanese elections. During this period its position in Lebanese politics has strengthened, which, in turn, has forced some anti-Syrian Lebanese leaders to reassess policies toward their more powerful neighbor.

Prime Minister Saad Hariri has had to accommodate his political positions to new regional realities, even though his father was assassinated in a plot that many observers believe was hatched by Syrian leaders. With one of the Hariri family's primary benefactors, Saudi Arabia, no longer openly hostile toward Syria, and with the Obama Administration supporting more fulsome diplomatic relations with Syria, Prime Minister Hariri's room to maneuver has diminished. Consequently, he has now made two trips to Damascus for meetings with Syrian President Bashar al Asad, and both sides have spoken positively about turning a new page in Syrian-Lebanese relations.

Despite the public display of amity between the two leaders, Syria continues to act in ways that many view as undermining Lebanese sovereignty. For example, the demarcation of a common border between Lebanon and Syria remains unresolved, an issue some attribute to Syrian complacency or obstruction. The joint visit of Iranian President Mahmoud Ahmadinejad and Hezbollah Secretary General Nasrallah to Damascus in February 2010 also cast doubt on the willingness of Syrian leaders to fundamentally shift their positions regarding Lebanese sovereignty and security. President Suleiman's June 2010 visit to Damascus reportedly focused on border demarcation, but did not result in an announced agreement. Prime Minister Hariri visited Syria on July 18, 2010. According to reports, the visit was amicable. The two governments signed a total of 17 accords covering justice, tourism, education and agriculture and pledged to continue to cooperate to secure their common border to combat smuggling and other illicit activities.⁴⁵ On July 30, 2010, Syrian President Bashar al-Assad visited Beirut along with His

⁴⁵ "Lebanon, Syria Sign String of Accords," *Middle East Online*, July 19, 2010.

Majesty Abdullah bin Abd al Aziz Al Saud of Saudi Arabia. Observers have speculated that the unprecedented joint visit bodes well for Lebanon, signaling ongoing normalization between Syria and Lebanon as well as entente between Syria and Saudi Arabia, whose Shiite/Sunni power politics are often played out at the expense of Lebanese stability.⁴⁶

Uncertainty about Syria's ongoing interests in Lebanon has raised concerns about the recent warming trend in U.S.-Syria relations and its impact on Lebanon. Some observers, including some Lebanese, argue that the warming trend in U.S.-Syria relations undermines U.S. support for an independent Lebanon. While Syria withdrew its occupation force from Lebanon in 2005, many analysts believe that Syria uses its intelligence service and other means to continue to interfere in Lebanon's internal affairs. On the other hand, some analysts argue that U.S. engagement with Syria and, most of all, peace between Israel and Syria are lynchpins of Lebanese independence and stability. Syria considers Lebanon a buffer between itself and Israel, and only if the tension between Israel and Syria were resolved might Syria feel secure enough to respect Lebanese sovereignty.⁴⁷

Unresolved Territorial Disputes

The Shib'a Farms

Israel's withdrawal from southern Lebanon in 2000, pursuant to U.N. Security Council Resolution 425, left several small but sensitive territorial issues unresolved. The most prominent example is a 10-square-mile enclave called the Shib'a Farms (alternate spelling: Shebaa) located at the Lebanese-Israeli-Syrian tri-border area (see **Appendix B**). Many third parties, notably the United Nations, maintain that the Shib'a Farms is part of the Israeli-occupied Syrian Golan Heights and is not part of the Lebanese territory from which Israel was required to withdraw. Lebanon, supported by Syria, asserts that this territory is part of Lebanon and should have been evacuated by Israel. In a June 2008 interview, Prime Minister Siniora said that "the demand to restore sovereignty to Shib'a is a Lebanese demand."⁴⁸

Hezbollah has consistently used Israel's presence in the Shib'a Farms as justification for retaining its weapons and refusing to disarm. Until recently, Israel refused to negotiate a withdrawal from the area. However, in June 2008, against the backdrop of prisoner exchange negotiations with Hezbollah and indirect peace talks with Syria, Israel shifted its position and, in mid-June, then-Secretary of State Condoleezza Rice stated that "the time has come to deal with the Shebaa Farms issue." The most recent report of the U.N. Secretary General to the Security Council on the implementation of Resolution 1701 stated that Syria and Lebanon have agreed to reactivate the taskforce charged with delineating their common border and that Syria recognized the Shib'a as part of the territory of Lebanon.⁴⁹ The work of the taskforce has since stagnated.

