



Lebanon: On the Road to Reconstruction and Recovery

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Presidency of the Council of Ministers
On the post-July 2006
Recovery & Reconstruction Activities

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Index

| | <u>Page</u> |
|---|-------------|
| A- Introduction | 3 |
| B- Post-war General Economic Situation & Reconstruction Financing | 4 |
| C- Assistance, Recovery & Reconstruction Coordination | 14 |
| D- Recovery and Rehabilitation Activities | 16 |
| E- Reconstruction Activities | 21 |
| Appendix 1 – Table 1: List of Damaged Bridges | |
| Appendix 1 – Table 2: List of Temporary Steel Bridges | |
| Appendix 1 – Table 3: Electricity & Water Damages | |
| Appendix 2 – Table 1: List of In-Kind Donations received by HRC | |
| Appendix 2 – Table 2: List of In-Kind Donations distributed by HRC | |
| Appendix 3: Indemnity Mechanism for Housing & Non-Housing Damages outside Beirut Southern Suburbs | |
| Appendix 4: Indemnity Mechanism for Housing & Non-Housing Damages in Beirut Southern Suburbs | |

A- Introduction

During thirty-four consecutive days, Lebanon was subjected to the hardest war in its recent history, a war that left around 1,200 people dead and over 4,400 wounded, and caused tremendous physical direct and indirect damages. But the moment the hostilities ceased, the government of Lebanon launched, once again, a giant recovery and reconstruction program, strengthened by the strong will of its people and their unwavering resilience, and supported by the generosity of its Diaspora, and its numerous friends in the Arab World and the international community.

To update all involved parties on the developments of the post-war recovery and reconstruction phase, the Presidency of the Council of Ministers (PCM) has launched a periodic situation report on the activities of the involved ministries and governmental bodies. The report will include relevant tables and figures, updates on Arab and international support extended to the Lebanese government, the latest on the economic situation and on recovery and reconstruction efforts.

The first issue of this report sums up achievements and efforts undertaken in recovery and reconstruction since the announcement of the cessation of hostilities on August 14th 2006 to date, while next issues will carry regular related developments.

B- Post-war General Economic Situation and Reconstruction Financing

1. Post-war Economic Situation

According to preliminary assessments, the direct cost for early recovery and reconstruction of the damages caused by the Israeli aggression is estimated at around USD2.8 billion. However, this figure is expected to be much higher when taking in consideration the indirect effects that have yet to be fully assessed for all sectors, in addition to a USD2 billion reduction in the estimated GDP for 2006, equivalent to a regression of 10-11%. Indeed, GDP was expected to increase by 6% for this year, based on economic indicators as of end June 2006. In effect, current economic indicators show that GDP for 2006 will decrease by 4-5% from GDP in 2005 and forecast negative repercussions on GDP size and growth for years to come.

As for the loss in public finance, it is estimated to reach USD1.6 billion by end 2006. This is mainly due to the slide in revenues which will sum up to around USD920 million by year end, equivalent to 4.25% of GDP, and to the increase in public spending by around USD684 million, some 3.7% of GDP, which are needed to compensate for the heavy toll in human life, to cover assistance needs addressing destruction in housing and infrastructure, to finance health and relief services, as well as cover the expenses in the area of security incurred by an increase in the numbers of Security Forces.

Moreover, and for the first time in 6 years, there will be a primary deficit of around USD778 million compared to the initially expected primary surplus of USD827 million. This would entail a total deficit of USD3.5 billion which amounts to almost twice the deficit for 2005. Public debt is expected to reach USD41 billion by end 2006, equivalent to 190% of the 2006 estimated GDP.

In the current circumstances, government priorities have to be reviewed. Nevertheless, the government remains committed to its pre-war Reform Program, and to finding solutions to address the deteriorating social conditions and negative growth. For example, the social sector reforms, aimed at improving social indicators and strengthening social safety nets have become a critical element of the government's new strategy for all the Lebanese territory, as has the need to accelerate recovery efforts and reconstruction activities, which will positively affect a number of sectors. It is also important to emphasize the crucial role of the external Arab and international support in backing the government's efforts to address the vicious cycle of rising debt and to enhance growth, which remains well below its potential. All of this requires a tremendous effort, not only from the State through all its constitutional entities, but also from civil society organizations and citizens. This effort should be aimed at intensifying internal endeavors, promoting external support from brothers and friends for government efforts towards stability and increased growth, and ultimately to allow the country to

overcome the crisis brought upon by 30 years of recurrent wars and occupations, the last of which was the July 2006 aggression.

2. International Support

As soon the hostilities stopped, the international community was called upon by the Lebanese Government to take part in a major conference for Lebanon's rapid recovery and humanitarian assistance in Stockholm. As a result of the conference, around USD900 million of assistance to Lebanon was raised, 87% of which was pledged in the form of grants and 13% in the form of soft loans. Arab donors led the way with Qatar representing more than 33% of contributions, followed by the Arab Fund for Economic & Social Development, the UAE and the Kingdom of Saudi Arabia. The European Union contributions represented 10% of the grants, while the US contribution constituted around 6%. The Ministry of Finance is currently coordinating with the various donors to lay down a suitable mechanism for the use of donated funds, namely a Trust Fund managed in cooperation with the UNDP.

Upon the Government's initiative, Lebanon also received further support from the side meetings that took place during the latest International Monetary Fund meetings in Singapore, where the World Bank pledged a USD70 million grant, and announced its decision to raise its stake in funding current projects in Lebanon from 75% to 100%. The Bank will also reshuffle the funds of existing projects to better suit the post-war needs of the government, in addition to dedicating a USD1 million grant to launch a Transparency and Accountability system to support the government's efforts in this domain.

Moreover, the government recently announced a new conference for the support of Lebanon to be held in Paris on the 25th of January 2007. The government is looking to have more grants and soft loans from international donors than the ones pledged at the Paris II conference, in order to replace some of its high-cost debt.

3. Grants and Soft Loans dedicated to Lebanon since July 12th, 2006

- Arab Grants

In a major act of solidarity with the Lebanese people, numerous Arab countries pledged to offer the Lebanese government grants, mostly in the form of cash donations, the details of which appear in the table below.

| Donor | Amount pledged (USD million) | Amount received by the Government to date (USD million) | Remarks | Utilization of Funds |
|-------------------------|-------------------------------------|---|--|--|
| Kingdom of Saudi Arabia | 570 | 570 | <ul style="list-style-type: none"> - These amounts were transferred to accounts opened with the Central Bank of Lebanon | <ul style="list-style-type: none"> - Adoption of a number of Southern villages and reconstruction of Beirut Southern Suburbs. - Infrastructure & bridges. - To continue previously started development projects. - Public schools' fees. |
| Kuwait (through KFAED) | 315 | 15 | <ul style="list-style-type: none"> - USD 15 million transferred in cash - Part dedicated to reconstruction of villages and Beirut Southern Suburbs will be transferred to accounts opened with the Central Bank of Lebanon in the name of KFAED - The remaining part, | <ul style="list-style-type: none"> - Reconstruction of a number of adopted villages and Beirut Southern Suburbs, including infrastructure. - Other projects. |

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| | | | dedicated to a number of other projects, will be spent directly by the donor | |
| Qatar | 300 | | <ul style="list-style-type: none"> - Qatar announced in Stockholm its readiness to offer reconstruction donations to Lebanon amounting to USD 300 million. - Qatar is spending part of this pledge directly without opening an account with Central Bank. | <ul style="list-style-type: none"> - Adoption of a number of villages' reconstruction. - Infrastructure. |
| UAE | Total amount donated to be set later | 13 | <ul style="list-style-type: none"> - Amounts spent so far on school books distribution and assistance to fishermen were transferred to joint accounts with Central Bank - The UAE committee is directly contracting parties for rehabilitation of schools and hospitals and de-mining | <ul style="list-style-type: none"> - Adoption of a number of villages' reconstruction. - Schools & hospitals rehabilitation (South). - School books. - Prefabricated houses. - Equipment for Army and Security Forces. - De-mining. - Ouzai fishermen compensation. |
| Oman | 50 | | <ul style="list-style-type: none"> - A mechanism similar to the one adopted by Saudi Arabia and Kuwait will be adopted. | <ul style="list-style-type: none"> - Reconstruction of a number of villages in the South and Nabatyeh and Beirut Southern Suburbs. |
| Iraq | 35 | 35 | <ul style="list-style-type: none"> - Amount transferred in cash | |

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| Syria | Total amount to be set later | | | - Adoption of a number of villages' reconstruction. |
| Egypt | 13 | | - USD 4 million dedicated to rehabilitation of electricity networks. - Assistance provided in the form of technical teams and equipment. | - Adoption of a number of villages' reconstruction. - Electricity. - Infrastructure. |
| Arab Fund for Economic & Social Development | 10 | 10 | - Amount transferred in cash | - Various sectors. |
| Jordan | 8 | | | - Adoption of a number of villages' reconstruction. |
| Sheikh Nasser Al Kharafi | 3.65 | | | - Adoption of a number of villages' reconstruction. |
| Bahrain | 2.9 | | | - Adoption of a number of villages' reconstruction. |
| Yemen | 1.3 | | | - Adoption of a number of villages' reconstruction. |
| Total | 1,308.85 | 643 | | |

Based on the above, total amounts transferred from Arab states to the Lebanese Government is USD 643 million to date.

