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# Citizen Budget

## 2026



This booklet was published in partnership with UNICEF, under the project “Enhancing Budget Transparency, Accountability and Inclusiveness in Lebanon”.

# Citizen Budget

**2026**

The “Citizen Budget” 2026 is prepared by the Institut des Finances Basil Fuleihan, in cooperation with the Directorate of Budget and Expenditure Control at the Ministry of Finance.

This booklet is part of the financial and fiscal awareness series, aimed at informing citizens of their rights and obligations, facilitating their administrative transactions and promoting fiscal transparency and citizenship. It also reflects the Institute’s commitment to people’s right to access financial information and data, to understand how revenues are collected and allocated, and how public resources are spent.

## **About the Institut des Finances Basil Fuleihan**

The Institut des Finances Basil Fuleihan is a center of excellence that contributes to national capacity development in public financial management and governance through policy research, training and partnership building. The Institut is an autonomous public institution operating under the tutelage of the Lebanese Minister of Finance.

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# About the “Citizen Budget”

We are pleased to present this booklet, which explains in a clear and simplified manner the 2026 Budget Law, as adopted by the Lebanese Parliament. Its contents are based on the 2026 Budget Law document available on the Ministry of Finance’s website.

- **The “Citizen Budget” is a simplified version of the budget law** designed to facilitate citizens’ access to fiscal information as their constitutional right.
- This document promotes transparency, enabling all citizens -**both non-specialists and experts-** to review the content of the budget law, including expenditure and revenue figures, deficit estimates, and to understand decisions and measures that affect their daily lives.
- It enables the public to form well-informed opinions grounded in clear, factual data, rather than speculation. By allowing citizens to track developments in public finance and better understand how the government plans its spending and mobilizes revenues, it strengthens accountability and promotes informed public oversight.
- The right to access fiscal information is a **fundamental prerequisite for empowering citizens to assess government performance**, including tax policies, borrowing decisions, the allocation of public resources, and the mechanisms used to set spending priorities.
- This right goes beyond the mere publication of budget figures; it also includes **presenting a clear picture of the state of public finances**, free from complex concepts and traditional technical terminology.
- Fiscal transparency is a cornerstone of **stronger public participation and engagement**, particularly in budget planning and execution, empowering citizens to play a more active role in shaping and overseeing fiscal policies.

# What You Need to know about the 2026 Budget

- On 29 January 2026, Parliament approved the 2026 Budget Law following three days of general parliamentary discussions.
- The budget was prepared, submitted, and discussed within the constitutional timeframe and in line with established procedures, helping to improve fiscal planning and reduce reliance on the provisional “one-twelfth rule” for public spending.
- The total budget amounts to LBP 538,415 billion (around USD 6 billion), representing an increase of about 21% compared to the 2025 Budget-reflecting an anticipated rise in both revenues and expenditures in the coming year.
- The figures indicate that roughly 82% of total revenues are tax-based, while the largest share of expenditures is allocated to wages and salaries, social services, and operational costs.
- Key amendments requested by the Parliamentary Finance and Budget Committee included the removal of a number of new tax measures, increased allocations to the Ministry of Public Health for hospital coverage and selected cancer medications, additional funding for education, the Lebanese Army, and Civil Defense, as well as additional environmental allocations.
- The 2026 Budget comes amid the ongoing economic crisis and a volatile security environment. While the economy is expected to grow modestly by 4% (World Bank), challenges persist in generating new revenues, with the government prioritizing improved revenue collection and efforts to combat tax evasion this year.

## Overview of the 2026 Budget



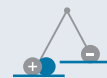
**Total estimated expenditures amount to LBP 538,415 billion (approximately USD 6 billion\*)**

Compared to LBP 445,214 billion in the 2025 Budget, representing an increase of about 21%.



**Total estimated revenues amount to LBP 538,415 billion (approximately USD 6 billion\*)**

Compared to LBP 306,033 billion in collected revenues in 2024 and LBP 445,214 billion estimated in the 2025 budget, representing an increase of approximately 21%.



**The approved budget estimates indicate a calculated deficit of 0%**

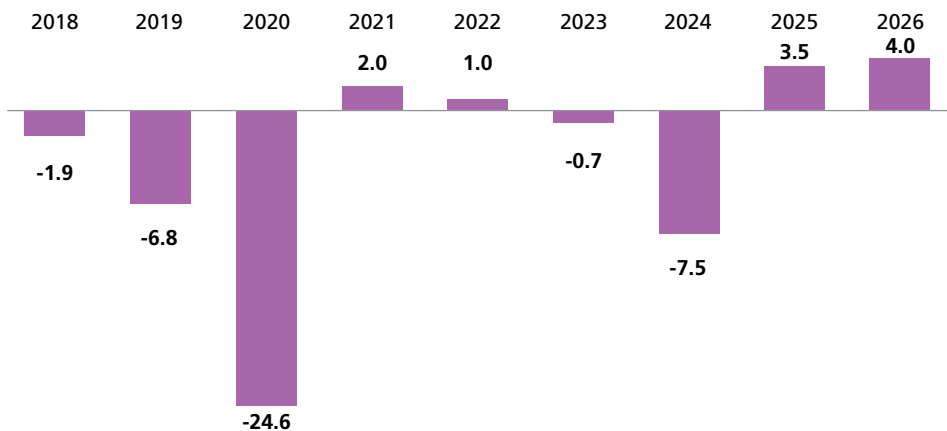
However, this deficit does not account for treasury advances or the balance of other treasury revenues and expenditures. In 2025, the Ministry of Finance announced that no treasury advances would be authorized effective from 2025.

\* The value in U.S. dollars was calculated based on an estimated exchange rate of USD 1 = LBP 89,500.

# Fundamentals and assumptions underlying the 2026 Budget

The macroeconomic indicators provided below offer some context and a better understanding of the country's economic and financial situation underlying budget preparation.<sup>1</sup>

## GDP growth - Percentage (%)



Remark: Figures for 2025 and 2026 are based on World Bank estimates.

