

# Executive Summary

## INTRODUCTION

Lebanon ratified the United Nations Convention to Combat Desertification (UNCCD) on 16 May 1996. The National Action Programme (NAP), prepared in 2003 by the Ministry of Agriculture (MoA), with the technical support of UNDP and GTZ, serves as a guiding framework for the implementation of the Convention. It includes strategic and technical recommendations for mitigating the impact of desertification through the identification of a long-term programme to address the root causes of dryland degradation. Constraints on several levels however hamper the effective implementation of the NAP. These include institutional, socio-economic and financial constraints.

Over the last decade changes have taken place in the international development financing architecture, prompting a shift towards the adoption of a more structured programme financing mechanism that is aligned with priorities of the beneficiary countries. Such an approach serves to address country priorities and tackles multiple factors – social, economic and environmental – along a chain of activities falling under one integrated and comprehensive umbrella programme. An accompanying set of new financing modalities, procedures and instruments have emerged as well. In this regard, the Global Mechanism has advocated the development of integrated financing strategies (IFSs) that contend with these new modalities, procedures and instruments for meeting long-term financing needs.

The Lebanese resource mobilization strategy is a guiding framework for locating and developing a mix of financial resources to fund programs and projects related to combating desertification and sustainable land management (SLM). While helping to develop the appropriate blend of funds – namely internal, external and innovative – the strategy also uncovers potential barriers in resource identification, allocation, and disbursement. It highlights aspects in the policy, fiscal, legal, institutional and human resource environments that act as barriers to implementing actions for resource mobilization or program execution. The strategy also recommends a number of actions for overcoming identified barriers in the enabling environment.

## THE NATIONAL CONTEXT

Almost 60% of the Lebanese territory can be regarded as highly prone to desertification. Drawing from the World Bank's *Cost of Environmental Degradation Report (2004)*, the cost of land degradation was estimated at 1.3 % of GDP, a figure that far exceeds the funding flowing towards SLM-related activities (0.37 % of GDP). Some work has been undertaken to address this problem however significant challenges lie ahead. It is important to note that for the successful mobilisation of resources barriers placed by policy, legal and institutional frameworks need to be dismantled, while at the same time improvements in coordination are necessary. Lebanon does not have a National Development policy. While there are strategies and sectoral plans, there is no overarching cross-sectoral policy that ties them together. Individual plans often lack co-



herence with one another and thereby fail to capitalize on the potential synergy that exists between similar activities that are carried out by separate institutions.

The legal and institutional set-up in Lebanon is characterized by ambiguity and inconsistency. Though laws are plenty, they lack the decrees necessary for their implementation and enforcement. The absence of a complete land cadastre of the Lebanese territory remains a daunting problem. Legislation protecting farmers and investors is also absent, thus creating disincentives for investment in sustainable land management.

Institutions, though operational, have overlapping mandates and responsibilities in several cases, leading to resource-use inefficiencies. Furthermore, many suffer from internal procedural weaknesses and impeding bureaucratic procedures governed by outdated laws. A coordination mechanism among institutions to address problems in land management does not exist, and authorities generally operate independent of one another. The “trickling down” effect of decisions through a hierarchy is thereby lost, and with it, the invaluable contributions of local decision making authorities.

A National Steering Committee was formed in 2002 with the aim of improving inter-sectoral collaboration by bringing agencies together. The Committee later became the National Coordination Body (NCB), which was composed of representatives from the following bodies: MoA, MoE, MoEW, MoSA, MoIM, MoF, CDR, LARI, DGUP, LRA, Green Plan, Lebanese University, UNDP, FAO and GTZ. Non Governmental and Civil Society Organisations (NGOs and CSOs) however were not part of the Body despite their vital role with relation to implementation. The NCB was convened only thrice and is currently inactive.

The fiscal situation in Lebanon remains a major source of concern. To address the debt situation, and the fiscal situation in general, efforts are needed that transcend the standard marginal raising of revenues and reduction in expenditures. There exists urgency for implementation of structural reforms that provide a framework and instruments for more efficient fiscal policy and expenditure management. Furthermore, there is no mechanism solely dedicated to resource allocation for sustainable land management in Lebanon.

From the analysis that was carried out on the financial flows, and bearing in mind the assumptions, the following conclusions were drawn:

- Underinvestment is taking place in the sectors of agriculture, rangeland and forest management, and land-use planning. The environment in general, and SLM in particular, are still far from being considered key developmental factors that can contribute to expanding sustainable economic opportunities and alleviating poverty.
- The bulk (84 %) of ODA is contributed by multilateral donors. The World Bank is the primary donor involved in SLM-related activities. Among bilateral donors, the United States is the primary contributor through its Agency for International Development (USAID). Arab donors make a very low contribution to SLM-related activities. The Arab Fund for Economic and Social Development (AFESD) was the only donor identified.
- In absolute terms, the MoA is the institution that has received by far the most external funding for SLM-related projects (USD 171 million), and accordingly also contributes more from its own budget than any other institution. Internal contributions, or co-financing by the government, are highest at the MoA and the MoE. For the projects identified, the MoE provided, as co-financing, more than four times the amount of funds that were received from donor funding.

External contributions (donor funding) are about three times as high as financial resources mobilized internally.

A comprehensive programme that links the individual activities together into a concerted effort to address land management only exists in the form of the NAP, which has yet to be officially endorsed in order to be featured in the country policies. As such, the Resource Mobilisation Strategy attempts to consolidate all relevant elements under a single framework for ensuring a comprehensive response to implementing the Convention and for effective resource mobilisation. The following strategic objectives form the core areas that require attention for ensuring the mobilisation of substantial resources.



## Strategic Objective I: Improve the Enabling Environment

The following presents a summary of the rudimentary problems in the enabling environment that form the main barriers to implementation of the strategy.

- Absence of a national policy framework geared towards environment
  - a. Long-term national planning is largely absent
  - b. Environment, including desertification, is not a priority
  - c. The environmental planning framework is weak
  - d. Activities are not consolidated
- Lack of a stable coordination mechanism
  - a. The National Coordination Body is not operational
  - b. The Rio Conventions operate independently
- Institutional framework not comprehensive
  - a. Institutional responsibilities lack clarity
  - b. No dedicated unit to combat desertification
- Inadequate legislation
  - a. Legislation is inconsistent
  - b. Enforcement remains weak
- Public Budget Process outdated
  - a. The Public Accounting LAW (PAL) lacks clarity
  - b. The budgetary system violates basic principles
  - c. An Organic Budget Law (OBL) is absent
  - d. Allocation of financial resources to SLM is scarce
- Poorly developed human capacities
  - a. Institutions lack adequate staff
  - b. Human resources are poorly trained
  - c. Communities lack the know-how to implement activities
  - d. The private sector is not involved

The following actions have been identified for improving the enabling environment:

### Objective 1: MAINSTREAM SLM INTO COUNTRY POLICIES

- a. Activity 1: Elaborate the NAP into discrete actions that can be incorporated into sectoral programmes
- b. Activity 2: Articulate SLM as a national priority
- c. Activity 3: Integrate the NAP into national development plans as they are being formulated

### Objective 2: IMPROVE THE COORDINATION MECHANISM

- a. Activity 1: Strengthen the national coordination structure for UNCCD implementation
- b. Activity 2: Build on the National Capacity Self Assessment (NCSA) recommendations to increase synergy among the Conventions

### Objective 3: CREATE A STABLE INSTITUTIONAL STRUCTURE

- a. Activity 1: Clarify institutional responsibilities:
- b. Activity 2: Create a unit dedicated to combating desertification
- c. Activity 3: Establish partnerships across sectors

### Objective 4: IMPLEMENT LEGAL REFORMS

- a. Activity 1: Clarify the inconsistencies

*b. Activity 2: Improve the enforcement mechanism*

**Objective 5: STRENGTHEN THE KNOWLEDGE BASE**

*a. Activity 1: Exchange of knowledge and information*

*b. Activity 2: Raise the general awareness*

**Strategic Objective 2: Mobilize Internal Resources**

Internal financial resources represent in-country resources originating primarily from the public budget, but also include funds of private corporations and non-profit institutions within the country. The public budget comprises the main source of internal funding.

The Lebanese budget consists of two parts:

- Part I - allocated for current expenditures (salaries, office supplies, debt service, etc.)
- Part II - allocated for investment expenditure (building, construction, roads, etc.)

Part II of the budget is the productive component, which generates economic growth and spurs the economic cycle. However in Lebanon, budget allocation for Part II varies between 5 % and 12 % of the total budget.

The budget analysis covers four ministries and one Directorate General which directly or indirectly contribute to sustainable land management. They are listed in the following order of importance beginning with the most relevant: MoA, MoEW, MoE, MoSA, and DGUP. The following are the findings:

1. Budget allocation has no rational basis. Funds for investment activities are highest 4-5 years into the programme rather than at the start when investments generally take place.
2. Budgets are never spent within the term of the programme law. Rather, unspent funds are continuously pushed forward by an additional year thus extending the term of the programme indefinitely. This raises the issue of the absorptive capacity of the country to manage additional finances.
3. The four ministries related to SLM activities (MoA, MoEW, MoE, and MoSA) receive only between 2% and 3% of the total national annual budget. These ministries receive only between 6% and 19% of the total Part II (investment) budget.
4. The real total expenditures of the five concerned institutions (four ministries and DGUP) are always below the allocated budget (as shown by the cut-off). This discrepancy between allocated budget and cut-off highlights the inefficient use of allocated funds and the lack of proper planning. This points to the need to improve implementation and disbursement as a means for requesting increases in finances.
5. The MoA funds are predominantly dedicated to Part I (current expenditures) of the budget (around 90%).
6. The MoA Part II budget, which could be classified as a potential entry point for the resource mobilization for NAP implementation, is so minor (0.025% of the total budget) that it represents only a very modest financing source.

The following actions have been identified for improving the mobilization of internal sources of funding:

**Objective 1: Promote Better Planning of Programme Laws**

*a. Activity 1: Develop ministerial programmes and plans*

*b. Activity 2: Incorporate SLM themes into the budget planning process*

**Objective 2: Optimize Fund Allocation**

*a. Activity 1: Submit budget requests that conform to spending capabilities*

*b. Activity 2: Limit subsequent budget allocations where funds are not spent*

**Objective 3: Reform the Laws Governing Budget Allocation**

*a. Activity 1: Increase the flexibility of budget allocations*

*b. Activity 2: Enact a comprehensive budget system law*

*c. Activity 3: Reform the budget cycle*

Objective 4: Increase the Budget Dedicated to SLM

*a. Activity 1: Increase the Part II budget allocation*

*b. Activity 2: Dedicate funds within the budget to combat desertification related activities*

*c. Activity 3: Lobby for a greater environment budget*

Objective 5: Strengthen Human Capacities

*a. Activity 1: Training local capacities*

**Strategic Objective 3: Mobilize External Resources**

External sources of funding are made up of bilateral and multilateral donors, multinational corporations, charitable foundations and the like. The total financial resources flowing to SLM-related projects implemented in the period 2001–2006 (68 in total) amounted to USD 444 million. In relation to Lebanon's GDP – estimated at USD 23.69 billion<sup>1</sup> – the annual amount of funds flowing into SLM-related activities amounts to roughly 0.37% of GDP<sup>2</sup>. Only about 25% of the USD 444 million originated from the internal budget, while the rest were contributed by donors. Hence, the majority of funds dedicated to SLM activities are currently provided by ODA. In the new programme approach being advocated, donor funds will only be allocated to specific activities that fall within country priorities and – in many cases – to which other sources of funding, namely public budget co-financing have been committed.

In contrast to the past approach where donors followed their globally applied funding agendas/schemes, today donors focus on the recipient country's national priorities to identify areas of targeted intervention. For instance, the EU has outlined its strategy for approaching countries bordering the Union and around the Mediterranean in the European Neighbourhood Policy (ENP). The ENP calls for development of country-specific action plans which are to set priorities for specific and measurable actions. Key areas of the Action Plans are political dialogue, economic and social development policies, trade, justice and internal affairs, and social and cultural cooperation. The ENP and associated Action Plans will form the main window for EU support to Lebanon for the coming years. Similarly, the World Bank's support will come through the Country Assistance Strategy (2006-2009).

Most of funding agencies have nearly the same stated intervention areas, regardless of the way they are expressed per donor. These priorities converge on three main axes:

1. Support to governance and institutional strengthening;
2. Poverty alleviation and job creation, in addition to, either;
3. Environmental conservation or gender equality.

Land degradation remains a poorly addressed issue primarily due to the fact that it has not been articulated as a priority area for funding. A telling example is the complete absence of any mention of the environment sector (or NAP priorities) in the government's proposed national recovery plan that was presented at the Donor Conference in Paris (Paris III) in late January 2007. It is therefore imperative for Lebanon to articulate sustainable land management as a national priority and engage in a dialogue for overall donor harmonization and alignment with national priorities.

The most significant multilateral donors for Lebanon are the EU, GEF, IFAD and the World Bank among «global donors» as well as the AFESD, ISDB, and OFID among Arab donors. Important bilateral donors in the area of SLM are the USA, France, Italy and Spain.

Although donors differ from one another in terms of preferred intervention areas, instruments of financial allocation, and funding pre-requisites and conditions, there are several commonalities in the approach to maximize the mobilization of resources. Specific entry points for tapping into multilateral and bilateral sources of funding are explored in the donor matrix included in the CD ROM.

Objective 1: Focus Approach on Main Donors

*a. Activity 1: Develop Action Plans for EU's ENP*

<sup>1</sup> CIA. 2005. *World Factbook*, 2005. At: [www.cia.gov/cia/publications/factbook/geos/le.html](http://www.cia.gov/cia/publications/factbook/geos/le.html).

<sup>2</sup> In comparison, military expenditure is roughly 3 % of GDP.



- b. Activity 2: Align activities with World Bank's CAS goals*
- c. Activity 3: Present IFAD with a rural development programme aligned with its objective*
- d. Activity 4: Develop close ties with USAID funded NGOs*

Objective 2: Articulate National Priorities

- a. Activity 1: Adopt a programme approach*

Objective 3: Demonstrate Commitment to a Development Strategy

- a. Activity 1: Consolidate available development plans*
- b. Activity 2: Build on available plans for the elaboration of a development strategy*

Objective 4: Expedite Implementation of Reforms

- a. Activity 1: Implement fiscal reforms*

Objective 5: Build Partnerships

- a. Activity 1: Build partnerships with NGOs & CSOs*
- b. Activity 2: Build partnerships with local authorities*

Objective 6: Foster Programmes for Knowledge-Sharing

- a. Activity 1: Foster exchange programmes for staff training*
- b. Activity 2: Foster research alliances with donors*

Objective 7: Build Capacity to Maintain Ties with Donors

- a. Activity 1: Commission specific departments to maintain donor relations*
- b. Activity 2: Create a system for accessing and disseminating the information efficiently*



**Strategic Objective 4: Mobilize Innovative Financing Mechanisms and Instruments**



Innovative funding sources are non-traditional and potential sources of financing that serve to supplement public budget and donor financing. The sources of innovative financing that would be most applicable to Lebanon are presented in the table below.



Innovative Mechanism	Description	Points of entry / Recommended steps	Applicability/ comments
<ul style="list-style-type: none"> <li>• Clean Development Mechanism (Kyoto)</li> </ul>	<p>The mechanism allows Annex I Parties to implement projects that reduce greenhouse gas emissions in non-Annex I Parties and has the additional goal of assisting non-Annex I Parties in achieving sustainable development and contributing to the ultimate objective of the Convention</p>	<ul style="list-style-type: none"> <li>• Preparation of investment plan by investor</li> <li>• Designated National Authority screen the project</li> <li>• Investor involves Designated Operational Entity to verify project and emission reduction</li> <li>• Registration of project with CDM Executive Board</li> <li>• Implementation of Project</li> <li>• Monitoring Plan is set through the Project Proponent and verified by DOE</li> <li>• Certification is given by DOE with a certification letter to the EB]</li> <li>• CDM registry issues the CERs upon instruction by EB</li> </ul>	<p>Lebanon is still in the phase however of establishing the Designated National Authority, without which CDM cannot be operationalised.</p>
<ul style="list-style-type: none"> <li>• Conservation Easements</li> </ul>	<p>Voluntary legal agreements that allow landowners to permanently restrict the type and amount of development on their property.</p>	<ul style="list-style-type: none"> <li>• Municipality to identify a natural asset in its jurisdiction under threat of exploitation.</li> <li>• Municipality is to approach owner with a package (perhaps consisting of tax reductions).</li> <li>• Owner must voluntarily agree to take those tax reductions in return for conserving the natural asset.</li> </ul>	<p>If a certain natural asset is upon privately owned land, getting the private owner to agree to a conservation easement rests on two criteria:  1- He/She must voluntarily agree to undergo such an agreement  2- Involve municipal body upon which the jurisdiction lies to agree to provide the landowner with some sort of tax cuts if he/she undergoes the agreed conservation measure.</p>
<ul style="list-style-type: none"> <li>• Small targeted grants</li> </ul>	<p>Transfer payments designed to provide financial support to NGOs and community based organizations involved in activities related to sustainable livelihoods and environmental conservation.</p>	<ul style="list-style-type: none"> <li>• Identify an important local environmental asset (forest) or service which needs conservation or enhancement.</li> <li>• Approach an institution (Private Bank or private sector company) to see if they are willing to offer a grant for the asset or service.</li> <li>• When agreement is made, ensure that media coverage is undertaken to reveal to people the Bank's (or any other institution) commitment to the Environment.</li> </ul>	<p>Many institutions like Private Banks are becoming aware of the importance of having a positive environmental image.</p>

<ul style="list-style-type: none"> <li>• Debt-for-nature swaps</li> </ul>	<p>In a debt swap, part of a country's foreign debt is purchased at a discounted rate by interested conservation agencies like WWF in return for some environmental conservation programme</p>	<ul style="list-style-type: none"> <li>• Identify (with Ministry of Environment) natural area that needs to be protected</li> <li>• Identify whether area is under 'public' property. If Yes, proceed.</li> <li>• Contact international organizations (e.g. WWF for the Conservation of Nature) that deal with debt-for-nature swaps and assess their willingness to coordinate</li> <li>• Involve Ministry of Finance to express amount of debt the organization would pay in return for the conservation of the specified area.</li> <li>• Involve directly the international or local body whom is the recipient of the debt, because most probably the debt would be returned lower than face value.</li> </ul>	
<ul style="list-style-type: none"> <li>• Communal property rights</li> </ul>	<p>Are a form of land right that limits access to public land and establishes governance rules for community users</p>	<ul style="list-style-type: none"> <li>• Identify what it is that is being exploited (e.g. Medicinal &amp; Aromatic Plant) being sustainable yields.</li> <li>• Identify the area (under who's municipal or regional jurisdiction) where the exploitation is taking place</li> <li>• Identify who among the people are harvester in this case.</li> <li>• Set up workshop(s) under the municipalities in area, inviting all harvesters.</li> <li>• Provide harvesters with permits to the harvest, communicating with them the method to harvest and amount.</li> <li>• Empower the local harvesters to notify municipal authorities (or other) of any outside harvesters to prevent the latter.</li> </ul>	<p>Implementing Communal Property rights in a densely populated nation as Lebanon, with sectarian and other divisions however is not an easy method to implement.</p>

### The Consolidated Strategy and Action Plan

The strategy contains an Action Plan that provides a comprehensive overview of the necessary actions to be undertaken to ensure improvements in the enabling environment that favour sustainable land management as a prerequisite for mobilising additional finances.

The NAP itself needs to be operationalized, a step which is already underway through the «NAP to LAP» process (development of Local Action Plans). Fundable programmes need to be developed and a budget allocated to them from internal sources. Donors can subsequently be approached once a programme is in place and a budget has already been approved. Innovative resources are explored to supplement available resources and create new funding opportunities.

It is important to note that the stakeholders concerned with sustainable land management are many and are distributed horizontally across sectors and vertically along the decision-making hierarchy. From ministers and members of parliament to mayors in villages and farmers on the land, SLM cuts across political borders and social divides. Decision makers who are concerned with running the economy should be as much involved in SLM and combating desertification as are land owners who depend on their small parcels for sustaining their livelihoods. Such is the nature of SLM and the approach required to address it effectively.

An Action Plan is presented for the adoption of the resource mobilization strategy and its implementation (refer to Chapter 8). The Plan provides a comprehensive list of targeted actions necessary for opening channels of finance for SLM. Given the multi-sectoral nature of combating desertification, the Plan also lists the main stakeholders involved in the implementation process as well as the tools for verifying progress and results.



# INTEGRATED FINANCING STRATEGY

## For Combating Desertification in Lebanon

Execution:



Republic of Lebanon  
Ministry of Agriculture

Funding and Technical Support:



In partnership with:



Technical Team:



[www.elard-group.com](http://www.elard-group.com)

For more information:

**The Ministry of Agriculture**  
Directorate of Studies and Coordination

[studies@agriculture.gov.lb](mailto:studies@agriculture.gov.lb)  
Phone: +961 70 956 700  
Bir Hassan  
Beirut, Lebanon  
[www.agriculture.gov.lb](http://www.agriculture.gov.lb)

**The Global Mechanism of the UNCCD**  
Asia and Pacific

[w.nasr@ifad.org](mailto:w.nasr@ifad.org)  
Phone: +39 0654592605  
Fax: +39 0654592135  
IFAD, Via del Serafico, 107  
00142 Rome, Italy  
[www.global-mechanism.org](http://www.global-mechanism.org)

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The Ministry of Agriculture of Lebanon, with the technical and financial support of the Global Mechanism of the United Nations Convention to Combat Desertification (GM – UNCCD), and in partnership with UNDP developed the Resource Mobilization Strategy for Combating Desertification in Lebanon. The Resource Mobilisation Strategy provides a comprehensive approach for mobilising finance for addressing the root causes of desertification and drought in Lebanon.

The preparation of the Resource Mobilization Strategy was undertaken following a series of stakeholder consultations that brought together diverse national stakeholders, development cooperation agencies, civil society and other relevant entities.

While numerous agencies and individuals contributed to compiling this strategy, special acknowledgment goes to the following institutions that provided substantial inputs:

- Ministry of Agriculture
- Ministry of Environment
- Ministry of Finance
- Ministry of Social Affairs
- Council for Development and Reconstruction
- Green Plan
- GTZ - Deutsche Gesellschaft für Technische Zusammenarbeit
- Food and Agriculture Organization of the United Nations (FAO)
- French Development Agency (AFD)
- Global Environment Facility (GEF)
- United Nations Development Programme (UNDP)
- United States Agency for International Development (USAID)

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## List of Abbreviations

AAID	Arab Authority for Agricultural Investment and Development
ABQUAR	Alleviating Barriers for Quarries Rehabilitation in Lebanon
ACSAD	Arab Center for the Studies of Arid Zones and Dry Lands
ADFAED	Abu Dhabi Fund for Arab Economic Development
AECI	Agencia Española de Cooperación Internacional
AFD	Agence Française de Développement
AFDC	Association for Forest Development and Conservation
AFESD	Arab Fund for Economic and Social Development
AGFUND	Arab Gulf Program for the United Nations
AMF	Arab Monetary Fund
AOAD	Arab Organization for Agricultural Development
ARIL	Agricultural Research Institute of Lebanon
ATFP	Arab Trade Financing Program
BDL	Banque du Liban
BMZ	German Federal Ministry for Economic Cooperation and Development
BSL	Budget System Law
CAC	Command and Control
CAS	Central Administration for Statistics
CCD	Convention to Combat Desertification
CCL	Climate Change Levy
CDM	Clean Development Mechanism
CDR	Council for Development and Reconstruction
CoA	Chart of Accounts
COA	Court of Accounts
CoDeL	Combating Desertification in Lebanon
CoM	Council of Ministers
COP	Conference of the Parties
CRP	Common Property Resource Management
CRIC	Committee for the Review of the Implementation of the Convention
CSO	Civil society organizations
CST	Committee for Science and Technology
DG	Director General
DNA	Designated National Authority
DNS	Debt-for-nature swaps
DOE	Designated Operational Entity
EDL	Electricité du Liban
EIA	Environmental Impact Assessment

<b>EIB</b>	European Investment Bank
<b>ELARD</b>	Earth Link and Advanced Resources Development
<b>EPA</b>	Environmental Protection Agency
<b>EPAUE</b>	Enhancement of the Permanent Awareness Unit at the Ministry of Environment
<b>EU</b>	European Union
<b>FAO</b>	Food & Agriculture Organization of the United Nations
<b>FFEM</b>	Fonds Français pour l'Environnement Mondial
<b>FIELD</b>	Financial Information Engine on Land Degradation
<b>FINDA</b>	Finnish International Development Agency
<b>GDP</b>	Gross Domestic Product
<b>GEF</b>	Global Environmental Facility
<b>GEOSS</b>	Global Earth Observation System of Systems
<b>GHG</b>	Greenhouse Gases
<b>GM</b>	Global Mechanism
<b>GoL</b>	Government of Lebanon
<b>GTZ</b>	Deutsche Gesellschaft für Technische Zusammenarbeit
<b>HCUP</b>	Higher Council of Urban Planning
<b>IAIGC</b>	Inter-Arab Investment Guarantee Corporation
<b>IBRD</b>	International Bank for Construction & Development
<b>ICARDA</b>	International Center for Agricultural Research in the Dry Areas
<b>IDA</b>	International Development Association
<b>IDB</b>	Islamic Development Bank
<b>IDF</b>	Islamic Development Fund
<b>IDRC</b>	International Development Research Centre
<b>IFS</b>	Integrated Financing Strategy
<b>IFAD</b>	International Fund for Agriculture Development
<b>IMF</b>	International Monetary Fund
<b>IPCC</b>	Intergovernmental Panel on Climate Change
<b>ITOs</b>	Individual Transferable Quotas
<b>IUCN</b>	World Conservation Union
<b>JBIC</b>	Japan Bank for International Cooperation
<b>JFPR</b>	Japan Fund for Poverty Reduction
<b>JICA</b>	Japan International Cooperation Agency
<b>JLG</b>	Joint Liaison Group
<b>JSDF</b>	Japan Social Development Fund
<b>KfW</b>	Kreditanstalt für Wiederaufbau
<b>KFAED</b>	Kuwait Fund for Arab Economic Development
<b>LAP</b>	Local Action Program
<b>LARI</b>	Lebanese Agriculture Research Institute
<b>LCI</b>	Living Condition Index
<b>LDC</b>	Least Developed Countries
<b>LFP</b>	Local Focal Point
<b>MEDA</b>	European Union Mediterranean Partnership
<b>METAP</b>	Mediterranean Environmental Technical Assistance Program
<b>MDGR</b>	Millennium Development Goals Report
<b>MoA</b>	Ministry of Agriculture
<b>MODEL</b>	Monitoring Land Degradation in Lebanon

MoE	Ministry of Environment
MoEW	Ministry of Energy and Water
MoF	Ministry of Finance
MoSA	Ministry of Social Affairs
NAP	National Action Program
NAPA	National Adaptation Programs of Action
NBSAP	National Biodiversity Strategy and Action Plan
NCB	National Coordinating Body
NCSA	National Capacity Self-Assessment
NDS	National Development Strategy
NEAP	National Environmental Action Plan
NGO	Non-governmental Organization
NIC	National Insurance Contribution
NORAD	Norwegian Agency for Development
OBL	Organic Budget Law
ODA	Official Development Assistance
OPEC	Organization of Petroleum Exporting Countries
OPEC fund	OPEC Fund for International Development
PAL	Public Accounting Law
PSR	Poverty Reduction Strategy
RAP	Regional Action Program
SBSTTA	Subsidiary Body on Scientific, Technical and Technological Advice
SBSTA	Subsidiary Body for Scientific and Technological Advice
SCCF	Special Climate Change Fund
SCP	Singapore Cooperation Program
SDC	Swiss Agency for Development and Cooperation
SEA	Strategic Environmental Assessment
SELDAS	Strengthening the Environmental Legislation Development and Application System in Lebanon
SISPAM	Stable Institutional Structures for Protected Areas Management
SFD	Saudi Fund for Development
SIDA	Swedish International Development Agency
SLM	Sustainable Land Management
SRAP	Sub-regional Action Program
STA	Single Treasury Account
TAIC	Arab Investment Company SAA
TARGET	Technical Assistance to Reinforce Governance in Environmental Tasks
TEP	Tradable Emission Permits
TN	Thematic Network
UNCBD	United Nations Convention on Biological Diversity
UNCCD	United Nations Convention to Combat Desertification
UNCED	United Nations Conference on Environment and Development
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Program
UNESCO	United Nations Educational, Scientific & Cultural Organization
UNEP	United Nations Environment Program
UNFCCC	United Nations Framework Convention on Climate Change

<b>UNFPA</b>	United Nations Fund for Population Activities
<b>UNITR</b>	United Nations Institute Training Research
<b>UNIDO</b>	United Nations Organization For Industrial Development
<b>USAID</b>	United States Agency for International Development
<b>USDA</b>	US- Department of Agriculture
<b>VAT</b>	Value Added Tax
<b>WB</b>	World Bank
<b>WHO</b>	World Health Organization
<b>WTO</b>	World Tourism Organization
<b>CO2</b>	Carbon dioxide
<b>du</b>	dunums
<b>ha</b>	hectares
<b>km</b>	kilometers
<b>LBP</b>	Lebanese Pound
<b>m</b>	meters
<b>MCM</b>	Million cubic meters
<b>USD</b>	United States Dollars
<b>Yr</b>	Year

# I. Background to the Integrated Financing Strategy

## I.1. THE GENERAL CONTEXT

In 1992, the United Nations Conference on Environment and Development (UNCED), defined desertification as “land degradation in arid, semi-arid and sub-humid areas resulting from various factors including climatic variations and human activities, in specific, the complex interactions among physical, biological, political, social, cultural and economic factors”<sup>1</sup>. Land degradation refers to the reduction or loss of the biological or economic productivity and complexity of rainfed or irrigated cropland and range, pasture, forest or woodland. Land degradation occurs everywhere, but is defined as desertification when it occurs in arid, semi-arid and sub-humid areas <sup>2</sup>.