- International Grants

A number of international states extended their support to the Lebanese Government and pledged grants and donations dedicated to rehabilitation and reconstruction projects, the details of which appear in the table below. Parts of the pledged amounts have been transferred through International Organizations and NGOs involved in recovery projects.

| Donor | Amount pledged (USD million) | Amount confirmed (USD million) | Remarks | Utilization of Funds |
|--------------------------|-------------------------------------|---------------------------------------|---|--|
| US (through USAID) | 140 | 43.1 | <ul style="list-style-type: none"> - USD 28.9 million dedicated to reconstruction of Mdeirej bridge. - USD 6 million dedicated to oil spill clean-up. - USD 1.2 million dedicated to reconstruction of buildings. - USD 7 million dedicated to rehabilitation of schools. | <ul style="list-style-type: none"> - Infrastructure & bridges. - Schools rehabilitation. - Oil spill clean-up. |
| EU | 135 | | | <ul style="list-style-type: none"> - Various projects. - Technical assistance. |
| IBRD | 71 | 71 | | <ul style="list-style-type: none"> - Assistance to Municipalities - Water projects - Subsidy of interest rates on loans to the private sector (through IFC) |
| Germany (through KFW) | 51 (13 in 2006 & 38 in 2007) | 13 | <ul style="list-style-type: none"> - Amount will be spent directly | <ul style="list-style-type: none"> - Education: Technical & Vocational. Electricity. - Water. |
| UK | 40 | | <ul style="list-style-type: none"> - Amount includes amount | <ul style="list-style-type: none"> - Various projects. |

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| | | | <ul style="list-style-type: none"> - transferred to the EU. - 3 temporary steel bridges installed. | |
| Italy | 38 | 38 | <ul style="list-style-type: none"> - USD 6.3 million dedicated to reconstruction of Sofar bridge - USD 19 million dedicated to reconstruction of infrastructure will be directly spent through Italian Embassy - USD 12.7 million will be spent through UN organizations on various projects | <ul style="list-style-type: none"> - Infrastructure and bridges. - Assistance to NGO's. - Cleaning oil spill. - Other projects. |
| Spain | 34 | | | <ul style="list-style-type: none"> - Oil spill clean-up. - Various projects. |
| Sweden | 20 | | | <ul style="list-style-type: none"> - Various projects. |
| Canada | 21 | | | <ul style="list-style-type: none"> - Various projects. |
| Iran | Total amount to be set later | | <ul style="list-style-type: none"> - Various rehabilitation and reconstruction activities have been undertaken. | <ul style="list-style-type: none"> - Schools & hospitals rehabilitation. - Infrastructure. - Roads & bridges. - Places of worship rehabilitation. |
| Australia | 16.5 | | | <ul style="list-style-type: none"> - Various projects. |
| Turkey | 10 | | <ul style="list-style-type: none"> - 35 prefabricated schools installed. | <ul style="list-style-type: none"> - Health. - Prefabricated schools. |
| France | 8 | | <ul style="list-style-type: none"> - 6 temporary steel bridges | <ul style="list-style-type: none"> - Education. |

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| | | | installed. | - Defense & security. |
| The Netherlands | 7.67 | | | - Various projects. |
| Belgium | 6.4 | | | - Various projects. |
| Japan | 5 | 2 | | - De-mining. - Various projects. |
| South Korea | 5 | | | - Schools reconstruction. |
| China | 3.8 | | | - Various projects. |
| Finland | 3.8 | | | - Various projects. |
| Greece | 3.2 | | | - Various projects. |
| Denmark | 3 | | | - Various projects. |
| Poland | 1.3 | | | - Various projects. |
| Ireland | 1.3 | 1.3 | | - Various projects. |
| Group of Countries (Romania, Austria, Brazil, New Zealand, Slovakia, Iceland, Czech Republic, Luxembourg, Bulgaria, Cyprus, Malta, Estonia) | 3.77 | 1.36 | | - Various projects. |
| Total | 628.74 | 169.76 | | |

- Soft Loans

| Donor | Amount pledged (USD million) | Amount received by the Government to date (USD million) | Remarks | Utilization of Funds |
|---|-------------------------------------|---|--|--|
| Islamic Development Bank | 250 | | | <ul style="list-style-type: none"> - Education. - Roads. - Water. - Wastewater. |
| Arab Fund for Economic & Social Development | 306 | 102 | <ul style="list-style-type: none"> - USD 102 million dedicated to rehabilitation & reconstruction of war damages - USD 119 million dedicated to rehabilitation and expansion of electricity infrastructure in the South - USD 85 million dedicated to soft loans to SME's | <ul style="list-style-type: none"> - Energy. - Water. - Wastewater. - Roads & bridges. - Public administration. - SME's. |
| IFC | 200 | | | <ul style="list-style-type: none"> - Loans to the private sector |
| EIB | 127 | | | <ul style="list-style-type: none"> - Soft loans to the private sector |
| Total | 883 | 102 | | |

- **Other Cash Donations**

During the Israeli aggression, Lebanon received cash donations from a large number of Arab and international states, as well as from the Lebanese Diaspora, Lebanese citizens and local commercial companies. These donations, which were deposited in the HRC account at the Central Bank amounted to USD Million 6.7, most of which were used to finance relief activities

- **Deposits in the Central Bank**

In addition to its donation for reconstruction financing amounting to USD Million 70, Saudi Arabia deposited USD 1 billion with the Central Bank of Lebanon to support currency stability. Kuwait also deposited USD Million 500 to the same end, in addition to its contribution towards reconstruction amounting to USD 315 million.

- **In-Kind Donations**

During and after the aggression, Lebanon received large amounts of food & non-food donations, some through the Higher Relief Commission (HRC) and others destined to civil society organizations. Relief items were distributed directly through UN organizations and local NGO's (details available on our website www.rebuildlebanon.gov.lb, as one of the appendices of the HRC Activities Report). As for the in-kind donations received and distributed by the HRC, they are detailed in Appendix 2 - tables 1 & 2.

C- Assistance, Recovery & Reconstruction Coordination

1. Recovery Unit

Immediately following the cessation of hostilities on the 14th of August 2006, the PCM formed a Recovery Unit dedicated to act as a link between the various entities involved in the process, from ministries and other governmental organizations to appointed consultants and international organizations. The Recovery Unit's functions include the coordination of the efforts of the various concerned parties for increased efficiency in reconstruction activities, as well as more transparency and expediency in outcome. The Recovery Unit is made up of experts in the areas of engineering, project management and law, and was able to accomplish a number of results including:

- a. ***Coordinating the Early Recovery Programs funded by UNDP***
These programs included speeding up the clearance of Rubble and Debris removal from Beirut Southern Suburbs, rapid repair of the key municipal infrastructure, emergency oil spill clean-up, recovery of fishermen's livelihoods and jump-start in public administration services.
- b. ***Coordinating with concerned parties the adoption of damaged bridges and the installation of temporary steel bridges***
- c. ***Coordinating with donors for the rehabilitation of damaged water networks in the South***
- d. ***Coordinating with concerned parties and donors for the installation of prefabricated housing units in damaged villages***
- e. ***Communicating with donor countries to facilitate the process for adopting damaged villages in the South and reconstructing buildings in the Beirut Southern Suburbs***
- f. ***Coordinating with donors for the reconstruction of schools and hospitals***
- g. ***Coordinating with the appointed consultant, concerned municipalities and CDR for ensuring safety in damaged buildings in Beirut Southern Suburbs***
- h. ***Preparing a Databank***
that includes funded projects under way in various sectors, and their developments
- i. ***Participating in the preparation of reconstruction special law projects***
- j. ***Drawing up Housing Indemnities Mechanisms***
The first mechanism addresses damages to housing and other units resulting from the Israeli aggression between July 12th & August 14th 2006, on the whole of the Lebanese territory with the exception of Beirut Southern Suburbs. It covers the following aspects (detailed in Appendix 3):
 - i. The mechanism for assessing damages and indemnities: It includes detailed information on how to submit requests to the Council for the South, Ministry of the Displaced or the Central

Fund for the Displaced; the required documentation; the surveys carried out by the technical committees; cost estimates according to set prices; indemnities assessment (noting that the overall indemnity - 1st and 2nd payments - for total destruction has been set at LBP60 million); financial and technical survey audit and procedure to follow to disburse the two payments (by way of cheques issued by the HRC in the names of beneficiaries and distributed by the Council for the South or the Ministry of the Displaced after submitting all required documents).

- ii. The furniture indemnity set at 20% of the value of the rehabilitation or reconstruction compensation
- iii. The indemnity mechanism for those who undertook rehabilitation or reconstruction at their own expenses
- iv. Detailed technical and financial principles used
- v. The ability to obtain a housing loan from the General Housing Institute.

Concerning Beirut Southern Suburbs, the adopted indemnities scheme is very similar to the first scheme; differences are due to the complexity of co-ownership in that area. These differences include the following (detailed in Appendix 4):

- i. Indemnities for total destruction has been set at LBP 80 million, including furniture indemnity, to be paid according to a two-phase payment scheme
- ii. A general ledger will be prepared for each building, or for buildings sharing the same plot number, and will be sent to the technical auditor
- iii. A special incentive, consisting of an additional LBP 50 million paid upon rebuilding a major part of the building, is given to the building owners committee to motivate people to rebuild on the same plot
- iv. A special mechanism for indemnity in the case of tenants
- v. This mechanism has been designed to facilitate agreement among plot owners avoiding unnecessary rebuilding complications, and especially to avoid unfair practices by any owner or landlord hindering reconstruction efforts as the main objective of this mechanism is to help and motivate people to rebuild houses on same plot.

D- Rehabilitation and Recovery Activities

1. On the Environmental Level

a. Oil Spill Clean-up

The Ministry of Environment launched the Oil Spill Operations and Coordination Centre (OSOCC) as a response to the oil spill damage and established key criteria for defining priorities for oil removal from shut-down locations, touristic locations, locations of economic importance, environmental reserves, and then moving to clean up the spill along the shore following sea currents pattern from South to North. To this end, the UNDP project for rapid assessment of the damage caused by war has been launched and the final report is expected in November.

Lately, the Ministry was able with the help of the Lebanese Navy and the French Navy to extract the oil from both Byblos and Movenpick Marinas. Cleanup work is still under way in other sites including Byblos port, Ramlet Al Bayda shore, Dalieh (Fishermen's wharf) with the help of PROMAR, Hamid Keyrouz company and SOLIVER, and on the sea bed in Jieh where an Italian team of divers and experts are working in cooperation with Greenpeace and Bahr Lubnan NGO. USAID also announced a USD5 million grant for fighting the oil spill between Jbeil and Anfeh: a specialized American company, SEACOR, has been contracted to this end. Moreover, the clean-up of the coast from Anfeh to Tripoli, including Palms Island, is the subject of a study prepared by the Swiss Humanitarian Aid. The Ministry has so far received specialized equipment from Kuwait, Norway, Cyprus, Finland, France, Italy and Spain.

On another level, the Danish delegation and the UNDP have carried out a number of information sessions on the preparation of sites for cleanup operations. Beneficiaries of such sessions include the Civil Defense, the Lebanese Navy, NGO's and Ministry of Environment staff.

In the same context, the government asked UNDP to prepare a complete assessment on all environmental damages resulting from the latest Israeli aggression, including oil spill, hazards emanating from destructed gas stations, mines and UXO's problems, possible contamination of drinking water and wastewater in hospitals' areas, hazardous material emanating from destructed generators or buildings or oil pipelines, as well as the negative effects of the damaged oil tanks at the airport. This report is expected to be out by year end 2006.

b. De-mining

According to statistics carried out by the Lebanese Army's National De-mining Office (NDO), 1.2 million of cluster bombs spread over 800 locations of 30,000 squared meters each resulted from the latest Israeli aggression. In addition, there remain around 430,000 unexploded land mines left over after the Israeli withdrawal in 2000.

So far, the Lebanese Army, together with the UN Mine Coordination Center (UNMACC), the UAE, and a number of NGO's, were able to clear large surfaces affected. In addition, 65,000 cluster bombs were cleared, as were around 309 aircraft bombs, around 35 aircraft missiles, around 2,200 rockets, and around 1,139 of various UXO's.