⁴⁶ Jim Muir, "Syrian and Saudi leaders visit Beirut to defuse tension," *BBC News*, July 30, 2010.

⁴⁷ For more information, see CRS Report RL33487, *Syria: Background and U.S. Relations*, by Jeremy M. Sharp

⁴⁸ U.S. Open Source Center (OSC) Document –GMP20080620644012, "Lebanon: Excerpt of Siniora's Remarks on Shab'a Farms, Hisballah Weapons," *Lebanese National News Agency* (Beirut), June 20, 2008.

⁴⁹ U.N. Security Council Document S/2008/715, "Report of the Secretary-General on the Implementation of Security Council Resolution 1701 (2006)," November 18, 2008.

Ghajar

Ghajar is a divided village on the border between Israel and Lebanon. Israel took over the southern part of the village more than 40 years ago and annexed it 14 years later. Israel took over the northern area from Lebanon in 2006. Israeli withdrawal from Northern Ghajar is one among a number of outstanding provisions of UNSCR 1701. Israeli troops and civilians remain north of the Blue Line in Northern Ghajar. Lebanon has agreed to a United Nations-brokered withdrawal plan whereby UNIFIL will replace Israeli troops pending the relocation of northern Ghajar residents. Israel has committed to resolving the issue, but is debating whether to adopt the U.N. plan or withdraw its troops and citizens en masse.

Analysts have argued that Israeli withdrawal from Ghajar could bolster popular support for UNIFIL and demonstrate the ability of the force to fulfill its mandate. Most agree that Ghajar withdrawal is a necessary first step toward a comprehensive Middle East peace process that includes Lebanon. Ghajar negotiations via Israel-UNIFIL-Lebanon trilateral meetings in the southern Lebanese town of Naqoura and U.N. shuttle diplomacy are the only instance of Israeli-Lebanese diplomatic engagement, albeit indirect.

Extremist Groups in Lebanon

On May 20, 2007, Lebanese police conducted raids against suspected terrorist organization Fatah al Islam hideouts in the northern Lebanese town of Tripoli, reportedly in pursuit of bank robbers. Fighting between Fatah al Islam militants and Lebanese army and police units spread to the nearby Nahr al Bared Palestinian refugee camp and echoed in smaller clashes in the Ayn al Hulwah refugee camp in southern Lebanon. Prohibited by a 1969 agreement from entering Palestinian camps, the Lebanese Armed Forces (LAF) besieged the camps and shelled militia positions in an effort to force the group out of Nahr al Bared. Fighting continued for three months until September 3, 2007, when the army announced that it had taken control of the camp.⁵⁰ By the end of the hostilities, 168 Lebanese soldiers and 42 civilians had died in the fighting. The refugee camp itself was left badly damaged, and as many as 30,000 Nahr al Bared residents were displaced.⁵¹

During the fighting, the U.S. government, already supporting the Lebanese government and army against other internal challenges, notably Hezbollah, responded with assistance to the LAF including humanitarian supplies, ammunition, and lightweight weapons and equipment. Although most of these supplies had already been promised to the Lebanese government, the deliveries were accelerated to assist the LAF at Nahr al Bared.

Shakir al Absi, the leader of Fatah al Islam, is reportedly either dead or being held in a Syrian prison.⁵² U.S. officials have described al Absi as a well-known Palestinian-Jordanian militant sentenced to death in absentia in Jordan for his involvement in the 2002 murder of U.S. diplomat Lawrence Foley. Although little is known about Fatah al Islam, U.S. officials describe the organization as a militant Islamic fundamentalist group. On August 9, 2007, then-Secretary of

⁵⁰ Tom Perry, "Lebanon Crushes Militant Group, but Threat Remains," *Reuters*, September 3, 2007.