Desertification is a threat to the livelihoods of millions of people in drylands. Some 70 percent of the 5.2 billion ha of drylands used for agriculture around the world are already degraded - an area equivalent to 30 percent of the earth’s total land area. Globally, topsoil is lost at an annual rate of 24 billion tons. The annual costs of desertification are estimated at about USD 40 to 45 billion<sup>3</sup>, excluding the high human costs involved <sup>4</sup>.

## I.2. OBJECTIVE AND PRINCIPLES OF THE UNCCD

The international community has long recognized the economic, social and environmental concerns arising from desertification. Despite early efforts in the 1970s, the problem of land degradation continues to intensify, and the question of how to tackle desertification became a major concern at the 1992 Rio Summit.

Acknowledging the threat of desertification, the international community convened on 17 June 1994 to agree on a global agenda for action. The United Nations Convention to Combat Desertification (UNCCD) was born out of these negotiations, and entered into action on 26 December 1996.

<sup>1</sup> UNCCD, 1995.

<sup>2</sup> Where the ratio of precipitation to potential evapotranspiration is less than 0,65

<sup>3</sup> According to UNDP.

<sup>4</sup> UNCCD, 1995.

<sup>5</sup> UNCCD Secretariat. 1995. *Down to earth – a simplified guide to the CCD, why it is necessary and what is important and different about it.*

The Convention pioneers a bottom-up approach in international environmental law. It is designed to “forge a new deal between governments, the international community, development practitioners and local people”<sup>5</sup>. The Convention is founded on the principle that solutions to the problem of desertification and drought should emanate from the affected dryland populations, supported by partnerships with other concerned actors at the national and international levels. These solutions and their supporting partnerships should be undertaken within the National Action Programme (NAP) process, which is the main instrument for implementing the UNCCD at the national level.

The commitment to prepare and implement NAPs to prevent land degradation, mitigate the effects of drought and alleviate poverty lies at the heart of the UNCCD. NAPs are strengthened by action programmes at the sub-regional and regional levels (SRAPs and (RAPs).

NAPs must perform two important functions:

(i) identify the factors that contribute to desertification in the specific socio-economic, biological and geographic context; and

(ii) define practical measures for combating desertification in some or all of the following priority fields:

- improvement of the framework for poverty reduction;
- promotion of sustainable livelihoods;
- demographic dynamics; and
- sustainable management of natural resources.

### 1.3. LEBANON AND THE UNCCD

After the civil war (1975-1990), Lebanon embarked on recovery and reconstruction – a period during which the government recognized the importance of linking the environment to the overall development process. Lebanon had witnessed - and continues to witness - depletion of its resources, notably land degradation and deforestation. This depletion had begun more than a century before and had intensified during the war. Initiatives were launched to save the national patrimony and manage the country’s natural resources.

A severe decrease in forest cover between 1960 and 1990 highlighted the urgency of the situation. A mass exodus of people - one of many trends during the war - had a severe impact through land abandonment and subsequent degradation. Poverty and regional disparities became more pronounced, especially in remote rural areas. Unchecked urbanization and quarrying were other forms of improper land use, which persisted beyond the war, increasing the severity of degradation in affected areas.

Lebanon demonstrated its commitment to addressing land degradation in 1994, when the UNCCD was adopted and opened for signature. The Government of Lebanon, through the Ministry of Agriculture (MoA), was quick to answer the call, signing the UNCCD on 14 October 1994 and ratifying it on 16 May 1996. This made Lebanon one of the first countries in the region to commit itself to abiding by the Convention’s obligations and taking active measures to prevent further degradation of its lands by dealing with the root causes of the problem at the national and local levels.

In 2003, the MoA prepared a NAP, with technical support from the United Nations Development Programme (UNDP) and the German Agency for Technical Cooperation (GTZ). The NAP serves as a guiding framework for implementing the UNCCD. It includes strategic and technical recommendations for halting and alleviating the impact of desertification through identifying a long-term programme to address the root causes of dryland degradation.



Constraints on several levels, however, are hampering full implementation of the NAP. These include institutional, socio-economic, and financial constraints. Despite the Government's efforts, the lengthy process of NAP endorsement by the Council of Ministers suggests an apparent lack of commitment to the fight against desertification. Although the NAP has been ready since 2003, it has yet to be officially ratified - a step that is crucial for mainstreaming it into national policies and plans.

A second problem is the nature of the institutional set-up. Ministerial mandates are insufficiently clear in terms of respective responsibilities for NAP implementation. This leads to overlapping activities and provokes inter-ministerial struggles over ownership of the Convention. Such a competitive environment limits the coordination potential that is a prerequisite for implementing a plan of national scale and inter-sectoral breadth.

Third, regarding the socio-economic situation, the government is struggling to achieve the overall development vision that would ensure a balance among regions and sectors. The main hindrances to economic growth are political instability and slow-paced administrative reforms, rather than financial constraints.

Notwithstanding the above, a fourth major obstacle to UNCCD implementation in Lebanon is the scarcity of financial resources, that is also aggravated by ineffective disbursement of funds that are available. Support to the MoA accounts for less than 0.5 percent of the total Government budget. This financial problem has, for example, delayed all rural development projects and natural resource protection initiatives. Because the mobilization and allocation of financial resources is a lengthy process, and the government's contribution is minimal, there is strong need for a strategy that provides a holistic approach to systematic resource mobilization from all available sources.

#### **I.4. RESOURCES FOR UNCCD IMPLEMENTATION**

Unlike its sister conventions on climate change and biological diversity, the UNCCD originally did not have access to the Global Environment Facility (GEF); in 2006 it was decided to include a Focal Area on Land Degradation within the GEF although it was not specific to the Convention. Instead, the UNCCD emphasized the need to mobilize substantial funding from existing financial mechanisms and to rationalize and strengthen the management of these.

The Convention states that affected developing country Parties are to “mobilize adequate financial resources for their NAP”, while developed country Parties should “mobilize substantial financial resources, including grants and concessional loans, in support of the programmes in collaboration with {multilateral agencies such as} the GEF, the World Bank, and the United Nations Environment Programme – UNEP”<sup>5</sup>. The text of the Convention therefore identifies an arrangement for the flow of financial resources.

The UNCCD also emphasizes the mobilization of resources through all existing channels, and the need to strengthen and reorient them in line with to the Convention's integrated, bottom-up approach. To this end, the Convention established the Global Mechanism (GM) to increase the effectiveness and efficiency of existing financial mechanisms in tackling desertification. The GM acts as the hub for a dynamic network of partners committed to focusing their energies, resources and knowledge on combating desertification.

Mainstreaming issues of land degradation into national planning, policy, legislature and institutions is a prerequisite to securing resources for UNCCD implementation. Mainstreaming enables affected countries to take UNCCD principles, NAP objectives and UNCCD-related priority activities into account in all relevant national policies and strategies. with the objective of integrating sustainable land management (SLM) into overarching development frameworks.

Although it is the government's role to manage the various processes and build them into national decisions, the GM contributes to the effectiveness of these efforts and their inclusion in policy-making. In order to increase financial resources, it is necessary to mobilize a range of other resources. In addition to financial

<sup>5</sup> UNCCD, 1995.





resources the GM also facilitates the mobilization of instrumental resources such as

- strategic frameworks, policy instruments and plans;
- human resources such as: stakeholders, organizations and institutions; and
- knowledge and information resources.

The GM helps mainstream these different interrelated processes, in support of UNCCD implementation.

## **I.5. CHANGES AT THE INTERNATIONAL LEVEL**

### **I.5.1 A changing environment**

Over the last decade, changes have been taking place in the international development financing architecture. This is evidenced by recent agreements such as the Millennium Development Goals (MDGs), which set in motion unprecedented efforts to meet the needs of the world's poorest, the Monterrey Consensus on Financing for Development, which outlines the changing understanding of what resource allocation for development means; and the Paris Declaration on Aid Effectiveness in 2005, which calls for harmonization and alignment of donor priorities with that of partner countries and a mutually accountable and transparent partnership for effective use of development resources.

Among donors, experiences of in country-level operations, coupled with new global policy guidance, have led to the development of new procedures in resource allocation. The traditional approach of making funds available to finance activities in developing nations has been closely scrutinized, prompting bilateral and multilateral donors to adopt a more systematic and structured funding strategy.

### **I.5.2 Integrated financing strategies**

These evolving processes prompted the GM to adopt an innovative approach centred on mainstreaming UNCCD issues into development programming processes and supporting countries' development of integrated financing strategies (IFSs) that address longer-term needs. The GM's approach is based on strengthening its collaboration with interested country partners over long-term for achieving tangible changes in the ground realities of local communities through the development of a comprehensive response to tackling the root causes of land degradation. The GM's new approach was presented and endorsed at the 7th Session of the Conference of the Parties to the UNCCD (COP.7), held in Nairobi in October 2005.

Fundamentally, the objective of the IFS is to improve the investment climate and create a stable, predictable and enabling environment that ultimately increases investments in SLM.

### **I.5.3 The programme approach – the new direction for funding**

The traditional approach of funding individual projects has been superseded by a structured programme financing mechanism. Such an approach serves to address country priorities and goes on to tackle multiple factors - social, economic and environmental - along a chain of activities falling under one integrated and comprehensive umbrella programme. Rather than financing independent activities, the programme approach ensures that all elements come together, to increase synergies and maximize the benefits of the final outcomes.

The programme approach has become the method of preference for multilateral and bilateral donors. It is meant to serve national priorities by tackling those issues that are of prime concern in the country. When donors fund activities in a developing nation, they look for programmes that reflect national priorities. Aligning funding goals with national priorities serves the interests of both parties by addressing the developing country's primary concerns on the one hand, and substantiating the efficient use of the





donor's funds, on the other. For such an approach to be efficient, however, national priorities first need to be articulated and then officially endorsed. Programmes can then be based on the agreed priorities.

The programme cycle begins with the conception of an idea based on a priority axis. While SLM is at the core of this concept, a full line of activities targeting socio-economic conditions - poverty - as a root cause of desertification, are also identified. Because desertification remains a poorly understood concept and does not rate highly on donors' funding agendas, it is not an "attractive" funding target. Programmes tackling land degradation therefore need to incorporate elements of SLM into a larger scheme or chain of activities that indirectly contribute to combating land degradation. Hence, SLM comes as an indirect benefit of an integrated set of activities that directly address poverty.

Once the chain of activities - the funding targets within a programme - has been identified, the financial resources required need to be assessed and mobilized. NFSs identify a variety of domestic and international financing sources, and match required resources with available funds. In the scheme of evolving funding modalities, donors are increasingly emphasizing the need for co-financing. In some cases, donors expect the bulk of resources to be mobilized from other sources, and that their resources be used only to fill gaps in financial needs. Programme planning is therefore a crucial stage in the process - outlining all the activities that need funding before appropriate financing sources are sought.

Financial resources can be used effectively when there is a well-developed programme, based on national priorities, and a comprehensive financial strategy, identifying internal and external sources. The programme, identifies activities in need of financing, while the identifies available funds. In this way, it becomes possible to match focused funding needs to a blend of available resources, while operating within the margins of national budget capacities and respecting donors' funding priorities.





## 2. Integrated Financing Strategy

### 2.1. SCOPE

The Integrated Financing Strategy (also referred to as the Lebanese resource mobilization strategy) is a guiding framework for locating and developing a mix of financial resources to fund programs and projects related to combating desertification and sustainable land management. Sustainable land management (SLM) refers to using land resources without negatively affecting the quality of the land as a basis of production. Desertification is the ultimate consequence of land degradation and results from complex interactions of physical, biological, social, cultural and economic factors. Combating desertification is therefore intricately linked to sustainable land management (SLM) and the improvement of socio-economic conditions (poverty alleviation), in rural areas. The strategy therefore considers SLM and combating desertification within the same scope, and regards poverty alleviation as one tool for combating the proliferation of land degradation leading to desertification.

### 2.2. DEFINITION

The resource mobilization strategy is a guiding framework for locating and developing a mix of financial resources to fund SLM-related programmes and projects. While helping to develop the appropriate blend of internal, external and innovative funds, the strategy also uncovers potential barriers to resource identification, allocation and disbursement. It highlights aspects in the policy, fiscal, legal, institutional and human resource environments that may impede the implementation of specific actions related to resource mobilization or programme execution. In the guidelines provided for mobilizing finances from the three main sources, the strategy recommends actions for overcoming the barriers identified in the enabling environment.

It is important to note that the resource mobilization strategy is neither a recipe for programme development nor a timed action plan for funding a specific activity. Instead, the strategy represents a generic tool that can be used to locate and mobilize financial resources for a range of programmes/projects related to SLM or other thematic areas over the long-term.

An action plan is elaborated within the strategy. This summarizes the activities recommended for raising the different financial resources and provides elements for a new approach to financing programmes/projects that planners and decision-makers should adopt when addressing SLM in their respective institutions. If

this new approach is to be adopted, and the strategy is to be successful, the concepts that the strategy puts forward must be disseminated across the various institutions addressing SLM. Important indicators of the success of the strategy are the subsequent level of cooperation and coordination between the various stakeholders in developing programmes and raising finances, together with the blend of resources mobilized.

### 2.3. STATUS OF THE NAP

Although the NAP captures the broad technical aspects of desertification, it does not translate the principles of the UNCCD into a strategic and fundable programme of work aimed at mitigating the root causes of land degradation. The NAP has been elaborated as a stand-alone action plan instead of being embedded within overarching national development frameworks, such as Poverty Reduction Strategies (PRSs). NAP priorities are often not financed because they do not feature in national budgetary discussions or negotiations with donor agencies and development banks.

### 2.4. OBJECTIVES AND ANTICIPATED RESULTS

The evolving processes and modalities for allocating financial resources have called for an effective approach to mobilizing both domestic and international resources at the national level. The resource mobilization strategy results from the GM's pursuit of a process-oriented approach, which seeks to develop financing strategies that meet each country's long-term needs.

The objective of the resource mobilization strategy is to set in motion a process that facilitates the improvement of the enabling policy, legislative, institutional and incentive frameworks governing natural resources, as a means of improving the impact of existing resources and mobilizing new and additional resources for combating desertification and poverty.

The strategy aims to identify the complementary roles of the different sources of financing - domestic, foreign, public and private. It leverages these different financial sources by recognizing and defining their distinct and complementary roles, providing the necessary enabling environment and articulating the synergies between them. Sources of financing include bilateral cooperation, multilateral funding, national budgets and innovative sources of financing.

Once implemented, the strategy provides a comprehensive financing approach to addressing SLM, from defining the elements of an environment conducive to carrying out such activities to locating and mobilizing the necessary resources from various sources, in order to finance the required actions.

### 2.5. DEFINING ENTRY POINTS

The strategy identifies a number of entry points for resource mobilization. Entry points can come in a variety of forms and can most generally be defined as "doorways for tapping into resources". These resources can be either:

- available - resources that have been located and are awaiting activation, such as donor funds set aside for a specific priority; or

- created - resources that are generated by means of specific action steps, such as through a change in legislation or a political lobby.

In its simplest form, an entry point can be a donor's vocalized commitment to combat land degradation, stated in the donor's development aid policy. For example, in its Association Agreement (AA) with Lebanon, the European Union (EU) states its intended cooperation in the areas of environment, where cooperation will be centred on "salinization, the effect of agriculture on soil and water quality, soil preservation and

<sup>6</sup> AA Article 45.



conservation, rational management of water resources”<sup>6</sup>. This priority serves as a distinct entry point for cooperation on which programme development can be based.

Another less direct form of entry point can be non-governmental organizations (NGOs) that are active in the environment. These can become entry points when they are linked to desertification-related activities in the areas in which they are active. Their work, and hence the funds they use, are thus linked to combating desertification. Another example could be a member of parliament who is pro-environment and can lobby for SLM-related legislation, leading to increased budgets for SLM activities. This can be considered an entry point because it serves to increase internal (related to the national budget) financial resources.

## 2.6. STRUCTURE OF THE STRATEGY

The strategy is developed under the guidance and supervision of the MoA/UNCCD Focal Point, the GM and the UNDP country office. The strategy serves as a comprehensive framework for overcoming financial constraints to NAP implementation by identifying available financial resources that Lebanon can mobilize and by providing mechanisms to access to future sources of financing. The strategy also addresses the barriers to NAP implementation that arise from unfavourable conditions in the institutional and legal set-up, and provides recommendations for creating an enabling environment that is conducive to NAP implementation and mainstreaming the NAP into country policies.

Step 1: the strategy examines the national context by exploring the current institutional, legislative and financial frameworks. The flow of financial resources into activities related to land degradation is assessed, providing an overview of the magnitude of available financial resources, their sources and final destinations.

Step 2: barriers to implementation of the strategy are highlighted, and options for strengthening the enabling environment explored. The barriers identified are revisited, and recommendations made for improving the national context.

Step 3: the public budgeting process is examined to identify key issues related to public financial management and budget processes. This step examines the ways in which the structure of decision-making within the budget process affects the distribution of public resources. Misallocated or unspent funds are highlighted and presented as financial assets that could be redirected for use in land degradation-related activities.

Step 4: donor priorities and funding modalities are explored. An understanding of donor policies and the modalities for obtaining access to bilateral and multilateral funds is crucial. Some donors have their own strategies for funding activities. Others do not set any funding preferences, thereby presenting a window of opportunity for directing funding towards desired national target activities.

Step 5: non-traditional and innovative sources of financing are identified. Innovative sources include the financial instruments that exist under the UNCCD’s sister conventions, which are easily accessible. Other innovative sources are tools that are not generally used for environment-related activities in Lebanon but that have potential for implementation when the proper institutional and legal frameworks are developed, such as for operationalising debt-swaps.

Step 6: provides an action plan that highlights the main activities identified for improving the mobilization of resources. These recommendations outline the main actions required to proceed with implementation, and pinpoint the key actors responsible for doing so successfully.





## 3. The National Context

Lebanon developed its NAP on the basis of UNCCD recommendations. The NAP contains a strategic vision of the actions needed to combat desertification in Lebanon and constitutes a comprehensive framework at the broad national level for translating actions into detailed short-, medium- and long-term action plans. The following sections illustrate the national context in which the NAP is set <sup>7</sup>.

### 3.1. ENVIRONMENTAL STATUS IN LEBANON

#### 3.1.1 Natural factors

Desertification is a result of human-induced activities that exacerbate fragile, natural environments in arid, semi-arid and sub-humid regions. Lebanon's characteristic natural physical and biological environment is described herewith.

Climate: Typically Mediterranean, humid to sub-humid in the wet season, and semi-arid in the dry season. Annual average precipitation of 840 mm occurs predominantly between October and April. Mean annual temperatures along the coast vary from 19.5 °C to 21.5 °C, decreasing by approximately 3° C for every 500 m increase in elevation.

Geology and topography: About 70% land in Lebanon is made up of carbonate rocks (mid-Jurassic to Eocene), most of which are extremely fractured and cavernous limestone. The exceptions to this carbonate lithology are sandstone, basalt and minor volcanic rocks, which are mostly interbedded but dominant and massive in the Pliocene of Akkar.

There are marked contrasts in the terrain, which is rugged and highly dissected by dense faulting. The short distance over which the topography changes - elevation increases by more than 3,000 m within 60 km of horizontal distance - makes the general character of the terrain quite steep and prone to instability. The result is highly enhanced differential degradation operations, i.e., weathering and erosion. Erosion is strongly linked to flash floods, which are frequent, recurrent and widespread and have contributed significantly to land degradation. Mass movements are also very common, resulting from the oversaturation of unconsolidated

<sup>7</sup> Refer to Appendix A1 for further details.

superficial deposits on sloping areas, which lose their strength and slide in huge masses.

Water resources: Precipitation constitutes the only renewable water resource. Average annual precipitation is estimated at 840 mm, concentrated in a short rainy season from October to April and spatially distributed unevenly, creating sharp regional disparities. The geology enhances the percolation and infiltration of snowmelt and rainwater. There are an estimated 2,000 springs, plus about 60 submarine springs, 15 of which are offshore. The territory is drained by 17 perennial rivers, only three of which are in the country's interior.

About 50% of average annual precipitation is lost through evapotranspiration. Other losses include surface water flows to neighbouring countries and groundwater seepage, leaving about 2,700 million m<sup>3</sup> of water potentially available, of which 2,000 million m<sup>3</sup> are deemed exploitable. Water demand is shared primarily among three sectors: agriculture, domestic and industrial. Almost half of all water consumed is obtained from aquifers. Estimates of future demand vary, but there is consensus that water use is reaching unsustainable levels, with a deficit expected within the next two decades.

Soils: Lebanon has a xeric soil moisture regime, meaning that soil factors and land resources are equally important causes of soil erosion, making the soil vulnerable to desertification. More than two-thirds of soil resources face significant stresses: salinity/alkalinity, seasonal moisture deficits, low nutrient and water holding capacities, and water stagnation.

Among the natural and human-induced factors contributing to soil erosion are the steepness of the lands, deforestation and degradation of the vegetative cover, quarrying and overgrazing. Soil salinization results from poor irrigation practices and excessive use of agrochemicals, and is leading to chemical deterioration of the soils and – ultimately – to reduced soil productivity. Monoculture and unsustainable rotation, especially in Akkar and the Bekaa plains, are responsible for chemical and physical degradation.

Terrestrial flora: Lebanon contains an estimated 4,200 species of flora. An estimated 212 species are of economic value as medicinal plants or edible crops. Urban expansion, agricultural practices, logging, quarrying and grazing have contributed to a loss of vegetation cover. In forests, only relic patches and scrub vegetation remain. A land cover/land-use map developed in 2002 shows that woodland covers 13.3% of the territory and scrubland 12%<sup>8</sup>. The bulk consists of oak and juniper, with only 30% of the forested area covered by coniferous trees.

### 3.1.2 Anthropologic factors

Population density and distribution: The last official census was taken in 1932. Recent estimates put the population at about 3.7 million inhabitants<sup>9</sup>. Population growth is projected at the moderate rate of 2% and average population density is estimated at 400 people/km<sup>2</sup><sup>10</sup>. Rapid urbanization is a major factor affecting living conditions and the environment. Internal migration is high, leading to pressure on urban areas, through increased density, and rural areas where land is abandoned, leading to further degradation.

Land cover/land use: The agricultural area covers about 268,000 ha, or 26% of the land<sup>11</sup>. The Bekaa valley accounts for about 39% of total agricultural land, and 66% of irrigated lands. Nearly 26% of agricultural land is in the north, and 12% in the south.

Agricultural practices: Agriculture is characterized by small and fragmented landholdings. According to the land cover/land-use map, agricultural arable land covers about 320,000 ha, of which 268,000 ha is currently cultivated<sup>12</sup>. It is the lack of available water sources, rather than land resources, that limits the expansion of irrigated agricultural production. Fallow land occupies about 13 percent of the total land area, covering 135,000 ha or more than 40% of the currently cultivated area. This represents an area that could be

<sup>8</sup> MoE/MS-C-IPP-Environment, 2002. *Land cover-land use map*.

<sup>9</sup> CAS, 2004. *National Survey on Household Living Conditions*. Beirut.

<sup>10</sup> CAS, 1997. *Households' living conditions*. Beirut.

<sup>11</sup> World Bank, 2003. *Policy note on irrigation sector sustainability*. Report No. 28766 – LE. November 2003.

<sup>12</sup> MoA, 2004. *Agricultural Census*.

mobilized for short-term agricultural expansion <sup>13</sup>.

Poor management and insufficient technical know-how have led to land degradation, mainly through the use of intense cropping systems and excessive pumping, monocultures and successive cropping, improper irrigation practices, and excessive fertilizer use. The use of non-certified planting material and the import of hybrid varieties may lead to further degradation.

Livestock production: Grazing is limited to small ruminants (sheep and goats). Cattle and pigs are found in only small numbers, primarily in private farms. Goats are estimated at about 300,000 head, and sheep at about 430,000 head <sup>14</sup>. Inappropriate practices have led to overgrazing and accelerated land degradation.

