



## AID DEVELOPMENTS

### **Loan Agreement with France signed and first tranche received**

On February 21, 2008, under the auspices of the French President, Nicolas Sarkozy and the Lebanese Prime Minister, Fuad Siniora, the Lebanese Minister of Finance, Jihad Azour and the Agence Française de Développement's (AFD) Director General, Jean Michel Severino, signed a loan agreement for debt reduction, in the presence of the French Minister of Finance Christine Lagarde. The loan agreement of €375 million will be received in three tranches, the first of which €150 million was received on February 27, 2008. The loan agreement is part of the French Paris III pledge totaling €500 million all implemented by Agence Française de Développement. The remaining €125 million were allocated for promoting growth through provision of credit to the private sector.

### **Saudi Fund grants Lebanese University \$15 million**

On February 4, 2008, Saudi Development Fund and Council for Development and Reconstruction (CDR) signed an agreement by which Saudi Arabia provides Lebanon with a grant of \$15 million to benefit the Lebanese University, specifically the development of a faculty of sciences at the Lebanese University Branch in Tripoli. The funds were reallocated from a previous framework agreement.

### **USAID continues to disburse its Paris III contribution for debt reduction**

On February 1 and February 15, 2008, USAID paid on behalf of Lebanon \$139,252 and \$2.3 million to cover Lebanon's debt and debt service to the World Bank. These two payments bring total disbursements made by the USA to \$113 million out of the total grant of \$125 million (earlier installments were paid in December 2007 and January 2008), as part of the US pledge to Lebanon of \$250 million budget support in Paris III. The related grant agreement was signed between the Ministry of Finance and USAID on 31 August 2007 and amended on 17 December 2007. These two payments bring total disbursements made by the USA to \$113 million out of the total grant of \$125 million (earlier installments were paid in December 2007 and January 2008), as part of the US pledge to Lebanon of \$250 million budget support in Paris III. The related grant agreement was signed between the Ministry of Finance and USAID on 31 August 2007 and amended on 17 December 2007.

### **China and the Council for Development and Reconstruction signed \$4 million grant agreement**

On February 1, the People's Republic of China signed with CDR a grant agreement for Yuan 30 million (\$4 million). Yuan 5 million of the grant will be dedicated to provide in-kind support to implement a Confucius Institute project and the remaining balance to be agreed upon between the two governments.

### **The Council for Development and Reconstruction and Germany set up an environment fund**

The Council for Development and Reconstruction, in collaboration with the Ministry of Environment, launched an "environment fund" financed by €2.5 million grant from Germany. The grant is part of a framework agreement signed with CDR on December 8, 2008 and part of Germany's Paris III pledge.



## AID COORDINATION

### **Aid Coordination and Effectiveness**

The three Inter-Ministerial Committees: Economic, Infrastructure and Privatization, and Social organized their fourth round meetings on February 11th, 15th and 29th, 2008. The meetings were chaired by the President of the Council of Ministers and intended to follow up on progress achieved in the implementation of the reform program over the six months from September 2007 to February 2008, and to resolve issues escalated from the natural owners. Short-term technical assistance and funding requirements were also presented and discussed; the Ministry of Finance continues to follow up on the requests and coordinate with donors to mobilize the needed resources for the IMC-approved programs/initiatives.

### **Lebanon Recovery Fund**

On February 26, the Lebanon Recovery Fund held a Steering Committee meeting to review progress and accomplishments of six projects launched to date. The Lebanon Recovery Fund was set up by the Lebanese Government with the assistance of the United Nations Development Group to implement donor funded projects for Lebanon's recover after the War of July. The projects include Community Energy Efficiency and Renewable Energy Demonstration project for the Recovery of Lebanon, Early Recovery Assistance for the Smallholder Horticulture, Early Recovery Assistance to War, Affected Resource-Poor Livestock Keepers, Support for Livelihoods and Economic Recovery in War-Affected Areas of Lebanon, Local Socio-Economic Recovery in War Affected-Areas of South Lebanon, Capacity Building of Human Resources for Digital Documentation of World Heritage Sites Affected by 2006 War.

### **Nahr el-Bared press conference presenting the master plan for the 'old camp'**

On February 12, His Excellency Prime Minister Mr. Fouad Siniora held a press conference to launch the Master Plan for the Reconstruction of Nahr El Bared Camp in the presence of Mr. Abbas Zaki, PLO representative in Lebanon, and Mrs. Karin AbiZayd, UNRWA Commissioner General. The presenters discussed the plans for rebuilding Nahr El-Bared 'old' camp, which is expected to be finalized by end of April 2008.

### **European Commission presents a Technical Assistance tool**

On January 23, the European Commission in cooperation with the Project Administration Office presented the Technical Assistance Information Exchange (TAIEX) instrument to the concerned public sector entities in Lebanon. This instrument aims at providing the public sector, at short notice, with small-scale assistance in terms of training workshops, seminars, study tours, and expertise in fields of mutual interest.