⁵¹ U.S. Open Source Center (OSC) Document – GMP20080925966005 – "Funds for Nahr Al-Bared Refugees Nearly Depleted," *Daily Star* (Beirut), September 25, 2008.

⁵² U.S. Open Source Center (OCS) Document – EUP20081023177003 – "Fatah al Islam Leader Held in Syrian Jail," *Intelligence Online* (Paris), October 23, 2008.

State Rice designated Fatah al Islam as a Specially Designated Global Terrorist Organization, citing the leader's role in the Foley murder, the unprovoked attack on Lebanese security forces in May 2007, and the use of civilian camp-dwellers at Nahr al Bared as human shields during the three months of protracted fighting with the Lebanese military. The designation, among other things, cuts Fatah al Islam off from the U.S. financial system, sanctions any of its property or interests in the United States, and block its members from entry into the United States. Fatah al Islam was believed by some to have fractured and dispersed after the siege at Nahr al Bared, but reports indicate that members of a cell associated with the group were arrested in Lebanon in October 2008.⁵³

The Lebanese Armed Forces (LAF)

The 2006 war, the siege at Nahr al Bared, and months of extended government crisis called attention to the LAF and its role in stabilizing the country and countering Hezbollah. The LAF enjoys a positive image among a wide spectrum of Lebanese citizens. Observers say that most Lebanese, regardless of their affiliation, perceive the army as defending the country against foreign elements, particularly Israel. One experienced observer described the Lebanese army as “the only national institution left in the country” and went on to say that the army has “credibility and respect in the country.”⁵⁴

The fracture of the Lebanese army along sectarian lines in 1976 was a key moment in Lebanon's collapse into civil war. Since the end of the civil war in 1990, the United States periodically has supplied arms and training to Lebanon's armed forces. Assistance levels increased dramatically after the 2006 war, when the LAF was deployed to southern Lebanon alongside UNIFIL. Under Secretary of Defense for Policy Eric Edelman stressed the “United States' commitment to enhancing the LAF's capabilities” when he met with President Michel Suleiman following the Doha Agreement in May 2008.⁵⁵

The significant increase in U.S. assistance to the LAF (see “Security Assistance” below) has raised questions about the character of the institution. Some argue that weapons provided to the LAF might one day be used against Israel, particularly if they fell into the hands of Hezbollah militants. This argument is driven by concerns that the LAF leadership or members of the LAF are sympathetic to or even allied with Hezbollah. In the 2006 war between Hezbollah and Israel, Israel reportedly attacked LAF naval radar stations after it was discovered that Hezbollah used LAF radar to track an Israeli vessel that was struck by Hezbollah missiles. In May 2008, Prime Minister Siniora removed the chief of security at Beirut airport, a member of the LAF, following accusations that he was working on behalf of Hezbollah.⁵⁶

⁵³ Ibrahim, op. cit.

⁵⁴ Hassan M. Fattah, “Army Provides a Sense of Unity in Fractured Lebanon,” *New York Times*, June 20, 2007.

⁵⁵ “Stronger Defense Ties with Lebanon Needed: DoD” *Agence France-Presse*, June 1, 2008.

⁵⁶ David Schenker, “The Future of U.S. Military Aid to Lebanon,” *Policy Watch* #1407, Washington Institute for Near East Policy, October 3, 2008.

According to some critics of the U.S. aid for the LAF, U.S. assistance has been slow to arrive and insufficient to counter the threats of internal instability facing the LAF. Timor Goskel, former senior advisor to UNIFIL, criticized U.S. assistance, stating that the U.S. government is “not helping its own cause because it is coming in bits and pieces,” adding that “what [the LAF] needs is a bit more clarity, a bit more comprehensive package announced.”⁵⁷ Criticisms that U.S. assistance to the LAF and the Internal Security Forces (ISF) falls short of the needs of the forces are sharply countered by U.S. officials. According to Defense Department officials, the equipment delivered in 2007 during Nahr al Bared included “the same frontline weapons that the U.S. military troops are currently using including assault rifles, automatic grenade launchers, advanced sniper weapons systems, antitank weapons, and the most modern urban warfare bunker weapons.”⁵⁸