Pollution: Pollution is an important factor contributing to land degradation. Main sources of pollution include discharge of domestic and industrial wastewaters, haphazard dumping of domestic solid wastes and toxic wastes, and excessive use of agrochemicals. Point source industrial pollution is also a high concern. Although most of the impact of industrial discharges affect the coastal zone, industrial runoff from the agroprocessing centres of Zahle, Chtoura and Rayak and the tanneries and glue factories of Machghara, which discharge non-grading heavy metals such as chrome and arsenic, are posing a serious threat to the Litani river and Qaraoun lake.

Socio-economic conditions: The socio-economic situation is a root cause of many of Lebanon's environmental problems, including desertification. This situation can be summarized by indicators that include employment, emigration, income, poverty and inequality rates.

About 690,000 Lebanese citizens emigrated between 1992 and 2000, mostly young skilled men <sup>15</sup>. This figure is likely to have increased significantly since 2000, owing to the political situation and economic recession the country is facing. Poverty and income disparities are also significant. The mean average monthly income of Lebanese households fell from LL 1.5 million in 1997 to LL 1.2 million in 1999 <sup>16</sup>. Geographic variations in income are significant, with family income in Beirut being 70% higher than that of families in northern Lebanon <sup>17</sup>. The bulk of the deprived population are wage earners and self-employed people: skilled workers, fishers, and workers in construction, public works, industry and transport. In the disadvantaged areas of the Bekaa valley in south Lebanon and the north, unemployment rates reach 16% and illiteracy rates 15-20%. Public welfare programmes and social safety nets are rare, narrowly based and often subject to mismanagement. The country has no national health care policy.

The economy has yet to recover from the years of civil strife. Although growth was strong during the early 1990s, little or no progress has been witnessed in recent years. The services sector accounts for nearly 70% of gross domestic product (GDP) and industry for 18%. Agriculture contributes only 8-12% (estimates vary), and has long been given low priority by the government. Agricultural labour force decreased from more than 30% in 1964 to approximately 9% in recent years, but there are regional variations. In the Bekaa, for example, the population is highly dependent on agriculture, which accounts for up to 20% of the labour force, or 40% when those indirectly involved in agriculture are also considered.

### 3.1.3 Desertification in Lebanon

A common misconception about desertification is that it spreads from a desert core to adjacent lands. In reality, desertification occurs regardless of the proximity to a climatic desert, and usually begins in areas where land abuse has become excessive. From there, land degradation spreads outwards, if the stress - i.e., land abuse - continues. At some point, degraded areas may merge, although this phenomenon is usually only on a small scale. Land vulnerability to desertification is determined by current climate, relief and the state of the soil and natural vegetation; human activities are therefore the main factor triggering the

<sup>13</sup> *Op. cit.*, footnote 11.

<sup>14</sup> *Op. cit.*, footnote 12.

<sup>15</sup> UNDP. 2000. UNDP Conference on Linking Economic Growth and Social Development in Lebanon. Beirut.

<sup>16</sup> *Ibid.*

<sup>17</sup> *Op. cit.*, footnote 10.

<sup>18</sup> Figures are adapted from MoA's NAP 2003.

process on vulnerable land.

The dissected topography of Lebanon makes slopes very susceptible to erosion when proper land management is not practised. Deforestation and unsustainable agricultural practices have exacerbated land degradation. Large seasonal variability in the climate, and high evapotranspiration rates in the summer cause significant water deficits, severing vegetation, encouraging forest fires and exposing soil to wind erosion. Today, much of the vegetation consists of patches or remains of natural forests, with dense forests covering only 13 percent of the total area <sup>19</sup>. The remaining natural vegetation is increasingly threatened by intensive agriculture, urban sprawl and pollution, leaving large areas exposed to desertification processes with little protection. Human activities associated with causing desertification are agricultural encroachment, cultivation of fragile soils, overgrazing, deforestation, unsustainable agricultural practices, urban sprawl and pollution.

### 3.1.3.1 Areas prone to desertification

The *Agricultural Atlas* was developed as a by-product to the activities of the Food and Agriculture Organization of the United Nations (FAO) technical aid project Assistance to the Agricultural Census, and constitutes a comprehensive summary of existing cartographic and statistical data relating to agricultural space in Lebanon. One of the atlas's databases, developed in collaboration with the Project on Combating Desertification in Lebanon (CoDeL), constitutes a detailed map of the areas that are prone to desertification. Table 3-1 summarizes the data on which the map is based and illustrates the distribution of the areas prone to desertification by Caza (an administrative unit that amalgamates a group of municipalities).

Table 3-1: Distribution of areas prone to desertification by Caza (percentage of total Caza)

Region	Very low	Low	Medium	High	Very high	Urban/ unproductive
<b>Mount Lebanon</b>						
Baabda	0	17.4	31.9	22.7	4.8	23.2
Metn	0	18.8	46.5	7.9	1.7	25.1
Chouf	0	8.8	52.8	23.8	1.6	13
Aley	0	11.4	55.2	12.4	1.2	19.8
Keserouane	0.1	34.2	43	3.9	0.3	18.5
Jbeil	0.1	22.6	59.1	6	0.4	11.8
<b>North Lebanon</b>						
Tripoli-Mina	0	12.6	48.8	21.9	3.4	13.3
Koura	0	3.2	45.5	36.4	2.3	87.4
Zghorta	0	9.1	44.3	35.8	3.5	7.3
Batroun	0	17.2	59.7	9.6	0.6	12.9
Aakkar	0	0.1	19.9	55	20.5	4.5
Bcharre	0	14.1	60.2	14.7	0.2	10.8
Beqaa						
Zahle	0	0.4	22.9	60.4	9.3	7
West Bekaa	0	2.8	31	59.4	1	5.8
Ballkek	0	0.1	5.7	67.5	22.8	3.9
Hermel	0	0.5	19	60.6	16.5	3.4
Rachaya	0	0.2	19.7	77.7	0.6	1.8
<b>South Lebanon</b>						
Saida	0	0.3	5.7	63.3	15.5	15.2
Tyre	0	0.1	10.6	62.7	20	6.6

<sup>19</sup> Op. cit., footnote 8

Jezzine	0	13.3	60.5	18.3	0.6	7.3
<b>Nabatiyé</b>						
Nabatiyé	0	0.5	5.2	60.6	19.5	14.2
Bent Jbeil	0	0	6.3	61	25.4	7.3
Marjeyoun	0	0.1	6.7	75.5	10.7	7
Hasbaya	0	2.7	34.1	60.7	0.5	2
<b>Beirut</b>	0	0	0	0.1	0.1	99.8
<b>Lebanon</b>	<b>0</b>	<b>5.7</b>	<b>26.4</b>	<b>48.1</b>	<b>11.2</b>	<b>8.6</b>

According to the UNCCD, the areas of concern are those that are arid, semi-arid and dry sub-humid, where the ratio of annual precipitation to potential evapotranspiration falls within the range of 0.05 to 0.65. According to Table 3-1, almost 60% of the Lebanon's total territory can be regarded as either highly or very highly prone to desertification.

The *Agricultural Atlas* also produced a map of homogeneous agricultural zones. The territory was divided into 40 sub-areas, with each zone forming a socio-economic entity in a rural setting and presenting a relatively homogeneous whole from the physical (geographical), economic and social points of view. Zonation provides the opportunity to address problems that are specific to each zone by carrying out targeted needs assessment studies and elaborating development programmes - Local Action Programmes (LAPs). A composite of the desertification map and the zone map delineated 16 homogeneous zones out of 40 designated as prone to desertification. Table 3-2 lists these 16 zones, which are of specific concern.

Table 3-2: The 16 homogeneous zones prone to desertification by Caza<sup>20</sup>

Zone no.	Description
11	Mountainous zone of northern Mount Lebanon
21	Plateau of Akkar
22	Fruit and tree plantation zone in Akkar
23	Aandquet and Wadi Khaled
31	Fruit and tree plantation zone in Danniyeh
33	Mountainous zone in North Lebanon
40	Western watershed of Oronte
41	Northern plain of Oronte
42	Southern plain of Oronte
43	Deir El Ahmar
54	Rachaya
61	Plain of Saida
63	Plain of Tyre
64	Plateau of Tyre
70	Nabatiyé
72	Marjayoun/Hasbaya

### 3.2. The Rio Conventions in Lebanon

#### 3.2.1 Overview of the linkages

There are many linkages among the three Rio Conventions – the UNCCD, the United Nations Framework Convention on Climate Change (UNFCCC) and the United Nations Convention on Biological Diversity

<sup>20</sup> MoA. 2003. *National Action Programme to Combat Desertification*.



(UNCBD). The Rio Conventions were developed with the same goal: to incorporate the principles of sustainable development and global environmental concerns into national development agendas. All three reflect the commitment of their signatory Parties to mitigating environmental problems.

The Conventions are similar in that they address the same key elements - “sustainability, equity and benefits”. Although they pursue different objectives, the Conventions complement each other to a large extent.

Both the policy and the operational levels aim at poverty reduction and sustainable development. Therefore, although different types of action may be taken, the same policies and measures often simultaneously address climate, biodiversity and desertification objectives. Considering the three Conventions in unison becomes critical when mobilizing resources for carrying out mitigation measures. Resources are often limited, so a strategic approach should be developed that takes these commonalities into account and streamlines resources to produce the most effective impacts, focusing on technical and policy options that can address the three environmental problems together.

At the level of national cooperation, the critical challenge is for decision-makers to integrate actions into national social and economic development policies and plans. Because the Conventions are by nature cross-sectoral, the same policy responses can often simultaneously address climate change, loss of biodiversity and desertification. Taking this a step further, it could be implied that its focus on the interplay between climate and biodiversity gives the UNCCD a potential leading and unifying role among the Conventions.

The three Rio Conventions are related

Climate change affects biodiversity and desertification. The more intense and far-reaching climate change is, the greater will be the loss of plant and animal species, and the more dryland and semi-arid terrain around the world will lose vegetation and deteriorate.

### 3.2.2 Implementation of the Conventions

Implementation refers to, *inter alia*, all relevant laws, regulations, policies and other measures and initiatives that a contracting Party adopts and/or takes to meet its obligations under a multilateral environmental agreement and its amendments, if any <sup>21</sup>.

In Lebanon, international treaties are the highest source of law after the Constitution itself. Once signed and ratified, no legislation can be passed to contradict the commitments made under the treaty. Treaties that are ratified acquire mandatory force of law by default. National legislation is subsequently enacted for the sake of clarity and legitimacy.

Ratifying the treaty and enacting legislative texts are the first measures Lebanon takes to implement a convention. However, there is a lack of secondary legislation, such as the implementation of decrees and decisions that move the Rio Conventions from showcases to secure international standing that is inserted into the daily work of policy-makers and incorporated into plans and programmes.

One of Lebanon’s strongest demonstrations of commitment to the Conventions has been its implementation of numerous projects within the framework of the UNCBD, UNFCCC and UNCCD. The National Reforestation Programme represents a significant long-term commitment from the government, which allocated USD 16 million from the national budget to a five-year reforestation campaign carried out by the Ministry of Environment (MoE). The government is also very active in fighting the root causes behind land degradation, primarily through promoting the development of rural areas and reducing regional disparities. Several programmes aimed either directly or indirectly at rural development and poverty alleviation are financed through a mix of budgetary resources and donor agencies.

The UN has provided ample support to Lebanon in the implementation of its conventions. The UN

<sup>21</sup> UNEP/DEPI. 2004. Draft manual on compliance with and enforcement of multilateral environmental agreements: A companion to the 2002 UNEP guidelines on compliance with and enforcement of multilateral environmental agreements.



Development Assistance Framework (UNDAF) is the strategic framework for the operational activities of the UN system at the country level. It provides coherent and integrated responses to national priorities and to the declarations and programmes of action adopted at international conferences and summits and through major UN conventions.

The latest UNDAF for Lebanon covers the period 2002-2006 and states two main goals: enhancing national decision-making capacity for human development, and achieving the implementation of a rights-based approach to development. The country cooperation programmes of individual UN organizations reflect the lines of action of the UNDAF, which are consistent with the main priorities of national plans and programmes.

The UNDAF responds to national priorities and needs as they emanate from key policy documents, including the preamble of the Constitution, the Document of National Understanding (1989), key statements by the President of the Republic, the Government Statement, Lebanon's ratification of international conventions and treaties, and the five-year development plan.

Among the country cooperation programmes of individual UN organizations, the Energy and Environment (E&E) Programme was established at the UNDP country office to assist the government in meeting its environmental goals and priorities stipulated in the mandate of UN and international conventions, particularly the three Rio Conventions. Lebanon's MoA and MoE have undertaken numerous projects within the framework of the E&E Programme, including preparation of the NAP in 2003, the National Biodiversity Strategy and Action Plan (NBSAP) in 1998, and the National Capacity Self-Assessment (NCSA) project, which is developing a strategy for enhancing synergies among the Conventions. The significance of these and other projects is examined in the section on "Policy and Actions under the UNCCD".

The ESCWA and FAO have provided technical assistance on the application of the methodological framework for land degradation assessment. FAO has also supported Lebanon in the preparation of its first forest inventory, through a technical cooperation project. GEF has trained a Lebanese team on application of the GEF's SLM approach.

### 3.2.3 Compliance with the Conventions

Compliance measures how well the actions that are being undertaken actually reach the goals set. This is where Lebanon's biggest problem lies: although the intention to implement exists, the country often lacks the financial, technical and human means to comply with the commitments stipulated by the Conventions. It is important to note that compliance is generally stronger where the Convention is driven by a key State in the North (such as the EU in the case of the UNCBD and the UNFCCC), and where a mechanism for financial and technical support has been established.

National focal points have been designated for all three of the Conventions, but few achievements can be counted beyond those of individual projects whose objectives fall within the scope the Conventions.

For the UNCBD, national strategies have been drafted and numerous projects implemented through technical and financial aid from donors. However, full compliance requires more initiative in the areas of financial, scientific, technical and technological capacity building. Legislation is particularly lacking, as are measures to improve institutional coordination. The goals of several projects being executed simultaneously fulfill certain obligations under the Convention, but resources remain too limited to achieve full compliance.

Regarding the UNFCCC, development of the national inventory on greenhouse gas emissions (GHG) was a major achievement, but apart from the first national communication and two enabling activities, little else has been accomplished. A forthcoming project will prepare Lebanon's second communication. The likely reason for the limited number of projects may be that Lebanon is not a major producer of greenhouse gases, so few resources are mobilized in this area. Nevertheless, Lebanon has signed and ratified the Kyoto Protocol, which will enable it to take advantage of the Clean Development Mechanism (CDM) projects.

Following ratification of the UNCCD, a National Secretary for the UNCCD was appointed in 1997 and later became the National Focal Point for the Convention. The MoA, in its capacity as the focal institution, has prepared two national reports (in 2000 and 2002) on the progress of implementing the Convention. A National Steering Committee, composed of representatives of all concerned stakeholders, has been formed, along with a number of sub-committees. The Committee became the National Coordination Body (NCB) after changes in its constitution and mandate, and meets annually, bi-annually or as needed. So far, the NCB has not been efficient due to a lack of coordination among stakeholders: in fact, it is currently inactive.

Regarding the institutional framework, the MoA prepared a draft law proposing the creation of a unit within the Ministry for following up on NAP activities and UNCCD compliance. This law is still pending adoption by parliament.

On the technical side, the development of benchmarks and indicators was identified as a priority area for the NAP. In this regard, a monitoring system for land degradation was developed by MoA, GTZ and the Arab Center for the Studies of Arid Zones and Dry Lands (ACSAD). The system will serve as a tool for monitoring and evaluation (M&E) of desertification. The Monitoring Land Degradation in Lebanon (MODEL) will help improve understanding of the country's vegetative system.

In the area of capacity building, several workshops have been held with stakeholders. A series of regional municipality meetings highlighting the causes and impacts of desertification and a workshop on the role of forest guards in implementing of the NAP have been held. Regarding awareness, the project office at MoA devised an awareness raising strategy, which adopted a bottom-up approach and focused on raising the awareness of the general public, including in first-line communities and municipalities in affected areas and in second-line universities, schools and research institutes. The strategy makes a notable effort to reach a large audience through media campaigns and exhibitions, which are complemented by workshops and round tables with a more targeted audiences of decision-makers.

Overall, it can be claimed that Lebanon is currently achieving partial compliance regarding its obligations under the Convention.

### 3.3. REVIEW OF THE POLICY FRAMEWORK

Lebanon's policy framework is not well defined. Planning is conspicuously absent, as reflected in the lack of sectoral policies and long-term strategies. Where planning exists, the supporting policy framework for translating the visionary approach of overarching policies into concrete actions is often either missing or seriously flawed.

The policy framework hierarchy is not respected (see Figure 3-1). Instead of programmes flowing out of long-term plans based on strategies to implement the country's policies, plans exist independently of strategies, strategies are present in the absence of policies, and programmes have been developed where no policies, strategies or plans have been contemplated.

In short, the policy framework in Lebanon is chaotic, and at present the environment is rarely featured on the national priority agenda. The government's current overriding national priorities focus instead on resolving the budget problem, promoting economic recovery and achieving political stability in the country. Given these prevailing problems, it is self-evident that concern for the environment does not rank highly on the agendas of decision-makers. The most blatant example is the complete absence of any mention of the environment sector (or NAP priorities) in the government's proposed national recovery plan that was presented at the Donor Conference in Paris (Paris III) in late January 2007.

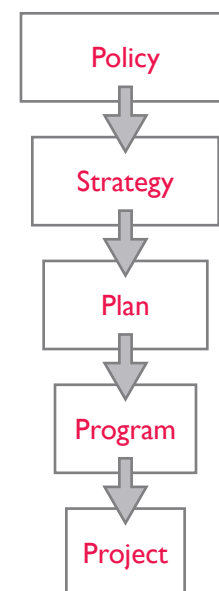


Figure 3-1: Policy framework

### 3.3.1 National policies and sectoral plans

In the absence of a long-term national planning framework, there is also a lack of rudimentary national policies to support government decisions to take action in environment and development matters. For instance, Lebanon has neither a national development policy nor a Poverty Reduction Strategy (PRS). At the same time, however, the government has committed itself to meeting the MDGs by 2015, a problematic task in the absence of a robust underlying policy framework to guide the country in the intended direction.

Sectoral policies are also absent. Instead there is an array of strategies and plans with no overarching framework. For instance, the Ministry of Energy and Water (MoEW) has developed a ten-year plan to address the management of water resources, the MoE is implementing a National Reforestation Plan (NRP), and the MoA has recently completed an agricultural development strategy with an operational work plan. These individual plans are not coherent with one another, and thereby fail to capitalize on the potential synergy between similar activities performed by the various institutions.

In summary, the system is characteristically reactive rather than proactive, Problems are addressed as they arise instead of being anticipated before they can develop and proliferate. This again stems from the absence of planning, and consequently results in the development of 'incidental' strategies, plans and programmes, which may overlap in addressing similar issues while lacking integration in the overall policy direction. Figure 3-2 illustrates the current policy framework with the relevant SLM policy documents.

A poverty reduction strategy is a critical element that is missing from the policy framework in Lebanon. A poverty reduction strategy incorporates the key principles of sustainable development strategies, thereby providing a major opportunity to address linkages between poverty and environment and to mainstream environmental concerns into social and economic interventions to reduce poverty. poverty reduction strategy are also increasingly becoming the basis for donor support.

Although a national development and poverty reduction strategy are absent, some SLM-related strategies, programmes and plans have been developed. Their respective contributions to the SLM policy framework are highlighted in the following:

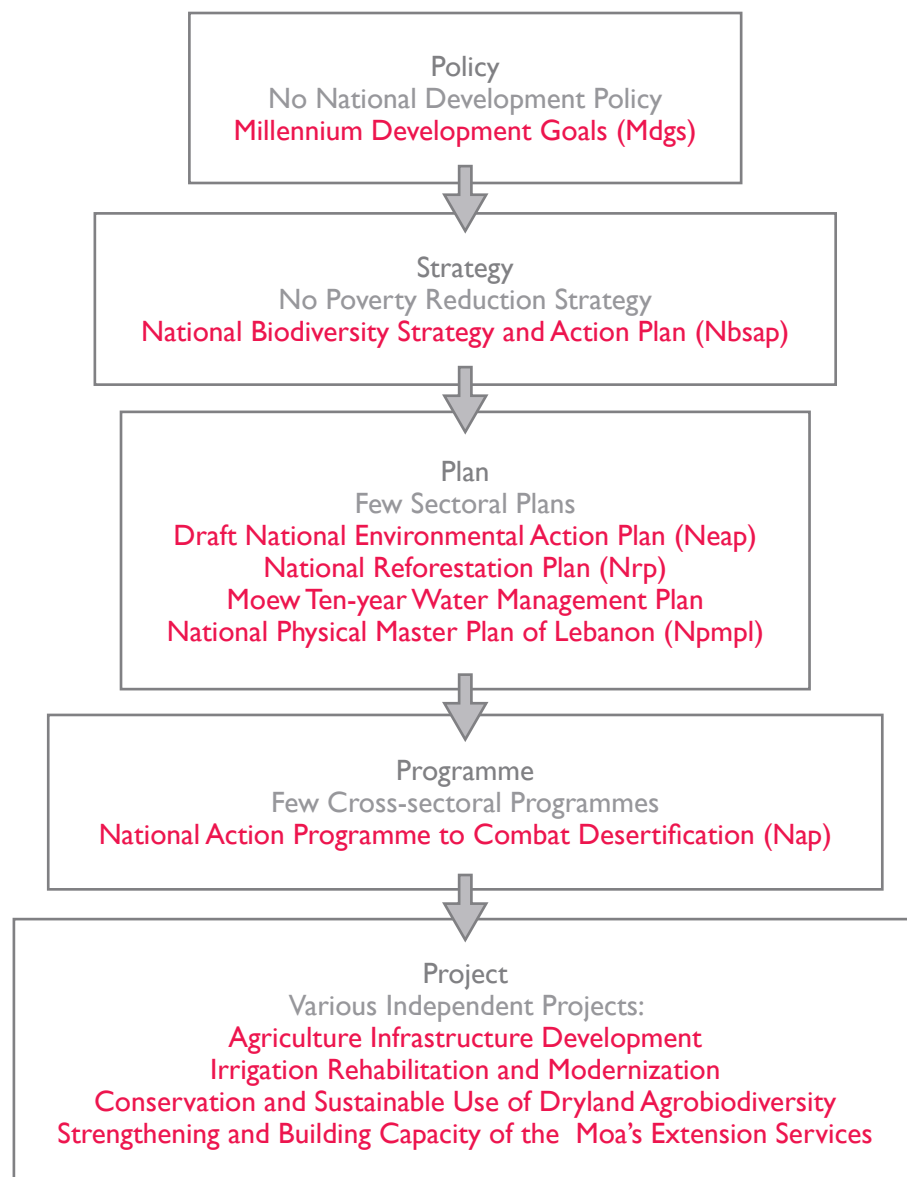


Figure 3-2: Relevant SLM documents in the policy framework

■ The Government of Lebanon made a commitment to meet the MDGs by 2015. The MDGs represent a national approach to reaching specific targets; in theory, highest priority is therefore directed towards achieving them. Although the government has made the written and verbal commitment, Lebanon has yet to develop strategies and plans to meet the stated targets. For instance, for MDG 1 – alleviating poverty or reducing it by half – Lebanon has neither a national development policy nor a poverty alleviation strategy. Lebanon’s MDGs Report (MDGR), issued in 2003, considers unsustainable practices in agriculture as one of the major challenges that has already led to deterioration in environmental conditions, particularly in poor regions of the country.

■ Among several activities initiated after the Rio Summit were the national Agenda 21 and the NBSAP. The NBSAP, developed in 1998 by the MoE in collaboration with UNDP and the GEF, considers the protection and rehabilitation of terrestrial ecosystems as a priority.

■ The NAP, prepared in 2003 by the MoA with the technical support of UNDP and GTZ, serves as a guiding framework for UNCCD implementation. It includes strategic and technical recommendations for halting and alleviating the impact of desertification through identifying a long-term programme to address the root causes of dryland degradation in Lebanon. However, the NAP has not yet been endorsed by the Council of Ministers, and the action plan it developed has never been translated into discrete fundable activities.

■ The NEAP was launched under the EU’s Investment Planning Programme (IPP) for Lebanon (2002-2005) and executed by the MoE. It provides a comprehensive framework for tackling environmental problems across sectors, providing guidance on specific actions to be taken and outlining institutional responsibilities. Although the plan has been completed, it has never been officially launched and is available only in an online draft version. Because of its cross-cutting breadth and sector-by-sector detailed action plans, the NEAP presents an ideal tool for requesting funding from donors for targeted activities. The plan also contains a chapter dedicated to land use, which is based on issues addressed in both the NAP and the NPMPL. The NEAP therefore combines elements of several sectoral plans, and its endorsement would contribute strongly to mainstreaming the NAP into national environmental policy.

■ In 2000, the Government of Lebanon announced an NRP for the reforestation of 18,000 ha of threatened land over five years (2001-2006), with a long-term vision of attaining 20% forest land cover over 30 years. Some USD 16 million was allocated from the State budget for the initial five-year initiative, in the form of a programme law. Among the success stories of the NRP are: (1) the reforestation team has applied the Strategic Environmental Assessment (SEA) concept to the plan; (2) a framework for the reforestation of Lebanon has been established; (3) private companies have received capacity building; (4) the terms of reference for reforestation have been greatly improved; (5) a system for monitoring activities has been established; and (6) the choice of reforestation species has improved. Unfortunately, however, the plan is hampered by many problems – primarily the lack of human resources – and by 2006 only about 700 ha of threatened land had been reforested. Nevertheless, the plan marks a pioneer initiative for State-funded conservation projects. Its goals and, particularly, its long-term vision are in alignment with the NAP objectives, thereby presenting a credible tool for mainstreaming NAP activities.

■ The MoEW ten-year plan (2000-2009) addresses management of the water sector. In particular, the plan focuses on mobilizing additional water resources and potable water supply projects. Irrigation and the assessment and protection of river basins are accorded significantly less importance in the budget allocation.

■ The NPMPL, finalized by the Council for Development and Reconstruction (CDR) in 2005, proposes a land-use master plan for the entire Lebanese territory and defines the CDR’s medium- and long-term plans. The NPMPL classifies the territory into four categories, including “agricultural domain of national interest”. It recommends that these areas should be limited to agriculture and should benefit from projects aiming at increasing agricultural yield, conceived within the scope of a national strategy of agricultural

development. The NPMPL therefore advocates the development of an agricultural strategy, which has been carried out by the MoA and incorporates the NAP in its work plan. The NPMPL is at an advanced stage of endorsement by the Council of Ministers.

■ Through the Ministry of Social Affairs and the Central Administration for Statistics (CAS), with the support of the World Bank, UNDP and the United Nations Population Fund (UNFPA), the Government of Lebanon is implementing a multi-purpose household survey – the first of its kind in Lebanon. The survey will serve as a building block for developing a poverty assessment, which could lead to an explicit rural poverty alleviation programme if deemed necessary. It is important to align NAP activities with such a programme, which would serve as an important avenue for mainstreaming NAP objectives into a country-wide poverty alleviation strategy.

