



AID DEVELOPMENTS

The European Investment Bank disbursed €12 million of the Loan to Support the Private Sector

On 31 July 2008, EIB disbursed the third tranche of the €60 million loan managed by the Banque du Liban to support the Lebanese private sector. The disbursement of €12 million brings the total disbursed to €47 million. These funds are disbursed in turn by BdL to approved private sector applicants. One additional tranche is expected during the third quarter of 2008.

USAID provides Lebanese American University with \$1.6 million for Student Scholarships

On 24 July 2007, the United States Agency for International Development (USAID) provided Lebanese American University a total of \$1.6 million for student scholarships. The funds are part of USAID grants to educational institutions in Lebanon.

The International Finance Corporation invested \$15 million in a Lebanese Construction Company

On 17 July 2008, the International Finance Corporation (IFC) - a member of the World Bank Group - invested \$15 million in a Lebanese construction company (Butec Group S.A.L. Holding). This investment is part of the World Bank Group's pledge at Paris III to Lebanon totaling \$975 million. Of the total, \$275 million is dedicated to private sector support through the IFC. The remaining \$700 million are expected to be in project and budget support.



AID COORDINATION

Progress on the Recovery and Reconstruction of the Nahr El-Bared Camp and Conflict Affected Areas of North Lebanon

At the institutional level, and following the International Donor Conference in Vienna for the Recovery and Reconstruction of the Nahr El-Bared Palestinian Refugee Camp and Conflict Affected Areas of North Lebanon, the Government established the Nahr El-Bared Recovery and Reconstruction Cell (RRC) reporting directly to the President of the Council of Ministers. The RRC builds on existing and relevant expertise within the Presidency of the Council of Ministers, and works closely with the Ministry of Finance (MoF) and the Council for Development and Reconstruction (CDR) to benefit from their donor coordination and project finance experience. The RRC became operational in July 2008 and agreed with UNRWA on a joint post-Vienna implementation strategy aimed at confidence building and creative resource mobilization.

At the financing level, the Government held a series of bi-lateral meetings with donors to validate and clarify the pledges made in Vienna. In parallel, the RRC followed-up with the World Bank regarding the early establishment of a Multi-Donor Trust Fund (MDTF) for the reconstruction of the NBC and surrounding areas. The Government is also preparing an appropriate monitoring and evaluation system to oversee the NBC recovery and reconstruction process and is discussing with UNRWA the future harmonization of the financial reporting for both the MDTF and Parallel Financing for the NBC reconstruction. Finally, the Government is in the process of preparing a post-Vienna resource mobilization strategy in partnership with UNRWA.

At the reconstruction level, the Government held a number of meetings with UNRWA as well as sector ministries and government agencies in order to coordinate the implementation of future reconstruction activities. Also, the Government is closely following-up with UNRWA on the NBC demining and rubble removal activity expected to start during the first week of September 2008. The preparation of the draft decree for land expropriation in the NBC as well as the review and approval process of the NBC Masterplan is well advanced. Furthermore, the identification of the legal framework for addressing housing reconstruction in the New Camp is making timely progress and is scheduled to be completed in August 2008. Finally, and given the interest of some donors in Direct Donor Implementation of reconstruction activities in the NBC, the Government agreed with UNRWA on the packaging of the NBC reconstruction activities into six distinct contracts for possible direct donor implementation.