After the siege at Nahr al-Bared, the Bush Administration reportedly received requests from the Lebanese government for Cobra attack helicopters to facilitate more effective counterterrorism operations. Reports indicate that the LAF has fewer than a dozen operational helicopters. During the fighting at Nahr al Bared in 2007, the LAF had to retrofit old Huey helicopters to target Fatah al Islam bunkers, resulting in limited accuracy in targeting and possibly causing civilian casualties. Some Israeli parties have expressed concerns about the potential for the transfer of more sophisticated equipment for the LAF.⁵⁹ For more information, see CRS Report R40485, *U.S. Security Assistance to Lebanon*, by Casey L. Addis.

United Nations Interim Force in Lebanon (UNIFIL)

The U.N. Interim Force in Lebanon (UNIFIL) was created in 1978 to monitor Israel’s withdrawal from Lebanese territory as called for in Security Council Resolutions 425 and 426.⁶⁰ The size of the force has changed over the last 30 years, and, at the time of the 2006 Israel-Hezbollah war, the force was made up of almost 2,000 military personnel from eight countries.⁶¹ Resolution 1701 expanded the authorized size of the UNIFIL force to a maximum of 15,000 personnel and empowered it to monitor the cessation of hostilities; to deploy to southern Lebanon alongside the LAF; to ensure humanitarian access to southern Lebanon; and to assist the LAF in establishing a zone free of non-LAF weapons, military personnel, and assets between the Blue Line⁶² and the Litani River. Further, Resolution 1701 empowers UNIFIL, if requested by the Lebanese government, to assist in securing Lebanese borders and entry points against the entry of unauthorized weaponry. In support of this expanded mandate, the Security Council has authorized UNIFIL:

⁵⁷ U.S. Open Source Center (OSC) Document –GMP 20081021966009 – “U.S. Approach to LAF is Chaotic, Analysts Say,” *Daily Star* (Beirut), October 21, 2008.

⁵⁸ Schenker, op. cit.

⁵⁹ Yaakov Katz, “Jerusalem Worried the U.S. Will Sell Tanks to Lebanon,” *The Jerusalem Post*, November 22, 2008.

⁶⁰ In March 1978, Israel launched Operation Litani, an invasion of southern Lebanon designed to expel Palestinian terrorist groups from the Lebanese-Israeli border area following a series of cross-border attacks by Palestinians into Israel. Israel withdrew later in 1978, but reinvaded Lebanon in 1982, occupying the area south of the Litani River until May 2000.

⁶¹ “As at 30 June 2006, UNIFIL comprised 1,990 troops, from China (187); France (209), Ghana (648), India (673), Ireland (5), Italy (53), Poland (214) and Ukraine (1). ...In addition, UNIFIL employed 408 civilian staff, of whom 102 were recruited internationally and 306 locally.” U.N. Security Council Document S/2006/560, “Report of the Secretary-General on the United Nations Interim Force in Lebanon,” July 21, 2006.

⁶² The Blue Line is the line of Israeli withdrawal recognized in 2000. It is not the Israeli-Lebanese border.

to take all necessary action in areas of deployment of its forces and as it deems within its capabilities, to ensure that its area of operations is not utilized for hostile activities of any kind, to resist attempts by forceful means to prevent it from discharging its duties under the mandate of the Security Council, and to protect United Nations personnel, facilities, installations and equipment, ensure the security and freedom of movement of United Nations personnel, humanitarian workers and, without prejudice to the responsibility of the Government of Lebanon, to protect civilians under imminent threat of physical violence.

