



LOAN APPROVAL PROCEDURE (PROJECT FINANCING)

1.	The Government of Lebanon requests a loan to finance a specific project, or financing party proposes a loan for a sector it is interested in financing.
2.	Financing party appraises the project and approves making available a loan
3.	Financing party provides a draft financing agreement
4.	a) <u>Loan to be negotiated outside Lebanon:</u> - A copy of the draft agreement is sent to CoM requesting authorization to travel, to negotiate the loan and to initial the text of the draft financing agreement. - A copy of the draft agreement is sent to MoF with request for instructions and advice concerning the various options of interest rates and modalities for reimbursement. In case such options are not available, or in case the BdL is managing the loan, a copy of the draft agreement is sent to MoF for info. b) <u>Loan to be negotiated in Lebanon:</u> MoF receives a copy of the draft agreement and is consulted on various interest and reimbursement options, if they are available.
5.	Loan is negotiated. In the case of a) above, it is initialed. In the case of b) above, it is not initialed.
6.	In the case where the draft financing agreement was initialed, a copy is sent to CoM requesting approval and authorization to sign it. In the case the draft financing agreement has not been initialed yet, a copy is sent to the CoM requesting approval and authorization to initial and sign the draft agreement.
7.	CoM issues a decision authorizing signature.
8.	The draft agreement is signed
NOTE	Certain laws provide with a pre-approval to contract loans according to certain conditions (for example Law no. 476), in that particular case the process stops at point 8. All necessary documents are then sent to the Department of Legislation and Consultation at the Ministry of Justice in order to provide the concerned Ministry with the Legal opinion requested by the financing party.
9.	A copy of the signed draft agreement with a translation into Arabic (in case the agreement is not in Arabic) is sent to the CoM informing it of the signature and requesting the CoM to take the necessary measures to put it into effect.
10.	CoM issues a decree involving a draft law for the ratification of the draft agreement and sends it to Parliament.
11.	Parliament circulates it to all Parliamentary Commissions involved and necessarily to the Finance and Foreign Affairs Commissions. It convenes a series of meetings involving all parties concerned (relevant Commission, CDR, Ministry of Finance and other concerned Ministries, etc.) to explain the draft agreement and answer any questions that the Commissions wish to address. Sometimes, a Joint Commissions meeting is convened instead of several separate Commission meetings. Approval of the draft agreement by the

	Parliamentary Commissions is required before it is presented for approval to a plenary session of Parliament.
12.	Draft agreement is presented to a plenary session of Parliament, which approves the draft law for ratification sent to it through the decree of the CoM.
13.	The law and the text of the financing agreement are published in the Official Gazette.
14.	Following publication in the Official Gazette, a legal opinion to the benefit of the financing party is requested from and issued by the Legislative and Consultative Organ of the Ministry of Justice.
15	MoF or the concerned Ministries send to the financing parties all documents requested as conditions of effectiveness of the Loan and request from the financing parties to dispatch a notice of acceptance of the evidence required.