■ The Ministry of Social Affairs established the economic and social development strategy, which includes NAP activities - mainly in combating poverty in rural areas through the integration of different categories of rural population (youth, women, etc.) into the different projects.

### 3.3.2 SLM-related programmes and projects

Several projects have been implemented within the framework of SLM. Project objectives vary from elaboration of the NAP to agricultural development, and social and economic support in rural communities. Each project targets a specific area related to SLM, but the projects have not been linked to other projects with similar mandates and objectives. In other words, the selection of areas for project implementation has been sporadic and not based on any rationally conceptualized approach. The activities implemented have therefore generally lacked follow-up, and outputs have often been restricted to end-of-project publications whose importance gradually declines.

Table 3-3 lists selected projects and their contributions to SLM. A full list of the projects relevant to SLM is provided in Appendix BI (included in the CD ROM).

Table 3-3: Selected projects and their contributions to SLM in Lebanon

Related project	Thematic area	Contribution to SLM/the UNCCD
Combating Desertification in Lebanon (CoDeL)	Comprehensive	Supports the Lebanese government's elaboration of the NAP.
Economic and Social Fund for Development	Poverty alleviation	Tackles one of the root causes of desertification by combating poverty through the creation of employment opportunities (through micro-credit financing) and social development (through provision of basic local services).
Community Development Project	Poverty alleviation	Alleviates poverty by improving the living conditions of rural communities.
Agriculture Infrastructure Development Project	Water management	Develops land and water resources to increase farmers' income. Improves irrigation practices that have a positive effect on the land (decreasing degradation), and improves socio-economic conditions (addressing poverty).
Agricultural Development Project	Sustainable agriculture	Improves agricultural production and marketing in the fruit and vegetable sector.

Related project	Thematic area	Contribution to SLM/the UNCCD
Reforestation and alternative cultures in Akkar, Tyre and Bekaa	Forest management	Increases the vegetative cover and combats erosion.
Strengthening of national capacity and grassroots <i>in-situ</i> conservation for sustainable biodiversity protection (Protected Areas Project)	Environment	Conserves species diversity, creating a healthier and more stable ecosystem that is less prone to degradation and - ultimately - desertification.

### 3.4. REVIEW OF THE LEGAL AND INSTITUTIONAL FRAMEWORKS

The legal and institutional frameworks in Lebanon are characterized by ambiguity and inconsistency. Environmental legislation in particular lacks the supporting framework for application. Although laws are plenty, they lack the decrees necessary for their implementation. Similarly, institutions, though operational, have overlapping mandates - resulting in overlapping responsibilities. Institutions also suffer from internal procedural weaknesses deriving from a combination of poorly trained staff, albeit often highly skilled, and impeding bureaucratic procedures governed by outdated laws.

A conspicuous problem related specifically to SLM, is the absence of a complete cadastre of Lebanon's territory. Legislation protecting farmers and investors is also absent, creating a large disincentive for investment in the land. There is no coordination mechanism among institutions to address such problems, and authorities generally operate independently of one another. The 'trickling down' of decisions through a hierarchy is thereby lost, and with it the invaluable contributions of local decision-making authorities.

The discouraging investment climate, land tenure problems and the flawed coordination mechanism all contribute to an unfavourable environment for implementing the convention. In the courts, appropriate legislation to support the financial framework is needed – i.e. the promulgation of implementation decrees and the clarification of institutional mandates and responsibilities. On the land, investments need to be guaranteed and ownership to be clarified and confirmed. Greater involvement in decision-making of the lower rungs in the hierarchy is also required, to ensure that land concerns are taken into consideration in the upper levels and that local authorities operate within an agreed upon framework.

Further characteristics of the legal and institutional framework are explored in the following section. The main barriers to the enabling environment and recommendations for overcoming the hurdles created by the current context are presented under Strategic Objective 3.

#### 3.4.1 The legal framework

As previously mentioned, the Lebanese legal framework does not lack legal texts addressing desertification and interrelated issues. Yet it lacks the mechanisms needed to incorporate these texts into existing instruments for implementation. A review of the existing Lebanese legislation demonstrates that legal texts are piecemeal, inconsistent, contradictory and incomplete.

More than 25 legal texts are related to varying degrees to the process of tackling desertification another 25 contain explicit or implicit financial measures to repress, rehabilitate, or fund projects related to, desertification; and a further 25 legal texts comprehensively contain hundreds of stipulations that set an overall framework for government efforts to tackle the desertification challenge;



These legal texts can be split into four major categories:

- ratified international agreements;
- national financial legislation;
- national environmental legislation;
- national technical legislation.

### 3.4.1.1 International agreements

Several international agreements which Lebanon has entered into through international conventions or bilateral arrangements concern desertification and related issues. In addition to the UNCCD, the UNFCCC and the UNCBD, these texts comprise bilateral memoranda and conventions, and regional agreements that take desertification into account by encouraging environmental cooperation in various sectors, but without adopting any specific financial strategy to achieve this goal:

1. *The Euro-Mediterranean Convention towards Establishing Partnership between the Lebanese Republic and the European Union* ratified by Parliament under law 474 of 12/12/2002. This Convention creates cooperation between Lebanon and the EU on many aspects, including environmental issues related to agriculture, fisheries, forest protection, desertification, pollution, ecotourism and eco-industry.

2. *The ACSAD Convention* ratified by Parliament under Law 27 of 12/03/1971. This convention creates an Arab centre to deal with environmental studies, including the study of the soil, agricultural development and investment.

3. *The Cooperation Convention between the Lebanese Republic and the Republic of Benin* ratified by Decree 9777 of 12/03/2003. This convention strengthens economic and scientific cooperation in different sectors, including the environment.

4. *The Memorandum of Cooperation regarding Agricultural Matters between the Lebanese Republic and the Republic of the Sudan* ratified by Decree 4951 of 25/02/2004. This memorandum strengthens and supports cooperation in the exchange of information, research and agricultural techniques.

5. *The Protocol between the Government of the Hellenic Republic and the Government of the Republic of Lebanon on Economic, Scientific and Technical Cooperation in the Field of Agriculture* ratified by Decree 12378 of 30/04/2004. This protocol promotes and enhances technical and economic progress, to the benefit of both Parties, in terms of agricultural policies, land management, forestry and rural affairs.

6. *The Memorandum of Understanding and Cooperation between the Syrian Arab Republic and the Republic of Lebanon in the Field of Environment* ratified by Decree 6077 of 16/06/2001. This memorandum encourages environmental cooperation in different sectors, including fighting desertification.

### 3.4.1.2 Financial legislation

No dedicated financing mechanism exists for combating desertification or for SLM. The General Accountancy Law, enacted under Decree 14969 of 30/12/1960, sets the ruling principles for public finances. This law operates budget distribution between public institutions through a strict definition of the Treasury's entries and expenses.

A specialized Land Tax Law of 20/12/1951 defines and determines all the land taxes payable, including on forests and arid lands. The law defines the types of lands with the respective tax percentages payable. It includes both exonerated and non-exonerated categories. The tax is payable by the land proprietor but is not used for any specific land management activity.



### 3.4.1.3 Environmental legislation

More than 14 legal texts were inventoried that may be relevant to desertification and related issues if interpreted appropriately. These environmental texts can be split into two categories: general environmental legislation, and specialized environmental legislation.

#### General environmental legislation

One of the most important and significant breakthroughs in Lebanese environmental legislation is Law 444 for the Protection of the Environment of 29/07/2002. This sets the legal framework for the application of national environmental policies leading towards sustainable use of natural resources.

#### Specialized environmental legislation

Texts on the application of protective measures within a financial set of measures concern different environmental topics and range from laws to decrees and ministerial decisions:

1. *Law 64 on the Protection of the Environment against Hazardous Waste* of 12/08/1988. This law tends towards the protection of the environment against solid and hazardous waste through a defined comprehensive procedure dealing with all aspects of hazardous pollution, including soil and agriculture pollution.

2. *Forest Law* of 07/01/1949. This law defines forests, creates a Forests Office at the MoA and determines tree felling restrictions and forest investment conditions.

3. *Law 558 on the Protection of Forests* of 24/07/1996. This law creates a Directorate of Forest Protection at the MoA, classifies and manages forest reserves, and creates a budget within the Ministry's budget for forest protection.

4. *Law 532 Creating Natural Reserves – Chouf Cedars* of 24/07/1996. This law defines legal restrictions for felling trees in the Chouf cedars reserve.

5. *Law 85 on the Protection of Forest Assets* of 07/09/1991. This law determines tree felling restrictions.

6. *Law on Preserving Clay, Planting it and Protecting it from Grazing* of 09/01/1951. This law determines restrictions on grazing on land under the prerogative of the Minister of Agriculture.

7. *Decree-Law 141 on Exceptional Temporary Stipulations Tending to the Protection of Woodlands* of 31/12/1977. This decree-law enacts special restrictions on felling conifer trees.

8. *Ministerial Decision 78/1 on the Modification of Forest Natural Reserve Locations (MoA)* of 13/03/2000.

A summary of these legal texts is provided in Table 3-4, which includes recommendations that are summarized in Strategic Objective I.

### 3.4.1.4 Technical legislation

1. *Decree-Law 8803 on the Organization of Quarries and Crushing Mills* of 04/10/2002. This decree-law determines the legal mechanisms for establishing and operating quarries and crushing mills, creates a national council for quarries, and determines delivery permit conditions for quarrying, including the definition of sanctions and fines.

2. *Decree-Law 69 on City Planning (Urbanism)* of 09/09/1983. This decree-law determines the criteria and conditions for building, quarrying and obtaining construction permits.

3. *Decree 15396 Putting into Application the Law Project Pertaining to Property in Rural Areas, Abandoned Lands and Woodlands* of 13/02/1964. This decree inventories the forests where property belongs to the State.

4. *Decree 5616 Organizing Quarries and Crushing Mills* of 06/09/1994. This decree defines and organizes the work of quarries and crushing mills through legal modalities and restrictions.

5. *Ministerial Decision 90/1 on Construction Permits for Residential Buildings Located in the Area of Rivers under the Protection of the MoE* of 17/10/2000. This decision sets the environmental conditions for permits to construct residential buildings in the area of rivers under the MoE's protection.

Table 3-4. Summary of legislation related to SLM and financial mechanisms

Type of text	Law	Law number	Date of enactment	Reference to other laws	Subject	Relevant articles	Present financial mechanisms	Comments
Law	UNFCCC – Rio de Janeiro	359	01/08/1994	<ul style="list-style-type: none"> <li>• Convention dated 05/06/1992</li> <li>• UN General Assembly decision dated 19/02/1988 concerning application of the plan to fight desertification</li> </ul>	<p>Sets an overall framework for inter-governmental efforts to tackle the challenge posed by climate change</p> <ul style="list-style-type: none"> <li>• defines desertification, indicates the regions suffering most, and aims to fight it</li> <li>• Stipulates obligations</li> <li>• Determines specified duly financed plans to fight the causes and consequences of desertification</li> </ul>	Article 4(8)	<p>Parties are to give full consideration to what actions are necessary under the Convention, including actions related to funding, insurance and the transfer of technology for countries with areas liable to drought and desertification</p> <ul style="list-style-type: none"> <li>• mobilizes financial resources to support implementation of programmes to combat desertification</li> <li>• promotes the mobilization of timely and predictable financial resources</li> <li>• provides information on available sources of funds</li> <li>• facilitates establishment of mechanisms, such as national desertification funds, to channel financial resources to the local level</li> </ul>	<p>To give full consideration to funding, each signatory party shall proceed to make application decrees within its national context, to help deal with environmental issues through:</p> <ul style="list-style-type: none"> <li>- a special fund created within the State budget, to apply the stipulations and requirements of the Convention</li> <li>- voting a decree of application establishing the NEF</li> </ul>
Law	Ratifying the UNCCD – Paris 1994	469	08/12/1995	Convention dated 15/10/1994	<p>Creates cooperation between Lebanon and the EU on :</p> <ul style="list-style-type: none"> <li>- political, economic and social issues</li> <li>- environmental issues: agriculture, fisheries, forest protection, desertification, pollution, ecotourism, and eco-industry</li> </ul>	Articles 20, 21	<p>refers specifically to close cooperation to fight desertification</p>	<p>The financial propositions stipulated in the Convention remain theoretical and need to be completed by concrete plans and projects. To that end, financial mechanisms need to be established through a comprehensive procedure that can be applied by competent authorities</p> <p>Needs more detailed financial mechanisms to establish how financial cooperation will occur</p>
Law	Euro-Mediterranean Convention towards Establishing Partnership between the Lebanese Republic and the European Union	474	12/12/2002	X	<p>Creates an Arab centre for environmental studies, including of soil, agricultural development and investment</p>	Articles 45, 51	<p>Sources of financing include:</p> <ul style="list-style-type: none"> <li>- parties' contributions</li> <li>- Arab League contribution</li> <li>- donations</li> </ul>	<p>Does not mention either the amount of the Lebanese contribution nor how it will be used to achieve the centre's goals, including fighting desertification</p>
Law	Ratifying the ACSAD Convention	27	12/03/1971	X	<p>Strengthens economic and scientific cooperation in sectors that include the environment</p>	Articles 1, 12	<p>Explicitly stipulates that fighting desertification constitutes one concern of both parties</p>	<p>Financing modalities remain unclear</p>
Decree	Ratifying the Cooperation Convention between the Lebanese Republic and the Republic of Benin	9777	12/03/2003	X	<p>Strengthens and supports cooperation in the exchange of information, research and agricultural techniques</p>	Articles 3, 8	<p>Fighting desertification constitutes one concern of these international agreements</p>	<p>Rational and comprehensive plans need to be defined by integrating a specific financed plan within a pre-existing fund or by creating a special fund addressing this issue</p>
Decree	Ratifying the Memorandum of Cooperation regarding Agricultural Matters between the Lebanese Republic and the Republic of the Sudan	4951	25/02/2004	X		Article 2		<p>Financial mechanisms need to be created to achieve fulfillment of these international agreements' stipulations and requirements</p>

INTERNATIONAL AGREEMENTS

Type of text	Law	Law number	Date of enactment	Reference to other laws	Subject	Relevant articles	Present financial mechanisms	Comments
Decree	Ratifying the Protocol between the Government of the Hellenic Republic and the Government of the Republic of Lebanon on Economic, Scientific and Technical Cooperation in the Field of Agriculture	12378	30/04/2004	X	Promotes and enhances technical and economic progress, to the benefit of both parties, in the field of agriculture policies, land management, forestry and rural affairs	Article 1		
Decree	Ratifying the Memorandum of Understanding and Cooperation between the Syrian Arab Republic and the Republic of Lebanon in the Field of Environment	6077	16/06/2001	<ul style="list-style-type: none"> <li>• UNFCCC</li> <li>• Basel Convention</li> <li>• Montreal Convention</li> <li>• Ramsar Convention</li> <li>• UNCCD</li> <li>• LIFE</li> <li>• SMAP</li> </ul>	Environmental cooperation in sectors that include fighting desertification	Articles 1, 6	<ul style="list-style-type: none"> <li>• No specific financial stipulations mentioned</li> <li>• Cooperation remains merely technical</li> </ul> <p>Even technical cooperation needs financing. The memorandum stipulates that the fees incurred are supported by the host country, without specifying how these fees will be funded</p>	
Decree	General Accountancy Law	14969	30/12/1960	X	Law on public finances and budget distribution among public institutions through strict definition of the Treasury's entries and expenses. Sets the ruling principles for public finances	Articles 1, 158, 201, 202, 203	<p>Public finances in Lebanon are ruled by the following principles:</p> <ul style="list-style-type: none"> <li>- unity of the State budget</li> <li>- annual budgets</li> <li>- strict balance of the budget</li> <li>- destinations of resources not predetermined</li> <li>- universality of the budget</li> </ul>	<p>The principles set in the law on public finances are considered the main obstacles to project financing. Unity of the budget implies that no exterior sums may be added to the budgets of any public institution without the vote of Parliament. The few exceptions are:</p> <ul style="list-style-type: none"> <li>- annexed budgets</li> <li>- independent budgets (when created, the NEF may be considered as having an independent budget)</li> <li>- extraordinary budgets</li> <li>- special accounts at the Treasury (guarantees for environmental projects are considered special accounts)</li> </ul>
Law	Land Tax	X	20/12/1951 modified by law dated 19/07/1954 and Decree 9380 dated 02/05/1962	X	Defines and determines all the land taxes payable, including on forest and arid lands	Articles 3, 4, 37, 38	<p>Defines types of lands, with respective tax percentages payable. Includes both exonerated and non-exonerated categories. The tax is payable by the land's proprietor</p>	<p>The law does not specify whether the taxes collected will be invested in a special fund or in an existing fund at the MoA to help fight desertification</p>

Type of text	Law	Law number	Date of enactment	Reference to other laws	Subject	Relevant articles	Present financial mechanisms	Comments
Law	Protection of the Environment	444/2002	29/07/2002	<ul style="list-style-type: none"> <li>Law 64 dated 12/08/1988</li> <li>Criminal Code</li> <li>Law 216 dated 02/04/1993</li> </ul>	Sets the legal framework for application of national environmental policies leading towards sustainable use of natural resources	Articles 8, 9, 10, 11, 38, 47	Finances environmental programmes. Creates an NEF under the MoE's tutelage, whose prerogatives are extended to strengthening all projects dealing with fighting desertification	The NEF needs an application decree for its establishment. Meanwhile, most projects concerning the environment must be integrated within the State budget. No exterior financial entries are allowed, except in specific and limited cases. The voting of an application decree concerning this fund, would solve many difficulties and problems related to financing projects, through providing a comprehensive financial legal process
	Protection of the Environment against Hazardous Waste	64/88	12/08/1988 modified by Law 216 dated 02/04/1993	X	Protects the environment against solid and hazardous waste, through a comprehensive procedure dealing with all aspects of hazardous pollution, including soil and agricultural pollution	Articles 3, 9, 10, 11, 12	Significant sanctions and charges imposed on those who contravene the principles, stipulations and obligations set by this law. Sanctions vary from strictly financial to criminal charges	Does not indicate how the sums collected will be used and invested to protect the environment from desertification, and for related environmental issues. Recommended that these sums collected be earmarked for desertification projects, especially sums collected from soil and agriculture contraventions
Law	Forest Law	Modified by Law 195 dated 24/05/2000	07/01/1949	X	<ul style="list-style-type: none"> <li>Defines forests</li> <li>Creates a Forests Office at the MoA</li> <li>Determines tree cutting restrictions and forest investment conditions</li> </ul>	Articles 14, 33, 34, 76, 131, 136, 137, 138, 139, 140, 141, 142, 143, 144, 146, 147, 150	Does not mention whether the sanctions paid are used to reinforce protection of forests	Needs to: <ul style="list-style-type: none"> <li>- indicate the use of sanctions and fines paid</li> <li>- create a special fund for desertification, or at least earmark the sums collected for desertification projects when necessary</li> </ul>
	Protection of Forests	558	24/07/1996	<ul style="list-style-type: none"> <li>Decree 15396 dated 10/02/1964</li> <li>Forest Law dated 07/01/1949</li> </ul>	<ul style="list-style-type: none"> <li>Creates a Directorate of Forest Protection at the MoA</li> <li>Classifies and manages forest reserves</li> <li>Creates a budget, within the ministry's budget, for forest protection</li> <li>Defines sanctions</li> </ul>	Articles 6, 20, 21, 22, 23, 24, 25	<ul style="list-style-type: none"> <li>The budget within the MoA consists mainly of expenses for buying equipment and organizing training related to forest management and protection</li> <li>The law does not mention whether the sanctions paid are used to reinforce protection of forests</li> </ul>	Needs to: <ul style="list-style-type: none"> <li>- indicate the use of sanctions and fines paid</li> <li>• create a special fund for desertification, or at least earmark the collected sums for desertification projects when necessary</li> </ul>
Law	Modification of Forest Natural Reserve Locations	78/1	13/03/2000	<ul style="list-style-type: none"> <li>Decree 97 dated 16/09/1983</li> <li>Decree 5246 dated 20/06/1994</li> <li>Law 558 dated 24/07/1996</li> <li>MoA Decision 1049 dated 20/03/1949</li> </ul>	Redistributes the locations of forest natural reserve	No specific financial obligations mentioned. The inventorying of existing forest reserves and the creation of new ones will require indication of how the forests are to be protected through financial guarantees for use when necessary		

ENVIRONMENTAL LEGISLATION

Type of text	Law	Law number	Date of enactment	Reference to other laws	Subject	Relevant articles	Present financial mechanisms	Comments
Law	Creating Natural Reserves – Chouf Cedars	532	24/07/1996	X	Defines legal restrictions for tree cutting in the Chouf cedars reserve	Articles 7, 8, 9, 10	<ul style="list-style-type: none"> <li>Impounded woodstock to be sold at auction for the benefit of the reserve committee</li> <li>Legal financial restrictions pertaining to grazing</li> <li>Sanctions and fines for setting fires within the perimeter of the reserve</li> </ul>	Although the sums collected from selling woodstock at auction go to the reserve committee, the law does not stipulate how the committee is to utilize these sums, or whether they will be used to deal with desertification or any other environmental issues
Law		85	07/09/1991	Forest Law dated 07/01/1949	Determines tree cutting restrictions	Article 2	Sanctions and fines, including sums raised from sale of expropriated wood, to benefit a special reforestation fund	Although no specific mention is made to fighting desertification, reforestation represents one of the most effective ways of dealing with this environmental issue
Law	Preserving Clay, Planting it and Protecting it from Grazing	X	09/01/1951	X	Determines restrictions on grazing on land under the MoA's prerogative	Article 1	Indemnities can be paid in counterpart for not stopping grazing activities in some areas	Does not mention the source of the indemnities paid: a fund, a ministry special account budget, etc.
Decree-law	Exceptional temporary stipulations tending to the protection of woodlands	141	31/12/1977	Forest Law dated 07/01/1949	Enacts special restrictions on the cutting of conifer trees	Article 3	<ul style="list-style-type: none"> <li>Expired 5 years after its enactment</li> <li>Determines legal and financial restrictions, including selling expropriated timber for the benefit of the Treasury</li> </ul>	In similar cases, according to Decree 14969, the Treasury may not assign a specific destination for the sums collected unless these sums are considered special accounts
Type of text	Law	Law number	Date of enactment	Reference to other laws	Subject	Relevant articles	Present financial mechanisms	Comments
Decree-law	Construction Permits for Residential Buildings Located in the Area of Rivers under the Protection of the MoE	901	17/10/2000	<ul style="list-style-type: none"> <li>Law 216 dated 2 April 1993</li> <li>MoE Decisions: 34/1 (1997), 200/1 (1997), 22/1 (1998), 97/1 (1998), 129/1 (1998), 130/1 (1998), 131/1 (1998), 132/1 (1998), 187/1 (1998), 188/1 (1998), 189/1 (1998)</li> </ul>	Stipulates environmental conditions for permits to construct residential buildings in the area of rivers under the protection of the MoE	Article 2, paragraph 3-4	<ul style="list-style-type: none"> <li>Stipulates that no tree cutting is allowed in regions under the protection of the MoE, but it does not mention the sanctions for not applying the stipulations of this decision</li> </ul>	<p>Needs to indicate:</p> <ul style="list-style-type: none"> <li>how the areas under the protection of the MoE will be protected if breached</li> <li>how to ensure financially the rehabilitation of endangered locations</li> </ul>
Decree-law	Organization of Quarries and Crushing Mills	8803	04/10/2002 modified by Decree 10608 dated 05/08/2003	<ul style="list-style-type: none"> <li>Law 216 dated 02/04/1993</li> <li>Decree-Law 69 dated 09/09/1983</li> <li>Decree 4917 dated 24/03/1994</li> <li>Decision 113 L.R. dated 09/08/1933</li> <li>Decree 3899 dated 06/08/1993</li> </ul>	<ul style="list-style-type: none"> <li>Provides legal mechanisms for establishing and operating quarries and crushing mills</li> <li>Defines quarries and locations</li> <li>Creates a National Council for Quarries</li> <li>Determines conditions for quarrying permits</li> <li>Defines sanctions and fines</li> </ul>	Articles 7(12), 14, 23, 24, 25, 26	<ul style="list-style-type: none"> <li>Imposes significant charges on quarry operators * Despite the law's stipulation, for most quarries and crushing mills, no upfront financial guarantees are made</li> <li>Municipalities may charge annual fees on licensed quarries operating within their jurisdiction, depending on the quarries' activities</li> </ul>	<ul style="list-style-type: none"> <li>The charges listed remain unpaid; the law should be enforced, through collecting taxes and using the sums for reforestation and fighting desertification programmes</li> <li>The government could impose a fee or tax to be deposited in a fund earmarked for rehabilitation and reforestation</li> </ul>

TECHNICAL LEGISLATION

Type of text	Law	Law number	Date of enactment	Reference to other laws	Subject	Relevant articles	Present financial mechanisms	Comments
Decree-law	City Planning Law (Urbanism)	69/1983	09/09/1983	<ul style="list-style-type: none"> <li>Law 2/89 dated 05/01/1989</li> <li>Law 438 dated 17/08/1995</li> <li>Law 215 dated 26/05/2000</li> </ul>	Determines the criteria and conditions for building, quarrying and obtaining construction permits	Articles 17, 23, 26(4)	<ul style="list-style-type: none"> <li>Building restrictions justified by need for nature and environmental preservation; no counterpart indemnities allowed</li> <li>To protect the environment, the public authorities may exchange land with owners</li> <li>Lands used for quarrying must be rehabilitated, including reforestation</li> </ul>	Law's financial arrangements cannot be considered financial mechanisms linked to financing desertification programmes, especially because the law does not mention the source or destination of sums invested in this sector. Rehabilitation of quarries remains at the discretion of the operator; no special fund for quarrying rehabilitation has been established
Decree	Putting into Application the Law Project Pertaining to Property in Rural Areas, Abandoned Lands and Woodlands.	15396	13/02/1964	Municipalities Law	Inventories the forests on property belonging to the State	Articles 2, 4	<ul style="list-style-type: none"> <li>MoA may not benefit from the input of land shares</li> <li>Benefits go to a special fund for strengthening and helping the agriculture sector</li> </ul>	Use of the fund needs to be reorganized to include desertification issues and to ensure continuous financing of the fund (avoiding insolvency)
Decree	Organizing Quarries and Crushing Mills	5616	06/09/1994	<ul style="list-style-type: none"> <li>Law 216 dated 02/04/1993</li> <li>Decree 4917 dated 24/03/1994</li> <li>Law 69 dated 09/09/1983</li> <li>Decision 113/L.R dated 09/08/1933</li> <li>Decree 3899 dated 06/08/1993</li> </ul>	Defines and organizes the work of quarries and crushing mills through legal modalities and restrictions	Articles 15, 24, 25, 26, 27	<ul style="list-style-type: none"> <li>Quarry operators must rehabilitate damaged sites on expiry of their permits</li> <li>Exploitation fees paid to the municipalities, or to the Treasury if the site is located outside the municipalities</li> <li>Significant sanctions imposed on operators who do not abide by obligations</li> </ul>	<ul style="list-style-type: none"> <li>The charges listed remain unpaid; the law should be enforced, through collecting the taxes and using the sums for reforestation and fighting desertification programmes</li> <li>The government could impose a fee or tax to be deposited in a fund earmarked for rehabilitation and reforestation</li> </ul>

### 3.4.2 Existing financial mechanisms

While inventorying the legal texts concerning the desertification issue, it became noticeable that each text provided a specific financial framework to facilitate implementation of the obligations set. These financial mechanisms do not refer directly to fighting desertification projects, however, and instead consist mainly of fines, sanctions or guarantees. Although most of the legal texts set a range of financial measures, these measures are not always accompanied by concrete proceedings to be applied, or by a monitoring system that allows the verification and enforcement of the financial measures. The main existing financial measures may be summarized as follows.

