



AID DEVELOPMENTS

The Council of Ministers approved two World Bank grants for reform implementation

On 10 October 2008, the Council of Ministers approved a World Bank grant of US\$6 million to support reforms in the social sector. The grant consists of four components: modernization of the social insurance system (US\$2.25 million), rationalization of public sector health expenditures (US\$0.74 million), national poverty targeting program to strengthen social safety nets (US\$1.25), and education sector performance and quality enhancement (US\$1 million).

On 29 August 2008, the Council of Ministers approved US\$4 million for improving public debt and expenditure management. Both grants are part of the Post-Conflict Trust Fund of US\$70 million set up by the World Bank after the July 2006 war.

The Italian Embassy and the Council for Development and Reconstruction sign cooperation agreement

On 7 October 2008, the Italian Embassy and CDR signed a cooperation agreement for €25 million in grants. The agreement includes €16.6 million approved by the Italian Ministry of Foreign Affairs on 4 September 2008, as reported in the last newsletter; €6 million to multilateral organizations, as reported in the September 2008 Newsletter; and, €1.8 million for irrigation systems in Baalbek and protection of the Chouf cedars nature reserve.

Saudi Arabia disbursed \$44 million in grants for education

On 25 September 2008, Saudi Arabia disbursed to the Government a grant of US\$44 million, to be implemented by the High Relief Committee. The grant is allocated as follows: US\$20 million for tuition of students in the public schools, US\$20 million for books and stationary in public schools, and US\$4 million for the Lebanese National Commission to Support Public Schools.

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

In September and October 2008, the Kuwait Fund for Arab Economic Development continued to provide support, through the High Relief Committee, to compensate individuals for housing damages incurred during the July 2006 war. In September and October 2008, US\$7.5 million and US\$5.9 million, respectively, were disbursed, bringing total disbursements for housing compensation by Kuwait to US\$80.4 million out of total US\$115 million pledged for that purpose. Another US\$185 million of project assistance are under implementation, managed by the Kuwait Fund for Arab Economic Development.



AID COORDINATION

Aid coordination at the World Bank / IMF Annual Meetings

The Lebanese Delegation to the World Bank / IMF Annual Meetings in Washington, D.C. briefed the donor community on results and progress achieved in reform implementation and resource mobilization, through bilateral meetings and the Core Group Meeting, which took place on 11 October 2008. The Core Group reaffirmed the importance of finding ways to mobilize uncommitted donor pledges, particularly through reallocation to direct and indirect budget support. In addition, the attendees supported the Government's decision to request IMF support under a follow-up EPCA program. The Lebanese Delegation included the Minister of Finance, the Governor of the Central Bank and representatives of the Presidency of the Council of Ministers and the Council for Development and Reconstruction.

Paris III Seventh Progress Report

The Ministry of Finance, in collaboration with the Government Reform Program Coordination Office at the Presidency of the Council of Ministers, published the International Conference for Support to Lebanon - Paris III Seventh Progress Report. Subsequently, on 23 October 2008, the Fifth Donor Meeting was held at the Grand Serail to brief local donor representatives in Lebanon on recent developments with respect to reform implementation and resource mobilization, and on the general operating environment. The outlook for the near term and priority requirements were reviewed and discussed also.