

It was in 1995 that I was honored to head the Council for Development and Reconstruction for the first time. Lebanon was in the midst of the reconstruction program launched by the martyred Prime Minister, Rafic Hariri. CDR in collaboration with the government administrations, institutions and community was able to overcome the successive wars and ravages inflicted on our country since 1975. These wars savaged the nation, the government, the institutions, the economy and the infrastructure. Unfortunately, our astonishing achievements for the reconstruction were not accompanied by a determined reform effort to rebuild the country's public institutions and to restore the ties that bind our society together. Equally, serving society should be the ultimate concern of both politics and reconstruction efforts.

Just when Lebanon started to move out of the reconstruction phase into an era of economic growth, the July 2006 war broke out transforming existing realities and changing priorities. Following that, and for the second time, I was honored by the Council of Ministers to lead this establishment that forms one of the Council of Ministers' most active tools for implementation.

The guiding principles that were set down by the government required the CDR to work on three parallel axes:

- Firstly, participate in the efforts to erase the impact of the aggression.
- Secondly, continue to implement the development projects started before the aggression.
- Thirdly, reformulate investment programs to conform with the government's reform program.

Priority is given to the first of these axes, whereby CDR shall seek to modify some of its programs and projects established before the war, to fulfill the urgent needs resulting from the aggression.

In this context, CDR has been in constant contact with the task force formed by the Office of the Prime Minister that coordinates the efforts among various public administrations and institutions, international organizations and non-governmental organizations (NGOs). The purpose is to define priorities, avoid any duplication of efforts and ensure the integration of all future reconstruction steps.

The role of CDR in dealing with the impact of the aggression has focused on the following aspects:

- Establish a data base that records the direct damages caused by the war.



- Identify the appropriate projects that respond to the war damages.
- Integrate some of the damage repair projects with the programs established prior to the war.
- Match the grants provided by various donors with the projects to be implemented.
- Coordinate the various funding sources to ensure financing priority for reconstruction projects.
- Implement some of the current infrastructure projects.
- Supervise the progress of projects directly implemented by the private sector, such as certain infrastructure works.
- Supervise the implementation of infrastructure projects that were adopted by certain donors in destroyed residential areas.
- Participate in the preparation of plans and proposals related to particular controversial issues, such as the reconstruction of the southern suburb of Beirut.

On another note, CDR continues to implement its investment programs that started before the war while reconsidering certain limited aspects of their features. The Council of Minister's Decision of August 18, 2005 to issue US\$ 287 million treasury bonds to compensate for expropriated property, has contributed greatly in re-initiating works on suspended projects and allowed the launching of invitations for tender for a large number of new projects. This funding issue which has been suspended since 2002 has led to a freeze in many significant projects and prevented the government from benefiting from some of the available foreign funding.

Regarding the question of funding, the present government sought actively in cooperation with the Parliament to ratify previously signed funding agreements. New funding agreements with a number of different funding sources have also been re-initiated. However, the Israeli attack on Lebanon in July 2006 and its devastating effects have forced the government to reconsider some of its priorities and to focus its efforts to secure funding resources that will deal particularly with the war effects, without neglecting its development policy that was adopted prior to the war.

It should be noted that the Parliament has ratified five funding agreements during the tenure of the present government, but there are still twelve other agreements waiting to be ratified. In addition, the government has decided to approve a number of grants in kind, particularly those covering the reconstruction of bridges, schools, hospitals and other public facilities. These grants were donated by a number of brethren and friendly countries, funding organizations and some donors in the private sector.



Furthermore, the government continues to pursue the means and mechanisms, with brethren and friendly countries as well as Arab and international institutions, needed to translate into actuality the assistance pledges provided at the Stockholm Conference, and later at the Paris III Conference.

With regard to future investment programs, the government pledged, under the reform program submitted to the Paris III Conference, to maintain an appropriate level of investment spending. The ceiling for this investment spending, except for spending related to the effects of the July war, is expected to be 2.7% of gross national product, provided that it is coupled with raising the share of foreign funding to 45% in the coming years.

CDR is currently working closely with the ministerial committees formed to implement the government's reform program. This work involves rationalization of the investment program, both at the social public service level, particularly in the education and health sectors, as well as at the basic infrastructure level. This is particularly important since the allocation of public investments has to be closely synchronized with the extent of progress in the privatization of certain sectors.

Regarding upgrading our work at CDR, the new information system is now complete. This system links together all administrations and units of CDR and contributes to the improvement of performance of employees and raises the level of transparency. This initiative was coupled with the launching of a new partnership with the private sector in the areas of information technology and communications. The company Cisco Systems will provide a number of new recruits to work at various CDR administrations and other governmental establishments, in coordination with the Office of the Minister for Administrative Reform. Additionally, the Council is endeavoring, in cooperation with other concerned government administrations, to develop a revised version of the regulations covering public tendering and bidding, the management of public contracts as well as the development of new unified Terms of Conditions for contracts in a way that satisfies the aspirations of both the public and private sectors.

The year 2006 has been exceptional in every respect. I spent the first half of the year as an advisor for the prime minister and the second half at CDR. This exposed me to the tremendous difficulties that Lebanon has faced during the current year, and the great efforts spent to overcome them. Surmounting the difficulties has been possible through the solidarity of the Lebanese people, the unification of its institutions and the sympathetic support of both his brethren and friendly countries.