#### ■ Theoretical financial mechanisms with no practical instrument

Most of the legal texts encountered present only outlines and global propositions, without practical solutions, perhaps leaving this matter to be solved by a technical or specialized authority. Some texts suggest mobilizing financial resources to support the implementation of programmes to combat desertification; promote the mobilization of timely and predictable financial resources; provide information on available sources of funds; and facilitate the establishment of mechanisms, such as national desertification funds, to channel financial resources to the local level (e.g., the UNCCD, as ratified by parliament under Law 469 of 08/12/1995). Other texts point only to existing funds and financing programmes, without identifying modalities for using the financing resources in desertification projects (e.g., the ACSAD Convention, as ratified by Parliament under Law 27 of 12/03/1971).

#### ■ Theoretical and practical solutions without specific reference to fighting desertification or to SLM

Most of the laws reviewed present both theoretical and practical financial mechanisms, but make no reference to the desertification issue or to any other environmental concern. The main argument that can be brought to justify this is that the financial system under Lebanese legislation does not approve earmarking of funds for any project. No mention is therefore made of the destination of such sums, in respect of the principle of budget solidarity. Sums and revenues are collected through:

- tax payments (Land Tax Law of 20/12/1951);
- fines and sanctions (Law 64 on the Protection of the Environment against Hazardous Waste of 12/08/1988; Forest Law of 07/01/1949; Law 558 on the Protection of the Forests of 24/07/1996; Law 532 Creating Natural Reserves – Chouf Cedars of 24/07/1996; Law 85 on the Protection of Forest Assets of 07/09/1991; Decree-Law 8803 on the Organization of Quarries and Crushing Mills of 04/10/2002; Decree 5616 Organizing Quarries and Crushing Mills of 06/09/1994);
- exploitation fees (Decree-Law 8803 on the Organization of Quarries and Crushing Mills of 04/10/2002; Decree 5616 Organizing Quarries and Crushing Mills of 06/09/1994);
- bank guarantees;
- revenues from the public authorities' sale of impounded timber and wood (Law 532 Creating Natural Reserves – Chouf Cedars of 24/07/1996; Law 85 on the Protection of Forest Assets of 07/09/1991).

#### ■ The vague and general financial mechanism

The finances of the Lebanese Government are governed by a single legal text: the General Accountancy Law enacted under Decree 14969 of 30/12/1960. Public finances in Lebanon are ruled by the following principles:



- *Unity of the State's budget* means that all the resources and expenditures of public bodies must be provided for in a single document. This principle gives fiscal authorities a comprehensive view of all public finance matters.

- *Annual budgets.*

- *Strict balance of the budget* means all revenues should correspond to expenditures.

- *The principle of budget solidarity*, or the non-predetermination of resources' destinations, means that all revenues serve to fund all expenditures. This principle avoids earmarking, through which parts of the budget are sequestered or reserved for special interests.

- *Budget universality* means that all revenues are accounted for in gross amounts, without any offsetting against spending items. The gross budget rule also prohibits agencies from increasing their resources beyond their budget appropriations in any way other than provided by law.

Both the principle of universality and that of solidarity do not take into account the environmental risks that might necessitate an increase of the MoE budget or any other government fund. It also appears that special funds must be earmarked to guarantee financing of SLM projects.

- **Theoretical creation of funds, but slow application**

The most interesting example of this is the case of the establishment of the NEF under the tutorship of the MoE. This fund is provided for in Law 444 for the Protection of the Environment of 29/07/2002. Its prerogatives are extended to strengthening all projects that deal with fighting desertification, but the fund has not yet been enacted through an application decree.



### 3.4.3 The institutional framework

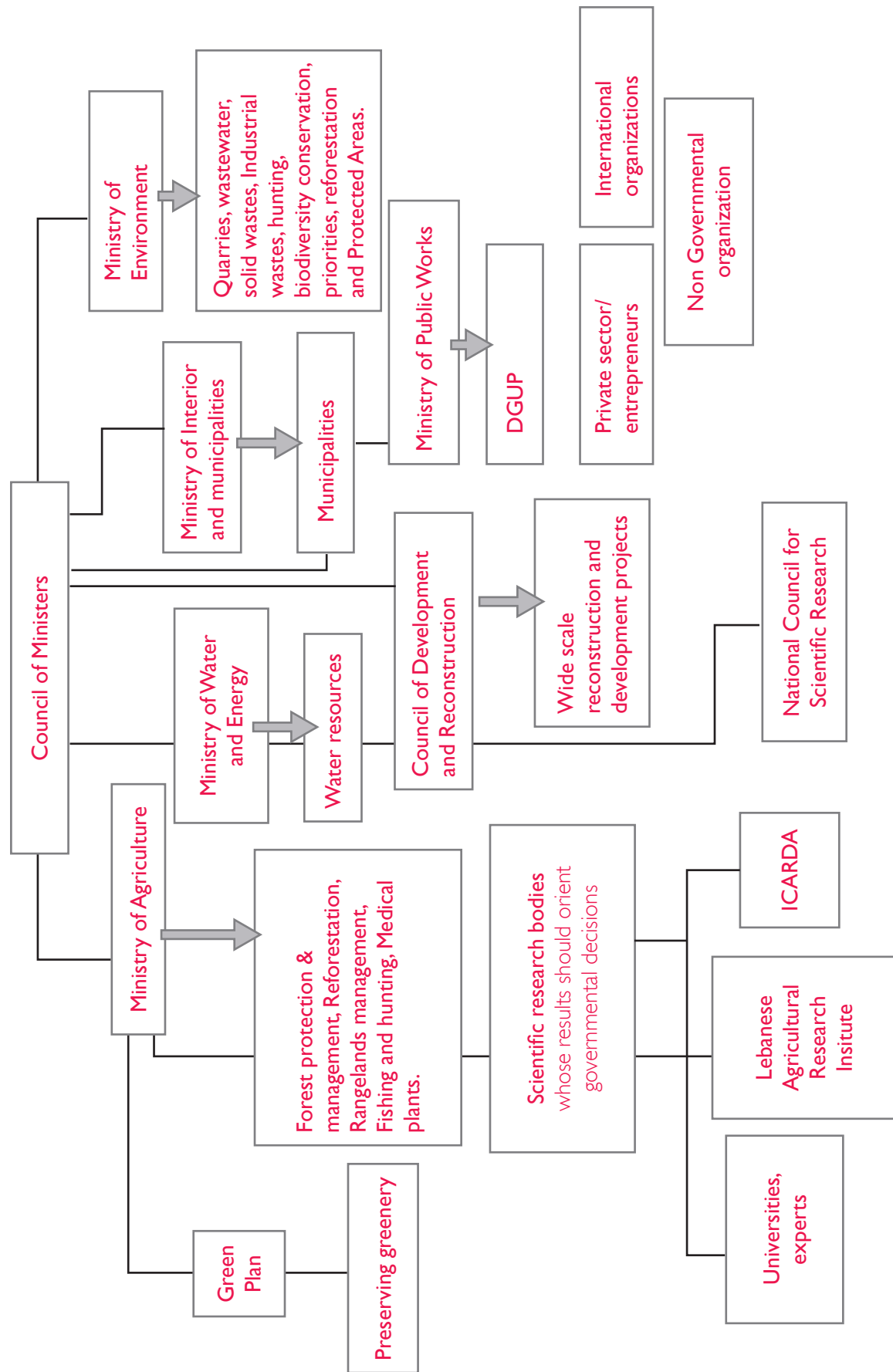


The UNCCD emphasizes the importance of a bottom-up approach to addressing land degradation. It is not sufficient to work solely at the level of public authorities to achieve successful SLM because the people most directly affected by desertification are the ones who depend on the land of their livelihoods. Rather, the full participation of civil society – including landowners, farmers, NGOs and local decision-makers – is an integral component of the institutional framework.

#### 3.4.3.1 Public authorities

There are several public institutions that are involved in sustainable land management. The MoA plays a lead role in SLM, having prepared the NAP in 2003 as part of commitments to the UNCCD. The resource mobilization strategy was developed under the guidance and supervision of the MoA, represented by the UNCCD Focal Point, and UNDP, represented by the UNCCD Project Office based at the MoA. Although the MoA took the lead in developing the strategy, other related institutions play an equally important role in the implementation, thus, were involved throughout the consultation process. The main stakeholders relevant to SLM and implementation of the strategy are outlined in Table 3-5. Figure 3-3 illustrates the division of roles among institutions involved in land degradation.





Local communities directly affected by Land Degradation/ desertification

Figure 3-3: Roles of the stakeholders involved in land degradation

Source: C. Khater. 2006. Land Degradation/Desertification Thematic Assessment. NCSA Project, UNDP/ MoE, Beirut.

Table 3-5: Roles of main stakeholders in SLM and the resource mobilization strategy

Stakeholder	Role in SLM	Role in resource mobilization
MoA	In charge of agricultural development and extension services, forest management, afforestation, and grazing/rangeland management. Also responsible for forest management and desertification issues, and thus for implementation of the NAP. At the local level, MoA has designated local focal points (LFPs) for 4 of the 16 areas that are prone to desertification. The LFPs are responsible for organizing local discussion and decision-making platforms that bring together the different stakeholders – municipalities, cooperatives, development project leaders, NGOs, civil society organizations (CSOs) and other community-based organizations (CBOs) – to discuss relevant environment issues and develop priority LAPs.	Dissemination and leading role in implementing the resource mobilization strategy.  Mobilization of internal resources.  Links with donors.  Promotion of innovative financing resources.
Green Plan	An autonomous authority related to the MoA. Responsible for land reclamation, rehabilitation and construction of rural roads.	Mobilization of internal resources.  Links with donors to finance projects.
Lebanese Agricultural Research Institute (LARI)	Conducts applied and basic scientific research on the development and advancement of the agriculture sector in Lebanon. Keeps close ties with farmers, and develops research activities aimed at solving their problems.	Limited.
MoE	The primary authority responsible for afforestation, management of communal lands, protected areas, and international environmental conventions. Also in charge of nature conservation and management of publicly owned lands.	Mobilization of internal resources.  Links with donors. The GEF Focal Point.  Promotion of innovative sources of financing. Potential Designated National Authority (DNA) for the CDM.  Promotes the Arab Environment Fund (AEF) currently being assessed by the Arab League.
MoEW and Litani River Authority (LRA)	Responsible for the management of surface and groundwater resources. Management of irrigation schemes falls under the mandate of the MoA.	Mobilization of internal resources.  LRA has links with donors.

Ministry of Social Affairs (MoSA)	Responsible for planning and implementing national social development programmes. Works with civil society groups in rural communities, and partners the private sector in providing protection services and developing joint projects.	Mobilization of internal resources.
Ministry of Finance (MoF)	Responsible for allocating ministerial budgets, developing financial legislation and implementing fiscal reforms.	Implementation of fiscal reforms, including development of an organic budget law (OBL) aimed at improving the enabling environment.
Directorate General of Urban Planning (DGUP)	Responsible for developing urban planning regulations. Defines urban master plans and issues building permits in municipalities with no municipal council or municipal engineer.	Limited.
CDR	The country's planning institution, is directly linked to the Council of Ministers (CoM). Responsible for planning, programming and implementing reconstruction/rehabilitation projects in all sectors and across Lebanon. Developed a national land-use plan (the NPMPL) in 2004. Maintains relations with donors. Almost 85% of all funds earmarked for reconstruction transit through the CDR, which can replace all public institutions to implement projects as necessary.	Very high access to international funding agencies. Major role in mobilizing bilateral and multilateral assistance.  The government's interface with international funding agencies.
Municipalities	Many responsibilities concerning physical development within their territorial limits. In charge of local decision-making and follow-up activities after projects have been concluded. Their cooperation is crucial to the success of any land management project.	Mobilization of local resources.  Links with international donors.  Mobilization of resources from the private sector.

A National Steering Committee was formed in 2002 with the aim of improving intersectoral collaboration by harmonizing programme activities and sharpening focus. The committee later became the NCB, composed of representatives from: the MoA, the MoE, the MoEW, the MoSA, the Ministry of Interior and Municipalities (MoIM), the MoF, the CDR, LARI, DGUP, LRA, Green Plan, Lebanese University, UNDP, FAO and GTZ. Ministries and public institutions constituted 81% of the NCB but NGOs and CSOs were not part of the body. The NCB was to convene once or twice a year, or as need be, but since inception have only convened three times, and is currently inactive.



### 3.4.3.2 Civil society

Civil society in Lebanon is only marginally involved in SLM. Two national NGOs – the Makhzoumi Foundation and Greenline – are endorsed by the UNCCD. Overall the role of civil society in SLM in Lebanon remains conspicuously low.

At the local level, the MoA has designated local focal points (LFPs) in four of the 16 areas that are prone to desertification. The LFPs act as catalysts and are responsible for the organization of local discussion and decision-making platforms that bring together the different stakeholders (municipalities, cooperatives, development project leaders, NGOs, CSOs and other CBOs) to discuss relevant environmental issues and develop priority LAPs.

## 3.5. REVIEW OF PUBLIC FINANCIAL MANAGEMENT AND THE BUDGETING PROCESS

The public budget represents the most important internal financial resource. It is the first line of funds to be considered in the mobilization of resources for programme financing. Owing to changes in donor modalities, co-financing by the recipient country has become a common requirement. The public budget is the primary source of potential funding and as such is important to examine the budget in further detail.

This section highlights some of the characteristics of the public budgeting process in Lebanon (see Appendix A4 for further details). The main problems faced by the current budgeting cycle, and proposed solutions, are presented under Strategic Objective I. An in-depth analysis of the budget pertaining to SLM-related activities is presented under Strategic Objective II.

### 3.5.1 Lebanon's fiscal situation

Undoubtedly, the present fiscal situation in Lebanon is a major source of concern to all. Despite some noted improvements, such as a total budget revenue that reached 24% of GDP in 2004 and a drop in the overall deficit to less than 10% of GDP in 2005, wages and interest costs still exceed 90% of total budget revenues, and government debt continues to increase in both absolute and relative terms <sup>22</sup>.

To address the debt situation and the fiscal situation in general, unusual efforts and measures are needed that go beyond the standard marginal raising of revenues and reduction of expenditures. Implementing structural reforms and instruments for more efficient fiscal policy and expenditure management is needed. The MoF plans to adopt a new accounting and coverage framework based on the recently introduced methodology of the International Monetary Fund's (IMF's) Government Finance Statistics 2001 (GFS 2001) <sup>23</sup>.

### 3.5.2 Lebanon's budget coverage

Institutional coverage of the budget including determining which entities should be covered by the budget, should be examined during budget reform processes.

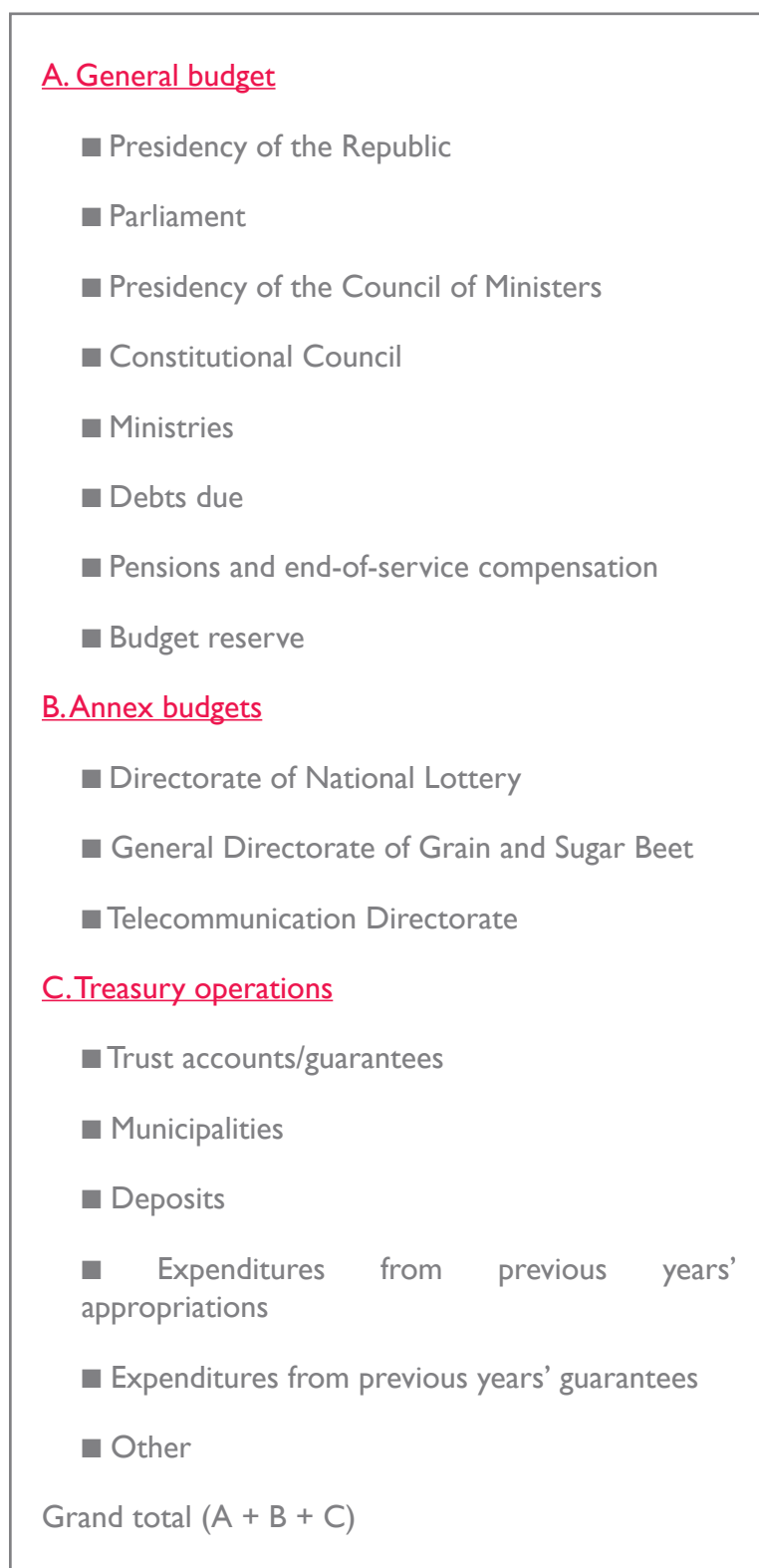
The Public Accounting Law (PAL) is not very clear on the institutional coverage of the budget. The official budget therefore corresponds more to the concept of a central government, ministries, other official bodies and the entities that operate under the authority of the central government than to other concepts of general government. The institutional coverage of the budget is usually disseminated in the structure shown in Figure 4. There are also, with varying degrees of detail, functional and economic classifications that correspond to this basic administrative classification.

<sup>22</sup> At the end of 2005, gross government debt had reached close to 200% of GDP.

<sup>23</sup> In parallel to its standard compilation of data according to GFS 1986, the MoF has started to compile fiscal data based on GFS 2001 with a view to full implementation in the near future.



Figure 4: The administrative structure of the budget



Source: MoF, Budget Proposal for 2005.

and foreign-financed capital expenditures are excluded, although interest on foreign borrowing is included as part of debt servicing. Also the treasury operations that directly affect the fiscal balance of the central government are excluded from the central budget.

The budget in Lebanon is usually compiled and disseminated to the public at three distinct levels: parts A and B (see Figure 3-4), which correspond to the central government because the annex budgets are those of entities in the central administration, and part C Treasury operations. Treasury operations are an amalgam of transactions relevant to the central government (e.g., trust accounts/guarantees and deposits), the general government (e.g., municipalities) and the public sector when advances are made to Lebanon Electricity (*Electricité du Liban* – EDL).

The institutional coverage of the current budget, as reflected in the grand total (A + B + C), corresponds to the central administration or central government, including the advances made by the central government to outside entities, which are accounted for in part C as Treasury operations. It should be noted that Treasury operations are extra-budgetary funds because they are not voted by Parliament. Moreover, there is often confusion by the public at large about the budget level and whether it is A alone, A + B or A + C.

### 3.5.3 Problems with Lebanon's budget coverage

The institutional coverage of the budget as currently applied in Lebanon suffers from several serious shortcomings, including the following:

a) Even at the basic central government level, there are missing institutions whose activities should be part of central government. For instance, the **CDR**, which is an executive agency of government, has only its administrative budget included in the regular budget. Its operating budget

b) Lebanon's budget does not cover the general government. Such coverage would necessitate a line-by-line consolidation of central government with all municipalities, the **National Social Security Fund (NSSF)** and all non-market public enterprises. Such a comprehensive consolidation is clearly not feasible in the short term, as it would require making compatible the accounting systems of the component institutions of general government. The only consolidation that takes place in the budget is an indirect one through transfers from extra-budgetary Treasury operations to cover the cash deficits of these institutions. Thus, it is not clear whether the transfers cover part, all or more than all of the operating balances of these institutions, so it is not clear that the consolidation is correct, even at the operating balance level.

c) There is also no budget coverage at the public sector level. Beyond the central administration, all data on government or public sector entities are either incomplete or non-existent, especially for public enterprises, for which balance sheets – let alone audited ones – have not been prepared for a number of years.

Clearly, budgeting and the implementation of an effective fiscal policy are very difficult under these circumstances. The government first has to define the institutional limits of its “property” domain at its outermost boundaries, which is the public sector. The budget is a subset of finances from the public sector and coverage should allow for the identification and measurement, directly or indirectly, of the impact of the government's fiscal policy on the economy.

### 3.5.4 Evaluation of the legal framework governing the budgeting process

The Lebanese budgeting system is based on the French model under the Third Republic. There is no unified budget system law (BSL) in Lebanon to dictate the process of implementation of the annual budget law. Budget management is governed by a number of legal instruments that are not consolidated into one document.

The main legislative sources for budgeting are the Constitution, the Parliament Internal Regulations and the PAL. The Court of Accounts Law regulates the ex-ante control of some transactions and the ex-post control of budget execution. A large number of implementing decrees/ministerial decisions have also been issued to complement these laws<sup>24</sup>.

The following is a summary of the legal framework that governs budgeting processes:

Definitions: The PAL does not include clear definitions of all the terms it uses. On the other hand, for transparency and clarity purposes, almost all Organic Budget Laws (OBLs) include a chapter on definitions, that details and explain all terms and concepts used.

General provisions:

1. Budget coverage: The State budget consists of the State's general budget, annexed budgets and exceptional budgets. The budget currently has three annexed budgets: the National Lottery, the Telecommunications Directorate and the Cereals and Sugar Beet Office. Annexed budgets constitute an exception to the classical principle of budget unity. According to the current legal framework, municipalities and public enterprises, whether subject to the Public Enterprises Law or to their own laws and regulations, operate outside the general budget, and their budgets are not subject to parliamentary approval.

2. Other general provisions: In addition to defining public funds and budget coverage, Articles 1 to 12 of the PAL include general provisions defining budget definition, budget content (Article 6), type of appropriations (Article 11) and procedures for creating appropriations (Article 12). There is a need to adapt these definitions to new international trends: the definition of appropriations should

<sup>24</sup> For a more comprehensive list of legal texts governing the budgeting process please refer to Annex I.

be clarified further, in accordance with comments provided by the World Bank Mission on Country Financial Accountability Assessment (May 2005).

3. Extra-budgetary operations: The budget framework in Lebanon is not unified across the entire public sector. Special laws and regulations govern public enterprises, municipalities and other extra-budgetary funds. Currently, extra-budgetary funds, municipalities and public enterprises operate outside the budget of the central government.

4. Municipalities: Municipality budgets are not included in the general State budget. Municipalities have autonomy over their own budgets. Funds are channeled to municipalities through the Independent Municipal Fund, which is an extra-budgetary fund. It is part of general government expenditure, but not part of the State budget. Its revenues are determined by law and decree; no financial statements are prepared for this fund, however.

5. Public enterprises: Public enterprises are governed by their own laws/regulations and enjoy legal and financial independence. Several agencies such as Banque du Liban (BDL), the CDR and the NSSF operate on the basis of their own specific legislation. The EDL, the CDR and the NSSF have been identified by the World Bank and IMF missions as the major problematic public enterprises that enjoy independent legal personality.

6. CDR: The CDR is a public enterprise that is subject to its own legislation and not to the 1972 Law on Public Enterprises. It administers the foreign-financed loan portfolio on behalf of the government, and prepares all reconstruction and development plans and proposals for economic, social and financial projects, for consideration by the CoM. There are two peculiarities to the CDR budget:

a. The CDR investment budget is not linked to the State budget and is not subject to the same oversight and controls. Operating budgets are not prepared annually, and allocated funds are treated as committed funds, open until completion of the project. According to Article 11 of Decree 2981, the investment budget is approved by the CoM.

b. There is an ad hoc budget for execution of CoM projects by the CDR. This ad hoc budget follows the same procedures as the investment budget according to Article 3 of Decree 2981.

Upon a closer review of Articles 3 to 11 of Decree 2981 reveal that these articles provide no timeline for submission of the CDR's investment and ad hoc budgets for approval by the CoM.

Medium-term fiscal forecasts: The PAL does not include provisions governing medium-term fiscal forecasts. Such a chapter is not found in organic laws or modern budget system laws; yet this new concept is the latest trend, and should be included in any modern budget laws.

#### Budget preparation:

1. Budget planning: Articles 1 to 19 of the PAL describe the process of budget planning. However, this section is not regulated in sufficient detail (e.g. the budget circular), and lacks provisions relating to the responsibilities of the government and the MoF regarding the different phases of the budgeting process.

2. Budget elaboration: The articles relating to budget elaboration include brief provisions on the content and structure of the annual budget law, but do not specify a resource allocation strategy that takes macroeconomic and fiscal constraints into account. The PAL makes no requirement for the government to follow defined international standards for accounting, reporting and auditing.

3. Budget documentation: The PAL does not include provisions detailing budget documentation. Currently, the submission of only one document is required, alongside the annual budget law. This document is a report prepared by the MoF<sup>25</sup> detailing the financial and economic situation of the country according to

the regulations adopted by the government in preparing the draft budget. Lebanon could follow the French and Spanish examples, and require that performance reports of CDR investment and ad hoc projects be annexed to the draft budget law for information purposes. The same applies to the financial accounts of the NSSF, the EDL, the Independent Municipal Fund, major municipalities and any other major public entity.

4. **Budget approval:** The PAL does not include provisions for the budget approval phase of the budget. The provisions in Article 118 of the Parliament Internal Regulations (detailing ratification priorities) sets the principle of parliamentary control over budget execution by requiring that Parliament approve the final accounts of the previous year before ratifying the new budget.