It is important to note the substantial economic impact caused by cluster bombs, especially affecting the farming community, as farmers are unable to use their land and benefit from its produce because of the danger of UXOs. Moreover, priority in clearing has so far been concentrated on public roads, schools and housing areas in order to restore normalcy to the daily life of residents of Southern villages.

Work underway is expected to continue, and the number of teams operating in this field is expected to reach 50 before year-end.

The NDO conducted, since the ceasing of hostilities on the 14th of August 2006, 175 lectures to raise awareness on the risks associated with UXO's to the residents of 198 affected villages. The NDO also assisted UXO victims, coordinating with the Ministries of Health & Social Affairs to this end.

In terms of funding, the Lebanese Government's participation amounts to USD4 million yearly budget for the de-mining and UXO clearance activities; the Government has received further funding from the UAE and the UN, which will secure continuation of activities until yearend 2007.

2. On the Social Level

a. *Humanitarian Aid*

In view of addressing the difficult humanitarian conditions facing families of the wounded and the deceased, especially families that lost one of their income providers, HRC has started disbursing financial assistance to the families of 427 martyrs and 921 wounded, totaling around LBP 14 billion till 20/11/2006. The HRC will continue disbursing this aid according to the audited official lists it is receiving, noting that disbursement pace will intensify with the submission of further files in the weeks to come.

b. *Reconstruction Assistance*

The HRC started disbursing indemnities in compensation of damaged housing and non-housing entities, and until 20/11/2006 assessment and audit activities have covered 64 villages and municipalities in the cazas of Tyre, Nabatieh, Marjeyoun, Bint Jbeil and West Bekaa. Indemnities disbursed so far totaled around LBP 36 billion, covering 9,809 cases of partial and miscellaneous damages and 556 cases of total damages, being the first payment from the total amounts reserved for those villages and totaling LBP 51.4 billion. HRC has also started disbursing indemnities for 4 buildings in the Beirut South Suburbs totaling LBP 216 million out of a total of LBP 218 million reserved for the housing units of these buildings. It is worthy to note that the HRC, the Council for the South and the Central Fund for the Displaced are coordinating to finalize more cases according to the mechanisms set for these indemnities.

c. Health Sector

The Ministry of Health has been extending medical services in different regions, especially to displaced citizens returning to their villages. These services include:

- Distribution of medical supplies from international donations through hospitals, dispensaries, and civil society groups
- Distribution of chlorine substance for the purification of drinking water and water intended for personal use, in collaboration with WHO
- Care services such as vaccination for children aged less than 5, and emergency services for new UXO victims.

On another level, and during wartime, the Ministry pursued its hospitalization aid program as the number of provided hospitalization cards increased to 11,000 between regular and emergency cases, as well as the distribution of medicines for cancer and chronic diseases and other high-priced medicines, despite the hardships involved at that time. The Ministry has also speeded up the beginning of operations at a number of hospitals in different regions, such as Halba in Akkar, Tripoli Al Kibba, Siblin - Al Shouf, and Hasbaya hospitals.

The Ministry is presently studying with a number of countries means of collaboration in the field of hospitalization and public health in line with Lebanon's needs. These countries include Saudi Arabia, UAE, Qatar, Iran, Turkey, Kuwait, Switzerland, Italy, in addition to the Islamic Bank.

d. Education Sector

The Ministry of Education has been working on different levels in order to secure the start of the school year and eliminate the negative war repercussions on the education sector in general. The following has been achieved to date:

- Free registration of all public schools students for school year 2006-2007, according to the mechanism set to that end for the contribution from Saudi Arabia totaling USD 20 million
- Distributing school books according to the plan established for the UAE contribution that covers the payment of students' books in primary and intermediary classes in public schools. This contribution amounts to USD 13 million
- Organizing training sessions in coordination with UNICEF for around 150 teachers in Nabatieh and South Lebanon, workshops for teachers in the Bekaa, as well as preparation for special training sessions by the Educational Development Program Center
- Organizing training sessions for educational guides in coordination with UNICEF in the Office of Guidance and Orientation at the Ministry of Education. These sessions deal with the psychological repercussions of the Israeli aggression on students and teachers
- Reallocating a loan from the World Bank to the Education Program with the aim to secure equipments and furnishings for damaged public schools.

e. *Social Affairs*

The Ministry of Social Affairs is pursuing its social support and rehabilitation activities by coordinating among national and international NGOs to facilitate work and avoid duplication between different stakeholders. Its main activities cover the following:

- Through Development Services Centers: the Ministry continues to provide health services such as vaccination, child and pregnant women care, medical examinations and other services; social services such as field follow-up for families, psychological support and other services; as well as educational services such as children entertainment and social recreation for the returning displaced. These centers also constitute a coordination focal point among a large number of NGOs and other active entities, such as UN organizations for the provision of food and non-food items and services, as well as the execution of social activities for the displaced returning to the South and to Beirut Southern Suburbs
- Through a mechanism put together for the distribution of food portions to the poor and marginalized families by the HRC: this mechanism sets the standards for the selection of beneficiary families and the distribution and monitoring procedures. It proposes forming local committees in villages constituted by representatives of municipalities, centers of development services, and NGOs in order to guarantee transparency and equity in distribution
- Through coordinating the work of local and international associations: the Ministry plays a major role in organizing, facilitating, and coordinating the work of these associations through organizing sectoral gatherings to determine the needs and work plans, establishing the connection among NGOs and donors to receive donations and funds, providing legal consultations related to foreign associations activities in Lebanon, and coordinating with the Lebanese Customs to issue customs' exemptions for Lebanese associations working in relief activities as well as for donations from Arab and foreign organizations
- Coordinating recovery activities through the web portal: this portal provides comprehensive information on interventions related to recovery plans and activities in Lebanon. It also highlights the needs of the displaced persons returning to their regions, and offers data on local and international associations providing support and relief to the returning displaced. This portal is available on the following web address: www.lebanon-support.org

On another level, the Ministry is currently involved in a series of preparatory studies for the coming period focused on evaluating war impact on Lebanese families, especially on marginalized groups and productive sectors, tracing the resulting social needs and drafting work plans for social recovery. These studies are carried out in coordination

with UNDP, the World Bank, and the Central Administration of Statistics.

In the same context, the Ministry prepared, in collaboration with the Ministry of Economy and Trade and the Hariri Foundation, and with the support of the Secretariat General of the League of Arab States – Economic Division, a meeting for local and regional civil society institutions that took place along the extraordinary session of the Arab Economic and Social Council in Beirut on the 16th of October 2006. It was agreed during this meeting to establish “the Arab Relief Organization”, based on Hariri Foundation’s request, that will act as a platform that brings together civil society organizations, Arab social and humanitarian leaders, private sector institutions, and experts in the fields of health, education, social, and relief in general.

f. *Food, Non-Food Supplies, Housing to Damaged Regions*

The HRC has received till 18/11/2006 a total of 10,051 tons of food supplies and 468 tons of medicines and medical supplies (detailed in Appendix 2 - Table 1). The HRC distributed these aids to all displaced and needy families affected as a result of the Israeli aggression on all the Lebanese territory, in damaged and undamaged regions equally (detailed in Appendix 2 - Table 2).

During wartime, HRC was able to supply 327,600 family food baskets, 16,868 children food baskets and 512,296 hot meals to all centers hosting the displaced citizens.

3. On the Economic Level

a. *Agriculture Sector*

According to a preliminary assessment of damages conducted by the FAO, direct agricultural damages in the sub-sectors of crops, animals, fisheries and forestry reached around USD 208 million. Indirect economic costs are expected to be much higher in view of the importance of the agricultural sector in the economy of South Lebanon, representing 80% of local GDP and the main source of income and employment.

On another level, and in view of the severe economic hardships facing fishermen along the Lebanese coast after the oil spill, the HRC distributed indemnities of around USD 3 million, disbursed in two payments, to more than 7,500 fishermen registered with local fishermen’s syndicates, disbursing USD 200 to each fisherman each time.

E- Reconstruction Activities

1. Roads and Bridges

According to the Council of Development and Reconstruction (CDR), the Israeli aggression has partially or totally destroyed 97 bridges located on main and secondary roads. 60 of those bridges have been adopted for reconstruction, and so far, reconstruction work has been completed on 1 of them (details in Appendix 1 - Table 1). As for the number of destroyed roads, it reached 151 roads in all the regions in Lebanon.

According to the first phase of the Ministry of Public Works' Rehabilitation and Reconstruction Plan which concentrates on rapidly reconnecting regions to each other, the HRC has contracted 291 projects amounting to LBP 10.5 billion, for rehabilitation and building road diversions on all the Lebanese territory; some of these contracts include more than one road or diversion. In the meantime, French, Russian, and British technical teams are installing 14 temporary metal bridges as per the technical specifications of the HRC technical consultant (details in Appendix 1 – Table 2).

In the second phase of its plan, the Ministry will permanently reconstruct bridges and rehabilitate roads. This phase will include studies, implementation and control of the reconstructed sites, and will last between 6 months and 2 years in order to totally eliminate the traces left by the war on roads and bridges.

2. Telecommunications

The Ministry of Telecommunications embarked on a major program for the rehabilitation and reconstruction of centrals, fixed lines and mobile lines broadcasting stations in all the regions, and has completed a large part of these tasks so far. In the South, 47 out of 58 heavily damaged centrals were rehabilitated, and work is underway to rehabilitate the rest. In the meantime, studies are being undertaken in order to establish a comprehensive plan for the reconstruction of the 10 centrals that have been entirely destroyed. In addition, 14 damaged generating stations are functional again, and 63 out of 175 public phones were restored, and the Ministry waits for the remaining needed phones to be imported. As for fixed lines, 60% of the damaged networks were restored, encompassing 169,000 phone lines. Stations posted next to the international borders will be restored as soon as the occupying forces withdraw and the Lebanese army and the international forces are deployed in these regions.

In Beirut Southern Suburbs, 30% of 200,000 damaged phone lines were restored; the Ministry will restore the remaining lines once the wreckage removal and the reconstruction of the damaged infrastructure have been completed. In the Bekaa region, around 80% of 38,800 damaged phone lines were restored, and in the North all communication cables were restored.

Regarding mobile phones, the Ministry, in collaboration with the GSM network companies undertook all the needed restorations, which include 5 control centrals and 13 broadcasting stations.

3. Energy

The Ministry of Energy exerted considerable efforts to rehabilitate energy and water sectors in order to secure these services, especially in the most affected regions. In the electricity sector, 2 out of 5 groups in Jiyeh's thermal station are operational once again, while lines of transmission were completely restored, albeit provisionally. Restoration works on distribution networks are expected to be completed by the end of this month (Appendix 1 - Table 3).