Sources:

- International Monetary Fund, World Economic Outlook Database

[https://data.imf.org/en/Data-Explorer?datasetUrn=IMF.RES:WEO\(9.0.0\)](https://data.imf.org/en/Data-Explorer?datasetUrn=IMF.RES:WEO(9.0.0))

- World Bank (2026), Lebanon: Economic Rebound Marks Cautious Recovery amidst Progress on Reforms

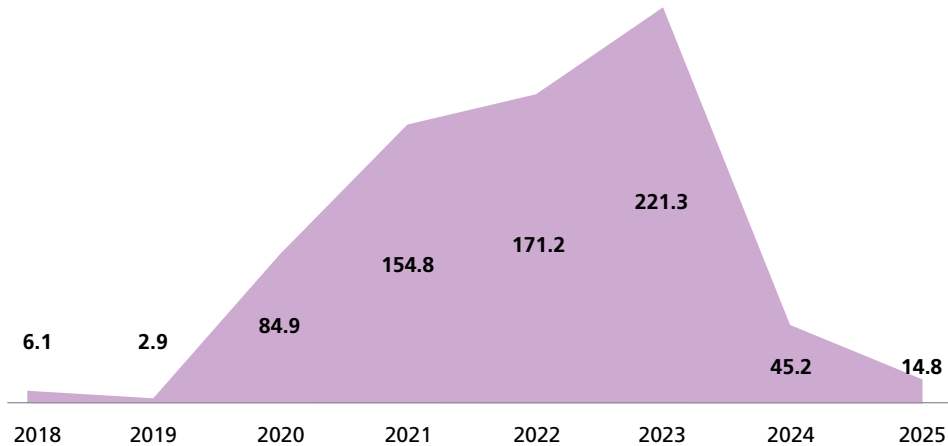
<https://www.worldbank.org/en/news/press-release/2026/01/22/lebanon-economic-rebound-marks-cautious-recovery-amidst-progress-on-reforms>

- The **Gross Domestic Product (GDP)** is the total value of goods and services produced within a country during a given year. It reflects the size and performance of the economy. GDP can be measured in nominal or real (adjusted to inflation) terms, and expressed in local or international currencies, either as a total or per capita.
- **Economic growth**, as shown in the graph, represents the annual increase in the production of goods and services. It is measured as a percentage change in real GDP, making it a more accurate indicator of productivity and economic activity. A negative growth rate indicates a decline in real GDP compared to the previous year and may result from reduced production or investment, higher unemployment or economic crisis.

<sup>1</sup> The budget does not include these indicators; they were compiled from various sources such as the International Monetary Fund (IMF), the World Bank, and the Central Administration of Statistics (CAS).

- According to World Bank estimates, the Lebanese economy grew by approximately 3.5% in 2025, following several years of contraction. The recovery is expected to continue gradually, with growth projected to reach around 4% in 2026, contingent on sustained reform efforts and continued economic progress and security stability.

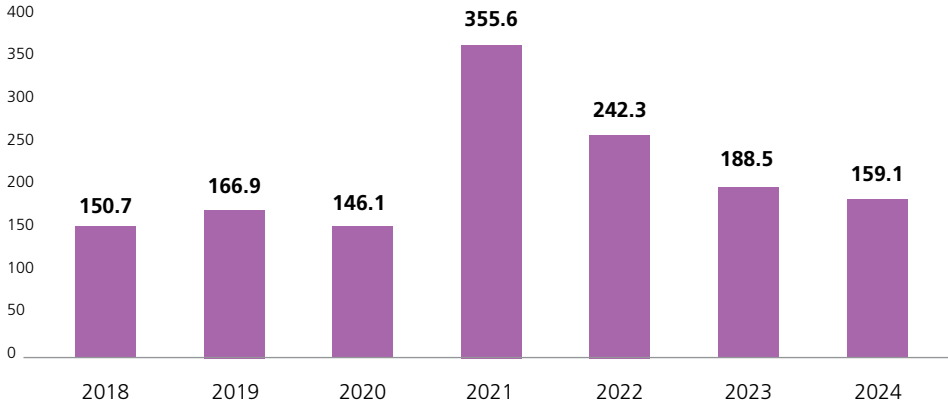
### Inflation (Consumer Price Index) - Percentage (%)



Source: Consumer Price Index issued by the Central Administration of Statistics  
<http://www.cas.gov.lb/index.php/latest-news-en/165-inflation-4>

- **Inflation** is a key economic indicator that measures the increase in the average prices of a basket of goods and services consumed within an economy over a specific period. It is typically expressed as a percentage reflecting the annual change in the overall price level and is usually measured using the Consumer Price Index (CPI).
- Inflation directly affects the national budget. It increases government spending (such as wages and the cost of goods and services...) but it can also lead to higher tax revenues when taxes are imposed on monetary values (as in the case of the Value Added Tax - VAT). This is because higher prices result in higher tax income in local currency. Therefore, governments aim to maintain a moderate level of inflation to support the stability of public finances.

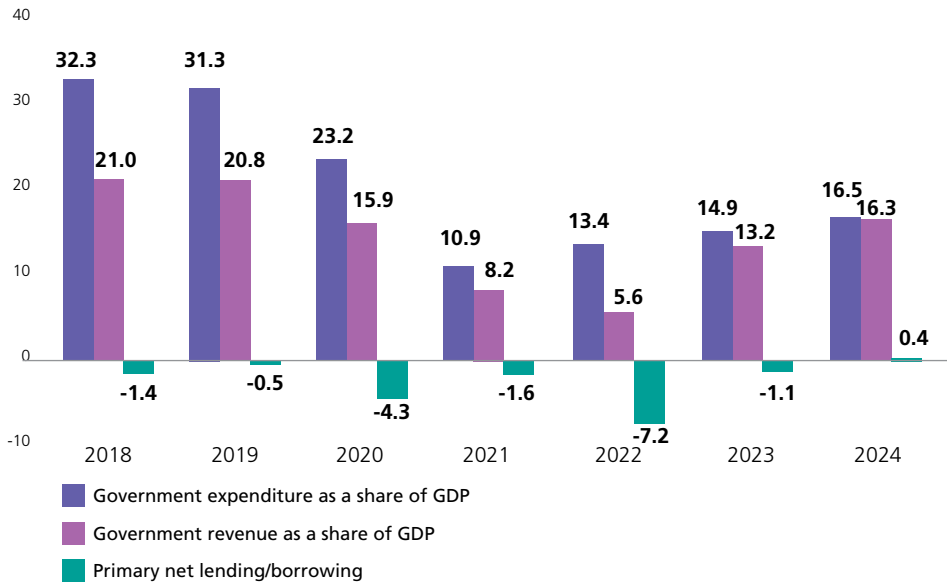
## General government net debt - Percentage of GDP



Source: International Monetary Fund, World Economic Outlook Database  
[https://data.imf.org/en/Data-Explorer?datasetUrn=IMF.RES:WEO\(9.0.0\)](https://data.imf.org/en/Data-Explorer?datasetUrn=IMF.RES:WEO(9.0.0))

- **Net public debt** as a percentage of GDP is a key indicator of a government's ability to manage its debt relative to the size of its economy.
- In March 2020, the Lebanese government officially defaulted on its debt for the first time in its history. Since then, debt restructuring negotiations with creditors have stalled, creating significant challenges to the sustainability of public finances. The decline reported in the value of public debt since 2021 is mainly due to the default, the sharp depreciation of the Lebanese pound, and the erosion of the real value of local-currency debt due to high inflation, rather than an improvement in fiscal conditions or a structural reduction in debt.