**Budget execution:** Implementation of the approved budget is performed by the executive and/or government agencies. The existing expenditure control process is lengthy, complex, non-transparent and involves multiple approvals. In addition, the multiplicity of detailed internal controls results in reduced control<sup>25</sup>. At present, the main instruments of compliance accountability in Lebanon are the Civil Service Council, the MoF, Central Inspection, the General Disciplinary Council and the Court of Accounts (CoA), all of which are located within the executive branch of government.

**Budget reporting:** This takes place both during and after the close of the fiscal year. Parliamentary control is based on reports provided by the executive. It is the parliament's prerogative to specify the content and timing of the reports, and if they may contain both financial data (annual accounts) and non-financial data (e.g., attainment of performance targets). The PAL does not include provisions on budget reporting. There is a need to provide parliament with adequate and timely information about the activities of the executive branch.

**Budget audit:** The PAL does not regulate *ex-post* audit. *Ex-post* audit is regulated by the CoA laws based on Article 87 of the Constitution. The CoA was reviewed against International Organization of Supreme Audit Institutions (INTOSAI) auditing standards by the IMF and World Bank missions, and was found not to meet the criteria for independence. A recommendation was made to remove the CoA from the *ex-ante* expenditure approval process and to make it independent of the government by reporting to Parliament. This important amendment might significantly enhance the oversight role and capabilities of parliament.

### The budget process

The budget preparation and adoption process is governed by relevant provisions of the Constitution and the PAL of 1963.

The laws governing budget preparation provide that the proposed budget for each year is prepared by the MoF (after review of the estimates prepared by the various ministries), and submitted to the CoM by 1 September of the preceding year. After review by the CoM, the proposed budget must then be forwarded to Parliament by 15 October for review and approval.

The budget is approved by parliament, through specific voting for each article in the budget after review and debate, at a general session held between 15 October and 31 December of the preceding year.

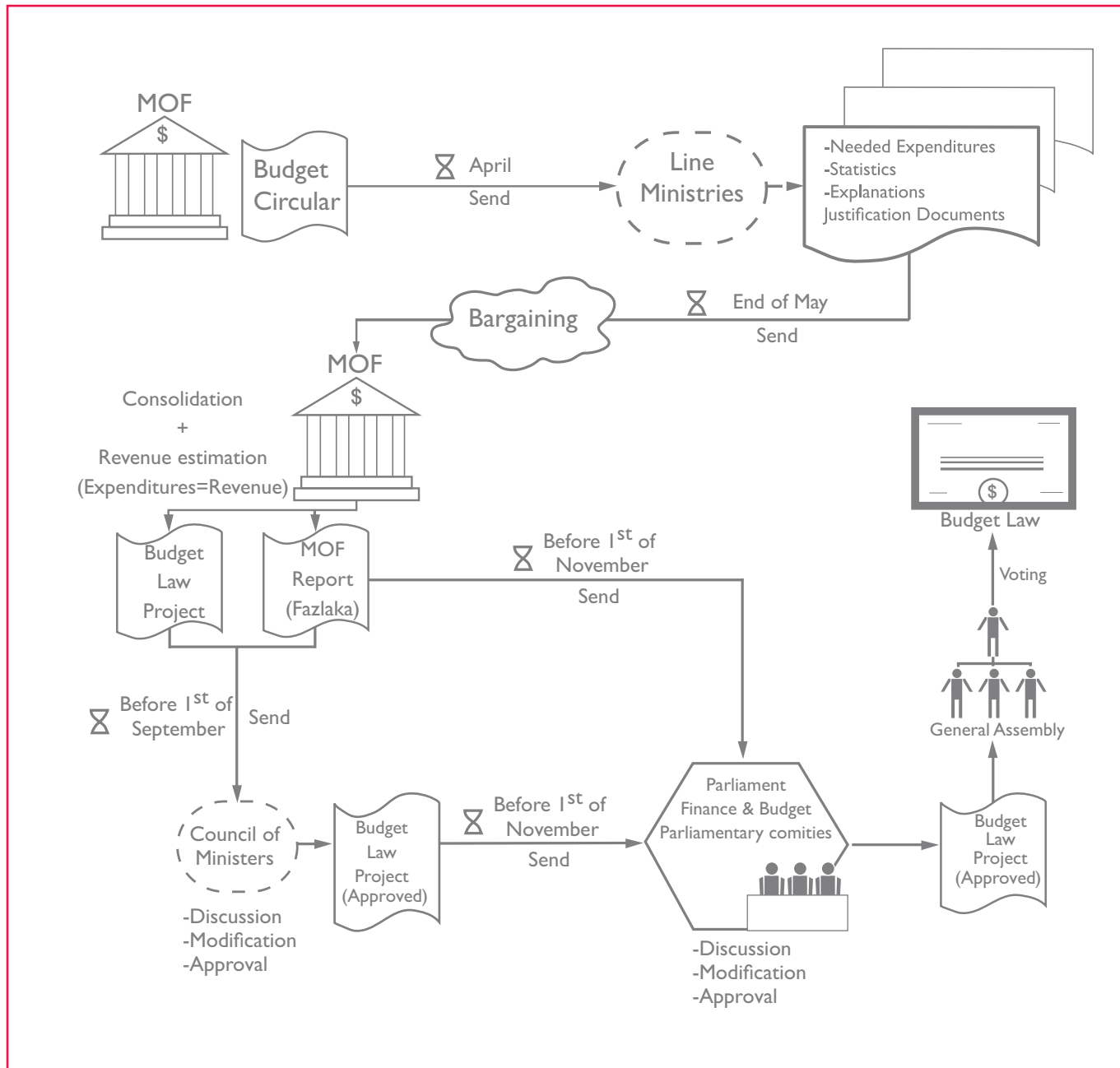
If parliament fails to approve a budget, the President of the Republic, with the approval of the Prime Minister, must convene a special session of Parliament to be held no later than 31 January of the relevant year. If no budget is approved during the special session, the President of the Republic has the power, after obtaining approval of the CoM, to adopt the budget submitted to parliament by the CoM (Article 86 of the Lebanese Constitution and Article 120 of internal parliamentary regulations).

Once the budget law is enacted, the MoF becomes responsible for its execution.

<sup>25</sup> This document is commonly known as the "Fazlaka".

<sup>26</sup> Adnan Iskandar: [Year published?] *Public service accountability in Lebanon*, chapter 1, AUB Publications

Figure 3-5: Budget preparation/PAL (1963)



### 3.6. FINANCIAL FLOWS INTO SLM

There is no mechanism dedicated solely to resource allocation for SLM in Lebanon. Furthermore, a comprehensive programme that links individual activities into a concerted effort to address land management exists only in the form of the NAP. However, the NAP has yet to be endorsed by the CoM and is not recognized as an official country policy document.

In the absence of a mechanism for resource allocation, UNDP is currently acting as *chef de file* for the mobilization of resources for NAP implementation in Lebanon. The aim is markedly to enhance the MoA's capacity for resource mobilization, with the aid of the resource mobilization strategy.



### 3.6.1 Scope of existing financial flows

To date, Lebanon has undertaken numerous activities in different sectors to address SLM. Many projects were made possible through official development assistance (ODA) from donors. Other funds were made available internally by the Lebanese Government, and channeled into specific programmes, such as the NRP and the MoEW’s ten-year plan for water management. Traditionally, most funds were mobilized through the MoA and the MoEW. With the establishment of the MoE in 1993, a new vector was created for mobilizing and channeling explicit environment-related funding into Lebanon.

Public agencies generally seek funding for specific project concepts, which are carried out independently from of sectoral plans or country-wide strategy. However, owing to the thematic breadth of the UNCCD, and its linkage to other conventions (as highlighted in previous sections), many of the projects that have been carried out recently can be considered contributors to SLM practices.

‘Existing financial flows’ refers to the magnitude or scale of financial resources that are available from various sources for the execution of SLM-related activities in Lebanon. Because funding modalities differ from source to source, the type of financial resource can range from grants, to loans, to in-kind contributions. This section considers all types of contributions to which a monetary value can be assigned as financial resources for a particular project or activity. A detailed description of the methodology followed is presented in Appendix A5 (included in the CD ROM).

The NAP was used as the guiding framework to identify SLM-related activities. The NAP singles out 10 thematic areas for which more detailed plans of action should be developed. These thematic areas form the basis for identifying different types of activities that fall under the SLM umbrella <sup>27</sup>, and comprise:

- |                              |                            |
|------------------------------|----------------------------|
| 1. institutional framework   | 6. forest management       |
| 2. legislative framework     | 7. sustainable agriculture |
| 3. land-use planning         | 8. rangeland management    |
| 4. socio-economic conditions | 9. soil conservation       |
| 5. water management          | 10. protected areas        |

### 3.6.2 Assumptions

The full range of assumptions is presented, alongside the methodology, in Appendix A5 (included in the CD ROM). Regarding the following analysis, however, it should be noted that results are based entirely on the dataset available, which for reasons stated in Appendix A5 may not be entirely representative. It would therefore be highly inaccurate to extrapolate results obtained from this dataset to draw definitive conclusions.

### 3.6.3 Analysis of financial flows

The quantity of financial resources was determined by the total cost of all SLM-related projects implemented (68 in total) in the period 2001–2006. A compilation of individual project costs yielded the total amount of funds dedicated to SLM-related activities during that period: USD 444 million.

Of this amount only about 25% originated from the internal budget and the rest were contributed by donors. Suffice it to say, the majority of funds dedicated to SLM activities are currently provided by ODA.

Considering the breadth of the activities that are related to SLM, and the cross-sector spread of SLM, the figure obtained is relatively modest. The USD 444 million represents the sum of ODA to Lebanon and

<sup>27</sup> Refer to Appendix A5 for details on methodology of data collection and challenges faced.



government contributions (not including ministerial budgets) to SLM-related activities over a five-year period. This equates to roughly USD 89 million per year allocated to activities ranging from land-use plans and projects on water management to community development programmes for poverty reduction. In relation to Lebanon's GDP – estimated at USD 23.69 billion <sup>28</sup> – the annual amount of funds flowing into SLM-related activities is roughly 0.37% of GDP <sup>29</sup>.

According to the *World Bank's Cost of Environmental Degradation Report (2004)*, the annual cost of environmental degradation in Lebanon was estimated at 2.8 to 4.0 % of GDP in 2000, with a mean close to USD 565 million per year, or 3.4 % of GDP. However, this 3.4 % includes the cost of degradation to water, air, land, wildlife, coastal zones the global environment, and the cost of waste, which goes beyond the costs of unsustainable land management practices.

To get a better idea of the cost of degradation from unsustainable land management practices, Table 3-6 considers only those sectors and subsectors presented in the World Bank study that are relevant to SLM, and estimates the costs of degradation (as percentages of GDP) in those sectors.

Table 3-6: Costs of degradation relevant to SLM

Sector	Subsector	Cost of degradation as % of GDP
Land and wildlife	All	0.6
Coastal zones	Loss of ecological and non-use value	0.2
	Fishery losses to pollution	n.a.
Global environment	Biodiversity and climate change	0.5
Water	Damage to ecosystems	n.a.
Air	Impact on agricultural productivity	n.a.
Total		1.3% +

Source: World Bank. 2004. *Cost of Environmental Degradation Report*.

According to Table 3-6, the cost of land degradation amounts to 1.3 % of GDP, a figure that far exceeds the funding flow towards SLM-related activities (0.37 % of GDP). It is also important to note that the World Bank report omits a number of subsectors that could not be assessed by the study (such as damage to ecosystems and impact on agricultural productivity).

It should be emphasized that countless estimations were made in calculating both the figures in the World Bank report and the funds flowing into SLM-related activities. These figures therefore present, at best, a rough estimate of the magnitude of the discrepancy between damage caused and remedial action taken, and it would be imprudent to consider them as more than a starting point for a more thorough analysis.

From the analysis that was carried out on the financial flows, and bearing in mind the assumptions and restrictions mentioned, the following may be deduced from the dataset:

■ Underinvestment is taking place in the sectors of agriculture, rangeland and forest management, and land-use planning. The environment and SLM in particular, are still far from being considered key developmental factors that can contribute to expanding sustainable economic opportunities and alleviating poverty.

<sup>28</sup> CIA, 2005. *World Factbook*, 2005. At: [www.cia.gov/cia/publications/factbook/geos/le.html](http://www.cia.gov/cia/publications/factbook/geos/le.html).

<sup>29</sup> In comparison, military expenditure is roughly 3 % of GDP.

■ The bulk (84 %) of ODA is contributed by multilateral donors. The World Bank is the primary donor involved in SLM-related activities. Among bilateral donors, the United States is the primary contributor through its Agency for International Development (USAID). Arab donors make a very low contribution to SLM-related activities and the Arab Fund for Economic and Social Development (AFESD) was the only donor identified.

■ In absolute terms, the MoA is the institution that has received by far the most external funding for SLM-related projects (USD 171 million), and accordingly also contributes more from its own budget than any other institution. Internal contributions, or co-financing by the government, are highest at the MoA and the MoE. For the projects identified, the MoE provided, as co-financing, more than four times the amount of funds that were received from donor funding.

■ External contributions (donor funding) are about three times as high as financial resources mobilized internally.

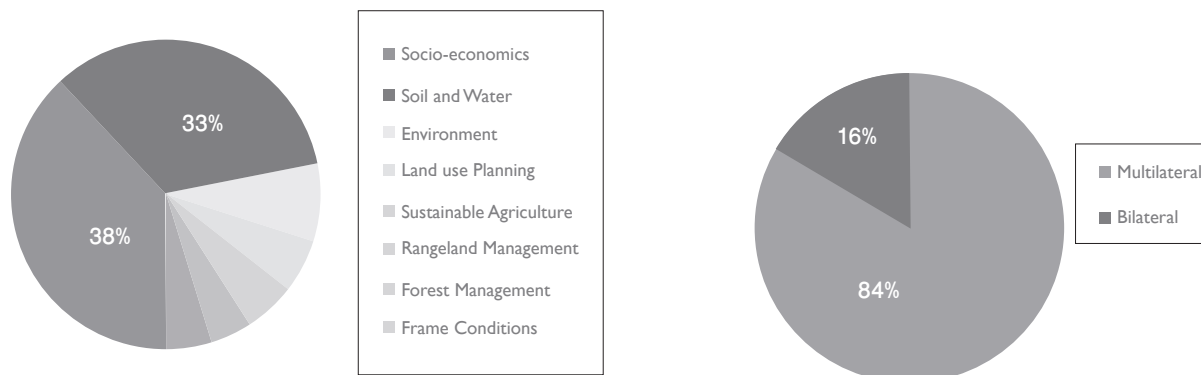


Figure 3-6: Total funds to SLM-related activities, by sector    Figure 3-7: Multilateral vs. bilateral funding

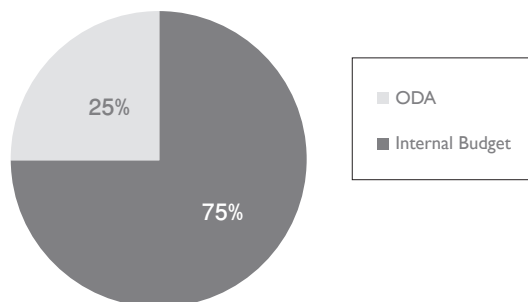


Figure 3-8: Total funds to SLM-related activities by source of funding

A complete analysis of financial flows into SLM-related activities, by thematic area, donor and implementing institution, is provided in Appendix A5 (included in the CD ROM).

### 3.7. OUTLOOK: BARRIERS TO AN ENABLING ENVIRONMENT

The environment in which the resource mobilization strategy is meant to function plays an integral role. The current institutional, legal and fiscal environments in which the strategy is supposed to function present numerous difficulties for adopting the new approach to resource mobilization. According to this approach, resources are meant to be first mobilized internally, based on a planned programme of action, prior to seeking funding from external donors and exploring innovative sources.



This section highlights the main bottlenecks in the enabling environment and builds on the previous sections. These bottlenecks will make it increasingly difficult to adopt some of the principles of the new multi-faceted approach to resource mobilization.

It is important to bear in mind that the ability to mobilize resources does not depend on overcoming all the barriers that have been identified. However, eliminating some would serve to substantially improve the efficiency of raising financial resources and allocate them in a more effective manner.

### 3.7.1 Absence of a national policy framework geared towards the environment

The current overriding national priorities of the government focus on resolving the budget problem, promoting economic recovery, and achieving political stability in the country. In light of such prevailing problems, unfortunately, attention to environmental issues at the level of policy and decision-makers is virtually absent.

One of the main ways of improving SLM is to integrate its principles into mainstream policy. Unfortunately, the policy framework in Lebanon is severely lacking, and the underlying national development policies are absent, which makes the task of mainstreaming more challenging.

This is further aggravated by the following:

■ Long-term national planning is virtually non-existent: the national policy framework is characterized by an absence of basic planning and a lack of sector strategies. This lack of national planning makes a difficult environment for building cross-sector synergies and integrating the UNCCD into national policies. National agendas change with changes in government, and ministries rarely have long-term plans that extend beyond the tenure of their ministers.

■ The environment, including desertification, is not a priority: the greatest obstacle facing implementation of the UNCCD is the lack of political support and government backstopping. Despite some of the government's efforts, including preparation of the NAP, the reality remains that combating desertification is not a priority. This is evidenced by the fact that the environmental policies that have been developed are still not considered officially as frameworks for action. Environmental issues are sidelined instead of being integrated into long-term government policies.

■ Activities are not consolidated: The failure to adopt an integrated and cross-sectoral approach is one of the UNCCD's major hindrances. For instance, efforts that focuses on securing funds for reconstruction, achieving overall stabilization of the economy, developing basic human services, encouraging productive recovery, and rehabilitating public administration form a valid launching pad for an anti-poverty strategy. Such a strategy would incorporate the UNCCD by addressing one of the root causes of desertification. Instead, and in the absence of well-defined policies and long-term strategies, efforts proceed independently from one another, without realizing the potential for establishing links across these sectors.

### 3.7.2 Lack of a stable coordination mechanism

The Convention addresses a cross-sectoral issue thereby making coordination amongst a multitude of stakeholders a necessity. Currently there is a severe lack on a coordination mechanism.

■ The NCB is not operational: The NCB was created with the aim of increasing coordination between relevant institutions. All relevant public authorities, in addition to concerned international organizations, were represented in the NBC, To date the NCB has only convened three times and is currently not operational.



### Problems the NCB suffered from

- Role was essentially consultative, and it lacked the jurisdiction to execute activities.
- Lacked a well developed plan of action with long-term vision.
- No dedicated financial budget designated for its activities.

The main reasons for the failure of the NCB were:

- It was tailored to a standardized structure and did not consider country-specific aspects.
- It lacked the legislation necessary to regulate proceedings. Because regulations obliging coordination – or at least cooperation – were lacking, the extent of coordination was highly dependent on personal initiative.
- There was no effective coordination and networking between its members.
- It had only an advisory role, and was therefore not in a position to execute decisions
- The members appointed as representatives were not always appropriate. Some institutions failed to assign the right people, who would have been those with:
  1. adequate technical expertise;
  2. the incentive to push for decisions at meetings; and
  3. the executive power to carry decisions out in their respective institutions.
- It lacked a back-to-office reporting mechanism to ensure that decisions taken during meetings were reported to decision-makers in the different institutions.

■ The Conventions operate independently: The Conventions are still regarded very much as independent entities. For example, the UNCBD and the UNFCCC still do not consider the UNCCD the framework convention that encompasses many others. Despite the presence of focal points for the Conventions, interaction between the authorities designated to follow up on convention implementation and other relevant institutions remains weak. Actions proceed independently, without capitalizing on the opportunities for pooling scarce and valuable resources.

### **3.7.3 Frail institutional framework**

A robust institutional framework would help distribute and allocate the multitude of tasks in addressing this cross-sectoral issue. However the existing institutional framework is hampered with many problems.

■ Institutional responsibilities lack clarity: the roles and responsibilities of the various ministries and government institutions are not clearly defined. This leads to overlaps, conflicts and inefficiency in management of natural resources. For instance, the issue of forest management is divided between the MoE and the MoA. While the MoA is responsible for urban forestry and maintenance of public forests, the MoE is responsible for reforestation efforts throughout the country. In regards to desertification, the MoA is the Focal Point of the UNCCD, has prepared the NAP and is undertaking initiatives to combat desertification through various programmes and projects. However, the MoE's mandate specifies explicitly its role in combating desertification. This leads to confusion over roles, and eventually to redundancies and conflicts.

■ No dedicated unit to combat desertification exists: the NAP was developed at the MoA through the project to combat desertification. As expiry of the project approaches, the handover of responsibility for following up on the NAP and implementing the UNCCD has still not been established. The MoA is planning to establish a specialized unit within the ministry to carry out this responsibility, but this structure is still not in place. This delay is related to financial and human capacity aspects however this creates yet another hindrance.

### 3.7.4 Inadequate legislation

Legislation is lacking in protecting farmers, landowners, investors and, ultimately, the land.

■ Legislation is inconsistent: despite the existence of a significant number of laws, decrees and ministerial decisions governing environmental management in Lebanon, legal and regulatory texts lack clarity and display internal inconsistencies. Current legislation does not allocate, from a comprehensive viewpoint, the roles of the different partners involved in the protection of nature. The prevailing legislation results from sporadic situations of need and coordination is not promoted between the public and the private sectors.

■ Enforcement remains weak: enforcement remains a major weakness of the environmental control system. Political ownership (stewardship) is insufficient, governance is wanting (including high corruption rates) and there is no control over land-use planning and development. Such deficient enforcement is often due to institutional weaknesses, special interests and political interference.

### 3.7.5 Outdated public budgeting process

The current framework regulating the public budgeting process became obsolete a long time ago. The lack of revision and reforms has contributed to an increasingly inefficient system.

■ The PAL lacks clarity: the PAL, which dates back to 1963, is not very clear on the institutional coverage of the budget. Articles in the law lack coherence, and many definitions are missing throughout the text.

■ The budgetary system violates basic principles: the budgetary system in Lebanon violates most of the basic principles or guidelines that should govern government budgets. The budget's incomplete coverage violates the principle of comprehensiveness; the carry-overs violate the principle of unity and annual basis; the absence of TSA violates the principle of the MoF as custodian of public money; the absence of an external and independent comprehensive audit violates the principle of accountability; and the absence of a parliamentary oversight regarding Treasury loans, public sector finances and the closing of budget accounts violates the principle of accountability and good governance. It is also noteworthy that a system – essentially the PAL – that was designed to prevent unauthorized expenditure and fraud, has turned into a system where expenditures are not be properly controlled or audited, and waste cannot be prevented.

■ The budgetary system in Lebanon is in need of an overhaul: an organic budget law (OBL) is the instrument for such a radical reform. In the domain of the reform of Lebanon's budgetary system in general, and public expenditure management in particular, two major and tangible objectives can be identified: the introduction of an OBL; and the implementation of GFS 2001. The two objectives are not unrelated, because implementation of GFS 2001 will facilitate the introduction of a modern OBL.

■ Allocation of financial resources to SLM is scarce: SLM does not rate highly on the list of priorities thus, fund allocation to SLM-related activities is scarce. A financial mechanism dedicated to the allocation of resources to land management does not exist. The government has yet to establish a separate trust fund to combat desertification. This might be linked to the continued lack of a National Development Strategy (NDS) and Poverty Reduction Strategy (PRS). At the ministerial level, the small budget allocation of the MoA (less than 1% of the general budget) and its affiliated institutions (LARI and the Green Plan) severely limits capacity to improve or develop.

### 3.7.6 Under developed human capacities

Human resource problems are common in Lebanese institutions. Little or no investment is made in developing civil service staff, and the tenured positions of government offices do not create incentives for employees to engage in programmes for self-improvement.

■ Institutions lack adequate staff: at the ministerial level, ministries operate independently and to the best of their capacities. However, lack of human resources creates a major barrier. For instance, owing to lack of capacities in the MoA, the Green Plan could not be revitalized after the civil war. In general, civil servants lack motivation because of their tenured positions. Furthermore in most cases, older employees are 'grandfathered' into the system, preventing the employment of younger generations. The current hiring freeze across institutions, is exacerbating this problem and as a result, human resources are in short supply in most institutions.

■ Human resources are poorly trained: ministerial staff generally lacks the appropriate training for their positions, especially in terms of planning and priority-setting skills. Institutions also fail to dedicate adequate resources to training programmes and professional workshops, which results in institutions failing to build on their limited human resources.

■ Communities lack the know-how to implement activities: engaging communities in SLM-related activities is essential for the success and sustainability of actions at the local level. Although they have sufficient initiative to participate, communities lack the technical capacities to implement activities and are in dire need of targeted capacity building workshops.

■ The private sector is not involved: it is important to note that the private sector is not involved in the development of policies and the mobilization of financial resources for implementing development projects. The private sector's involvement is still very limited, despite some sporadic attempts by banks and companies.

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## 4. Strategic Objective I: Improve the Enabling Environment

A favourable enabling environment is important for the operation of the resource mobilization strategy. The aim of the mainstreaming process is to integrate UNCCD principles and priorities into national policies, legislature, institutions and strategies, with the objective of integrating SLM into overarching development frameworks. Mainstreaming leads to increased recognition of the role of land management in development, and could increase investments from the domestic public budget, as well as from international financial contributions available at the country level. It implies effecting changes in the way of doing business; for example, policy reforms, and changes in institutional and coordination arrangements, planning/budgeting/resource allocation modalities, etc.

This section considers some of the actions that may be taken to improve the enabling environment. Further recommendations are provided where applicable in subsequent sections.

### 4.1. OBJECTIVE I: MAINSTREAM SLM INTO THE COUNTRY POLICY FRAMEWORK

The integration of SLM principles into the policy framework is part of mainstreaming. Strategy papers are the first entry point for mainstreaming UNCCD objectives. In the absence of an NDS or a PRS, however, mainstreaming can proceed through other channels, such as the NAP and other strategies and action plans under the sister Conventions, i.e., the National Biodiversity Strategy and Action Plan of the UNCBD and the National Adaptation Programme of the UNFCCC.

#### Action 1: Articulate SLM as a national priority by endorsing the NAP

It is imperative that Lebanon articulate land degradation as one of its development priorities, as donors are increasingly aligning their priorities with those of recipient countries.

■ The CoM should endorse the NAP. The NAP presents an intersectoral plan that specifically addresses land degradation. As long as it is not officially endorsed, it lacks credibility among internal authorities and international donors. Endorsement is necessary not only to make the NAP's status official, but also to allocate a national budget to its implementation.

#### Action 2: Integrate UNCCD concerns/principles into policies, plans and programmes

Integration into national policies is a major avenue for SLM mainstreaming. Table 4-1 lists the entry points for mainstreaming SLM in the various institutions.

