

Two World Bank missions (power and social) visited Lebanon

Within the context of the implementation of the Reform Implementation Development Policy Loan I (RIDPL I), (signed on September 7 and received on November 4, 2007), a World Bank mission visited Lebanon between January 15 and 19, 2008 to review progress achieved in energy reforms under the Emergency Power Sector Reform Capacity Reinforcement Project. The mission also discussed energy reform actions to be included under the second RIDPL and finalized the Electricity Sector Public Expenditure Review.

From January 21 to January 30, a World Bank mission visited Lebanon to review developments in the implementation of the social sector reforms and to discuss a second Reform Implementation Development Policy Loan of \$75 million to support reforms in the social sector in particular. The mission also assessed progress of the Emergency Social Protection Implementation Support Grant, signed on September 7, 2007. The second RIDPL is part of the pledge of the World Bank made at Paris III.

USAID transferred \$96 million of the US Government contribution to Paris III

On 24 January 2008, USAID prepaid, on behalf of Lebanon, three outstanding loans to the World Bank for an amount equivalent to \$89 million. This payment was in addition to payments equivalent to \$7 million made by USAID on January 15 to cover Lebanon's debt and debt service to the World Bank. These two payments bring total disbursements made by the USA to \$110 million out of the total grant of \$125 million (the first installment of \$14 million was paid on December 1, 2007), as part of the US pledge to Lebanon in Paris III for \$250 million in budget support. The related grant agreement was signed between the Ministry of Finance and USAID on 31 August 2007 and amended on 17 December 2007.

The European Commission provides €545,000 in-kind support to the Central Administration of Statistics

On 22 January 2008, the European Commission donated IT equipment and software to the Central Administration of Statistics amounting to €545,000. This grant, which is part of the assistance provided under the EU-Lebanon Association Agreement, aims at improving the statistical data entry and treatment capacity of the Central Administration of Statistics.

Iraq transferred \$2 million to Lebanon

On 8 January 2008, the Government of Iraq transferred \$2 million to the grant account at the Ministry of Finance in appreciation for hosting Iraqis displaced to Lebanon.



European Investment Bank signed five private sector support agreements totaling €195 million

In December 2007, EIB signed with local financial intermediaries five agreements to provide credit to the private sector totaling €195 million. In addition to the €60 million agreement reported in the January 2008 Aid Coordination Newsletter, EIB also signed agreements with: Banque Libano-Française on 21 December 2007 for €20 million; Fransabank on 21 December 2007 for €30 million, Bankmed on 27 December 2007 for €25 million, and Bank Audi on 27 December 2007 for €60 million. The loan agreements are part of the EIB Private Sector Facilities project under the Facility for Euro-Mediterranean Investment and Partnership (FEMIP). EIB pledged a total of €545 million in private sector support at the Paris III Conference, of which €368 million have been signed.

Norway transferred \$1 million to High Relief Commission for oil spill clean up

On 12 December 2007, the Government of Norway transferred \$1 million to the account of the High Relief Commission for a project to address issues related to the oil spill caused by the July 2006 war. This contribution is part of Norway's pledge of \$15 million at Paris III. Norway fulfilled its pledge to Lebanon in 2007 through transfers to Norwegian NGOs, UN Agencies, the Mine Advisory Group and the High Relief Commission. These contributions focused on humanitarian assistance, environmental projects and mine removal.

Update on Aid Monitoring and Reporting System at the Ministry of Finance

An aid monitoring and reporting system linked to the budget is being established at the Ministry of Finance with grant funding provided by the World Bank (Post-Conflict Fund). Pursuant to the "Request for Expression of Interest", an evaluation committee at the Ministry of Finance reviewed the information sent by different vendors and selected the firm with the best qualifications and references to develop the aid monitoring and reporting system. A Request for Proposal was then sent to the selected firm to submit technical and financial proposals and to negotiate the contract. Following review of the proposal by the Ministry of Finance, a contract was agreed to. Subsequently, the World Bank issued No Objection to proceed with the selected firm. The contract was signed with implementation to start on 4 February 2008.

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