### Government expenditures and revenues as a share of GDP (% of GDP)



Source: International Monetary Fund, World Economic Outlook Database  
[https://data.imf.org/en/Data-Explorer?datasetUrn=IMF.RES:WEO\(9.0.0\)](https://data.imf.org/en/Data-Explorer?datasetUrn=IMF.RES:WEO(9.0.0))

- **Government revenue as a share of GDP:** This indicator represents the resources the government collects from the economy such as taxes and fees and reflects the state’s capacity to finance its expenditures relative to the size of the economy.
- **Government expenditure as a share of GDP:** This indicator reflects the level of government spending to provide public services and shows the scale of public spending relative to the size of the economy.
- **Primary net lending/borrowing:** This indicator shows the difference between government revenues and expenditures excluding interest payments on public debt.
  - When it is positive (+), it means that the government is able to cover its core expenditures from its revenues.
  - When it is negative (-), it means that the government needs to borrow to finance its ongoing spending.

# Prominent financial and economic measures included in the 2026 Budget

## 1 | Key measures to increase revenue



### Tax Revenues

#### Currency used for the Collection of Taxes and Fees

##### In Lebanese Pounds (LBP)

- Dues to the Lebanese state
- Taxes and fees
- Charges for the various services provided by the Lebanese State

##### In Foreign currency

- Dues and profits generated in foreign currency
- Taxes and fees collected in foreign currencies (such as airport fees, departure fees for travelers by sea and air, and taxes and fees due from petroleum companies, etc.)

Article 22

#### Introduction of a 1.5% fee as an Advance Payment on Tax for Non-Filers

The Customs Administration collects 1.5% of the value of imported goods from any taxpayer who has not submitted income tax or VAT declarations during the previous 3 years, as an advance payment on account of tax.

Article 27

The amount paid will later be deducted from the tax due, and any excess may be refunded upon request, while penalties remain applicable in accordance with the laws in force.

#### Ceiling on the Value of Fixed Assets

The ceiling on the value of fixed assets owned by a newly established enterprise in Lebanon and allocated to the production of new goods and materials was increased to a minimum of LBP 23 billion.

Article 28

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## VAT Deduction and Refund

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- VAT paid on goods and services linked to a taxable economic activity may be deducted, including VAT paid on fixed assets and inventory. The deduction applies to taxable transactions as well as exempted activities such as export and international transport. Fixed assets such as machinery and equipment intended for long-term use are eligible to deduction when allocated to activities subject to VAT.
 Article 30
    - For passenger vehicles, VAT is deductible up to a ceiling of USD 30,000 per vehicle. If the ceiling is exceeded, partial deduction is allowed. This cap does not apply to vehicles used for car rental activities, passenger transport for hire, or in hotels and resorts classified four-stars and above.
    - However, VAT is not deductible on certain expenses, including the rental of passenger vehicle exceeding the specified ceiling (except in the professional cases mentioned above), as well as on water, electricity, telecommunications, internet and fuel expenses.
  - If the deductible VAT exceeds the VAT due for a given period, the excess is carried forward to subsequent periods. Taxpayers may request a refund of this excess once it reaches at least LBP 200 million, within one month following the end of the fiscal year or the relevant accounting period. The tax administration must proceed with refund requests within a maximum period of three months (extendable once), with interest accruing in case of delay in reimbursing the due amounts. The amendment also includes specific provisions for exporters and taxpayers whose tax registration has been cancelled.
 Article 31
  - Specific sectors are entitled to request a full refund of the VAT incurred on fixed assets used in exempted activities, notably: pharmaceutical and medical industries, exempted food production, hospitals and laboratories, education, activities of public-benefit associations, public transport, and the books, paper, and animal food industries. This also includes passenger vehicles within the USD 30,000 ceiling for VAT calculation purposes, with the possibility of claiming a 100% refund of VAT on certain operating expenses related to these activities. However, refund does not apply to expenses related to car rentals above the ceiling, nor to water, electricity, telecommunications, internet, and fuel expenses. The minimum refund claim remains LBP 200 million. Claims below LBP 200 million are carried forward to the following year.
 Article 32
-

## Exceptional Tax on Profits Generated through the Sayrafa Platform

Profits earned by natural or legal persons as a result of transactions carried out through the Sayrafa platform, in accordance with the circulars issued by the Banque du Liban, and exceeding USD 100,000 are subject to an additional exceptional tax of 17%. This excludes differences related to salaries and wages. [Article 52](#)



## Fees

### Administrative transactions performed by the General Directorate of General Security

New Lebanese passport or its renewal (regular procedure)	<a href="#">Article 36</a>
- For 5 years	LBP 6,000,000
- For 10 years	LBP 10,000,000
Residence permit for holders of second-category work permits and their family members (valid for one year)	LBP 72,000,000
Laissez-passer (travel document) valid for one year	LBP 2,000,000
Cinema film screening license	LBP 5,000,000
Theater performance license	LBP 7,000,000

For more information, please refer to article 36 of the Budget Law.

### Entry of Foreign Trucks into Lebanon

A fee of USD 50 is imposed on the entry of foreign trucks into Lebanon including: [Article 23](#)

- Empty truck in transit;
- Loaded truck in transit;
- Permit for the transport of goods.

Trucks returning to countries that exempt Lebanese trucks from similar fees are exempt from these charges.

## Fiscal Stamp

The sale of fiscal stamps is permitted to specific entities under the following conditions: [Article 24](#)

- Mukhtars: Within the limits of the value of transactions and certificates they issue.
- Individuals: Must be Lebanese, at least 20 years old, with no criminal record, and must operate from a fixed business location registered with the Ministry of Finance and demonstrate actual unmet demand in the area.
- Municipalities and unions of municipalities: Upon a formal request and commitment to comply with the law.
- Legal entities (non-municipal) registered with the Ministry of Finance.
  - All authorized sellers must pledge not to sell stamps above their nominal value.
  - The process is subject to oversight by the Ministry of Finance, with penalties for violations.

Authorized fiscal stamp sellers and entities licensed to use stamping machines are entitled to a 5% commission on the value of the stamps sold, deducted in advance when purchasing from the Ministry. [Article 25](#)

All taxpayers issuing invoices and receipts are now required to pay the fixed fiscal stamp fee monthly and submit an electronic declaration within 15 days following the end of each month, replacing previous procedures. Those using stamping machines licensed by the Ministry of Finance are exempt from this procedure. [Article 35](#)

## Maritime, port, and yacht fees

Fees related to maritime navigation, ports, and yachts have been revised. [Article 39](#)  
 For example, the annual fees for motorized leisure yachts now range between LBP 2.5 million and LBP 22 million, depending on engine power. For more information, please refer to Article 39 of the Budget Law.

## Quarry and crusher license

- Quarry investment license: LBP 2,300,000,000, in addition to a fee of 75,000 LBP per cubic meter extracted, based on the quantities authorized for investment before extraction. [Article 44](#)
- Small crusher investment license: 34,500,000 LBP, effective from 2024.

## Real Estate Fees

Real estate fees for contracts registered in the daily registry before [Article 48](#) 1/1/2020 are calculated based on an exchange rate of LBP 1,500 per USD. For contracts registered after this date, the additional fees are calculated according to the exchange rate approved by the Banque du Liban.