Table 4-1: Avenues for mainstreaming SLM in the various institutions

Institution	Entry point for mainstreaming	Description	Problems	Necessary steps
MoA	LAPs (NAP-to-LAP)	The MoA has selected four areas where LFPs are working with communities to identify the main problems particular to each area, with the intention of devising specific solutions for each area. The objective is to develop proposed solutions into actions that will ultimately provide a framework for programmes of action for desertification-prone areas.	<ul style="list-style-type: none"> <li>■ The NAP does not target specific projects or actions. Rather, certain sectors are addressed as priorities, but the details are left to be developed into discrete action plans by respective parties over time.</li> </ul>	<ul style="list-style-type: none"> <li>■ Finalize development of the LAPs into discrete operational programmes.</li> <li>■ Endorse the LAPs.</li> <li>■ Implement them in priority areas.</li> </ul>
	MoA 5-Year Strategy	The MoA's Agricultural Strategy Implementation Programme is currently being finalized. The 5-year work plan incorporates elements of the NAP.	<ul style="list-style-type: none"> <li>■ SLM is not articulated as a discrete theme in the strategy.</li> </ul>	<ul style="list-style-type: none"> <li>■ Establish "strategy-policy-programme-project" linkages.</li> <li>■ Develop NAP themes into programmes that will be allocated a budget and be implemented within their stated time frames.</li> </ul>
CDR	Sectoral programme matrices	The CDR's 12-year development plan served as a basis for developing the sector matrices. The plan includes a chapter on land management or land "equipping". The matrices were submitted to donors at the Paris III Donor Conference in January 2007.	<ul style="list-style-type: none"> <li>■ The matrices do not include agriculture or environment.</li> </ul>	<ul style="list-style-type: none"> <li>■ Integrate SLM priorities and actions into the ongoing review of the matrices.</li> <li>■ SLM may be integrated into several sectors, such as water and wastewater, education, and health.</li> <li>■ Integrate the MoA into the sector committees that are being formed for review and finalization of the matrices.</li> </ul>
	NPMP-L	In 2004, the CDR presented a master plan for urban planning and land use. NPMP-L lays out a strategy for decisive remedial and preventive measures, and includes a programme prioritizing and rationalizing all ongoing and planned projects.	<ul style="list-style-type: none"> <li>■ The NPMP-L has yet to be endorsed.</li> </ul>	<ul style="list-style-type: none"> <li>■ CoM to endorse the NPMP-L.</li> <li>■ Use the NPMP-L as a basis for developing sustainable land-use projects and programmes.</li> <li>■ Coordinate with the MoA to develop discrete programmes based on the NPMP-L recommendations in the LAP areas.</li> </ul>
Green Plan	Criteria for project selection	The Green Plan implements projects based on farmers' demand and needs; main projects are related to agricultural roads, land management and water.	<ul style="list-style-type: none"> <li>■ Planning is currently not based on priority setting or specific criteria.</li> </ul>	<ul style="list-style-type: none"> <li>■ Reformulate the selection process for awarding project funding.</li> <li>■ Incorporate specific SLM principles into the selection criteria.</li> </ul>

MoSA	Inter-Ministerial Committee (IMC)	Creation of the IMC was endorsed by the Office of the Prime Minister in January 2007. The MoSA is the acting Secretariat of the IMC, which consists of representatives from several institutions (the MoPH, the Ministry of Education, the MoIM, the MoL, the Ministry of Economy and Trade [MOET], the MoF, the CDR). The IMC is to prepare a National Strategy for Social Development, implement local development plans and map local development initiatives. SLM can be mainstreamed across institutions with the help of the IMC, especially in the absence of a dedicated coordination platform such as the NCB.	<ul style="list-style-type: none"> <li>■ The MoE and the MoA are not included in the core technical team of the IMC, but may be requested to attend meetings when deemed necessary.</li> <li>■ The IMC does not have its own budget. It is funded by the Capacity Building for Poverty Reduction project.</li> </ul>	<ul style="list-style-type: none"> <li>■ Operationalize the IMC.</li> <li>■ Raise SLM as a core issue at the IMC's meetings.</li> <li>■ Make the MoA and the MoE part of its core team.</li> <li>■ Create a separate budget for the IMC, to ensure its sustainability</li> </ul>
	National Strategy for Social Development	Developing a National Strategy for Social Development is one of the IMC's tasks. Several ministries already have some form of sector strategy or priority (such as the Ministry of Education and the MoPH).	<ul style="list-style-type: none"> <li>■ The challenge is to consolidate the priorities of different institutions within a national cross-sectoral framework.</li> <li>■ Not all ministries have set their priorities or developed a sector strategy.</li> </ul>	<ul style="list-style-type: none"> <li>■ Integrate SLM concepts into the National Strategy for Social Development.</li> <li>■ Consult with the MoA on the inclusion of SLM principles and priorities in developing the strategy.</li> <li>■ Draw on the LAPs for development of priorities and targeted activities in priority areas.</li> </ul>
	Criteria for selection of Local Development Plans (LDPs)	The MoSA allocates about LBP 1.4 billion annually to implementation of LDPs. The ministry would like to see a shift in how local development is planned and implemented.	<ul style="list-style-type: none"> <li>■ Decisions for funding of LDPs are made on an ad-hoc basis.</li> <li>■ Current allocation is not based on needs or priorities.</li> </ul>	<ul style="list-style-type: none"> <li>■ Reform the selection process for awarding project funding.</li> <li>■ Incorporate SLM principles into the criteria for selecting the LDPs to be implemented.</li> </ul>
	Link LAPs to LDPs	The MoSA implements numerous LDPs, but these are not selected according to priorities or needs. The MoA is developing LAPs in 4 areas highly prone to desertification. These LAPs and the priorities they address could be linked to the MoSA's LDPs.	<ul style="list-style-type: none"> <li>■ Coordination between the MoA and the MoSA is limited at present.</li> </ul>	<ul style="list-style-type: none"> <li>■ Implement LDPs in areas that are also LAP areas.</li> <li>■ The MoSA and the MoA to coordinate on the priorities in specific areas.</li> <li>■ Take SLM priorities into consideration in the work of the MoSA's social development centres throughout the country.</li> </ul>

Institution	Entry point for mainstreaming	Description	Problems	Necessary steps
MoE	Programme Law for Protected Areas	The MoE has prepared a programme law to implement a National Action Plan for Protected Areas Management, which stipulates setting a separate budget and targeted activities, thus providing the mechanism and means for achieving these set goals. The programme law is awaiting signature by the Minister of Environment (who resigned the previous year.)	<ul style="list-style-type: none"> <li>■ Currently there is no Minister to sign the law (short-term problem).</li> </ul>	<ul style="list-style-type: none"> <li>■ Sign the programme law at the ministerial level.</li> <li>■ Lobby at the highest level for endorsement of the programme law.</li> </ul>
MoE	National Biodiversity Strategy and Action Plan (NBSAP)	The NBSAP considers the protection and rehabilitation of terrestrial ecosystems a priority. Developed in 1998 and updated in 2006, the NBSAP was never endorsed through a programme law, and hence has never received much exposure. The NBSAP has not been followed as a programme; instead activities have been implemented independently of the NBSAP and then assessed for how well they fit into the plan.	<ul style="list-style-type: none"> <li>■ The NBSAP has not been endorsed.</li> <li>■ It has never received exposure or cross-sectoral contributions.</li> <li>■ No mechanism has been set for its implementation.</li> </ul>	<ul style="list-style-type: none"> <li>■ Restructure the updated NBSAP so it can be raised at the CoM.</li> <li>■ Seek to endorse the NBSAP through a programme law.</li> <li>■ Operationalize the NBSAP and develop a mechanism for its implementation.</li> </ul>
	NRP	The NRP was endorsed through a programme law in 2001. The MoE has been implementing the NRP since 2002. The plan includes the reforestation of many woodland sites in rural areas throughout Lebanese regions.	<ul style="list-style-type: none"> <li>■ Issuance of the law was not based on a specific national plan or programme developed at the ministerial level.</li> <li>■ The MoE has yet to decide what to do once the budget under the current programme law ends.</li> </ul>	<ul style="list-style-type: none"> <li>■ The MoE to elaborate a plan for budget extension (planning and programming).</li> <li>■ Seek to endorse new budget or budget extension through the programme law.</li> </ul>
	National Environmental Action Plan (NEAP)	The NEAP addresses environmental problems across sectors, and includes a chapter dedicated to land use, which is based on issues addressed in both the NAP and the NPML. The NEAP has yet to be officially endorsed.	<ul style="list-style-type: none"> <li>■ The MoE has yet to launch the NEAP officially.</li> <li>■ The NEAP has not been endorsed through a programme law, and hence has not received much exposure.</li> </ul>	<ul style="list-style-type: none"> <li>■ The MoE to reactivate/ launch the NEAP.</li> <li>■ Endorse through a programme law.</li> </ul>
	Alleviating Barriers for Quarries Rehabilitation in Lebanon (ABQUAR) project	The project's eventual outcome is improved management and rehabilitation of the landscape desecrated by quarries. A programme law will be issued on finalization.	<ul style="list-style-type: none"> <li>■ Management of the project is through the MoE. Problems have been faced owing to the resignation of the Minister.</li> </ul>	<ul style="list-style-type: none"> <li>■ Seek endorsement of a programme law after finalization of the project.</li> </ul>

Institution	Entry point for mainstreaming	Description	Problems	Necessary steps
DGUP	Construction laws and building licences	Land-use planning and management is the responsibility of the DGUP, under the Ministry of Public Works and Transport (MPW&T). Its mandate is to develop regulations and urban master plans. It issues building permits for municipalities that have no municipal council or engineering department.	<ul style="list-style-type: none"> <li>■ The DGUP has yet to complete the cadastre (only 50% complete).</li> <li>■ 90% of the territory is constructible.</li> <li>■ Decisions are often overruled by political pressure.</li> </ul>	<ul style="list-style-type: none"> <li>■ Integrate SLM principles into land-use planning and construction laws, particularly in areas that have no cadastre (e.g., require buffer zones).</li> <li>■ Incorporate criteria for environmentally sound practices for building licences in rural areas.</li> <li>■ Amend construction laws.</li> </ul>
MoF	Secretariat in post-Paris III phase	The MoF is playing the role of Secretariat/lead in the post-Paris III phase, coordinating among the CDR, the Central Bank, and the MoET in financial matters.	<ul style="list-style-type: none"> <li>■ A formal mechanism has yet to be set.</li> </ul>	<ul style="list-style-type: none"> <li>■ Raise SLM issues as criteria in the decision-making process for funding programmes/ sectoral plans, particularly through the CDR's sector matrices.</li> <li>■ The CDR to play an active role in lobbying for sector matrices that have mainstreamed SLM priorities.</li> </ul>

## 4.2. OBJECTIVE 2: IMPROVE THE COORDINATION MECHANISM

The establishment of an autonomous body, composed of various concerned stakeholders and with the specific mandate of coordinating between the Conventions, is needed to avoid overlapping responsibilities and redundancies<sup>30</sup>. Such an attempt has already been made through creation of the NCB, but this failed due to the reasons stated previously. Furthermore, bilateral coordination remains weak and is in need of strengthening.

Action 1: Establish a national coordination platform for UNCCD implementation with a focus on Resource Mobilization

There are three options for a national coordination mechanism among UNCCD stakeholders:

1. revitalize the NCB;
2. create an autonomous coordination department within the MoA;
3. use an existing platform for coordination of activities.

Table 4-2 explores these options in further detail.

<sup>30</sup> K. Makdissi. 2005. Implementing international environmental treaties in Lebanon: Towards more effective compliance. A short paper for decision-makers. Prepared for MSC-IPP Environment. November 2005. Unpublished.

Table 4-2: Options for a coordination platform among stakeholders

Option	Revitalize the NCB	Create a coordination department within the MoA	Use an existing platform for coordination of activities
Considerations /rationale	To revitalize the NCB, the many organizational and juridical loopholes in its mandate should be remedied.	In view of the MoA's role in the UNCCD, it could play the lead role in coordination among relevant stakeholders.	An alternative to creating a committee or new unit solely for SLM-related coordination is to expand the mandate of an existing body to act as the coordination platform for bringing together relevant institutions and ensuring information exchange.
Main pillars	<p>While maintaining its legal attachment to the MoA, independent status and executive power should be granted to the NCB to give it a credible position in government and enable it to become the central planning body concerned with the execution of desertification-related activities.</p> <p>A separate budget should be allocated to the NCB to enable it to act with financial independence and not be subject to administrative delays and bureaucratic disincentives.</p>	The MoA is planning to create a unit dedicated to following up on UNCCD-related activities. This unit could be mandated to ensure coordination among stakeholders as well.	A coordination platform at the DG level already exists through the Higher Council of Urban Planning (HCUP), which convenes once a week. The HCUP involves the DGs of several institutions that play a role in SML (the MoEW, the MoE and the DGUP). Ideally, the platform for SLM should be held every 3 months in the early stages, and biannually in later stages.
Main pillars	Members of the NCB should hold executive positions within their respective institutions, to facilitate the flow of action from decisions taken by the NCB to activities executed by the ministries. As such, Directors General (DGs) of the institutions should be involved, rather than other delegates who lack both the power to make decisions and the incentive to push for action. Alternatively, proper reporting-back mechanisms and follow-up procedures should exist.	<p>The unit would have to be allocated a separate budget that is sufficient not only to cover technical follow-up activities related to the Convention, but also to cover the costs associated with the coordination platform.</p> <p>The unit would have to work in close coordination with the DG, who should represent the ministry at meetings.</p>	<p>The CDR could be a suitable institution for initiating such a framework, for 3 main reasons: (i) it is an institution removed from the other ministries and the UNCCD (a third party); (ii) it maintains good ties with donor organizations; and (iii) it coordinates with ministries on a continuous basis, through projects and proposals.</p> <p>The newly created IMC combines representatives from most of the institutions that were part of the NCB and may be suitable for taking up the task of coordination.</p>

The coordination unit proposed would be based on a number of independent forums linked to a centralized unit operated from within the MoA (the proposed Desertification Unit). This centralized unit should follow up on coordination and act as a secretariat body for activities taking place in SLM around the country. Figure 4-1 represents the proposed platform schematically.

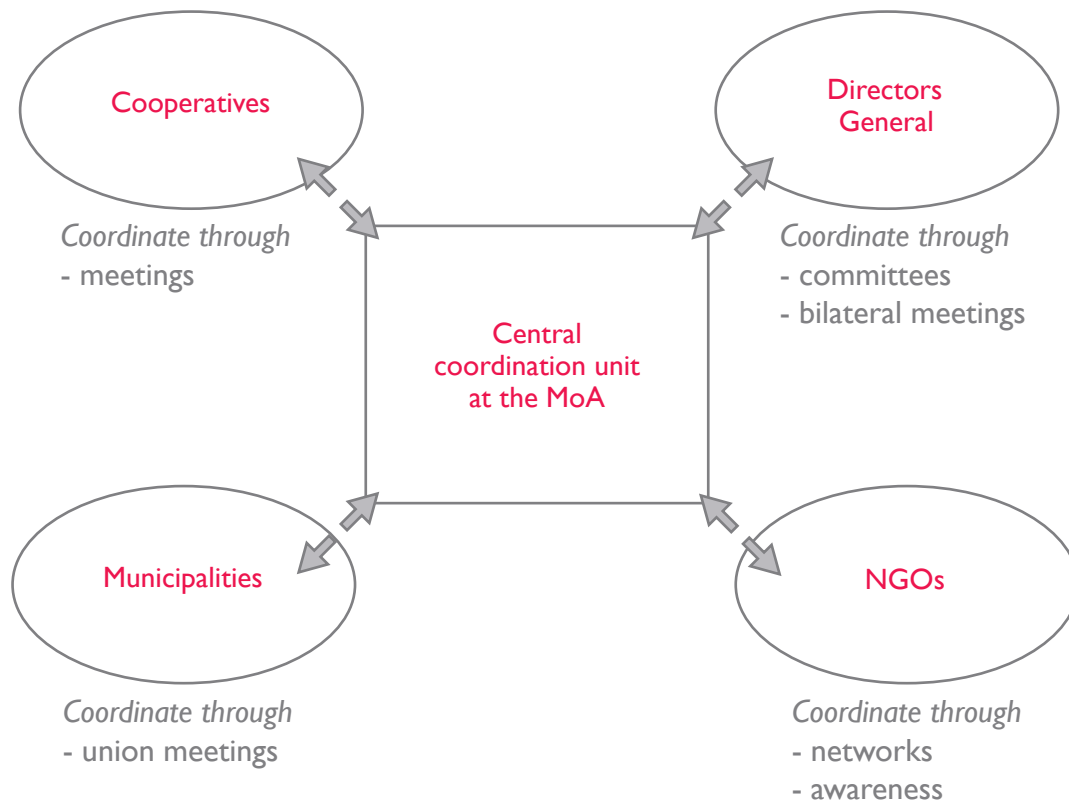


Figure 4-1: Proposed platform of coordination for SLM-related activities

Action 2: Strengthen bilateral coordination among parties

Bilateral coordination among stakeholders is equally important for ensuring continuity. While the coordination platform would combine all stakeholders in scheduled meetings, the process of coordination should be ongoing. Some of the main bilateral coordination channels that need to be strengthened are highlighted in Table 4-3.

Table 4-3: Important bilateral coordination channels

Bilateral coordination	Current status	Necessary steps
MoA – MoE	Limited. The MoE and the MoA have planned a combined workshop to address points of confluence and difference between the two ministries.	<ul style="list-style-type: none"> <li>■ Hold workshop and establish mechanism for continuous follow-up.</li> </ul>
Green Plan – MoA	Coordination is weak and often based on personal contacts. The Green Plan reports to the MoA.	<ul style="list-style-type: none"> <li>■ Designate authority for coordination in respective institutions.</li> <li>■ Set up a formal coordination mechanism.</li> </ul>
Bilateral coordination	Current status	Necessary steps
MoF – MoA and MoF – MoE	Limited.	<ul style="list-style-type: none"> <li>■ The MoE and the MoA to follow-up with the MoF and the new IMC to mainstream SLM and other environmental criteria and activities into the different sector programmes that would be financed by the donor community following the Paris III Conference.</li> </ul>
DGUP – MoA	Limited.	<ul style="list-style-type: none"> <li>■ Designate authority for coordination in respective institutions.</li> <li>■ Set up a formal coordination mechanism.</li> </ul>
MoSA – communities	Ongoing though the ministry's 144 social development centres throughout the country.	<ul style="list-style-type: none"> <li>■ Strengthen the centres' capacities to act as links between the IMC and the community.</li> </ul>
CDR – ministries	Regular, based on programme/ project needs.	<ul style="list-style-type: none"> <li>■ Establish a formal mechanism for coordination between each ministry and the CDR.</li> <li>■ Designate responsible authority to follow up with the CDR.</li> <li>■ The CDR to disseminate relevant information on donors and planned projects to ministries; similarly, ministries to keep the CDR up-to-date on priorities and plans.</li> </ul>
CDR – donors	Regular coordination on ongoing and planned projects.	<ul style="list-style-type: none"> <li>■ Establish a mechanism for compiling and disseminating sector priorities to donors on a regular basis (such as through the sector matrices).</li> </ul>



### 4.3. OBJECTIVE 3: CREATE A STABLE INSTITUTIONAL STRUCTURE

The continuous process for implementation of the UNCCD and mainstreaming of SLM requires strong institutional capacities across sectors. At present, institutional responsibilities are still vague and overlapping, and a designated authority to oversee SLM-related activities after the closure of the UNDP CoDeL project has yet to be assigned.

#### Action 1: Create a unit dedicated to combating desertification

■ The National Focal Point and the NCB alone cannot sufficiently follow up on the activities related to the UNCCD. Implementation of the strategy will require a stable, integrated and permanent institutional apparatus dedicated solely to carrying out implementation activities, following up with stakeholders outside the coordination body, cooperating with the GM, and developing and implementing programmes and projects in desertification-prone areas.

■ The MoA has already proposed the establishment of an independent unit (at the MoA) to carry out these tasks. The unit should be integrated into the ministry's structure, and be headed by the UNCCD's Focal Point, but it should be given a separate dedicated budget and, ideally, the liberty to implement activities within its budget without being subject to impeding ministerial bureaucratic procedures.

#### Action 2: Increase synergy between the Conventions

Combining resources and activities increases the synergy across the three Rio Conventions. The NCSA process in Lebanon aims to identify capacity constraints facing implementation of the Rio Conventions and is preparing a National Strategy and Action Plan that will include the necessary mechanisms to overcome these constraints (to be finalized by the end of 2007).

■ The CDR to disseminate relevant information on donors and planned projects to ministries; similarly, ministries to keep the CDR up-to-date on priorities and plans. The recommendations of the NCSA should be stipulated in a programme law to ensure their adoption and implementation.

■ The CDR to disseminate relevant information on donors and planned projects to ministries; similarly, ministries to keep the CDR up-to-date on priorities and plans. The proposed NCB should implement the NCSA recommendations. Based on the outcomes of the NCSA process, a capacity development programme should be developed to: (1) address the independent and cumulative needs of the Conventions; (2) determine the synergies for pooling resources to fulfill the provisions under each agreement; (3) reduce areas of potential conflict among activities; (4) avoid duplication of efforts; and (5) use resources more efficiently.

### 4.4. OBJECTIVE 4: INCREASE COOPERATION WITH PARTNERS ACROSS SECTORS

No individual actor is able to combat desertification single-handedly. Combating desertification requires many actors at different levels working together, including affected communities, local authorities, national government, the private sector and the donor community.

#### Action 1: Establish partnerships

The establishment of new and effective partnerships would have significant impact on resource mobilization and allocation. A list of partners and their roles in SLM is provided in Table 4-4.



Table 4-4: Partnerships in SLM

Partner	Role in SLM	Measures
NGOs – local	<p>Outreach to communities, capacity to mobilize local knowledge, negotiation, and assistance in project implementation.</p> <p>Two NGOs – Green Line Association and Makhzoumi Foundation – are accredited for the UNCCD implementation process in Lebanon.</p>	<ul style="list-style-type: none"> <li>■ Accredit NGOs as UNCCD partners to assist in implementing LAPs.</li> <li>■ Link NGO work plans to one another and to the SLM work plan at the MoA.</li> </ul>
NGOs – international	<p>Knowledge sharing with local NGOs; exchange of experiences and lessons learned; support for regional activities.</p>	<ul style="list-style-type: none"> <li>■ Encourage local NGOs to establish links with networks, groups and forums.</li> </ul>
Private sector – commercial	<p>Create new opportunities for the development of economic activities related to SLM. Examples include ecotourism, rural light industries, and provision of hospitality services in rural areas.</p>	<ul style="list-style-type: none"> <li>■ Develop measures to encourage investment in land and agriculture.</li> </ul>
Private sector – banking	<p>Help boost the agriculture sector and assist local communities in tending to the land by extending credit facilities to communities and small and medium enterprises (SMEs).</p>	<ul style="list-style-type: none"> <li>■ Develop support for agricultural credit.</li> <li>■ Identify a financing mechanism for funding agricultural and land-use-related activities.</li> </ul>
Political party – Green Party	<p>Political lobbying of national development plans at the level of Parliament and the CoM.</p>	<ul style="list-style-type: none"> <li>■ Incorporate SLM into the Party agenda.</li> </ul>
Media	<p>Awareness raising through various channels.</p>	<ul style="list-style-type: none"> <li>■ Develop marketing campaigns</li> <li>■ Link to the private sector.</li> </ul>
Communities	<p>Local communities need to be linked to decision-makers and to share responsibility in project implementation and decision-making. The participation of communities in affected areas is an essential ingredient of the strategy. Local communities are the party most affected, and those most able to reverse the process when given the necessary capacities.</p>	<ul style="list-style-type: none"> <li>■ Cooperate at the level of municipal councils, farmers’ cooperatives, community elders, religious leaders.</li> </ul>

## 4.5. OBJECTIVE 5: IMPLEMENT LEGAL REFORMS

### Action 1: Clarify institutional responsibilities

- The anticipated reform process should entail the amendment of legislation to clarify the roles of the various institutions involved in SLM (refer to the NCB) and to eliminate any inconsistencies or overlaps in responsibilities at the mandate level (particularly between the MoA and the MoE).
- The new NCB (see Objective 2, Activity 1) should address the clarification of institutional roles as part of the framework for the forum, and should initiate deliberations for the elaboration or reform of the relevant legislation.

### Action 2: Improve the legal framework

Several proposals can be drawn from the legal assessment, including:

- Financial mechanisms need to be established through a comprehensive procedure that can be applied by competent authorities. This could require a law on desertification containing specific financial stipulations.
- International agreements and bilateral arrangements concerning environmental issues, and especially in relation to the problem of desertification, need to set up a series of concrete measures enabling cooperation in this regard.
- Rational and comprehensive plans need to be defined through integrating a specific financed plan to a pre-existing fund or through creating a special fund addressing the desertification issue. This could be facilitated by earmarking tax funds or other sources of revenue for financing desertification projects.
- Considering sanctions and fines paid in counterpart of environmental contraventions, especially contraventions related to desertification (e.g., cutting down trees, setting fire intentionally in a green area, etc.), the Lebanese Government could deposit the sums collected in a dedicated fund earmarked for rehabilitation and reforestation.
- The process of voting an application decree for the NEF needs to be accelerated. This fund will be competent to bring financial assistance to all environmental projects, including desertification projects. Meanwhile, most projects concerning the environment must be previously integrated within the State budget. No exterior financial entries are allowed, except some specific and limited cases. By voting an application decree concerning the NEF, many difficulties and problems related to financing projects will be solved through a comprehensive financial legal process.
- The principles set in the law on public finances are considered to be the main obstacles to project financing. The unity of budget principle implies that no exterior sums may be added to the budget of any public institution, without ensuring the vote of parliament.

These exceptions also provide entry points:

- annexed budgets;
- independent budgets: when created, the NEF could be considered an organ with an independent budget
- programme laws;
- special accounts at the Treasury that are guaranteed for environmental project

## 4.6. OBJECTIVE 6: STRENGTHEN HUMAN CAPACITY

### Action 1: Develop a capacity building programme

The diversity of tasks partners and the cross-sectoral nature of SLM require new capacities and skills. A number of crucial skills were identified as necessary in human resources in Lebanon. These are summarized in Table 4-5.

Subsequent sections elaborate on the development of necessary skills and capacities for specific needs.