To this end, the Government received assistance from Syrian technicians who helped in mending damages incurred. The Iranian embassy also offered generators to some municipalities and expressed its willingness to finance part of the losses. Egypt offered USD 4 million and sent technical teams who are working with EDL to restore Sibilin station, transmission lines and subterranean cables, and extended considerable needed equipment. Furthermore, during the war, Algeria proposed to store gas oil in its ports ex-gratia, while Kuwait secured ships for the transportation of gas oil despite the embargo on Lebanon.

In the water sector, the HRC contracted the restoration of most of the water pipeline system, while NGO's secured provisional water storage and mobile water units for water testing and purification in the most affected villages of the South.

4. Schools

The UAE, which adopted the reconstruction of the 217 public and private schools in Southern Lebanon and Nabatieh, finalized the needed restoration on 207 of these schools. Qatar, which also adopted the restoration and reconstruction of 30 schools in various Southern villages, finalized the needed restoration in all of these schools. The HRC contracted the rehabilitation of 340 public and private schools, totaling around USD 3.8 million, while some countries and charity associations took in charge schools rehabilitation in several regions as appears in the table below:

| State / Association | Number of Adopted Schools | Region |
|--|-----------------------------------|-----------------------------|
| UAE | 217 | South, Nabatieh |
| Qatar | 30 | South, Nabatieh |
| Swiss Development | 59 | Bekaa, North, Mount Lebanon |
| Walid Bin Talal Association | 15 | Beirut Southern Suburbs |
| Mercy Corp | 40 | South, Nabatieh, Baalbek |
| The International Orthodox Charity Association | 22 | South, Nabatieh |
| Farah el Ataa | 3 | Marjeyoun |
| Caritas | 2 | Saida |
| Germany (KWF) | 21 technical schools | Bekaa, South |
| Turkey | 35 units of prefabricated schools | |

| | | |
|--------|----|--------------------------------|
| Iran | 71 | Beirut Southern Suburbs, Bekaa |
| UNICEF | 2 | |

5. Hospitals

To date, the Ministry of Public Health finalized the rehabilitation of Mais Al Jabal and Marjeyoun Hospitals that were made nonfunctional as a result of the war. The Ministry is also coordinating with parties designated by the UAE to restore and re-equip public hospitals in Marjeyoun, Bint Jbeil, and Arkoub villages.

6. Beirut International Airport

The Directorate of Civil Aviation completed the required engineering work to restore the runways and other affected spaces in Rafic Hariri International Airport, notably the 2 runways 17-35 and 3-21 that became functional as of 17/9/2006, in addition to the services tunnel under the planes open space. Work is still underway to restore the western runway where 4 out of 6 holes were rehabilitated, and is expected to be finalized within the current month of November 2006, noting that works have been funded by the CCC Company. Regarding the restoration of fuel containers, the Directorate has finalized work on 2 of them and is striving to finalize work on the rest of them at the earliest. This will be done thanks to a generous contribution by the CCC Company.

7. Rubble and Debris Removal

The HRC contracted the rubble and debris removal work in all Lebanese regions. To date, 1,146,000 cubic meters of rubble were removed from the Beirut Southern Suburbs region and were transported to temporary dumps in Khaldeh - Ouzai and the surroundings of Rafic Hariri International Airport, and then onto dumps in Jiyeh.

In the South, the Ministry of Public Works executed 3 contracts of rubble removal, while the Council for the South is executing the rest of the contracts. The HRC consultants estimated the removed quantity of wreckages in 103 villages and towns in Southern Lebanon and Nabatieh to be around 607,441 cubic meters, knowing that the final quantity is expected to reach more than 1,100,000 cubic meters. The Ministry of Public Works has already completed all wreckage removal in the Bekaa region.

Appendix 1-Table 1

Damaged Bridges

November 14, 2006

| Sector | Location | Caza | Remedial Action Required 1 | Estimated Cost of Remedial Action | Start Date | End Date | Source of Fund |
|--|-----------------|-------------|--|--|-------------------|-----------------|------------------------------------|
| Project | | | | | | | |
| Jieh OverPass - North of Jammoul Bakery | | Chouf | Total Reconstruction | 600,000 | | | Mr. Mayssara Succar |
| OverPass South of Aytman Gaz Station | | Chouf | Total Reconstruction | 600,000 | | | Mr. Mayssara Succar |
| Madfoun Bridge | | Batroune | Total Reconstructior | 500,000 | | 1-Nov-06 | Mr. Najib Mikati |
| Ablah - Baalbak - tel Aamara | | Zahle | Total Reconstruction-Exist 10 m wide | 240,000 | | | Mr. Saad Hariri |
| Arqa coastal Bridge | | Akkar | Partial Reconstructior | 250,000 | | | Mr. Saad Hariri |
| Chouf Interchange (Damour Beit Eddine Interchange) | | Chouf | Total Reconstruction | 600,000 | 4-Nov-06 | 12-Feb-07 | Mr. Saad Hariri |
| El Debiyeh Underpass | | Chouf | Walls and deck reconstruction | 450,000 | 4-Nov-06 | 4-Mar-07 | Mr. Saad Hariri |
| Halba Bridge - Awwik | | Akkar | Partial Reonstruction | 200,000 | | | Mr. Saad Hariri |
| Jarmicheh RR (ferzol jarmashiyyeh bridge) | | Zahle | Total Reconstruction | 120,000 | | | Mr. Saad Hariri |
| Kowaykhat Bridge | | Akkar | Partial Reconstructior | 750,000 | | | Mr. Saad Hariri |
| Mazraat Baldeh Bridge | | | Total Reconstructior | 400,000 | | | Mr. Saad Hariri |
| Naameh Interchange overpass | | Chouf | Total Reconstruction | 600,000 | 4-Nov-06 | 12-Feb-07 | Mr. Saad Hariri |
| Old Arqa - Halba main road Bridge | | Akkar | Total Reconstruction | 1,250,000 | | | Mr. Saad Hariri |
| Old Naameh UnderPass | | Chouf | Walls and deck reconstruction | 360,000 | 4-Nov-06 | 4-Mar-07 | Mr. Saad Hariri |
| Owali Bridge (old) | | Saida | Partial Reconstructior | 310,000 | 4-Nov-06 | 2-Feb-07 | Mr. Saad Hariri |
| Ramp to Saida East Boulevard (New Owali bridge) | | Saida | May require reconstruction of 5 spans | 950,000 | 4-Nov-06 | 2-Jul-07 | Mr. Saad Hariri |
| Rmeileh / Alman Interchange | | Chouf | Total Reconstruction | 480,000 | 4-Nov-06 | 2-Feb-07 | Mr. Saad Hariri |
| Sainiq | | Saida | Total Reconstructior | 500,000 | 4-Nov-06 | 4-Mar-07 | Mr. Saad Hariri |
| Taanael - Barr Elias near Alba | | Zahle | Total Reconstruction | 240,000 | | | Mr. Saad Hariri |
| Teir Felseih - Zraieh Bridge (Six February-Tahrir) | | Nabatiye | | | | | President of Zreirieh Municipality |
| Bqosta | | Saida | | | | | RUSSIA |
| Damour Bridge | | Chouf | Partial Reconstruction | 1,000,000 | | | Saudi Arabia |
| Hazmiyeh - Airport road Viaduct 1 (Section B) | Beirut | Beirut | Total Reconstruction of deck | 780,000 | | | Saudi Arabia |
| Hazmiyeh - Airport road Viaduct 2 (Section B) | Beirut | Beirut | Total Reconstruction of deck | 1,570,000 | | | Saudi Arabia |
| Wadi El Zayneh Viaduct | | Chouf | Partial Reconstructior | 1,560,000 | | | Saudi Arabia |
| Mdeirej Viaduct | | Aley | Eastbond - demolition + reconstruction | 20,000,000 | 1-Jan-07 | 30-Jun-08 | USAID |
| Bridges without funding | | 37 | | 3,120,000 | | | |
| Abou Zeble | | Hasbaiya | | | | | |
| Adweh Culvert | | Akkar | Total Reconstructior | 200,000 | | | |
| Akroum Road | | Akkar | Total Reconstructior | 200,000 | | | |
| Baabda | | Baabda | | | | | |
| Bednayel bridge | | Baalbek | | | | | |
| Bridge North of Chouf Interchange | | Chouf | Total Reconstruction | 600,000 | | | |
| Bridge South Pedeterian OverPass | | Chouf | Total Reconstruction | 600,000 | | | |
| Cheheimieh-turkman | | | Total reconstruction | 100,000 | | | |
| El Mari Bridge | | Hasbaiya | | | | | |
| Fardis Bridge | | Hasbaiya | | | | | |

1. Reconstruction
Rehabilitation
Replacement
Cash Payment

Appendix 1-Table 1

Damaged Bridges

November 14, 2006

| Sector Project | Location | Caza | Remedial Action Required 1 | Estimated Cost of Remedial Action | Start Date | End Date | Source of Fund |
|---|-----------------|--------------|---|--|-------------------|-----------------|-------------------------|
| Ghariefa Bridge | | Chouf | | | | | |
| Hajje | | Saida | | | | | |
| Hajje Maamariye | | Saida | | | | | |
| Hasbani / Water Station | | Hasbaiya | | | | | |
| Houch el rafq | | Baalbek | Total Reconstructior | 100,000 | | | |
| Jbal lbotm Bridge | | Tyre | | | | | |
| Jebchit Bridge | | Nabatiye | | | | | |
| Jissr Beach Bridge | | Chouf | Partial Reconstruction | 300,000 | | | |
| Jouaya to Tyre | | Tyre | | | | | |
| Kbayet Akkar bridge | | Akkar | | | | | |
| kfar harra Bridge(swaysseh) | | Akkar | | | | | |
| Kfarmashkeh - Hasbayah - box culvert 1 | | Hasbaiya | | 60,000 | | | |
| Kfarmeshkeh - Hasbayah - box culvert 2 | | Hasbaiya | | 60,000 | | | |
| Kleyaat Road | | | Total Reconstructior | 200,000 | | | |
| Land slides on Saoufar | | | | | | | |
| Chtaura international road | | | | | | | |
| Maalaqa near salhab house | | Zahle | Total reconstruction-verify Public Domain | 100,000 | | | |
| Old Damour Bridge | | Chouf | | | | | |
| OverPass North of Wardaniyeh Interchange-PS4 | | Chouf | Total Reconstruction | 600,000 | | | |
| Qaa Culvert (Gov. Hospital | | Baalbek | | | | | |
| Riyag Rail road bridge over Nahr al Litani | | Zahle | | | | | |
| ROUMINE - Deir Ezzahran | | Nabatiye | | | | | |
| saaydeh - majdalour | | Baalbek | | | | | |
| Wadi elakhdar/Arbsalim/Kfar Remman | | Nabatiye | | | | | |
| Wazani Bridge | | Hasbaiya | | | | | |
| Zaarourieh -allek | | Baalbek | | | | | |
| Zaghla Bridge | | Hasbaiya | | | | | |
| Zifta Road bridge over the Beirut to Tyre Highway | | Saida | | | | | |
| Roads | | | | 7,000,000 | | | |
| All Damedged roads | | | | 7,000,000 | | completed | Higher Relief Committee |