Property owners are responsible for the costs of surveying and registering [Article 49](#) their properties, in exchange for a fixed fee applied as follows:

Property area (m <sup>2</sup> )	Fee (LBP)
Less than 3,000	9,000,000
3,001 - 10,000	18,000,000
10,001 - 100,000	36,000,000
100,000 and above	60,000,000



## Fines

### Increase of penalties

Lump-sum penalties and the minimum amount of penalties are increased by 25 times.

#### Lump sum penalties

[Article 16](#)

- 107 - Delay or failure to submit a registration request
- 108 - Delay or failure to declare the final cessation of professional activity
- 111 - Failure to report information
- 123 - Failure to maintain the procedure ledger or refusal to allow the Tax Authority to inspect it
- 124 - Failure to register with the Tax Administration within the legal deadlines
- 126 - Discrepancy between the declaration submitted to the Tax Administration and that submitted to the National Social Security Fund
- 127 - Failure to prepare or maintain records for bonds and securities
- 128 - Failure to maintain the ledgers related to payment, sale, or purchase of bonds or other securities

- 129 - Failure to prepare a summary of Ledger No. 1 and non-payment of withheld tax
- 130 - Transfer of assets by debtor to heirs in violation of legal provisions
- 132 - Delay or failure by an heir creditor to submit a statement of the debt amount
- 133 - Settlement of estates without the presence of a representative of the competent financial authorities
- 138 - Delay or failure to maintain legal ledgers
- 139 - Selling fiscal stamps without a license
- 140 - Defacing the fiscal stamp to the point of making its value unidentifiable
- 141 - Violating provisions related to licensing the production, import, or sale of stamping machines
- 143 - Failure to retain documents subject to stamp fees for the legally required period
- 144 - Using, selling, or attempting to sell previously used fiscal stamps with prior knowledge

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### Minimum penalties

Article 17

- 112 - Failure to submit the auditor's report
- 114 - Failure to maintain accounting records and supporting documents
- 115 - Obstructing tax audit procedures
- 116 - Liability of persons required to withhold due taxes and declare them
- 117bis - Fines related to the beneficial owner
- 118 - Delay in or failure to declare rental of residential units in summer resort areas
- 125 - Failure to prepare and submit the periodic payroll declaration to the tax administration
- 134 - Delay or failure to submit tax declarations and annexes or other supporting documents

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For more information, you can refer to Law No. 44 at the following link:  
<http://77.42.251.205/Law.aspx?lawId=246318>

## Penalties for late submission or incorrect declaration

Financial penalties are imposed in cases of late submission of declarations or submission of incorrect information. These penalties are multiplied in case of repeated violations, as follows: Article 18

Type of violation	Joint-stock companies in million LBP	Partnerships, LLCs, and Tax- exempt entities in million LBP	Individuals and Other taxpayers in million LBP
Late submission of declaration (no change in Beneficial Owner)	300	200	25
Late submission of declaration (in case of change in Beneficial Owner)	600	400	50
Submission of an incomplete or incorrect declaration	750	500	50
Failure to maintain required records	750	500	50
Failure to update information within the specified deadline	750	500	50
Refusal to provide the administration with the required information	350	350	350

Note: Taxpayers are required to notify the tax administration of any changes affecting their activity, including:

- For companies (legal entities): name, address, place of business, trade name, main activity, legal form, capital changes (increase or decrease), changes in partners/shareholders or their ownership percentages.
- For individuals: trade name, commercial name, address, place of business, and main activity.
- For all taxpayers: information on Beneficial Owners.

## Penalties on late civil status registration documents

The fine is increased to LBP 1,000,000 (one million Lebanese pounds) in the following cases: Article 21

- Delay in registering a birth after more than 30 days have passed.
- Delay in registering a marriage within one month from the date of marriage.
- In cases of divorce or annulment of marriage, the husband is required to prepare the relevant document and duly submit it to the Civil Status Department in accordance with legal procedures.

### Penalties on tourism companies when group members fail to depart

A penalty is imposed on tourism companies that bring in foreign groups for each person who fails to leave the country while under their responsibility. The fine amounts to LBP 180,000,000 and is collected immediately upon departure, while allowing the other group members to leave. [Article 37](#)

### Fine for the illegal transport of passengers

The fine is increased to LBP 180,000,000 in cases of illegal transport of passengers (e.g., without a passport, lacking a visa, with an expired or forged biometric record). [Article 38](#)

### Exceptional reduction on penalties

An exceptional reduction of 85% is granted on penalties owed to the State, municipalities, unions of municipalities, public institutions, or other public entities, excluding violations related to maritime and riverine properties and those subject to special settlement provisions, provided that payment is made within three months from the publication of the law, and that the reduced penalty is not less than LBP 200,000 or USD 5. [Article 43](#)

## 2 | Key measures to support citizens



### Exemptions

#### Exemption from entry and exit fees

Certain travelers are exempt from entry and exit fees, in particular:

##### Exit Fee

[Article 19](#)

- Individuals visiting Lebanon upon an official invitation;
- Heads of diplomatic missions, counselors, and secretaries attached to the accredited diplomatic corps in Lebanon, and their family members holding diplomatic passports, subject to reciprocity;

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## Exemption from entry and exit fees

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- Technical attachés and assistant military attachés from various armed forces accredited in Lebanon;
  - Consuls general and consuls accredited in Lebanon;
  - International staff of the United Nations and its specialized agencies residing in Lebanon, and their family members holding UN-issued passports;
  - International staff of the United Nations and its specialized agencies sent to Lebanon on official missions and holding UN-issued passports;
  - Children under two years of age.
- 

## Entry Fee

Article 20

- Individuals visiting Lebanon upon an official invitation;
  - Heads of diplomatic missions, counselors, and secretaries attached to the accredited diplomatic corps in Lebanon, and their family members holding diplomatic passports, subject to reciprocity;
  - Technical attachés and assistant military attachés from various armed forces accredited in Lebanon;
  - Consuls general and consuls accredited in Lebanon;
  - International staff of the United Nations and its specialized agencies residing in Lebanon, and their family members holding UN-issued passports;
  - International staff of the United Nations and its specialized agencies sent to Lebanon on official missions and holding UN-issued passports;
  - Children under two years of age;
  - Drivers of freight trucks, taxis, and public buses upon entry of the vehicles into Lebanese territory;
  - Nationals of foreign countries, subject to reciprocity.
-

**Exemption of vehicles for persons with disabilities**

Vehicles intended for persons with disabilities are exempt from fees and taxes under the following conditions: [Article 33](#)

- The value of the vehicle for individual use must not exceed USD 25,000 before taxes and fees, or USD 50,000 for group transport vehicles.
- The importer must be either a person with a disability for personal use, an association supporting persons with disabilities, or a social service organization.
- The exemption cannot be granted again before five years have passed since the purchase of the vehicle.
- A certificate must be obtained from the Ministry of Social Affairs in accordance with legal procedures.

