



AID DEVELOPMENTS

European Investment Bank continues to disburse payments to Banque du Liban for loan supporting the private sector

On March 17, 2008, the European Investment Bank transferred to Banque du Liban (BdL) the second tranche for €20 million (about \$30 million) of a loan to provide subsidized credit to the private sector. The interest on the loan is subsidized by a grant of €15 million from the European Commission. The first tranche of €15 million (about \$22 million) was transferred to BdL on February 22, 2008. BdL in turn has provided these funds to approved applicants (small and medium-size enterprises). This loan is part of EIB's pledge at the Paris III Conference, which totaled \$1,248 million and of which \$708 million is allocated to the private sector.

Arab Trade Financing Program and Byblos Bank sign a \$25 million line of credit agreement

The Arab Trade Financing Program (ATFP), a subsidiary of the Arab Monetary Fund, signed a line of credit agreement with Byblos Bank on March 16, 2008. The \$25 million line of credit aims at financing trade operations. AMF pledged a total of \$250 million to Lebanon at the Paris III Conference, \$100 million of which are private sector support. By end of 2007, AFTP had committed \$107 million in agreements. The new loan of \$25 million is in continuation of AFTP's activities in Lebanon.

USAID continues to disburse its Paris III contribution for debt reduction

On March 3, 2008 USAID paid on behalf of Lebanon \$1.9 million to cover Lebanon's debt and debt service to the World Bank. The payment brings total disbursements made by the USA to \$115 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.

European Commission discusses programming of support with national authorities

A mission of the European Commission visited Lebanon during the week of March 3, 2008 and discussed with the Council of Development and Reconstruction and other concerned public institutions the programming of next year's cooperation. The European Commission is particularly interested in supporting reforms in the social sector.

Denmark contributes \$1 million for removal of cluster bombs in the South

On February 27, 2008 Denmark approved the contribution of \$1 million for removal of cluster bombs. The funds will be channeled through United Nations Mine Action Service (UNMAS) in Lebanon with the Danish NGO, Danchurchaid, as implementing agency.

Correction to March 2008 Aid Coordination Newsletter

In the March issue, it was reported that the Council for Development and Reconstruction and Germany set up an environment fund financed by €2.5 million grant from Germany. The grant from Germany was €4.5 million.



AID COORDINATION

Nahr el-Bared recovery efforts

The Lebanese Palestinian Dialogue Committee (LPDC) and the Lebanese Army started providing access to displaced families to the Nahr el-Bared Camp in order to collect their belongings before final rubble removal. LPDC is coordinating efforts related to the reconstruction and recovery of Nahr el-Bared Camp and surrounding areas with various involved parties including UNRWA, World Bank, the Lebanese Army and Khatib & Alami engineering consulting. An impact assessment and recovery strategy for the Nahr el-Bared and surrounding area is being developed and will be used for resource mobilization to ensure efficient implementation.

Aid coordination at the World Bank / IMF Annual Meetings

A Lebanese Delegation will be present at the World Bank/ IMF Spring Meetings in Washington DC on April 12 and 13. The delegation will meet with various donors on a bilateral basis and will hold a Core Group Meeting to update the donor community on developments of the Economic and Social Reform Program and resource mobilization since the Paris III Conference.

Upcoming publications

The Ministry of Finance will publish the Paris III - Fifth Quarterly Progress Report during the week of April 7, 2008. The report details progress achieved during the first quarter of 2008 in the implementation of the reform program and resource mobilization. The report will be available on www.finance.gov.lb