1. Reconstruction
Rehabilitation
Replacement
Cash Payment

Appendix 1-Table 1

Damaged Bridges

November 14, 2006

| Sector | Location | Caza | Remedial Action Required 1 | Estimated Cost of Remedial Action | Start Date | End Date | Source of Fund |
|--|-------------------|-------------|---|--|-------------------|------------------|-----------------------|
| Project | | | | | | | |
| Transport | 70,040,000 | | | | | | |
| Bridges with funding | 60 | | | 59,920,000 | | | |
| Hissah Bridge | | Akkar | Partial Reconstruction | 750,000 | | | Ahmad Trad |
| Habbouch - Aarabsalim | | Nabatiye | | | | | Ali Ahmad Farhat |
| Tahrir | | Marjayoun | | | | | Amal Hourani |
| El Fidar Bridge | | jbeil | Total Reconstruction | 3,000,000 | 1-Sep-06 | 1-Aug-07 | Byblos Bank |
| Maameltein - Casino Bridge | | kesrouane | Partial Reconstruction | 3,000,000 | 1-Nov-06 | 5-Mar-07 | Casino du Liban |
| Habboush Bridge | | Nabatiye | Total Reconstruction | 210,000 | | | Czech Institution |
| Forzol Culvert | | Zahle | Total reconstruction | | | | Delta Trading |
| Salhab (Zahle - Kfarzabad | | Zahle | | | | | Deputy Elie Skaff |
| Damour-Oceana Beach Bridge | | Chouf | Total Reconstruction | 600,000 | | | Deputy Nehmeh Tohme |
| Ghazir Bridge | | kesrouane | Partial Reconstruction | 200,000 | 3-Oct-06 | 30-Dec-06 | Frem Institution |
| Deir Intar - Mazrait Meshref | | | | | | | Hjeij |
| Khardali Bridge | | Marjayoun | | 200,000 | | | Hjeij |
| Qaaqaiyeh El Jisr | | Nabatiye | Total Reconstruction width should be increased to 2x35 + 2x1.5=10 | | | | Hjeij |
| Qasmiyeh - 2 | | Tyre | Total Reconstruction | 280,000 | | | Hjeij |
| Qasmiyeh on Int'l Road - 1 | | Tyre | Total Reconstruction | 480,000 | 15-Sep-06 | 17-Jan-07 | Hjeij |
| AL KHIDR HIGHWAY BRIDGE OVER HIGHWAY | | Saida | | | | | Iran |
| Alassi Bridge | | Hermel | | | | | Iran |
| PI 3 - Ansariyeh UnderPass 10+050km south of Zahrani | | zahrani | Partial Reconstruction | 500,000 | | | Iran |
| PI 4 - Ansariyeh Deir Takla UnerPass 10+700km south of Zahrani | | zahrani | | 500,000 | | | Iran |
| PI 6 - Abou El Aswad UnderPass 15+400km south of Zahrani | | Tyre | | 990,000 | | | Iran |
| PS3 - Sarafand OverPass 6.5km south of Zahrani | | zahrani | Partial Reconstruction | 700,000 | | | Iran |
| PS4 - Babliyeh Interchange OverPass 7.75km south of Zahrani | | Nabatiye | Total Reconstruction | 760,000 | | | Iran |
| PS4 bis - Saksakiyeh OverPass 8.2km south of Zahrani | | Tyre | Partial Reconstruction | 690,000 | | | Iran |
| V3 - Khayzaran Viaduct | | zahrani | Partial Reconstruction | 480,000 | | | Iran |
| PS 1 - Addousiyeh OverPass 1.8km south of Zahrani | | zahrani | Partial Reconstruction | 760,000 | | | Iran |
| Sofar Viaduct | Sofar | aley | Partial Reconstruction Westbound: Reconstruction of 1 span and 1 pier | 5,000,000 | | | Italy |
| Maalqa-Kfarzaad | | Zahle | Total reconstruction | 150,000 | | | Kettleh Chaabieh |
| Ghaziyeh OverPass | | Saida | Partial Reconstruction | 950,000 | 4-Nov-06 | 18-Jan-07 | Mr. Bahaa Harir |
| Old road Zahrani Bridge over the river | | zahrani | Total Reconstruction | 400,000 | | | Mr. Bahaa Hariri |
| Qinnarit OverPass | | Saida | Partial Reconstruction | 570,000 | 4-Nov-06 | 18-Jan-07 | Mr. Bahaa Harir |
| Rmeileh OverPass - PS6 | | Chouf | Total Reconstruction | 60,000 | 26-Oct-06 | 18-Dec-06 | Mr. Bahaa Hariri |
| Wardaniyeh Interchange - PS5 | | Chouf | Possible Partial Reconstruction | 600,000 | 26-Oct-06 | 18-Dec-06 | Mr. Bahaa Hariri |
| Zahrani Bridge over the river | | zahrani | Total Reconstruction | 2,240,000 | | | Mr. Bahaa Hariri |
| Zahrani Interchange to Nabatiyeh | | zahrani | Total Reconstruction | 1,540,000 | | | Mr. Bahaa Hariri |

1. Reconstruction
Rehabilitation
Replacement
Cash Payment

Appendix 1 - Table 2

Foreign Donors

Temporary Steel Bridges

| ID | NAME | MOHAFAZA | CAZA NAME | CLASS | TYPE | COUNTRY |
|-----|---------------------------|---------------|-----------|-------|------------------------|-------------|
| 55 | * Naameh | Mount Lebanon | Chouf | INTL | Temporary Steel Bridge | French Army |
| 61 | * Damour | Mount Lebanon | Chouf | INTL | Temporary Steel Bridge | French Army |
| 66 | * Wadi Zayni | Mount Lebanon | Chouf | INTL | Temporary Steel Bridge | French Army |
| 117 | * Airport | Mount Lebanon | Baabda | INTL | Temporary Steel Bridge | French Army |
| 74 | * Sofar | Mount Lebanon | Aley | INTL | Temporary Steel Bridge | French Army |
| 127 | * Arqa | North | Akkar | PRI | Temporary Steel Bridge | French Army |
| 51 | *Old Dammour | Mount Lebanon | Chouf | INTL | Temporary Steel Bridge | RUSSIA |
| 142 | *Alman-Bqosta | South | Saida | NC | Temporary Steel Bridge | RUSSIA |
| 79 | Gharife | Mount Lebanon | Chouf | PRI | Temporary Steel Bridge | RUSSIA |
| 122 | *Chakaa - Fardis | Nabatiye | Hasbaya | SEC | Temporary Steel Bridge | RUSSIA |
| 4 | Abou Zeble | Nabatiye | Hasbaya | SEC | Temporary Steel Bridge | RUSSIA |
| 133 | * Taanayel Taalbaya | Bekaa | Zahle | INTL | Temporary Steel Bridge | UK |
| 125 | *Victory | South | Jezin | NC | Temporary Steel Bridge | UK |
| 140 | *ROUMINE - Deir Ezzahrani | Nabatiye | Nabatiye | NC | Temporary Steel Bridge | UK |

Total Number Of Temporary Steel Bridges : 14

* Completed Steel Bridges

Appendix 1 – Table 3
Recovery activities in the Energy & Water Sectors

| Electricity | Damages | Assessment | Rehabilitation | Remarks |
|----------------------------|---|-------------------|--|---|
| Production Sector | Destruction of all main fuel containers | USD 47 Million | <ul style="list-style-type: none"> - Removal of part of the burnt containers - Approval of the council of ministers to have a transporter boat stationed facing the factory - Egypt offer to construct new containers is currently under study | <ul style="list-style-type: none"> - Jiyeh station is presently working with an average of two groups out of five - Expecting to finalize the totality of the work by end of August 2007 |
| Transmission Sector | <ul style="list-style-type: none"> - Serious damage to Siblin station and partial damage to Saida station - Major damage to transmission lines in different regions: North -Bekaa- Mount Lebanon, & South - Damages to subterranean cables in Beirut | USD 37 Million | <ul style="list-style-type: none"> - Saida station damages restored; and provisional mobile station installed in Siblin - Restoration of transmission lines, some provisionally, others definitively - Subterranean cables fixed & electric current restored to stations feeding from these cables, while waiting the restoration of the rest | <ul style="list-style-type: none"> - The Egyptian team is working in collaboration with EDL to restore Syblin station, transmission lines& subterranean cables - Expecting finalization of work yearend - Syrian technicians helped in restoring damages during the first days after the ceasefire |

| | | | | |
|---|---|--|---|--|
| <p>Distribution Sector: Beirut and Mount Lebanon</p> | <ul style="list-style-type: none"> - Damages to a large number of distribution stations based in destroyed buildings - Damages to subterranean cables - Damages to a large number of low tension cables | <p>USD 54 Million (the entire distribution sector)</p> | <ul style="list-style-type: none"> - Electric current secured to all citizens - Provisional cabins installed in some regions | <ul style="list-style-type: none"> - The Egyptian team is helping by providing a large number of required equipments |
| <p>Distribution Sector: The Regions</p> | <ul style="list-style-type: none"> - Partial damages to network in the regions of Akkar – Bekaa- and some South regions - Total damages to network in large number of severely damaged areas, some in a permanent way | <p>Restoration cost reached USD 22 Million until now</p> | <ul style="list-style-type: none"> - Restoration of all damaged networks in Bekaa & the North - Restoration of all distribution networks in the South away from the frontier - Expecting to finalize the works by the end of October | <ul style="list-style-type: none"> - Many villages were provided with electric generators donated to Municipalities by the Embassy of the Islamic Republic of Iran - Egyptians offered some equipments and are working with EDL - A fast working mechanism has been adopted requiring registered contractors to work rapidly, in order to save time and money |

