

# The Solomon-Hiram Solution: How Peace Can Unlock Lebanon's \$100 Billion Banking Crisis

written by Carlos Abadi | 06.09.2025

## Executive Summary

- **Only a comprehensive peace with Israel can truly unlock Lebanon's future.** The Solomon-Hiram Accords envision a historic Israel-Lebanon agreement that ends border disputes, stabilizes the region, and provides the indispensable foundation for restoring Lebanon's shattered banking system and economy.
- **Without peace, no financial solution is possible.** The IMF's failed 2022 plan showed that technical fixes collapse in the face of political instability. By contrast, peace with Israel is the confidence catalyst that can draw back capital, free frozen deposits, and replace conflict with prosperity.
- The framework would **leverage Lebanon's hidden assets**—prime Mediterranean coastline, natural gas reserves, and existing port infrastructure—transforming them into engines of recovery and positioning Lebanon as a hub for regional trade in partnership with Israel.
- **Financing formula:** Public asset securitization (up to \$50B), reversal of unfair crisis-era currency conversions (~\$10B), and cooperative energy development with Israel, could cover the vast majority of Lebanon's recapitalization needs from domestic resources.
- **Peace-driven private capital flows**—from the Lebanese diaspora, Gulf sovereign wealth funds, and European investors—could bring in **\$50-100B within five years**, organically rebuilding the banking system without reliance on international bailouts.
- Every stakeholder gains: Lebanon restores deposits and jobs, Israel secures its northern frontier through integration rather than war, Gulf states counter Iran with investment, and the West proves that diplomacy and peace can deliver economic transformation.

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