



AID DEVELOPMENTS

USAID continues disbursement of Paris III contribution for debt reduction

On 1 April and 15 April 2008, USAID paid on behalf of Lebanon €831,007 and \$3.4 million, respectively, to cover Lebanon's debt and debt service to the World Bank. The payments bring total disbursements made by the USA to \$119 million, out of the total grant of \$125 million. The grant is part of the US pledge to Lebanon of \$250 million budget support at 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.

Islamic Development Bank and Council for Development and Reconstruction signed \$250 million framework agreement

On 4 April 2008, the Islamic Development Bank and Council for Development and Reconstruction signed a framework agreement for \$250 million. The agreement provides \$245 million soft loans for development projects and \$5 million grants. The soft loans are for recovery projects and for projects in the roads, infrastructure, health, education, social, water and waste water sectors. The grants include \$3 million to be channeled through NGOs and civil society organizations and \$2 million for technical assistance.

Kuwait continues to transfer financial support for housing damages through the High Relief Committee

Kuwait has continued to provide support, through the High Relief Committee, to compensate individuals for housing damages incurred during the July 2006 war. Since the beginning of January 2008, Kuwait transferred \$10.3 million to HRC, bringing the total amount transferred since the July 2006 war to \$61 million. Kuwait pledged \$300 million during the July 2006 war to support the Government's reconstruction and recovery efforts, of which \$115 million for housing compensation and the balance for development projects.

Kuwait signed project agreements with Council for Development and Reconstruction and High Relief Committee

On 8 April 2008, Kuwait signed project agreements with the High Relief Committee for eleven relief and social projects, totaling \$5.1 million. In addition, on 9 April 2008 Kuwait signed eleven project agreements with the Council for Development and Reconstruction, totaling \$66.5 million; the projects will benefit the water and waste water, infrastructure and socio-economic sectors. All the above projects are funded from the Kuwait pledge of \$300 million in grants to support the Government's reconstruction and recovery efforts following the July 2006 war. Of the total pledge, \$185 million are allocated for development projects and \$115 million for housing compensation.

Spain transferred €10 million to the Lebanon Recovery Fund

In March 2008, Spain transferred €10 million to the Lebanon Recovery Fund, thereby fulfilling its pledge of €25 million made at the Stockholm Conference. The contribution will fund earmarked projects for the environmental sector and other projects to be reviewed by the Steering Committee. The Lebanon Recovery Fund was set up by the Lebanese Government with the assistance of the United Nations Development Program, acting on behalf of the United Nations Development Group, to implement donor-funded projects for Lebanon's recovery after the July 2006 war.



Saudi Arabia transferred \$20 million to High Relief Committee to cover 2007-08 school tuitions
On 20 February 2008, Saudi Arabia transferred \$20 million to the account of the High Relief Committee for 2007-08 tuition in public schools. The assistance benefited a total of 326,503 students in 1,386 public schools. This is the second consecutive year that Saudi Arabia provided this specific type of support. The first public school tuition support was prompted by the emergency needs after the July 2006 war.

AID COORDINATION

Aid coordination at the World Bank / IMF Spring Meetings

The Lebanese Delegation to the World Bank / IMF Spring Meetings in Washington DC updated the donor community on progress achieved in reform implementation and resource mobilization through bilateral meetings and the Core Group Meeting held on 12 April 2008, at the sidelines of the Spring Meetings. The Delegation included the Minister of Finance, Minister of Economy and Trade and Governor of the Central Bank.

Ministry of Finance publishes Paris III - Fifth Progress Report

On 10 April 2008, the Ministry of Finance published the Paris III Fifth Progress Report detailing progress achieved in the implementation of the reform program and resource mobilization in the first quarter of 2008. The series of reports is available on www.finance.gov.lb. Subsequently, on 17 April 2008, the fourth donor meeting was held at the Grand Serail to update donor representatives in Lebanon on progress made and to discuss the findings of the report.

For further information

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