| Water | Damages | Assessment | Rehabilitation | Remarks |
|-----------------------------------|--|-----------------|--|--|
| South Lebanon Water Office | <ul style="list-style-type: none"> - Destruction of a large number of containers - Destruction of many principal and secondary pumping and pipe lines - Destruction of many internal networks in villages, notably in frontier regions - Partial or total destruction of some pumping stations - Destruction of buildings (partial and total) | USD 19 Million | <ul style="list-style-type: none"> - Installing provisional electric generators - Restoring all principal pumping and pipe lines (except for the ones that showed damages resulting from pumping) (90%) - Restoring internal networks - Restoring Wazani, Altaybi, and Litani stations requires around 2 weeks | <ul style="list-style-type: none"> - Distribution of containers to houses through NGOs - Periodic water examinations through mobile laboratories |
| Bekaa Water Office | <ul style="list-style-type: none"> - Partial destruction of some of the Office's buildings - Partial destruction of some of pumping and pipe lines - Partial destruction of some internal networks - Destruction of 2 pumps - Destruction of a | USD 1.4 Million | <ul style="list-style-type: none"> - Restoration of all principal distribution lines - Restoration of most principal lines, except for Alasira principal line (expected to finish within one month) - Contracting the main container's wreckage removal | <ul style="list-style-type: none"> - A civil society organization volunteered for the reconstruction of the main container |

| | | | | |
|--|---|---|----------------------------|--|
| | main container (3000 CBM) | | | |
| Beirut and Mount Lebanon Water Office | - Principal Pipe lines - Water networks in Beirut Southern Suburb | USD 1 Million (indirect losses are estimated at around USD 4.6 Million) | Most damages were restored | The restoration of some distribution networks in the destroyed regions inside Beirut Southern Suburb is still awaiting wreckage removal and reconstruction |
| Litany Water Office | - Damages to a large number of irrigation channels and networks - Damages to a principal pumping station - Damages to electric generators and equipment in the generating station | USD 11.7 Million | | The indirect losses resulting from the reduction of the subscribers' contributions have not been assessed yet |
| Zahrani Petroleum Plants | Damages | Assessment | Rehabilitation | Remarks |
| | - Some containers were weakened | Damages are being evaluated after examining water containers | | |

Appendix 2 - Table 1
List of Donations Received by HRC
till 20/11/2006

| | Donors | Food Stuff | non Food | Medicines | Tents | Tents | Total Tns | Generators | Ambulances | Field |
|----|--------------------------|------------|----------|-----------|-------|-------|-----------|------------|------------|-----------|
| | | | | | Qty | Tns | | | | Hospitals |
| 1 | Algeria | 239 | 7.92 | 7.5 | | 6.2 | 260.62 | 5 | | |
| 2 | Argentina | 1.282 | 0.3 | 2.41 | 142 | 0.195 | 4.187 | | | |
| 3 | Armenia | 0 | 0 | 7.5 | | | 7.5 | | | |
| 4 | Azerbaijan | 80 | 0 | 0 | | | 80 | | | |
| 5 | Bahrain | 14 | 1 | 8 | | | 23 | 18 | | |
| 6 | Belarussia | 13.54 | 8.5 | | 20 | 9 | 31.04 | | | |
| 7 | Belgium | 1.15 | 1.2 | 5 | | | 7.35 | | | |
| 8 | Brazil | 42.65 | 39.35 | 1.26 | | | 83.26 | | | |
| 9 | China | 15 | 61.32 | 15 | 520 | 36.5 | 127.82 | 45 | | |
| 10 | Cyprus | 45 | 21 | 7 | | | 73 | | | |
| 11 | Egypt | 50 | 540 | 60.5 | | | 650.5 | | | 1 |
| 12 | Egypt-LC | 484 | 25.44 | 19.7 | | | 529.14 | | | |
| 13 | France | 2.5 | 0 | 2 | | | 4.5 | | | |
| 14 | Germany | 1.5 | 17.75 | 0 | | | 19.25 | 4 | | |
| 15 | Greece | 42 | 21 | 20 | 320 | 8.7 | 91.7 | | | |
| 16 | India | 0 | 25.5 | 0 | | | 25.5 | | | |
| 17 | Ireland | 0 | 2.24 | 0 | | | 2.24 | 6 | | |
| 18 | Italy | 428.2 | 21.978 | 20 | | | 470.178 | 17 | 1 | 1 |
| 19 | Italy-LC | 0.81 | 0 | 0 | | | 0.81 | | | |
| 20 | Jordan | 1028 | 50 | 37 | 50 | 5 | 1120 | | | 1 |
| 21 | Jordan-LC | 51.4 | 9.34 | 8.5 | | | 69.24 | | 1 | |
| 22 | KSA- Turki bin Abdulaziz | 65 | 9 | | | | 74 | | | |
| 23 | KSA-Gov | 4975 | 0 | 9 | 10 | | 4984 | | | 1 |

Appendix 2 - Table 1
List of Donations Received by HRC
till 20/11/2006

| | Donors | Food Stuff | non Food | Medicines | Tents Qty | Tents Tns | Total Tns | Generators | Ambulances | Field Hospitals |
|----|--------------|------------|----------|-----------|-----------|-----------|-----------|------------|--------------------------|-----------------|
| 24 | KSA-LC | 82 | 5.9 | 5.85 | | | 93.75 | | | |
| 25 | Kuwait | 802.25 | 100 | 17 | 200 | 17.6 | 936.85 | 290 | | |
| 26 | Latvia | 0 | 3 | 10.6 | | | 13.6 | | | |
| 27 | Lybia | 23.6 | 349 | 10 | | | 382.6 | 3 | 13 | 1 |
| 28 | Malaysia | 0 | 2.31 | 16.711 | 10 | 0.2 | 19.221 | | | |
| 29 | Malta | 3.09 | 10.7 | 0 | | | 13.79 | | | |
| 30 | Mauritania | 0 | 5.3 | 3 | | | 8.3 | | | |
| 31 | Morocco | 8 | 0.6 | 16 | | | 24.6 | | | |
| 32 | North Cyprus | 42.66 | 4.55 | 22.3 | | | 69.51 | | | |
| 33 | Norway | 0 | 24 | 0 | | | 24 | | | |
| 34 | Oman | 291.6 | 118.5 | 55.4 | | 91.5 | 557 | | | |
| 35 | Pakistan | 29 | 4.5 | 24.8 | 215 | 10 | 68.3 | | 3 | |
| 36 | Palestine | 285 | 0 | 0 | | | 285 | | | |
| 37 | Poland | 0.4 | 6.41 | 1.28 | 495 | 3.5 | 11.59 | 5 | | |
| 38 | Qatar | 49.9 | 1.33 | 0 | | | 51.23 | | | |
| 39 | Russia | 47.1 | 23.9 | 22 | 148 | 30 | 123 | 10 | | |
| 40 | Serbia | 0 | 0 | 2.5 | | | 2.5 | | | |
| 41 | Slovakia | 0 | 20 | 0.9 | 10 | 4 | 24.9 | | | |
| 42 | South Africa | 1.57 | 0.33 | 0.33 | | | 2.23 | | | |
| 43 | Spain | 0 | 0 | 11 | | | 11 | | | |
| 44 | Syria | 5.5 | 0 | 0 | | | 5.5 | | | |
| 45 | Tunisia | 8.41 | 3 | 4 | 10 | 1 | 16.41 | | | |
| 46 | Turkey | 965 | | | | | 965 | | 10 prefabricated schools | |

Appendix 2 - Table 1
List of Donations Received by HRC
till 20/11/2006

| | Donors | Food Stuff | non Food | Medicines | Tents | Tents | Total Tns | Generators | Ambulances | Field Hospitals |
|----|--------------|--------------|-------------|------------|-------------|------------|---------------|------------|------------|-----------------|
| | | | | | Qty | Tns | | | | |
| 47 | Turkey-NGOs | 563.33 | 41.33 | 0 | | | 604.66 | 43 | | |
| 48 | UAE | 116 | 13 | 5 | | | 134 | 4 | | |
| 49 | UAE-LC | 170.27 | 32.27 | 8 | | | 210.54 | | | |
| 50 | Ukraine | 6.288 | 8.076 | 1.475 | 240 | 8.88 | 24.719 | | | |
| 51 | WFP | 3.951 | 6.118 | | | | 10.069 | | | |
| 52 | Yemen | 0 | 0.8 | 1.8 | | | 2.6 | 8 | | |
| | | | | | | | | | | |
| | Total | 11085 | 1648 | 470 | 2390 | 232 | 13435 | 458 | 18 | 5 |

Appendix 2 - Table 2
In-Kind Donations received by HRC - Distribution
14/11/2006

| Items Distributed | Cumulative Quantity (Tons) |
|-------------------------------|-----------------------------------|
| Children Food Basket | 28,764 |
| Family Food Basket | 1,056,385 |
| Hot Meals | 583,988 |
| Covers | 143,025 |
| Mattresses | 132,973 |
| Blankets | 10,899 |
| Pillows | 22,270 |
| House Equipment | 2,568 |
| Hygiene Kits | 14,643 |
| Generators | 440 |
| Tents | 2,070 |
| Water Tanks | 377 |
| Mineral Water (Bottle) | 98,065 |
| Liquid Milk (bottle) | 18,642 |
| Powder Mild (Kgs.) | 7,082 |
| Biscuits (pieces) | 42,092 |
| Juice (bottle) | 106,505 |
| Flour (Kgs.) | 492,389 |

Appendix 3

Beirut, October 5, 2006

**Indemnities assessment and payment mechanism
in compensation for the damaged housing and other units
from the Israeli aggression between July 12, 2006 and August 14, 2006
on the Lebanese territories
with the exception of the Beirut Southern Suburb**

Indemnities will be paid in compensation for:

- 1- Damaged houses and furniture as well as for damages of any parts of the buildings containing it
- 2- Damaged buildings regardless of its usage

Indemnities will be paid:

- a) in case of reconstruction:
 - 1- to the landlord,
 - 2- to the tenant, the exploiter, the resident/occupant after approval of the landlord
- b) in case of restoration:
 - 1- to the resident/occupant (landlord, tenant, exploiter, resident consensus or tolerance
 - 2- to the landlord in case the unit is not occupied

First: Damages and indemnities assessment and payment mechanism:

Compensation request form is presented /submitted as follows:

1- Request forms delivery and presentation:

a) Request forms delivery centers:

The request forms are available at the offices of the Ministry of the Displaced, the Central Fund for the Displaced, the South Lebanon Council, the Mouhafazats and the Kaemakams centers, the municipalities and city halls.

b) Request forms presentation centers

- 1- Offices of the South Lebanon Council in the Mouhafazats of the South and Nabatieh and in the cazas of Northern Bekaa and Rachaya.
- 2- Offices of the Ministry of the Displaced or the Central Fund for the Displaced in all the other Lebanese territories.

Provided secondary offices are opened temporary and for this purpose for the personnel of the Ministry of the Displaced and the Central Fund for the Displaced in

the Mouhafazats of Baalbeck and Akkar and presented request forms are treated exclusively by the Ministry of the Displaced.