UNIFIL personnel work closely with LAF counterparts in carrying out their mandate through joint training and patrol operations, mine clearance, and coordination and liaison meetings. As of May 13, 2010, UNIFIL's deployed force consisted of 11,877 military personnel from 31 countries (see **Table 2** below). These forces work alongside the 6,400 LAF forces deployed in the UNIFIL area of operations. A UNIFIL Maritime Task Force has assisted Lebanese forces in providing maritime security since 2006: UNIFIL reports that to date over 470 vessels have been referred to Lebanese forces for investigation out of over 28,000 that have been hailed at sea by international forces. At present, the Task Force consists of ships from Germany (3), Greece (1), Italy (1), and Turkey (1) and operates under Italian command.⁶³ Spanish Army Major-General Alberto Asarta Cuevas has served as the overall UNIFIL Force Commander since January 2010. In February 2010, the U.N. Secretary General reported on the results of a comprehensive review of UNIFIL operations and noted several recommendations to improve the mobility and capability of the UNIFIL force and strengthen its liaison and assistance contributions.⁶⁴ The Secretary General also warned that "the current deployment, assets and resources of UNIFIL cannot be sustained indefinitely."

Table 2. UNIFIL Force Contingents

As of May 13, 2010

Bangladesh – 312	Ghana – 876	China – 344	Portugal – 146	Indonesia – 1,326	France – 1,431
Germany – 183	Malaysia – 741	Guatemala – 3	Cyprus – 2	Sierra Leone – 2	Italy – 2,176
Luxembourg – 3	Brunei – 9	Nigeria – 1	India – 899	El Salvador – 52	Spain – 1,083
Turkey – 367	Greece – 49	Croatia – 1	Qatar – 3	Ireland – 8	Macedonia – 1
Belgium – 229	Nepal – 1,021	Hungary – 4	Denmark – 146	Slovenia – 14	South Korea – 368
Tanzania – 77					

Source: UNIFIL Contingents, available at <http://unifil.unmissions.org/Default.aspx?tabid=1504>.

⁶³ To date, Belgium, Bulgaria, Denmark, France, Germany, Greece, Indonesia, Italy, the Netherlands, Norway, Spain, Sweden and Turkey have contributed ships on a rotating basis to the UNIFIL Maritime Task Force.

⁶⁴ United Nations Security Council Document S/2010/86, "Letter dated 12 February 2010 from the Secretary-General to the President of the Security Council," February 16, 2010.

U.S. Assistance to Lebanon

The United States has long provided foreign assistance to Lebanon,⁶⁵ but following the Israel-Hezbollah war in 2006, the Bush Administration requested and Congress appropriated a significant increase in foreign assistance for Lebanon. The war heightened the need for additional economic aid as the Lebanese government and its international and Arab partners vied with Iran and Hezbollah to win the “hearts and minds” of many Lebanese citizens who had lost homes and businesses as a result of the conflict. The war also highlighted the need for a more robust Lebanese military to adequately patrol Lebanon’s porous borders with Syria and prevent Hezbollah’s rearmament.

Since then, U.S. assistance has been designed to build the institutions of the state to implement UNSCR 1701 and to create alternatives to extremism, reduce the influence and appeal of Hezbollah and other extremist groups and create the political space necessary to allow the government to tackle the range of challenges it faces—from improving fiscal responsibility and environmental resource management to securing its borders and extending the control of the legitimate security forces over the entire territory of the state.

Economic Support Funds

Economic Support Funds (ESF), administered primarily through USAID, are used for a wide range of activities in Lebanon including programs that support political and economic reform as well as local civil society organizations (CSOs). Lebanon has a robust civil society but sectarian loyalties have resulted in the decentralization of political power, which limits the effectiveness of state institutions and a unifying sense of national identity. U.S. assistance programs are designed to increase the capacity of state institutions while at the same time investing in CSOs, education, and various local projects across a range of environmental and infrastructure projects.⁶⁶

ESF funds have also been used to aid in economic recovery following regional and domestic crises. Most recently, the United States committed several hundred million dollars to Lebanon’s rebuilding efforts following the 2006 war between Israel and Hezbollah. Then-President Bush announced on August 21, 2006, that the United States would provide an immediate \$230 million to Lebanon. At a January 2007 donors’ conference in Paris, then-Secretary of State Rice pledged an additional \$250 million in cash transfers directly to the Lebanese government. This U.S. economic aid was provided by Congress in the 2007 Emergency Supplemental Appropriations Act (P.L. 110-28).