Fees become payable if ownership of the vehicle is transferred to a person without a disability.

One vehicle per person with a disability holding a personal disability card is exempt from the registration fee at vehicle registration offices, provided its value does not exceed USD 25,000 before taxes and fees. The vehicle may be registered in the name of the beneficiary or in the name of a parent, child, or spouse, provided that the exemption is granted based on a certificate issued by the Ministry of Social Affairs in accordance with legal procedures. [Article 34](#)

**Exemption for non-polluting vehicles**

Customs duties and taxes are reduced or exempted for non-polluting cars and vehicles, whether hybrid or electric, as follows: [Article 53](#)

Type of vehicles	Import period	Customs duty & internal consumption tax	Registration fee & annual circulation (mechanical) fee upon first registration only
All new fully electric cars and vehicles (including e-scooters and e-bicycles)	Within 5 years from the entry into force of this law	100%	70%
All new hybrid vehicles (Mild Hybrid, Hybrid, Plug-in Hybrid, etc.)	Within 5 years from the entry into force of this law	80%	70%

## Exemption from additional construction fees

Concerned parties who have not notified the land registry office of changes affecting their properties are exempt from additional construction fees, provided that these changes are registered in the land registry and the due fees are paid within six months and before 30/06/2026. [Article 47](#)



## Extension of deadlines

Type of transaction	Measure	
Revaluation of inventory (for 2023 and 2024) and fixed assets	<ul style="list-style-type: none"><li>An additional 3-month period is granted from the law's publication date;</li><li>The Ministry of Finance's deadline for reviewing requests is extended to 31/12/2030</li></ul>	<a href="#">Article 40</a>
VAT refund request	Beneficiaries of VAT refunds are granted a 2-month period to submit refund requests for the year 2024.	<a href="#">Article 41</a>
Payment of a lump-sum fee (3%) on imports subject to VAT	Payment deadline is extended to 31/12/2030 Note: Gasoline, industrial equipment, raw materials used in industry and agriculture, and imports for military and security forces are exempt of this fee.	<a href="#">Article 42</a>
Settlement of construction violations	The settlement deadline is extended by one year for violations committed between 13/09/1971 and 31/12/2018 including: <ul style="list-style-type: none"><li>Investments-related violations;</li><li>Construction without a permit;</li><li>Expired declaration period for existing violations intended for settlement.</li></ul> You can refer to the following link: <a href="http://77.42.251.205/Lawaspx?lawId=282243">http://77.42.251.205/Lawaspx?lawId=282243</a>	<a href="#">Article 50</a>
Submission of periodic VAT returns	The deadline is extended to one month instead of 20 days	<a href="#">Article 51</a>

## 3 | Other procedures

The Council of Ministers is granted the authority to legislate in the customs matters until 31/12/2028. [Article 55](#)

# Estimated expenditures for 2026

In this section, citizens can review forecasted government expenditures. Lebanon’s budget is a “line-item” budget that allocates expenditures annually according to three main classifications:

### The Functional Classification

Expenditures are grouped by function (or sector) for which public funds are spent such as hospitalization, education, environment, and others. This classification follows the International Monetary Fund’s Government Finance Statistics Manual (GFSM 2001), which defines 10 main functions.

### The Economic Classification

Expenditures are grouped by type of spending:

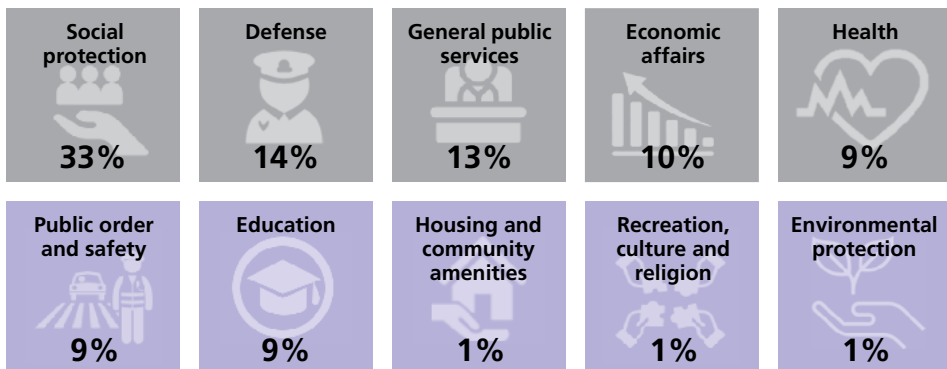
- Current or operational expenses, such as salaries and wages, consumable goods and services, debt interest payments, etc.
- Capital expenditures, such as construction of bridges, infrastructure projects, equipment purchases, etc.

### The Administrative Classification

Expenditures are allocated according to the entity responsible for incurring them, such as ministries (e.g., the Ministry of Public Health, the Ministry of Finance, the Presidency of the Republic, etc.) and public institutions (e.g. the Internal Security Forces, the Central Inspection, etc.).

The total estimated expenditures under the 2026 Budget amount to LBP 538,415 billion (approximately USD 6 billion\*).

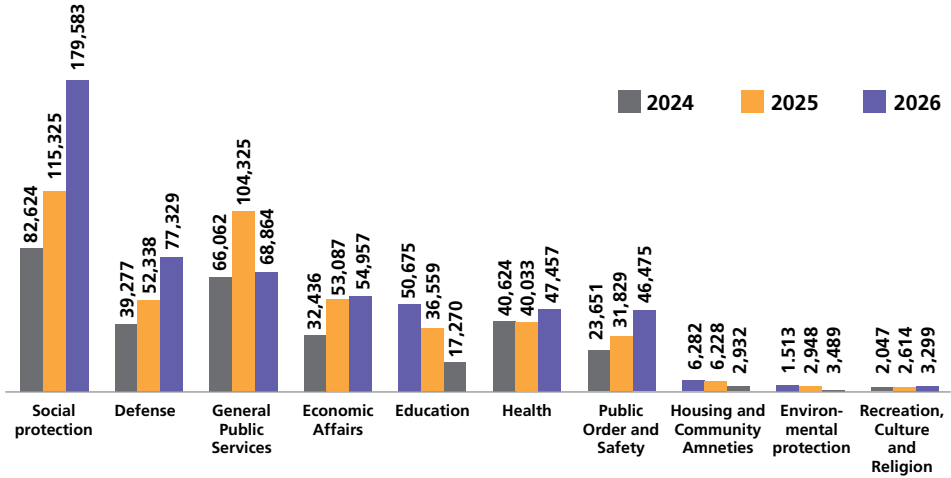
## 1 | Budget expenditures distributed by main functions (10 functions)