2- Necessary documents for each damaged or demolished unit:

- a) A copy of the birth certificate or copy of the identity,
- b) A family certificate (provided its emission doesn't exceed six months)
- c) A real estate certificate or statement for landlords, a leasing contract for tenants and any occupancy proving document for all other cases.
- d) A municipal certificate or a statement issued by the Interior Security Forces or the Mayor provided it is certified from the Kaemakam or the Mohafez in the town where there is not a municipality and it includes details about the real estate – number of floors and housing units, information about the occupancy and the damages that occurred due to the Israeli aggression between July 12, 2006 and August 14, 2006.

3- Technical assessment:

As a result of the technical on-site assessment, an independent report is drawn up for each unit provided it includes a record with the damages scope.

4- Costs assessment:

Based on the damages scope record, costs are estimated according to the price standards form.

5- Drawing up a general record for each town or village:

Based on the on-site assessment of all damaged or demolished units, a general record is drawn up for each town or village separately, including names of the beneficiaries, the real estate registration number, the building registration number, the section number, the floor, the surface, the effective damages value and the suggested compensation amount for each beneficiary. A copy of the afore-mentioned record will be sent to the Presidency of the Council of Ministers.

6- Documents completion:

In some particular cases, the concerned party is requested to present additional documents depending on the case, for example:

- the landlords consent in case of multiple landlords.
- An inheritance allocation document in case of the landlord's death

7- Indemnities assessment:

The Minister of the Displaced or the South Lebanon Council, according to each jurisdiction, sets the compensation amount for each beneficiary who has presented all the necessary documents.

8- Sending a certified copy of the file to the Presidency of the Council of Ministers

Certified copies of the complete files are sent from all the concerned administrations to the Presidency of the Council of Ministers in order to be recorded in the register set for this purpose.

9- Technical assessment verification:

The Presidency of the Council of Ministers transmits the file to the designated consultant for verification.

Checks emission

The consultant returns the file to the Presidency of the Council of Ministers where payment orders are prepared and checks emitted.

10- Filing

The Presidency of the Council of Ministers sends the file to the Public Housing Institution for filing.

11- First due payment to beneficiaries:

a) The Presidency of the Council of Ministers sends checks with payment orders to each Council of the South and the Central Fund for the Displaced so they can be handed over to the beneficiaries.

b) The beneficiary signs the check receipt on the assigned case in the payment, and signs as well a commitment, that includes the total indemnity amount and each payment amount, to use this compensation for the purpose it was allocated for, knowing that the commitment document mentions the total indemnity and each payment amount.

c) After the checks delivery to the beneficiaries, the Central Fund for the Displaced and the South Lebanon Council send back the original payment order and a copy of the commitment to the Presidency of the Council of Ministers, knowing that they must keep the original commitment and a copy of the payment order.

Second: Exceptions

The afore-mentioned mechanism is adopted for all damaged and partially or entirely demolished units. Whereas for cases needing an exceptional approach, the competent administrations refer for instructions to the Presidency of the Council of Ministers and suggest an approach.

Third: Second payment and spending assessment mechanism

1- Technical assessment:

a) The beneficiary presents a second payment request to the Central Fund for the Displaced or to the South Lebanon Council.

b) The competent administration verifies on-site whether the first payment was spent on restoration or reconstruction.

c) If it turns out that the beneficiary did not use the first payment for restoration or reconstruction, he is requested to do some supplementary work before the on-site verification is carried out again.

2- Second due amount disbursement:

The Presidency of the Council of Ministers emits payment orders and second payment checks which are sent to the competent administrations in order to be delivered to the beneficiaries according to the same mechanism adopted for the first amount payment. Disbursed according to the first amount disbursement mechanism.

Fourth: Furniture compensation

Furniture compensation is paid to each beneficiary whose housing unit compensation has exceeded L.P.5,000,000.

The compensation value amounts at 20% of the restoration or reconstruction indemnity and is paid with every payment.

Fifth: Indemnities payment disbursement to those who already achieved restoration and/or partial or complete reconstruction at their own expenses.

Restoration or restoration Indemnities along with furniture compensation are paid at once and as a whole to those who have already achieved restoration and partial or complete reconstruction at their own expenses.

Sixth: Technical and Financial Basis

1-Restoration:

- a) The minimum restoration indemnity amount is L.P.200,000
The maximum restoration indemnity amount is L.P.30,000,000
- b) The compensation is fully paid as a whole to the beneficiary in case the damages do not exceed L.P.10,000,000.
- c) Whereas the damages exceed L.P.10,000,000, the compensation is paid in two installments, the first of which amounting to L.P.10,000,000.

2- Complete destruction:

- a) The compensation for complete destruction of each housing unit is L.P.50,000,000 and is paid in two installments according to the afore-mentioned mechanism.
- b) The compensation for complete destruction for non-housing unit is L.P.300,000 for each square meter provided the maximum compensation does not exceed L.P.50,000,000.

3- Partial destruction:

The compensation for partially demolished units is set as follows:

- a) Calculating the demolished parts compensation cost as L.P.300,000 for each square meter. The compensation for each square meter of demolished parts is estimated at L.P.300.000.
- b) Calculating Estimating the restoration compensation cost for the remaining part.
- c) Adding the two above-mentioned costs (pertaining to the demolished and the damaged parts), the maximum compensation being L.P.40,000,000 paid in two installments according to the afore-mentioned mechanism.

4-Restoration and/or rebuilding of common property sections:

The following indemnities are paid to the landlords assembly association:

a) The stairs, the staircase, the elevator and the reservoirs

for the buildings with more than three floors (ground floor + two floors)

the damaged stairs, staircase, elevator and reservoirs: the housing unit restoration basis and mechanism are adopted.applied

the demolished stairs, staircase, elevator and reservoirs: each square meter reconstruction of the demolished stairs, staircase, elevator and reservoirs cost is L.P.150,000, provided the compensation does not exceed L.P.50,000,000.

b) The under-ground non-housing floors

the damaged under-ground floors: the housing unit restoration basis and mechanism are adopted.

the demolished under-ground floors: each square meter reconstruction of the demolished under-ground floors cost is L.P.150,000, provided the compensation does not exceed L.P.50,000,000.

c) The pillars floor

the damaged pillars floor: the housing unit restoration basis and mechanism are adopted.

the demolished pillars floor: each square meter reconstruction of the demolished pillars floor cost is L.P.150,000, provided the compensation does not exceed L.P.50,000,000.

5-Possibility of benefiting from more than one unit

The beneficiary benefits for each unit notwithstanding their number.

Seventh: Possibility for the beneficiary to obtain a house loan from the Public Housing Institution

In order to allow the damaged party to reconstruct his demolished housing unit whose surface exceeds 150m², this party is entitled to obtain a house loan according to the lending system adopted by the Public Housing Institution.

Appendix 4

Decree No 146/2006

The President of the Council of Ministers,

According to decree no 14952 of 19-7-2005 (nomination of Mr. Fuad Siniora President of the Council of Ministers),

According to the decision of the Council of Ministers no 1 of 16-7-2006 (entitling the President of the Council of Ministers to take all necessary measures and steps to overcome the Israeli aggressions),

Since it is necessary to enable citizens whose houses, stores and establishments have been demolished to rebuild them,

And since it is necessary to pay the concerned party a supplementary amount as an encouragement to rebuild in the same estate,

And since it is necessary to give to the concerned party the freedom to choose between rebuilding his property or buying another one,

And since it is necessary to adopt simple measures that will facilitate agreement between the demolished estate owners to rebuilt it and will not allow any of the owners to abuse the other owners,

And since it is important to enable owners of damaged or partly destroyed houses, stores or establishments to restore them and use them again,

And according to public interests necessities,

Decides the following:

Article 1: Assessment and compensation payment for the damaged housing and other units from the Israeli aggression between July 12, 2006 and August 14, 2006 in Beirut Southern Suburb are carried out according to the attached mechanism.

Article 2: This decision is applied upon publication.

Beirut,

Fuad Siniora

President of the Council of Ministers

**Indemnities assessment and payment mechanism
in compensation for the damaged housing and other units
from the Israeli aggression between July 12, 2006 and August 14, 2006
in Beirut Southern Suburb**

First: Indemnities will be paid in compensation for:

Damaged housing and other units, common property section and furniture according to the procedures and rules stated in this decision to:

- a) in case of completely demolished unit:
 - 1- the landlord,
 - 2- the tenant, the exploiter, the resident after approval of the landlord

- b) in case of partly destroyed unit:
 - 1- the resident (landlord, tenant, exploiter, resident by agreement or permission)
 - 2- the landlord in case the unit is not occupied

- c) in case of damaged furniture: the owner of the furniture.

Second: Damages and indemnities assessment and payment mechanism:

The compensation request is presented as follows:

1- Request forms delivery and presentation:

- a) Request forms delivery centers

The request forms are available at the offices of the Ministry of the Displaced, the Central Fund for the Displaced, the municipalities and offices of the mayors (moukhtars).

- b) Request forms presentation centers:

Offices of the Ministry of the Displaced or the Central Fund for the Displaced provided all presented request forms are treated exclusively by the Ministry of the Displaced

2- Necessary documents for each damaged or demolished unit:

- a) A copy of the birth certificate or copy of the identity,
- b) A family certificate (provided its emission doesn't exceed six months)
- c) A real estate certificate or statement for landlords, a leasing contract for tenants. And any residence proving document for all other cases.
(Is exempted from submitting this document anyone whose unit has been damaged for less than one million Lebanese Pounds)
- d) A municipal certificate including details about the real estate – number of floors and housing units, works and damages that occurred due to the Israeli aggression

between July 12, 2006 and August 14, 2006 or certified copy of the Interior Security Forces statement.

3- Technical assessment:

As a result of the technical on-site assessment carried out jointly by the personnel of the Ministry of the Displaced and the Central Fund for the Displaced, an independent report is drawn up for each unit provided it includes a record with the damages scope.

4- Costs assessment:

Based on the damages scope record, costs are assessed according to the prices adopted in the form.

5- Drawing up a general record for each building or buildings in the real estate:

Based on the on-site assessment of all damaged or demolished units carried out by the Ministry and the Fund, a general record is drawn up for all the buildings of the real estate, it will include the names of the beneficiaries, the real estate registration number, the building registration number, the section number, the floor, the surface, the effective damages value and the suggested compensation amount for each beneficiary, knowing that the Ministry will send a copy of the afore-mentioned record to the adopted consultant for advice before sending it back to the Ministry.

6- Documents completion:

In some particular cases, the concerned party is requested to submit supplementary documents (such as the landlords consent in case there is more than one landlord, a limitation of succession in case of the landlord's death...).

7- Indemnities assessment:

The Minister of the Displaced sets the compensation amount for each beneficiary who has presented all the necessary documents.

