



REPUBLIC OF LEBANON
MINISTRY OF FINANCE

Aid Coordination Newsletter

December 2013

Issue 73

Aid Developments

European Union reinforces its support to democratic and economic transition in the Southern Neighbourhood

On 21 November 2013, the European Union decided to provide a further Euro 21 million to Lebanon as part of an additional allocation of Euro 150 million for the Southern Neighbourhood of the EU in the framework of the Support of Partnership, Reforms and Inclusive Growth (SPRING) programme for 2013. SPRING funds support partner countries on the path towards democratic transition and address their needs in view of economic recovery and efforts undertaken to reduce inequality. SPRING 2013 will build on the work done by SPRING 2011-2012 and encourage partner countries in the Southern Neighbourhood to pursue their efforts towards consolidating democratic reforms and institution building, as well as promoting inclusive economic development in support of sustainable democratic transition. SPRING 2011-2012 was adopted by the Commission on 26 September 2011 in response to the events of the Arab Spring and supports partner countries of the Southern Mediterranean region in addressing their socio-economic challenges and their transition to democracy. SPRING has resulted in an intensification of policy dialogue around political and economic reform.



Aid Coordination

United Nations convenes International Support Group for Lebanon

On 25 November 2013, a meeting of the International Support Group for Lebanon (ISG) was held at the UN headquarters in New York to review progress since its inaugural meeting on 25 September 2013. The International Support Group for Lebanon examined mounting pressures on Lebanon stemming from the Syrian conflict, noting the importance of international burden sharing to help vulnerable host communities and to strengthen the government's structural resilience. Since the inaugural meeting, the Roadmap for stabilization developed by the Government, in conjunction with the United Nations and the World Bank, to address the most critical economic and social impacts of the Syrian crisis on Lebanon, has been approved. Agreement has also been reached on a multi-donor trust fund for Lebanon as an additional mechanism for channeling donor support to meet those critical needs. The meeting was attended by the representatives from the European Union, the Arab League, China, France, United Kingdom, United States, Italy, Germany and Russian Federation, in addition to Lebanon's UN ambassador.

The World Bank to set up a Lebanon Trust Fund

The World Bank is in the process of setting up a multi-donor trust fund to attract international financing to help Lebanon bear the cost of hosting refugees from Syria. The Lebanon Trust Fund will seek to attract \$300 to \$400 million in donations for the urgent priorities, including education and poverty reduction. The financing mechanism was endorsed at a meeting in Beirut on November 8, 2013, attended by high-level representatives of the donor community, Lebanese government officials and international organizations.

Lebanon is also seeking larger, long-term, development support to address a major shortfall in electricity generation, which causes daily power cuts, and to help build up infrastructure and transport facilities. Unlike the Lebanon Trust Fund made up of grants, the long-term support would involve concessionary loans; however, it cannot be agreed until Lebanon overcomes its political impasse.