The cash transfers, funded from the ESF account, are tied to certain benchmarks that the Lebanese government is required to meet. The benchmarks are aimed to encourage economic

⁶⁵ In December 1996, the United States organized a Friends of Lebanon conference, which resulted in a total commitment of \$60 million in U.S. aid to Lebanon over a five-year period from FY1997 to FY2001 (\$12 million per year mainly in Economic Support Funds (ESF)). Congress increased annual aid amounts to \$15 million in FY2000 and to \$35 million in FY2001, reportedly to help Lebanon adjust to new conditions following Israel’s withdrawal from south Lebanon and to help Lebanon cope with continuing economic challenges. U.S. economic aid to Lebanon hovered around \$35 million in subsequent years, rising to \$42 million in FY2006.

⁶⁶ For more information on current U.S. assistance programs in Lebanon, see the FY2011 Congressional Budget Justification available online at <http://www.state.gov/documents/organization/137936.pdf>.

reform and to lower Lebanon's crippling \$43 billion public debt.⁶⁷ While a number of the recommended reforms remain outstanding, including reforms in the energy and telecommunications sector, Lebanon has made some progress toward improving its fiscal circumstances.⁶⁸ According to the International Monetary Fund (IMF), Lebanon's prudent macroeconomic and financial policies have strengthened the economy's ability to weather external shocks, in spite of large fiscal and external vulnerabilities related to the size of the public debt. Such policies have included the maintenance of fiscal primary surpluses, a cautious interest rate policy, and strict oversight of the financial system. These primary surpluses have contributed to lower the debt-to-GDP ratio by nearly 20 percentage points since 2006. Together, these policies have helped maintain confidence in the Lebanese economy and financial system, allowing for a steep build-up of international reserves, even during the global financial crisis.⁶⁹

The U.S. also supports Lebanese civil society organizations through the Office of the Middle East Partnership Initiative (MEPI) at the U.S. Department of State. From FY2006-FY2009 Lebanon contributed \$23,439,263 to civil society programming in Lebanon.⁷⁰ There are currently 26 active MEPI projects in Lebanon: 16 multi-country projects including Lebanon; and 10 Lebanon-specific projects. According to MEPI, programming is focused on "supporting the institutions of democracy, especially the parliament and the judiciary; empowering women so that they may assume a more integral role in society; and supporting the growth of the next generation of civil society, governmental and academic leaders."

Security Assistance⁷¹

For the first time since 1984, the Administration requested and Congress authorized Foreign Military Financing (FMF) grants to Lebanon in the FY2006 foreign operations appropriations bill. Originally, the request included approximately \$1.0 million in FMF for FY2006 and \$4.8 million for FY2007 to help modernize the small and poorly equipped LAF following Syria's withdrawal in 2005. However, the summer 2006 war between Israel and Hezbollah spurred Western donors to increase their assistance to the LAF. Drawing from multiple budget accounts, the Administration reprogrammed funds to provide a more robust program of military assistance in order to:

[P]romote Lebanese control over southern Lebanon and Palestinian refugee camps to prevent them from being used as bases to attack Israel. The U.S. government's active military-to-military programs enhance the professionalism of the Lebanese Armed Forces, reinforcing the concept of Lebanese civilian control. To foster peace and security, the United States

⁶⁷ "Lebanon—2009 Article IV Consultation Mission—Mission Concluding Statement," International Monetary Fund, March 5, 2009. Available online at <http://www.imf.org/external/np/ms/2009/030509.htm>.

⁶⁸ The Paris III Conference reform plan is available on the Lebanese Ministry of Finance website at http://www.rebuildlebanon.gov.lb/images_Gallery/Paris%20III%20document_Final_Eng%20Version.pdf.

⁶⁹ "Lebanon—2009 Article IV Consultation Mission—Mission Concluding Statement," International Monetary Fund, March 5, 2009. Available online at <http://www.imf.org/external/np/ms/2009/030509.htm>.

