



AID DEVELOPMENTS

United States provided facilities and supplies to the Ministry of Interior and Municipalities

In July 2011, the United States government donated to the Ministry of Interior and Municipalities Internal Security Forces (ISF) facilities, equipment, and supplies valued at over \$1.7 million. Through the Department of State Bureau of International Narcotics and Law Enforcement Affairs, these donations fall within the framework of the US continuing assistance for law-enforcement programs in Lebanon. Included in the donation is a new police station in the area adjacent to the Nahr-El Bared Palestinian refugee camp fully furnished and equipped per ISF specifications. The U.S. Government has assisted the ISF in its development since October 2006 and has committed over \$132 million to this program.

International Fund for Agricultural Development provided an allocation for agriculture

On 13 July 2011, the International Fund for Agricultural Development (IFAD) announced that it reserved an allocation of \$10 million from the Spanish Food Security Trust Fund, which will be extended as a loan under the same conditions as the \$4 million Hilly Areas Sustainable Agriculture Development Project (HASAD) loan to the Government of Lebanon.

European Union provided a grant to the Ministry of Agriculture

On 29 July 2011, the Head of the European Union delegation to Lebanon and the Minister of Agriculture signed a Euro 14 million grant agreement to fund a four-year agricultural and rural development program. The agreement aims at boosting the performance of the Lebanese agriculture by improving four main components of the sector including the agriculture guidance, infrastructure, loans in addition to offering equipments to the ministry. The EU also will earmark Euro 3.5 million to Kafalat so that the latter would be able to increase the percentage of guarantees it offers to farmers.



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Spain announced its Cooperation Program for Lebanon

On 28 June 2011, the Ambassador of Spain announced the Cooperation Program between the Governments of Spain and Lebanon which will be implemented by the Spanish Agency for International Development Cooperation. The Euro 35 million annual program will focus on the following priority areas: education, rights of women, hospital management, protection and rights of citizens, elections, culture, and flood risk management. The Spanish Cooperation Program will also focus on the reconstruction of the Nahr-El Bared Palestinian Refugee camp.

Ministry of Finance participated in the International Aid Transparency Initiative partner country and steering committee meetings

On 4-5 July 2011, a representative of the Ministry of Finance attended the Partner Countries and Steering Committee meetings of the International Aid Transparency Initiative (IATI) in Paris, France. The main objective of the Partner Country meeting was for partner countries to share their experiences with transparency of aid and mutual accountability and putting aid on budget. The countries that presented were: Bangladesh, Rwanda, Moldova, Madagascar and the Democratic Republic of Congo. The objectives of the IATI Steering Committee meeting were to discuss ways to enable faster progress on the implementation of the IATI standard through learning lessons before the Fourth High-Level Forum on Aid Effectiveness in Busan, Korea, to agree the plan of action and support required for CSOs and NGOs to apply the IATI Standard, to provide an update on various elements being worked on, and to agree on the future hosting of IATI after the handover from the IATI secretariat occurs. The Partner Countries meeting enabled all stakeholders (partner countries, donors and civil society organizations) to share their thoughts, ideas and needs with each other to decide on the various topics mentioned above. It was noted that the IATI had progressed quite well on its work plan and that donors and partner countries were also advancing in reaching their commitments and plans. The Steering Committee meeting enabled all participants to have a constructive discussion on the preparations for the Fourth High-Level Forum meeting on Aid Effectiveness in Busan in November 2011.

European Union announced an increase in the 2011-2013 budget of the European Neighborhood Policy

On 5 July 2011, the Head of the Delegation of the European Union to Lebanon presented the new European Neighborhood Policy (ENP) of the European Union. Following a comprehensive review of the ENP launched in 2004, and in response to the challenges and opportunities raised by the transformations in the Arab world, the EU announced new orientations that reiterate the EU commitment towards its neighbors. Additional funding of up to Euro 1.24 billion for the neighborhood, on top of the Euro 5.7 billion already planned for 2011-2013, will be allocated to support partner countries in the political and economic reforms they want to undertake. For Lebanon, the EU reaffirmed its commitment to push forward the independence of the judiciary, electoral, penitentiary and administrative reforms, and the creation of jobs and the establishment of small and medium size enterprises. The European Union will also create a Civil Society Facility and a European Endowment for Democracy to strengthen the partnership between the EU and Lebanese civil society.



AID COORDINATION

Ministry of Finance participated in the Joint Euromed, ECOFIN and FEMIP Ministerial Meeting

On 11-13 July 2011, a representative from the Ministry of Finance participated in the 11th Joint Euromed, ECOFIN and FEMIP Ministerial Meeting in Brussels. The agenda of the meeting included a discussion on the conclusions and follow up to the FEMIP Conference in Casablanca in May 2011 on the potential public-private partnerships as a solution to Mediterranean infrastructure challenges as well as on initiatives supporting Mediterranean countries and a discussion to set the topics for the FEMIP conferences in 2012. Finance Ministers focused mainly on the changes taking place in the Mediterranean region and on the future of the economies of these countries. The European Investment Bank reaffirmed that it stands ready to adopt a comprehensive strategy to support the economic transformation and transition process of partner countries, and to lead the coordination efforts of the EU financiers active in the Mediterranean. This is reflected in the present FEMIP Operational Plan, which moves away from a sole business as usual approach to target faster job creation with a particular emphasis on Micro, Small and Medium Enterprises (MMSEs) and balanced regional development and cohesion. As a follow up, the Ministry of Finance should take advantage of the increased support of the EIB for the private sector and PPP, and ensure that the assistance to the private sector is reviewed and developed, specifically through credit investments. Furthermore, the Lebanese Government should take advantage of the increased lending ceiling of the EIB by Euro 1 billion over 2011-2013 for new sector lending to be added to the portfolio of the Bank in Lebanon.