



2025- 2026

GEP DEEP DIVES

ELECTRICITY AND WATER



AMERICAN
UNIVERSITY
OF BEIRUT



I. MINISTERIAL STATEMENT PROMISES

The following commitments were made by the Lebanese government in its ministerial statement, forming the baseline against which actual progress is assessed across the Electricity and Water.

UTILITY SECTOR MODERNIZATION



Systematic Reform of Electricity & Water:

The government is committed to structural improvements within the electricity and water sectors

Increasing Supply at Minimum Cost

A primary goal is extending electricity hours while maintaining the lowest possible cost.

STRATEGIC ENERGY SECURITY



Restoring Oil and Gas Exploration

Resuming exploration activities to strengthening Lebanon's energy independence.

Long-term Economic Prospects

These energy initiatives are designed to bolster the nation's future economic stability.

II. AREAS WHERE PROGRESS HAS BEEN MADE



1. Electricity

- The **Electricity Regulatory Authority (ERA)** was finally established under Law 462/2002, a reform delayed for over two decades, enhancing transparency, tariff regulation, and the foundation for private-sector participation.
- The government ended the **accumulation of new fuel-related public debt, marking a decisive shift from crisis-driven spending toward fiscal responsibility, while increasing payment collection to boost revenues and restore confidence among international partners and lenders.**
- Parliament approved a **\$250 million World Bank loan aimed to strengthen EDL's operations**, covering a national control center, advanced metering infrastructure (AMI), rehabilitation of the Achrafieh substation, and \$90 million for a 150 MW solar plant in the Bekaa.

II. AREAS WHERE PROGRESS HAS BEEN MADE (CONT'D)

- Secured a World Bank (IBRD) loan to finance the **Lebanon Renewable Energy and System Reinforcement Project (RESRP)**, supporting both EDL in strengthening the national power grid and the Litani River Authority in rehabilitating and modernizing key hydropower infrastructure and facilities.
- The Ministry launched in coordination with Lebanese security forces and the judiciary, **monthly inspections across all regions, issuing formal violation reports against illegal connections to protect public funds and ensure proper functioning of EDL.**
- The **Ministry of Energy and Water has taken decisive steps forward in renewable energy by reviving 11 long-stalled solar farm licenses originally granted in 2022, with four already progressing under new ownership through signed Power Purchase Agreements**, including deals with PrimeSouth for the South and Nabatieh governorates and Merit Invest (part of the CMA CGM Group) for three additional solar farms. All aimed at expanding clean energy production, reducing costs, and cutting pollution
- Plans were also announced to construct **new power plants in Zahrani and Deir Ammar, rehabilitate the Nahr al-Bared power station, and restore three hydroelectric plants on the Litani River** as part of a broader transition toward natural gas-based generation and reduced reliance on fuel oil.
- A **6-month gas oil tender** was issued as part of energy source diversification, complemented by ongoing short-term monthly and bimonthly tenders to ensure uninterrupted supply.
- **Regional energy integration was revived, including a Cyprus electricity interconnection initiative.**



2. Oil & Gas

- **A Block 8 agreement was signed in January 2026 with TotalEnergies, QatarEnergy, and Eni** for offshore oil and gas exploration.
- Launched a strategic transition from **costly fuel oil toward natural gas, simultaneously advancing LNG imports via a Floating Storage and Regasification Unit (FSRU), and reviving the Arab Gas Pipeline** with Jordan and Syria, pursuing both routes to guarantee energy security through diversification rather than dependence on a single source.

