



AID DEVELOPMENTS

The Arab Monetary Fund and the Ministry of Finance signed an agreement for \$85 million

On 22 December 2008, the Arab Monetary Fund and the Ministry of Finance signed an Oil Facility Loan for reform implementation totaling the equivalent of \$85 million (18.2 million Arab Accounting Dinars). The loan will be disbursed in two tranches, the first of approximately \$32 million upon approval of the agreement by the Lebanese Parliament and the second at a later stage with the remaining balance. The loan carries a maturity of four years (from the date of disbursement) with a two-year grace period. The loan supports reforms in the areas of expenditure management and debt management, budget preparation and execution, and reduction of the fiscal burden related to transfers to Électricité du Liban.

Lebanon and the European Community sign a Macro Financial Assistance Agreement for €80 million

On 18 December 2008, the Ministry of Finance, and the Central Bank of Lebanon - as the Agent - signed a Macro-Financial Assistance (MFA) agreement for €80 million, consisting of a loan of €50 million and a grant of €30 million. The MFA will be disbursed in two equal tranches, the first of which is expected soon after signature and the second after the implementation of agreed to reforms in public finance management, and in the social and power sectors. The maturity of the loan is dependent on market conditions at issuance.

Belgium and UNDP Art Gold agree on a \$3 million program

On 16 December 2008, the UNDP Art Gold Program and Belgium announced a \$3 million program entitled 'Building Peace through Local Development'. The Art Gold Program is implemented by the UNDP in cooperation with the Council for Development and Reconstruction and aims at local economic development.

Italy transferred €5 million to the Council for Development and Reconstruction for Nahr el-Bared reconstruction

On 29 November 2008, Italy transferred to the Council for Development and Reconstruction (CDR) €5 million as part of its pledge at the Vienna Donor Conference (The International Donor Conference for the Recovery and Reconstruction of the Nahr el-Bared Palestinian Refugee Camp and Conflict-Affected Areas of North Lebanon). The funds are to be used for infrastructure projects in the areas adjacent to the Nahr el-Bared camp.



AID COORDINATION

Upcoming publications

The Ministry of Finance will publish the Paris III - Eighth Quarterly Progress Report (also second annual report since the International Conference for Support to Lebanon - Paris III) in the first half of February 2009. The report will detail progress achieved during the year 2008, with emphasis on results and developments in the last quarter of 2008. Donors are welcome to submit updates on aid performance in 2008 to the Ministry of Finance at dcu@finance.gov.lb. The report will be available on www.finance.gov.lb.

Donor coordination meeting

The above report will be presented to a donor coordination meeting in follow-up of Paris III that will be held early February 2009. The meeting will also provide an opportunity to review objectives, priorities and unmet needs for the year 2009.