Source: Budget law 2026

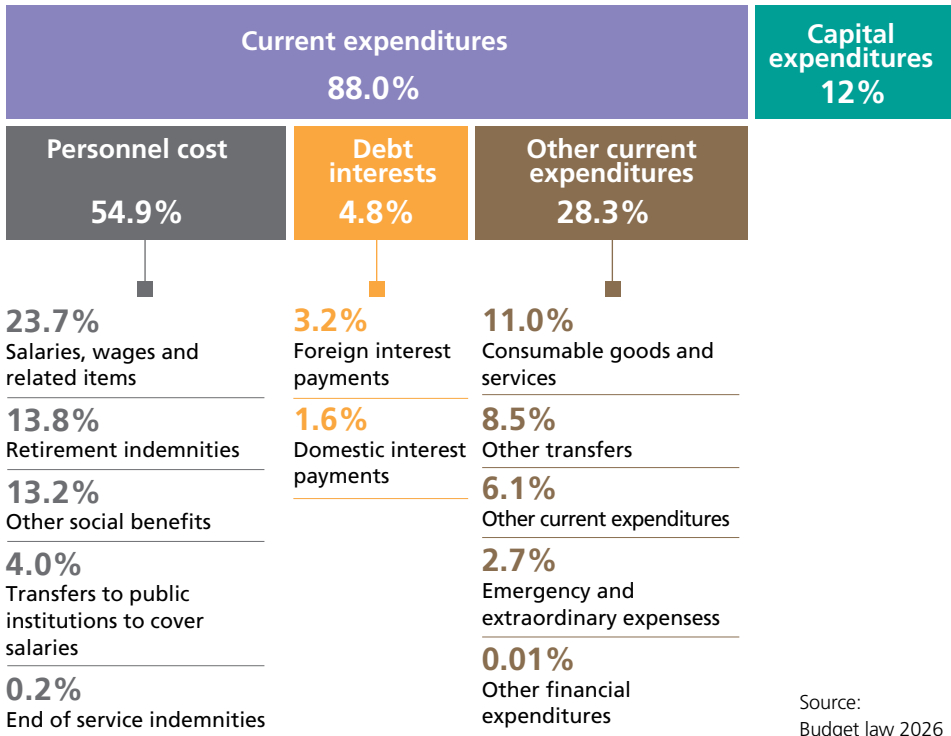
\* The value in U.S. dollars was calculated based on an estimated exchange rate of USD 1 = LBP 89,500.

## Estimated expenditures in the 2026 Budget compared to the 2025 & 2024 Budget Laws - in billions of LBP


















Source: Budget laws 2024, 2025 and 2026














## 2 | Budget expenditures according to the economic classification



Source: Budget law 2026

### 3 | Budget expenditures according to the administrative classification

	Budget Law 2025	% of the budget	Budget Law 2026	% of the budget	
 Ministry of Defense	74,024	16.6	101,692	18.9	➔
 Ministry of Interior and Municipalities	43,374	9.7	57,235	10.6	➔
 Ministry of Education and Higher Education	38,257	8.6	54,859	10.2	➔
 Ministry of Public Health	39,823	8.9	47,266	8.8	➔
 Presidency of the Council of Ministers	25,569	5.7	35,466	6.6	➔
 Ministry of Public Works & Transportation	23,486	5.3	23,710	4.4	➔
 Ministry of Telecommunications	19,414	4.4	20,384	3.8	➔
 Ministry of Social Affairs	11,656	2.6	16,263	3.0	➔
 Ministry of Labor	6,534	1.5	13,425	2.5	➔
 Ministry of Energy & Water	10,604	2.4	10,642	2.0	➔
 Ministry of Finance	7,258	1.6	7,875	1.5	➔
 Ministry of Foreign Affairs & Emigrants	6,845	1.5	6,715	1.2	➔
 Parliament	2,346	0.5	5,134	1.0	➔
 Ministry of Justice	2,465	0.6	4,444	0.8	➔
 Ministry of Agriculture	1,917	0.4	2,322	0.4	=

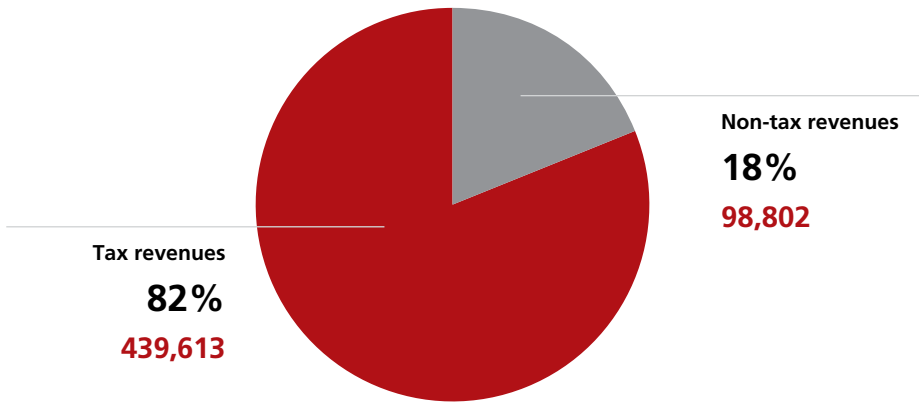
	Budget Law 2025	% of the budget	Budget Law 2026	% of the budget	
 Ministry of Culture	1,707	0.4	2,068	0.4	=
 Ministry of Environment	1,116	0.3	1,758	0.3	=
 Ministry of Economy & Trade	1,665	0.4	1,642	0.3	↘
 Ministry of Information	590	0.1	792	0.1	=
 Presidency of the Republic	387	0.1	711	0.1	=
 Ministry of Tourism	196	0.04	223	0.04	=
 Ministry of Industry	144	0.03	198	0.04	↗
 Ministry of Youth and Sports	87	0.02	156	0.03	↗
 Independent national bodies	100	0.02	153	0.03	↗
 Ministry of Displaced	91	0.02	101	0.02	=
 Constitutional Council	49	0.01	78	0.01	=
 Common expenses	69,655	15.6	101,305	18.8	↗
 Budget Reserve	55,855	12.5	21,800	4.0	↘
	<b>445,214</b>		<b>538,415</b>		

Source: Budget laws 2025 and 2026

# Estimated revenues for 2026

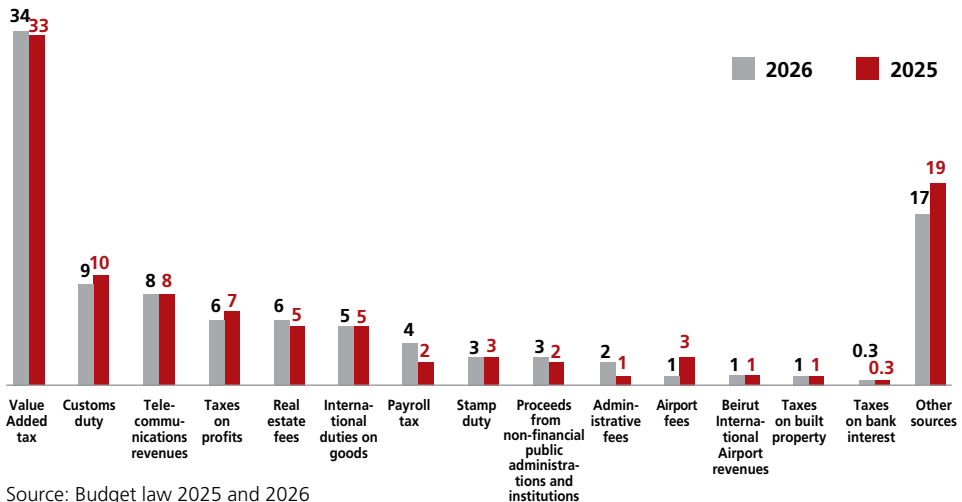
The total estimated revenues under the 2026 Budget amount to LBP 538,415 billion (approximately USD 6 billion\*).