II. AREAS WHERE PROGRESS HAS BEEN MADE (CONT'D)

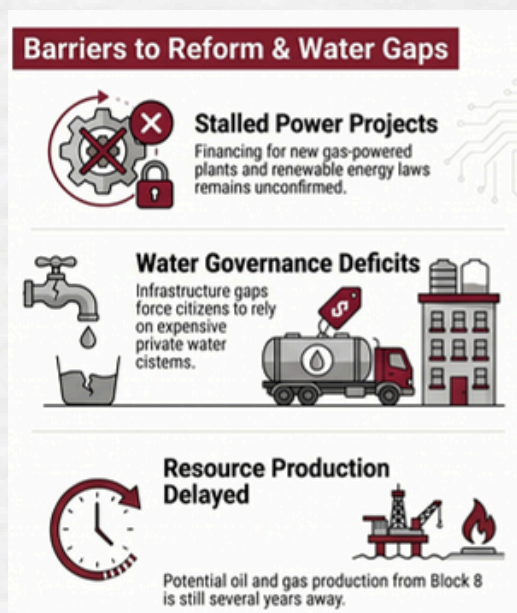
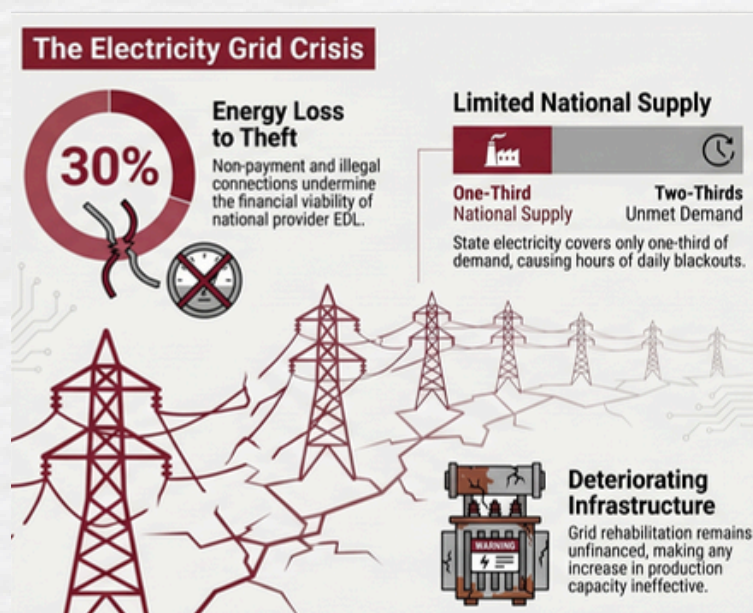


3. Water Sector

- Signed a **\$257.8 million World Bank loan agreement to implement the Second Greater Beirut Water Supply Project**, improving water access for approximately 1.8 million residents across Greater Beirut and Mount Lebanon.
- **New board appointments were initiated** across water authorities, including a new CEO at the Bekaa Water Authority, with new boards being prepared for water establishments in Beirut and the Bekaa, as well as for EDL itself.

III. AREAS WHERE EFFORTS CONTINUE TO EVOLVE - AGENDA IN PROGRESS

1 Electricity



IV. OVERALL ASSESSMENT SUMMARY

Commitment	Status	Note
Establish the Electricity Regulatory Authority (ERA)		ERA established under Law 462/2002 after two decades of delay; full operationalization still in progress
End fuel-related public debt accumulation		EDL now self-funded through collections; state subsidies and loans for fuel have ceased
Combat electricity theft and illegal connections		Monthly inspections launched with security forces and judiciary; 30% theft rate still persists
Increase electricity supply hours		EDL still covers one-third of national demand; families remain reliant on private generators
Rehabilitate transmission and Strengthen distribution grid		\$250M World Bank loan approved & Financing from Arab fund still under negotiation; grid remains deteriorated and unresolved
Build new gas-powered power plants		Plans for Deir Ammar and Zahrani plants advancing via IFC; financing still undefined
Improve water supply for Greater Beirut		\$257.8M World Bank loan signed for Second Greater Beirut Water Supply Project serving 1.8M residents
Revive water authority governance		New CEO appointed at Bekaa Water Authority; new boards being prepared for Beirut and Bekaa establishments
Revive offshore oil and gas exploration		Block 8 agreement signed with TotalEnergies, QatarEnergy, and Eni; production still years away
Transition to natural gas and diversify energy sources		LNG via FSRU and Arab Gas Pipeline revival both being pursued; technical studies underway with Jordan and Syria



Note: RED - early ; YELLOW – moderate; GREEN – advanced



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