8- Sending the file to Central Fund for the Displaced:

The file is sent to the Central Fund for the Displaced and a certified copy is sent to the Presidency of the Council of Ministers in order to be recorded in the register set for this purpose.

9- Checks emission:

The Presidency of the Council of Ministers prepares payment orders and checks in the name of the first beneficiary.

10- Filing:

The Presidency of the Council of Ministers sends a copy of the file to the Public Housing Institution for filing and usage when necessary.

11- First due payment to the beneficiaries:

a) The Presidency of the Council of Ministers sends the checks with the payment orders to the Central Fund for the Displaced which will hand them over to the beneficiaries.

b) The beneficiary signs the checks receipt on the special box allocated for this purpose on the payment order and signs as well, upon receipt of the first due payment, a commitment, that includes the total indemnity amount and each payment amount, to use this compensation for the purpose it was allocated for.

c) After the checks delivery to the beneficiaries, the Central Fund for the Displaced sends back the original payment order and a copy of the commitment to the Presidency of the Council of Ministers, knowing that it must keep the original commitment and a copy of the payment order.

12- Second payment and spending assessment mechanism for restoration and partly destroyed units

a) Technical assessment:

1) The beneficiary presents a second payment request to the Central Fund for the Displaced.

2) The Central Fund for the Displaced and the consultant verify on-site whether the first payment was spent on restoration or reconstruction of the partly destroyed unit.

3) After approval of the second payment, the Central Fund for the Displaced submits the file to the Presidency of the Council of Ministers.

b) Second due amount payment:

The Presidency of the Council of Ministers emits payment orders and second payment checks which are sent to the Central Fund for the Displaced in order to be delivered to the beneficiaries according to the same mechanism adopted for the first amount payment.

13- Furniture compensation for damaged or partly destroyed units

Furniture compensation for damaged or partly destroyed units is paid to each beneficiary whose housing unit compensation has exceeded L.P.5,000,000.

The compensation value amounts at 20% of the restoration or reconstruction of the partly destroyed unit indemnity and is paid with every payment.

14- Indemnities payment to those who have already achieved restoration and partial or complete reconstruction at their own expenses.

Indemnities along with furniture compensation are paid at once and as a whole to those who have already achieved restoration and partial or complete reconstruction at their own expenses.

15- The housing units whose owners have taken loans from the Public Housing Institution or the Housing Bank or the Military Housing Institution

- For housing units whose owners have taken loans from the Public Housing Institution/the Housing Bank and the Military Housing Institution, the mechanism attached to his decision is adopted.
- As for the housing and other units burdened with loans other than the above mentioned and pertaining to the buying or construction process of the unit before the destruction, the beneficiary has to submit to the Central Fund for the Displaced an agreement with the first owner just as registered in the real estate registrar in a valid date stating the payment agreed upon mechanism. Compensation is paid accordingly.

Third: Exceptional cases

The afore-mentioned mechanism is adopted for all damaged and partially or entirely destroyed units. Whereas for cases needing an exceptional approach, the Ministry of the Displaced or the Central Fund for the Displaced refer for instructions to the Presidency of the Council of Ministers and suggest an approach.

Fourth: Technical and Financial Basis

1-Restoration:

- a) The minimum restoration indemnity amount is L.P.200,000
The maximum restoration indemnity amount is L.P.30,000,000
- b) The compensation is paid as a whole to the beneficiary in case the damages do not exceed L.P.15,000,000.
- c) Whereas the damages exceed L.P.15,000,000, the compensation is paid in two installments, the first of which amounting to L.P.15,000,000.

2- Partial destruction:

The compensation for partly destroyed units is set as follows:

- a) Calculating the destroyed parts compensation cost as L.P.300,000 for each square meter.
- b) Calculating the restoration compensation cost for the remaining damaged part.
- c) Adding the two costs (pertaining to the destroyed and the damaged parts), the maximum compensation being L.P.50,000,000 paid in two installments according to the afore-mentioned mechanism adopted for restoration.

3-Restoration and/or rebuilding of damaged or partly destroyed common property sections:

The following indemnities are paid to the landlords assembly:

a) The damaged stairs, staircase, elevator and reservoirs

The damaged stairs, staircase, elevator and reservoirs are considered as an independent unit and compensation is set according to the restoration and reconstruction basis and mechanism adopted for the damaged and partly destroyed housing unit.

b) The damaged under-ground non-housing floors

The damaged under-ground non-housing floors are considered as an independent unit and compensation is set according to the restoration and reconstruction basis and mechanism adopted for the damaged and partly destroyed housing unit.

c) The damaged pillars floor

The damaged pillars floor is considered as an independent unit and compensation is set according to the restoration and reconstruction basis and mechanism adopted for the damaged and partly destroyed housing unit. the housing unit restoration basis and mechanism are adopted.

4- Total destruction:

a. Compensation amount for the residential unit: 80.000.000 L.L

The compensation for total destruction is paid to the concerned parties in two equal payments including:

- Compensation for furniture: 10.000.000 L.L given to the owner of the furniture.
- Compensation for the residential unit.
- Share of the residential unit in the common sections (stairs, reservoir, elevator, pillars, concierge house, lower floors and foundations).

b. Compensation amount for the non-residential unit:

Surface x of 300.000 L.L equals a maximum of 100.000.000 L.L including compensation to rebuild the unit and its share in the common sections.

As for offices and clinics, 20% of the compensation amount is added for compensation of furniture and given to the owner of the furniture, provided that it does not exceed 10.000.000 L.L.

c. Compensation amount in residential buildings for each unit used for other purposes:

- Above the ground floor, the compensation amount given for each residential unit (according to point a).
- For the ground floor and lower floors, the compensation amount for non-residential units in non-residential buildings (according to point b).

d. Additional compensation (motivation):

1- The building that will be rebuilt will obtain additional compensation amounting to 50.000.000 L.L.

2- The additional compensation is paid to the owners together after completing the roof of the ground floor.

V- Compensation for total destruction in case the owners do not want to rebuild the property:

The compensation for total destruction is paid to owners who do not want to rebuild their property, provided that they take the necessary administrative and legal measures to facilitate the work of the other owners of the destroyed building without any unjustified complications or unacceptable abusive usage of their rights as owners.

VI- Leased unit that was totally destroyed:

- a. The new tenant (after 23/07/1992) or investor:

Compensation is paid to the owner. The tenant or the investor does not take compensation for destruction.

b. The old tenant (before 23/07/1992).

- 1- Compensation is paid to the owner in case he decides to rebuild, taking into consideration the rights of the tenant according to applicable legislations.
- 2- In case of agreement between the owner and the tenant (according to an agreement concluded at the notary's office), compensation is paid in compliance with the concluded agreement, taking into consideration the rights of the other owners and taking necessary procedures to facilitate rebuilding their property.
- 3- In case the owner does not want to rebuild (or cannot do so) and in the absence of an agreement with the tenant, the tenant will have the right to obtain compensation from the owner. In this case, after deducting the compensation for furniture, the owner is given 65% of the total compensation and the tenant 35%, and all legislations in force are applied, provided that the compensation he obtains is part of the abovementioned compensation.

VII- Obtaining compensation for more than one property:

The concerned party obtains compensation for any residential or non-residential unit he owns or has a right in whatever their number.

VIII- Obtaining a housing loan from the public institution of housing:

To allow the damaged party to complete rebuilding his destroyed residential unit, he can obtain a housing loan in accordance with the loaning system applied in the public institution of housing in line with the applicable mechanism.

Annex

Decree number dated in .../.../...

Payment mechanism to compensate damages in residential and non-residential units due to the Israeli aggression between July 12th and August 14th 2006 in the southern suburbs of Beirut

This annex governs the compensation for residential units owned by the persons who obtained loans from the public institution of housing/housing bank and the military housing department, in participation with other banks in accordance with the provisions of the cooperation protocol between them and these banks, registered at the cadastres (and the real estate statements) of these residential units and the real estate insurances to the benefit of the institution/housing bank and credit bank, so that the work mechanism is as follows:

- I- Checks are issued in the name of the public institution of housing/housing bank and the military housing department, adding the phrase “to the beneficiary whose name is mentioned”.
- II- The public institution of housing/housing bank and the military housing department opens at the credit banks special accounts for paid compensation in compliance with payment mechanisms and this annex; the compensation amount due to each debtor is registered in the special account opened at the credit bank.

This account is controlled by the public institution of housing/housing bank and the military housing department in agreement with the credit bank, and it is used only to pay compensations either according to the work progress to rebuild the residential unit as it was before (rebuild or repair), or according to the appropriate agreement with the credit bank in compliance with the following cases:

1- Reconstruction or repairing works of the damaged residential unit:

- a. The debtor whose property was damaged states his desire to rebuild/repair his residential unit within 6 months.
- b. The first payment or the total compensation is immediately paid to him according to his case.
- c. Upon completion of the first phase, the debtor asks for the issuing of the second payment.
- d. The competent authority carries out the technical inspection to make sure the works are completed.
- e. In light of the technical inspection results, the second payment is immediately issued or the sum is transferred to the account opened for this purpose.
- f. The file is closed and stored after the second payment.

2- The non-completion of reconstruction or repairing works:

a. Buying a new residential unit:

- 1- The debtor whose property was damaged states he does not want to rebuild or repair the damaged unit and chooses to buy another residential unit.
- 2- The debtor and the credit bank as well as the public institution of housing/housing bank and the military housing department sign an agreement transferring insurance on the damaged residential unit to the cadastre of the new residential unit.
- 3- Compensation (the two payments) is paid according to the provisions of the compensation mechanism without giving the bank or the public institution of housing/housing bank and the military housing department the right to intervene or object.
- 4- The file is closed and stored upon completion of the second payment.

b. Building a new residential unit:

The mechanism mentioned in the above paragraph (a) is applicable provided that compensation is paid according to the work progress, as it will be mentioned in the amendment agreement and in light of funds availability.

3- Not wanting to rebuild/repair and buy or build a new residential unit:

- a. The debtor whose property was damaged states he does not want to rebuild or repair the damaged unit, and does not want to buy or build a new residential unit.
- b. A sum amounting to the loan and interest is deducted from the compensation and distributed between the credit bank, the public institution of housing/housing bank and the military housing department according to each one's share, and the rest is paid to the concerned party, if it exists.
- c. The file is closed and stored.

III-

1- In case the beneficiary does not complete the required works in return for the first payment of the compensation within 6 months of the payment date for reconstruction works and within 3 months for repairing works, an amount equal to the loan and its interest is deducted from the compensation and distributed between the credit bank, the public institution of housing/housing bank and the military housing department according to each one's share, and the rest is paid to the concerned party, if it exists.

2- The file is closed and stored.

N.B: It was agreed with the Banks Association to give the person whose property was damaged a delay according to each case, during which this person will stop payments to the bank free of interest.