## 1 | Estimated revenue distribution by type in billions of LBP



Source: Budget law 2026

## 2 | Main sources of estimated revenues - Percentage (%)



Source: Budget law 2025 and 2026

\* The value in U.S. dollars was calculated based on an estimated exchange rate of USD 1 = LBP 89,500.

# The Budget in 5 questions and answers

## Question 1 | What is the budget?

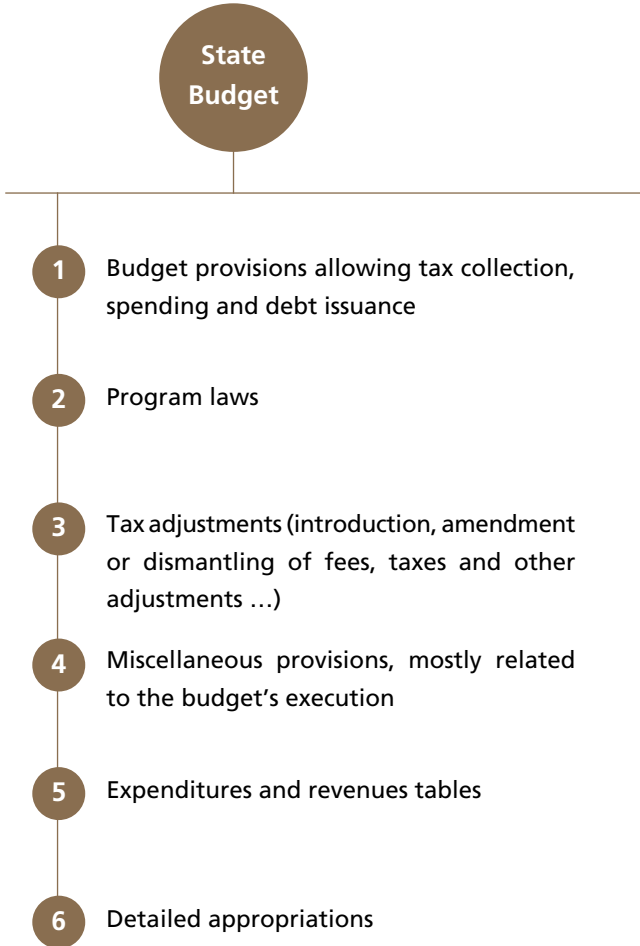
- Article 3 of the “Public Accounting Law” in Lebanon defines the state budget as “a legislative instrument in which national revenues and expenditures are estimated for the upcoming year, and by which the levy of taxes and spending allowed.”
- This definition indicates that the current budget follows a traditional structure known as the “line-item budget”.
- The line-item budgeting is an approach allocating expenditure annually to governmental bodies such as ministries, administrations, and institutions (administrative classification). It can also be categorized according to the purpose of spending (functional classification) or to the type of expenditure (economic classification).
- Budgets around the world have evolved to become tools for foresight, planning and accountability based on programs and performance and guided by a medium-term fiscal and economic vision of the government.
- This evolution has led to significant changes in the content and classification of budgets (by functions/projects, programs and actions rather than line items) as well as in the methods used for their preparation, execution and oversight, through:
  - performance indicators,
  - annual performance plans,
  - annual performance reports.

## Why Shift Toward Program-Based Budgeting?

The International Monetary Fund (IMF) has, in several reports, emphasized the need to reform Lebanon’s fiscal system and adopt program-based budgeting. This approach focuses on linking public expenditures to specific goals and outcomes, thereby improving the efficiency of public resource use and enabling better monitoring of government spending performance.

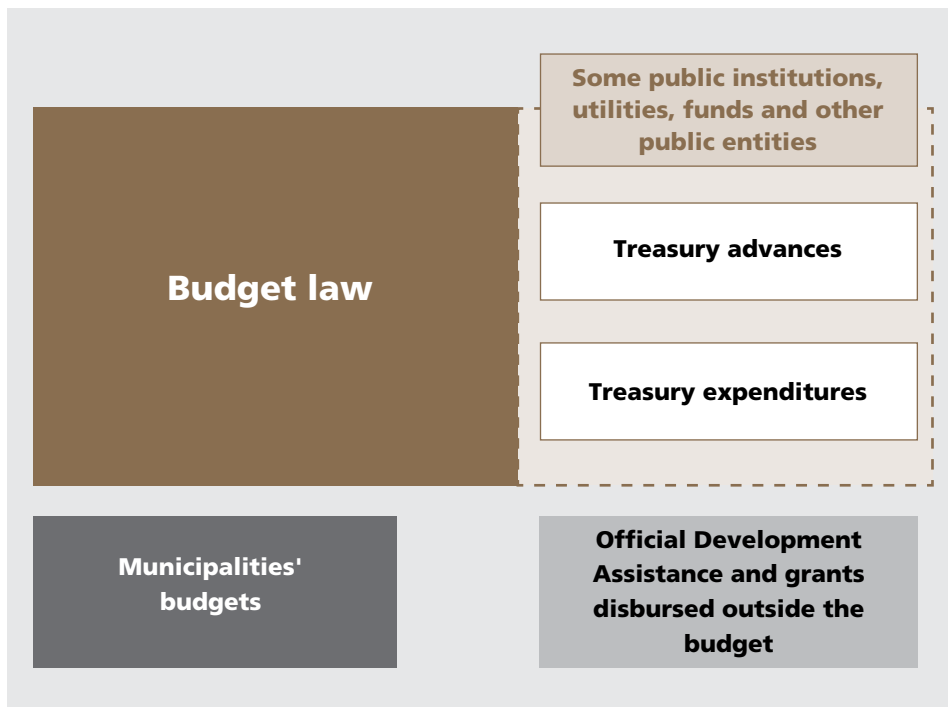
Criterion	Line-Item Budgeting	Program-Based Budgeting
<b>Allocation method</b>	Based on categories of expenditure (salaries, equipment, services, etc.)	Based on government objectives and programs
<b>Oversight</b>	Focus on compliance with the approved budget	Focus on achieving results and performance
<b>Flexibility</b>	Limited in terms of reallocating resources	Allows flexible spending to meet objectives
<b>Accountability</b>	Relatively weak accountability due to the lack of linkages between spending and outcomes	Enhances accountability by linking spending to sector performance

## Question 2 | How is the State Budget structured?



### Question 3 | Does the budget fully reflect the state’s financial reality?

The approved budget accounts for only a large portion of the central government expenditures. However, many public expenditures occur off-budget including those of municipalities or certain public institutions. In contrast, many countries around the world rely on a consolidated “General Government Budget” that captures all government spending across central, local, and social security administrations, providing a more comprehensive and realistic picture of public finances .