⁷⁰ U.S. Consultation with U.S. Department of State, August 3, 2010. This total does not include multi-country projects or regional programs which may include Lebanese participants. For more information on MEPI programs in Lebanon, see <http://www.medregion.mepi.state.gov/lebanon.html>. MEPI programs are funded through a separate ESF appropriation and do not come out of the bilateral ESF fund.

⁷¹ For more information, see CRS Report R40485, *U.S. Security Assistance to Lebanon*, by Casey L. Addis.

intends to build upon welcome and unprecedented Lebanese calls to control the influx of weapons.⁷²

The FY2007 Emergency Supplemental Appropriations Act (P.L. 110-28, adopted May 25, 2007) included \$220 million in FMF for Lebanon, a significant increase from previous levels. Appropriations in FY2008-FY2010 and the FY2011 budget request continued to support these objectives and programs, albeit at lower levels.

On October 6, 2008, the United States and Lebanon established a Joint Military Commission to organize their bilateral military relationship.⁷³ The most recent meeting of the Joint Military Commission took place on February 12, 2010.⁷⁴ During the meeting, Lebanese Minister of Defense Elias Murr and U.S. Assistant Secretary of Defense for International Security Affairs Alexander Vershbow underscored the long-term, bilateral military partnership between the United States and Lebanon. Following the meeting, the U.S. State Department announced that cooperation efforts in 2010 will have a special focus on the needs of Lebanon's special forces. As of February 2010, the U.S. had provided over \$11 million in training and \$56 million in sophisticated and specialized equipment for the LAF special forces, including bunker-busting weapons, anti-tank missiles, tactical unmanned aerial vehicles, sniper rifles, night vision devices, and other equipment.⁷⁵

U.S. assistance also supports the Lebanese ISF primarily through International Narcotics Control and Law Enforcement (INCLE) Funding. INCLE funding is used to provide training and equipment to the ISF to enable them to maintain the rule of law while teaching democratic policing techniques and respect for human rights. The current program was started with FY2007 funds with the goal of training 8,000 ISF cadets. INCLE funds are also used to provide training and technical assistance to Lebanese border security services; to develop a secure, nationwide communications network; to support counternarcotics programs; and to strengthen Lebanon's corrections system.⁷⁶ For more information see CRS Report R40485, *U.S. Security Assistance to Lebanon*, by Casey L. Addis.

Budget Transparency

Lebanon is one of 31 countries requiring a waiver for the provision of U.S. assistance. Section 7086(c)(2) of the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2010 (Division F, P.L. 111-117) states that no U.S. assistance may be made available for assistance for the central government of any country that fails to publicly disclose on an annual basis its national budget, to include income and expenditures. The Secretary of State may waive the requirements of paragraph (1) on a country-by-country basis if the Secretary reports to the Committees on Appropriations that to do so is important to the national interest of the United States. Deputy Secretary of State for Management and Resources Jacob Lew signed the FY2010 budget transparency waiver for Lebanon on April 7, 2010.

⁷² FY2008 International Affairs (Function 150) Congressional Budget Justification, U.S. Department of State, February 16, 2007.

⁷³ U.S. Open Source Center (OSC) Document –GMP20081007644002 – “Washington and Beirut Set up Joint Military Panel,” *Daily Star* (Beirut), October 7, 2008.

⁷⁴ CRS Consultation with U.S. Department of State, July 2010.

⁷⁵ http://lebanon.usembassy.gov/latest_embassy_news/press-releases2/pr021310.html.

⁷⁶ CRS Consultation with U.S. Department of State, July 2010.