## Question 4 | What are the main principles governing the general budget?

### Annuality

The budget is prepared for a single fiscal year that coincides with the calendar year, from January 1<sup>st</sup> to December 31<sup>st</sup>

#### Exceptions

1. Programs
2. Appropriations transferred to the upcoming year
3. The provisional twelfths
4. Additional appropriations

### Unity

There should be only one budget that includes all central government revenues and expenditures

#### Exceptions

1. Extraordinary budgets
2. Independent budgets
3. Special accounts of the treasury

### Universality

Total revenues should cover total expenditures. It means that all revenues and expenditures should be accounted for in full and without any adjustments

#### Exceptions

The use of netting instead of gross budgeting in computing specific fees

### Non-assignment

Budget revenues must not be assigned to specific expenditures

#### Exceptions

1. The assignment of some revenues to cover specific expenditures for practical considerations
2. The assignment of some revenues to cover specific related expenditures
3. The assignment of some revenues to the account of the independent municipal fund and specific entities with independent and annexed budgets
4. Conditional grants

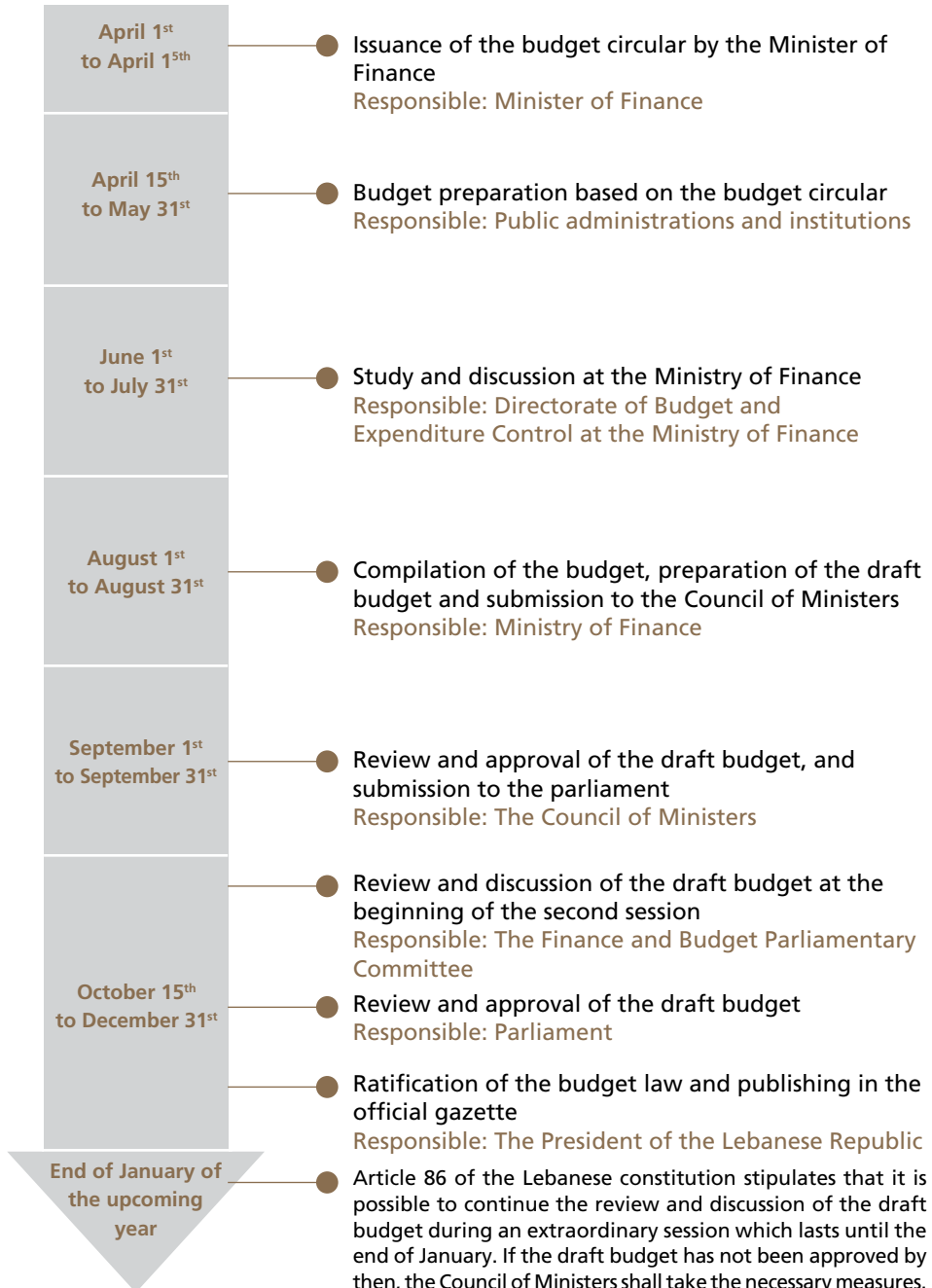
### Equilibrium

The total ordinary revenues in the budget must cover the total expenditures

#### Exceptions

Deficit or surplus

## Question 5 | What is the budget cycle in Lebanon?



## What happens if the budget is not approved within the constitutional deadlines?

- According to Article 86 of the Lebanese Constitution, if Parliament fails to approve the budget by the constitutional deadline, the President of the Republic, in agreement with the Prime Minister, shall call for an extraordinary session to continue budget discussions, which may extend until the end of January.
- If the budget remains unapproved by the end of this period, the Council of Ministers may issue a decree enforcing the proposed budget, provided that it was submitted to Parliament at least 15 days before the start of the extraordinary session.
- During this period, the government continues to collect taxes and fees as usual, using the previous year's budget as a reference—adjusted for any new or canceled appropriations. Expenditures for the month of January are made according to the Provisional Twelfth Rule.
- The Provisional Twelfth Rule, as stipulated in Article 12 of the Public Accounting Law, is a temporary financial mechanism applied when the annual budget is not approved on time. This rule allows the government to spend up to one-twelfth of the previous year's budget each month, ensuring the continuity of public services until the new budget is formally adopted.

## The team

This publication was prepared by the Institut des Finances Basil Fuleihan under the supervision of its President, Ms. Lamia Moubayed Bissat.

The content of the guide was reviewed by the Directorate of Budget and Expenditures Control team at the Ministry of Finance.

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