Unexploded Cluster Munitions in Lebanon

The Israeli air campaign during the 2006 war against Hezbollah left unexploded ordnances from cluster bombs in Lebanon. The United Nations Mine Action Coordination Center (UNMACC) estimates that 30% to 40% of the estimated 1 million cluster bombs used by Israel failed to explode on impact. Israeli officials acknowledged that most of the weapons used were supplied by the United States. Humanitarian groups have criticized both Israel and the United States for the use of these weapons, which they argue caused extensive and unnecessary civilian casualties during and after the war.⁷⁷ Observers as well as some Members of Congress have questions about whether Israeli use of cluster munitions purchased from the United States violates the Arms Export Control Act, and the U.S. State Department has said that it has talked with the Israelis about the matter and issued a preliminary classified report to Congress in January 2007 that Israel “may have” misused cluster munitions.⁷⁸ A final finding has not yet been issued. Israel has denied violating these agreements, saying that they acted in self-defense.⁷⁹

The international community has contributed to U.N. efforts to clear unexploded ordnances in southern Lebanon. In support of these efforts, the United States contributed \$2 million to the voluntary trust fund of the UNMACC. From FY2007 to FY2010, the Congress appropriated a total of \$24.65 million in Non-proliferation, Anti-terrorism, De-mining, and Related funding (NADR) for Lebanon, which might also be used in part to support efforts to clear unexploded cluster munitions. The FY2011 budget requested included \$4.8 million in NADR funds. Despite these efforts, recent reports indicate that the funding for demining in Lebanon is insufficient to sustain the clearance process through to completion.⁸⁰

⁷⁷ Glenn Kessler, “Israel May Have Misused Cluster Bombs, U.S. Says,” *Washington Post*, January 30, 2007. The United States has donated \$2 million to support ongoing U.N. assisted efforts to clear munitions from southern Lebanon. More information available at <http://www.maccsl.org/>.

⁷⁸ See Transcript from the Senate Appropriations Subcommittee on State, Foreign Operations, and Related Programs Hearing on the 2009 Budget for the State Department, April 9, 2008.

⁷⁹ David S. Cloud and Greg Myre, “Israel May Have Violated Arms Pact, U.S. Officials Say,” *New York Times*, January 28, 2007.

⁸⁰ Bassem Mrou, “U.N. Search for Bombs, Mines in Lebanon Runs Low on Money,” *Associated Press*, October 18, 2008.

Appendix A. U.S. Assistance to Lebanon

Table A-1. U.S. Assistance to Lebanon, 1946-2005

(millions of dollars)

Year	Total	Economic Aid (Grants)	Food Aid (Grants)	Military Aid (Loans)	IMET (Grants)
1946-1980	332.7	120.2 ^a	86.2 ^b	123.3 ^c	3.0
1981	24.3	4.0	0	20.0	0.3
1982	21.8	9.0	2.2	10.0	0.6
1983	153.9	52.2	0	100.0	1.7
1984	44.0	28.1	0.3	15.0	0.6
1985	21.1	19.9	0.5	0	0.7
1986	17.6	16.0	1.1	0	0.5
1987	23.0	12.8	9.7	0	0.5
1988	12.3	5.1	6.8	0	0.4
1989	15.5	2.8	12.3	0	0.4
1990	19.4	8.3	10.7	0	0.4
1991	19.2	9.3	9.9	0	0
1992	16.4	9.2	7.2	0	0
1993	14.4	10.3	3.5	0	0.6
1994	2.0	1.7	0	0	0.3
1995	16.0	15.6 ^d	0	0	0.4
1996	2.5	2.0	0	0	0.5
1997	12.8	12.3	0	0	0.5
1998	12.6	12.0	0	0	0.6
1999	12.6	12.0	0	0	0.6
2000	15.6	15.0	0	0	0.6
2001	25.5	25.0	0	0	0.5
2002	10.7	10.1	0	0	0.6
2003	60.3	59.6	0	0	0.7
2004	33.9	33.2	0	0	0.7
2005	19.6	18.8	0	0	0.8
Totals	959.7	524.5	150.4	268.3	16.5

Source: USAID, U.S. Overseas Loans and Grants <http://quesdb.usaid.gov/gbk/>.

Notes: IMET = International Military Education and Training.

a. Of the \$120.2 million total, \$19 million was loans.

b. Of the \$86.2 million total, \$28.5 million was loans.

c. Of the \$123.3 million total, \$109.5 million was loans and \$13.8 million was grants.

d. Includes about \$6 million from 1994.

Appendix B. Map of Lebanon



Source: Map Resources. Adapted by CRS.

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