Table 4-5: Human capacity building needs

Target group	Tasks to be implemented	Skills needed	Method of training
Ministerial staff – managerial	<ul style="list-style-type: none"> <li>■ Setting priorities</li> <li>■ Developing programmes and plans</li> <li>■ Setting budgets</li> </ul>	<ul style="list-style-type: none"> <li>■ Planning skills</li> <li>■ Coordination skills</li> <li>■ Financial skills</li> </ul>	<ul style="list-style-type: none"> <li>■ Courses at the MoF's Financial Institute</li> <li>■ Workshops on managerial skills</li> </ul>
Ministerial staff – technical	<ul style="list-style-type: none"> <li>■ Preparation of reports and presentations</li> <li>■ Technical tasks, depending on specialty</li> </ul>	<ul style="list-style-type: none"> <li>■ Data interpretation and presentation</li> <li>■ Computer literacy</li> <li>■ Technical skills, depending on specialty</li> </ul>	<ul style="list-style-type: none"> <li>■ Specialty training workshops conducted in-house</li> <li>■ Foreign exchange programmes</li> </ul>
Decision- makers	<ul style="list-style-type: none"> <li>■ Mainstreaming SLM into national development frameworks</li> </ul>	NA	<ul style="list-style-type: none"> <li>■ Awareness raising through workshops and presentations</li> </ul>
Politicians	<ul style="list-style-type: none"> <li>■ Lobbying for endorsement of SLM-related legislation</li> </ul>	NA	<ul style="list-style-type: none"> <li>■ Awareness raising through workshops and presentations</li> </ul>
Private sector	<ul style="list-style-type: none"> <li>■ Development of SLM-related products and services</li> <li>■ Sponsorship of SLM programmes</li> </ul>	<ul style="list-style-type: none"> <li>■ Understanding of link between products and SLM</li> </ul>	<ul style="list-style-type: none"> <li>■ Awareness raising through workshops and presentations</li> </ul>
NGOs and cooperatives	<ul style="list-style-type: none"> <li>■ Assisting farmers and local communities in maximizing benefits from their produce</li> <li>■ Assisting in LAP implementation</li> <li>■ Networking with donors and international NGOs</li> </ul>	<ul style="list-style-type: none"> <li>■ Technical skills</li> <li>■ Coordination and communication skills</li> </ul>	<ul style="list-style-type: none"> <li>■ Training workshops</li> <li>■ Individual meetings</li> <li>■ Demonstrations on the land</li> </ul>

Target group	Tasks to be implemented	Skills needed	Method of training
Municipalities	<ul style="list-style-type: none"> <li>■ Enforcement of regulations and laws pertaining to the land; cooperation with landowners and communities; communication of information to higher echelons</li> </ul>	<ul style="list-style-type: none"> <li>■ Regulation setting</li> <li>■ Law enforcement</li> </ul>	<ul style="list-style-type: none"> <li>■ Training workshops in law enforcement pertaining to landownership issues, and development of information databases</li> </ul>
Local communities	<ul style="list-style-type: none"> <li>■ Maintaining the land, including proper irrigation methods, soil stabilization, appropriate use of agrochemicals, crop rotation, etc.</li> </ul>	<ul style="list-style-type: none"> <li>■ Technical skills</li> <li>■ Sustainable practices</li> </ul>	<ul style="list-style-type: none"> <li>■ Workshops</li> <li>■ Extension programmes</li> <li>■ Farmers' involvement in regional training</li> <li>■ Demonstrations on the land</li> <li>■ Awareness raising through media and publicity</li> </ul>

#### Action 2: Increase qualified human resources in institutions

The hiring freeze has severely limited the number of human resources in institutions:

- The hiring freeze should be lifted to allow recruitment of technical and managerial staff into the new unit at the MoA.
- The selection process should be amended to ensure that qualified staff is hired.
- Job descriptions should be drafted to reflect the tasks that need to be implemented.

#### **4.7. OBJECTIVE 7: STRENGTHEN THE KNOWLEDGE BASE**

SLM is a topic that remains insufficiently exposed to stakeholders and the general population.

##### Action 1: Establish an information database

Data should be shared through appropriate knowledge management. Knowledge management refers to the process of collecting, organizing, analyzing and sharing information among different stakeholders.

- The MoA should establish an information system for sharing data among stakeholders. Web-based databases and resource libraries facilitate the sharing of information and ensure that new information is disseminated. They also help eliminate redundancies in studies and overlaps in information and data needs. The MoA should initiate and maintain such a mechanism.
- Ideally, the mechanism would serve the three Rio Conventions and contribute to improving synergies among them. It would also help with identifying common areas of reporting, including possible overlaps of information and data.

## Action 2: Raise awareness on SLM

Raising awareness is important for mainstreaming the UNCCD. At the top level, ministers and deputies need to be informed about the goals of the NAP and the importance of integrating its priority actions into sectoral plans. There remains a clear deficiency in understanding the land degradation-to-desertification phenomenon and its acceptance as a problem in need of priority actions. Table 4-6 highlights the roles of some actors in raising awareness on SLM-related issues at various levels.

Table 4-6: Measures for raising awareness

Actor	Mandate	Tasks
Desertification Unit at the MoA	<ul style="list-style-type: none"> <li>Establishing programmes to raise awareness at the local level, mainly among women and youth, and enhancing their participation in the combating desertification strategy.</li> </ul>	<ul style="list-style-type: none"> <li>Develop a national awareness raising strategy to familiarize the public with the issue of land degradation, including national advertising campaigns on best practices related to SLM, and initiation of “green programmes”, with the private sector providing incentives for investment in SLM.</li> </ul>
Guidance and Awareness Service at the MoE	<ul style="list-style-type: none"> <li>Promoting environmental awareness and organizing conferences, exhibitions and workshops related to the environment.</li> <li>The service should be the national hub for awareness raising in environmental issues.</li> </ul>	<ul style="list-style-type: none"> <li>Increase involvement in awareness raising of the public and local communities, and ensure that coordination in awareness is maintained across all ministries and relevant institutions.</li> </ul>
(proposed) NCB (see Objective 2)	<ul style="list-style-type: none"> <li>Coordinating across the institutions involved in SLM.</li> </ul>	<ul style="list-style-type: none"> <li>Represent the top decision-makers from all relevant sectors and ensure that knowledge and information exchange is maintained, even when governments change.</li> </ul>
Media	<ul style="list-style-type: none"> <li>Disseminating information.</li> </ul>	<ul style="list-style-type: none"> <li>Coordinate with the MoA Desertification Unit.</li> <li>Disseminate information through ad hoc campaigns to the general population, to increase understanding of SLM.</li> </ul>
NGOs	<ul style="list-style-type: none"> <li>Working with civil society to ensure rights.</li> </ul>	<ul style="list-style-type: none"> <li>Coordinate with the MoA Desertification Unit.</li> <li>Raise awareness at the community level through campaigns and collaborative efforts.</li> </ul>



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## 5. Strategic Objective II: Mobilize Internal Sources Of Funding

Internal financial resources are in-country resources originating primarily from the public budget, but also include funds from private corporations and non-profit institutions within the country. The public budget comprises the main source of internal funding. National plans, such as the MoE's reforestation plan, are financed by allocations from the public budget. Ministerial budgets are often the source of co-financing for projects funded primarily by donors. Traditionally, co-financing has often taken the form of non-monetary, in-kind contributions. In the new approach adopted by donors, however, more emphasis is placed on government contributions. Governments will be expected to raise a significant amount of financial resources, before being supplemented by donor funds. This approach is being adopted to ensure efficiency in resource spending and commitment and ownership by the government towards the undertaken initiatives.

This section examines public budget resources, exploring in detail: (1) budgets allocated to institutions involved in SLM; and (2) actual spending (as shown at budget cut-offs). The following budget analysis covers the five fiscal years from 2000 to 2004, inclusive. Regarding 2005 and 2006 budgets, the ratification of budget laws was abolished for political reasons, so these budgets are based on the 2004 budget (12th basis). The analysis can therefore be considered to span the period from 2000 to 2006, inclusive.

It is important to note that there is a bias in the figures for 2000 and 2001 (owing to political circumstances at the time). The figures for 2002 and onwards are more credible.

### 5.1. PROGRAMME LAWS

A programme law is created at the end of a ruling period and covers various subjects that are not necessarily linked to one another. It is a budget execution law that should demonstrate the financial discipline and reporting needs that reflect what has been done and how much it has cost. This consists of assembling provisions characterized by a high budget impact into a broad-scale law on a yearly basis. Programme laws allow the government to realize its economic, social and financial programme as specified in the budget. The only programme laws relevant to SLM are found in the MoEW and the MoE, from 2001 onwards (Table 5-1).



Table 5-1: Programme laws relevant to SLM

Ministry	Period	Project	Programme law
MoEW	10 years	Water transport	→ Potable water → Ensuring additional water resources
		Irrigation	→ Irrigation projects → Riverbed maintenance
MoE	5 years	Reforestation	→ Rehabilitation of land

The problem concerning programme laws, and thus budget allocations, is that their terms never end within the specified period of five or ten years, they are continually extended and unspent funds are pushed to the end of the specified five- or ten-year period, adding an additional sixth (or eleventh year), then a seventh (or twelfth year) and so on. This occurs for several reasons:

- the need to reallocate the funds to other activities;
- the inability to spend the funds productively, owing to lack of proper planning or a need for legal reform;
- the lack of political influence to keep the funds in their respective ministries;
- the priorities of the programme laws not being among the government's top priorities.

In fact, the allocation of the budget over a five- or ten-year period has no scientific basis: investment is usually high in the first years of a project and gradually decreases over time. In the programme laws, however, it can be noted that the bulk of funds are allocated an average of four years after initiation of the programme, which underlines the programme's low priority for the current government, since they prefer to delay until the next administration.

Note: The real allocated budget is postponed until the end of the extended period of the law.

Programme laws could be considered a viable source of funding, and be used by NAP projects as entry points to public sources of funding, when targeted by ministers and backed with a well-developed plan. A thorough plan targeting a specific NAP theme, such as irrigation, could be included in the programme law, and become an official component of the budget allocated to a specific function during a specific year.

## 5.2. BUDGET ALLOCATION (2002–2004)

A budget is an annual proposal that outlines anticipated government revenues and designates programme expenditures for the upcoming fiscal year. It is a plan of financial operations embodying an estimate of proposed expenditures for a given period (normally one year) and the proposed means of financing these; it includes revenues, total expenditures and capital expenditures. In brief, the budget consists of two parts:

- Part I, allocated to current expenditure (salaries, office supplies, debt service, etc.).
- Part II, allocated to investment expenditure (building, construction, roads, etc.).
- Part II of the budget is the productive component, which generates economic growth and spurs the economic cycle. In Lebanon, however, budget allocation to part II varies between 5 and 12 % of the total budget.

This budget analysis covers four ministries and one directorate general that could be related to SLM, directly or indirectly. They are listed in order of importance, starting with the most closely related: the MoA, the MoEW, the MoE, the MoSA and the DGUP. The DGUP is one of four directorate generals working under the supervision of the MoPW&T. The four ministries account for a minimal proportion of the total annual budget; only 2.3 to 3.1 % of the total annual budget is allocated to the four ministries related to SLM (Table 5-2).

Table 5-2: Total budget allocation parts I and II (LBP million)

Door	Description	2000	2001	2002	2003	2004
14	Ministry of Agriculture	33,611	60,133	34,848	34,275	41,272
18	Ministry of Energy and Water	79,952	79,935	63,327	69,235	123,430
21	Ministry of Environment	2,800	8,992	5,395	3,781	4,878
24	Ministry of Social Affairs	92,519	106,720	106,179	100,107	108,928
13 3	DGUP	9,468	12,874	9,804	10,197	9,970
	Total	218,350	268,654	219,553	217,595	288,478
	Total budget	9,683,976	9,900,000	9,375,000	8,600,000	9,400,000
		2.3%	2.7%	2.3%	2.5%	3.1%

Table 5-3: Budget allocation part I (LBP million)

Door	Description	2000	2001	2002	2003	2004
14	Ministry of Agriculture	32,453	54,016	30,999	31,956	37,759
18	Ministry of Energy and Water	6,418	27,545	11,838	6,203	6,661
21	Ministry of Environment	2,245	3,238	3,373	2,781	3,345
24	Ministry of Social Affairs	92,291	106,573	106,118	100,078	108,899
9 3	DGUP	4,057	5,074	4,836	4,530	4,860
	Total	137,464	196,446	157,164	145,548	161,524
	Total budget part I	8,856,198	8,711,939	8,551,059	8,203,406	8,743,367
		1.6%	2.3%	1.8%	1.8%	1.8%

Table 5-4: Budget allocation part II (LBP million)

Door	Description	2000	2001	2002	2003	2004
14	Ministry of Agriculture	1,158	6,116	3,850	2,319	3,513
18	Ministry of Energy and Water	73,534	52,390	51,489	63,032	116,769
21	Ministry of Environment	555	5,755	2,022	1,000	1,533
24	Ministry of Social Affairs	228	147	61	29	29
13 3	DGUP	5,411	7,800	4,968	5,667	5,110
	Total	80,886	72,208	62,390	72,047	126,954
	Total budget part II	827,778	1,188,060	823,940	396,593	656,632
		9.8%	6.1%	7.6%	18.2%	19.3%

Part I of the budget is current expenditure, and cannot be classified as an entry point for NAP project funding, unless there are dedicated units or staff within a ministry working exclusively on a desertification-related project.

Nevertheless, it is interesting to note that the Part I budget allocated to these five institutions varied from 1.6 to 2.3% of the total Part I budget (Table 5-3). If the MoSA and the DGUP are excluded, the figure varies from 0.5 to 1%. If the MoSA and the MoA are excluded, it varies from only 0.1 to 0.35% (the combined MoEW and MoE expenses in the total budget).

Regarding Part II of the budget, which varies from 5 to 12 % of the total budget, the portion of the funds allocated to the five institutions varies from 6.1 to 19.3% of total Part II budget (0.84 to 1.3% of the total budget). If the MoEW and the DGUP are excluded, the figure drops to between 0.25 and 1% (0.02 to 0.12% of the total budget). It is important to note that the majority of investment funds at the MoEW are dedicated to water and wastewater network construction and maintenance (potable and irrigation).

These figures witnessed a slight increase in 2001, that are followed by a free fall in 2002 and 2003 and another rise in 2004. The drop probably occurred because of the political decision to shrink public expenditures. The figures also show that there is a lack of public funding in the investment schemes of the MoA, the MoE and the MoSA.

The following three tables show allocated budget (Parts I and II and total budget) of the top five institutions in Lebanon. The five institutions account for 30% of Part I allocated budget, 90% of Part II allocated budget, and 31% of the total annual budget. In comparison, these percentages illustrate the lack of public funding allocated to SLM related institutions.

Table 5-5: Allocated budget, parts I and II, of the top five institutions

Top 5 budget allocation part I (LBP million)

Description	2003	2004
Ministry of Education	797,640	834,536
Ministry of Defence	767,973	795,305
Ministry of Interior	359,194	385,898
Ministry of Health	283,894	343,578
Presidency of Council	262,648	268,721
Total	2,471,349	2,628,038
Total budget Part I	8,203,406	8,743,367
	30.1%	30.1%

Top 5 budget allocation part II (LBP million)

Description	2003	2004
Presidency of Council	168,767	282,215
Ministry of Public Works	97,217	142,859
Ministry of Energy and Water	63,033	116,769
Ministry of Education	12,299	29,628
Ministry of Defence	13,484	23,385
Total	354,800	594,856
Total budget part II	396,593	656,632
	89.5%	90.6%

Table 5-6: Total allocated budget of the top five institutions

Top 5 total budget allocation parts I and 2 (LBP million)

Description	2003	2004
Ministry of Education	809,940	864,164
Ministry of Defence	781,457	818,690
Presidency of Council	431,415	550,936
Ministry of Interior	374,146	405,622
Ministry of Health	285,130	344,613
Total	2,682,088	2,984,025
Total budget	8,600,000	9,400,000.0
	31.2%	31.7%

### 5.3. BUDGET CUT-OFF (2002-2004)

The budget cut-off is the budget execution. The budget approved for spending is broken down into detailed classifications, apportioned over time (as quarters and months) registered by the MoF and approved by the Parliament Budget. Execution also encompasses the process of 'virements' (an administrative transfer of budgetary funds), or budgetary transfers, which involve the transfer of funds from economic categories where there are excess funds to economic categories where there is a shortage of funds. These transfers are typically governed by the limits prescribed by the Government Budget Law where excess funds are transferred to the reserve account of the budget.

The budget cut-off covers the fiscal years from 2000 to 2004. Cut-off for 2005 and 2006 is still in committees to be completed in coming years.

Table 5-7: Total budget cut-off parts I and II (LBP million)

Door	Description	2000	2001	2002	2003	2004
		Cut-off	Cut-off	Cut-off	Cut-off	Cut-off
14	Ministry of Agriculture	22,212	23,122	31,883	23,111	35,979
18	Ministry of Energy and Water	34,270	39,770	65,833	75,544	68,688
21	Ministry of Environment	2,288	1,589	1,814	4,645	2,272
24	Ministry of Social Affairs	98,321	70,955	99,422	92,020	89,856
9 3	DGUP	5,964	6,984	6,351	6,178	6,134
	Total	163,054	142,421	205,303	201,498	202,929
	Total budget	8,883,729	8,211,881	9,234,450	9,434,283	9,182,827
		1.84%	1.73%	2.22%	2.14%	2.21%

Comparison between the total budget allocation and its cut-off reveals that:

1. The real total expenditures of the five institutions are always well below the allocated budget (as shown by the cut-off); the use of these funds should be optimized.
2. The discrepancy between allocated and spent expenditures decreased by between 2 % (2002) and 70 % (2004) (across all five institutions) with an average of 30 %.
3. Although the overall expenditures of the entire government exceeded the budget allocated in 2000 and 2003, the five institutions did not register such discrepancies.
4. The discrepancy between the government's total allocated budget and the actual expenditures varied from -10 % (a decrease of 10 % in 2001) to +17 % (an increase of 17 % in 2003).

Table 5-8: Budget cut-off part I (LBP million)

Door	Description	2000	2001	2002	2003	2004
		Cut-off	Cut-off	Cut-off	Cut-off	Cut-off
14	Ministry of Agriculture	20,142	22,064	25,953	21,690	34,879
18	Ministry of Energy and Water	8,798	10,274	12,908	7,473	8,477
21	Ministry of Environment	2,130	1,474	1,715	2,994	1,824
24	Ministry of Social Affairs	98,239	70,771	99,404	91,870	89,831
9 3	DGUP	4,102	4,428	4,300	4,547	4,273
	Total	133,410	109,012	144,280	128,573	139,283
	Total budget	8,171,161	7,901,103	8,564,474	8,800,974	8,274,362
		1.63%	1.38%	1.68%	1.5%	1.7%

The same points apply to the Part I budget cut-off. The discrepancy for the five relevant institutions was a decrease of between 0% and 43%.

Table 5-9: Budget cut-off part II (LBP million)

Door	Description	2000	2001	2002	2003	2004
		Cut-off	Cut-off	Cut-off	Cut-off	Cut-off
14	Ministry of Agriculture	2,071	1,058	5,930	1,422	1,100
18	Ministry of Energy and Water	25,472	29,496	52,926	68,071	60,211
21	Ministry of Environment	158	115	99	1,651	448
24	Ministry of Social Affairs	82	184	18	151	25
13 3	DGUP	1,862	2,556	2,051	1,631	1,861
	Total	29,644	33,410	61,023	72,926	63,646
	Total budget	712,569	310,778	669,975	633,309	908,465
		4.16%	10.75%	9.11%	11.5%	7.0%

Turning to the Part II budget cut-off, note that it exceeded the allocated budget in 2002 and 2003, decreasing in 2004 by about 50 %.

It is interesting that in the last two years shown in the table, the total cut-off rose enormously by more than 50 percent. This increase was not detected in the five relevant institutions.

## 5.4 BREAKDOWN OF BUDGET FUNDS ALLOCATED AND CUT-OFFS

The following sections give a detailed breakdown of the budgets allocated and their cut-offs for each of the five institutions related to SLM.

### 5.4.1 Ministry of Agriculture

The budget and cut-off of the MoA are shown in Table 5-10 and Table 5-11.

Table 5-10: MoA budget allocation 2000–2004

Description (LBP million)	2000	2001	2002	2003	2004
Budget allocation part I	32,453	54,016	30,998	31,956	37,759
Budget allocation part II	1,158	6,116	3,850	2,319	3,513
Total budget allocation parts I and II	33,611	60,132	34,849	34,275	41,272
Total government budget	9,683,976	9,900,000	9,375,000	8,600,000	9,400,000
	0.3%	0.6%	0.4%	0.4%	0.4%

Table 5-11: MoA cut-off 2000–2004

Description (LBP million)	2000	2001	2002	2003	2004
Budget cut-off part I	20,142	22,064	25,953	21,690	34,879
Budget cut-off part II	2,071	1,058	5,930	1,422	1,100
Total budget cut-off parts I and II	22,212	23,122	31,883	23,111	35,979
Total budget cut-off	8,906,693	8,211,881	9,234,450	9,434,283	9,182,827
	0.2%	0.3%	0.3%	0.2%	0.4%

#### 5.4.1.1 Budget allocation

The total budget allocated to the MoA varies from 0.3 % to 0.6 % of the total national budget. The average budget allocation is fairly constant over the years, about 0.4 % of the total budget of LBP 39 billion.

The budget is predominantly dedicated to Part I (current expenditures), and accounts for about 90 % of the total. The remaining 10 % is allocated to Part II (investment expenditures).

The current expenditure allocated to the MoA shows a constant trend of 0.4 % of total Part I budget, although a slight rising trend can be noted as of 2002. Investment expenditure also shows a constant trend of about 0.5 % of total part II budget. The Part II figures, which could be classified as a potential entry point for resource mobilization for NAP implementation, are very minor (at 0.025 % of the total budget) and represent a very modest financing source. It is worth noting that this budget in particular should be one of the major direct sources of financing for activities related to combating desertification. The MoA should



make efforts to negotiate more funds for this purpose during the annual budget preparation.

Figure 5-1 shows the disparity between the allocated budget and the cut-off for both Parts I and II of the budget between 2000 and 2004. It demonstrates the inefficient use of allocated funds and the lack of proper planning. A divergence between allocated and spent funds for Part II in 2003 and 2004 can also be seen.

Figure 5-1: MoA budget allocation and cut-off parts I and II 2000–2004



### 5.4.1.2 Budget Cut-off

The overall budget cut-off for the MoA, compared with the allocated budget, shows a continuous decrease for the period displayed. For Part I of the budget, the disparity remained constant at the same level from 2000 to 2003. A sudden increase of more than 60% is noted in the budget cut-off between the years 2003 and 2004.

The allocated Part I budget shows a constant trend over 2000 to 2003 (with the exception of 2001, when budget peaked to LBP 54 billion), increasing by 19 % in 2004. Similarly, the Part I budget cut-off shows a constant trend over the years 2000 to 2003 (note that there was no increase in 2001), increasing by 60 % in 2004. The discrepancy between the allocation and the actual cut-off is also constant, in terms of a decrease of actual expenditure over allocation.

For the Part II budget, both allocated and actual cut-offs fluctuated from year to year between 2000 and 2002, decreasing in 2003 and 2004 to the minimum. Note that in 2001 the allocated budget for part II was in excess of LBP 6 billion, but the actual spent budget was only about LBP 1.1 billion. In such cases, the allocated funds in excess are transferred to the ministry's reserve account and remain available for the following year. If two years pass and these reserves are not spent, the allocated budget is decreased by the MoF to reflect the concerned ministry's actual expenditures.

To take an example based on the figures and tables above for part II allocated budget and cut-off:

Considering the allocated Part II budget in 2004, a sum of LBP 3.5 billion was allocated, LBP 1.1 billion was used. This 200 % difference was transferred to the reserve account of the MoA's budget and can be used in 2005. If it is not used, the 2006 allocated budget for the MoA is reduced to LBP 1.1 billion.



## 5.4.2 Ministry of Energy and Water

The budget and cut-off of the MoEW are shown in Table 5-12 and Table 5-13.

Table 5-12: MoEW budget allocation 2000–2004

Description (LBP million)	2000	2001	2002	2003	2004
Budget allocation part I	6,418.5	27,545.1	11,838.2	6,202.5	6,661.3
Budget allocation part II	73,533.6	52,389.6	51,489.4	63,032.5	116,769.0
Total budget allocation parts I and II	79,952	79,935	63,328	69,235	123,430
Total budget	9,683,976	9,900,000	9,375,000	8,600,000	9,400,000
	0.8%	0.8%	0.7%	0.8%	1.3%

Table 5-13: MoEW budget cut-off 2000–2004

Description (LBP million)	2000	2001	2002	2003	2004
Budget cut-off part I	8,798	10,274	12,908	7,473	8,477
Budget cut-off part II	25,472	29,496	52,926	68,071	60,211
Total budget cut-off parts I and II	34,270	39,770	65,833	75,544	68,688
Total budget cut-off	8,906,693	8,211,881	9,234,450	9,434,283	9,182,827
	0.4%	0.5%	0.7%	0.8%	0.7%

### 5.2.2.1 Budget allocation

The total budget allocated to the MoEW varies from 0.7 to 1.3 % of the total national budget. The average allocated budget is fairly constant for the period 2000 to 2003, with 2004 showing an increase of more than 75% in the total budget allocated.

In contrast to the MoA, the MoEW budget is predominantly dedicated to Part II (investment expenditures), accounting for between 75 and 95 % of the total budget. A minor part is allocated to Part I (current expenditures).

The MoEW's Part I of allocated budget shows a major increase in 2001 (of more than 300 %) followed by a sudden drop in 2002 and 2003 and remaining constant in 2004.

Investment expenditure shows a slight variation for the period 2000 to 2003, and a sudden peak in 2004. This rising trend began in 2002. The Part II figures for the MoEW can be classified as a potential entry point for resource mobilization for NAP implementation. They represent a significant financing source. This budget could offset the lack of funding in the MoA. Nevertheless, both ministries should tackle the issue of combating desertification independently, and converge their efforts into a solid plan to secure the maximum funding possible. The 2004 increase in Part II allocated budget shows that funds can be made available if properly negotiated by the line ministries and such efforts should be encouraged.

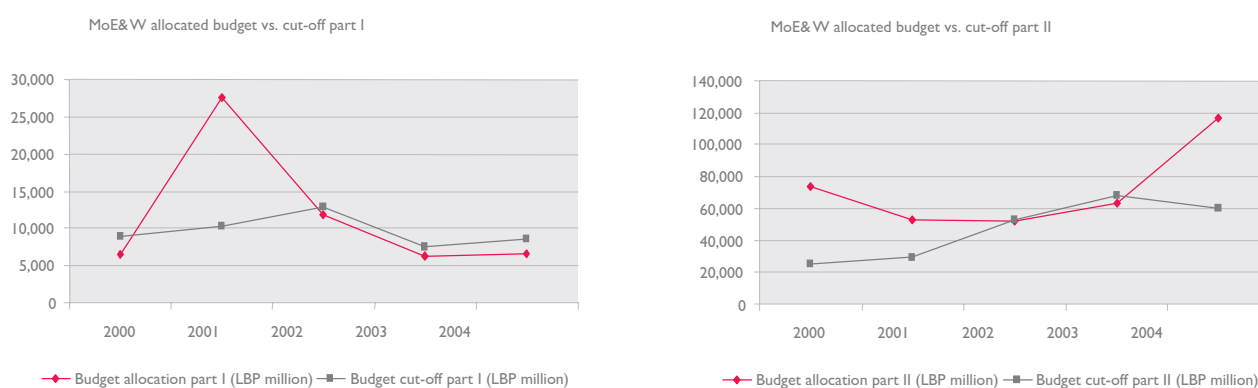


The MoEW budget is the major source of public budget funding among the five SLM-related institutions.

It is important to underline that the MoEW's budget did not match the decrease in total budget allocation for part II in 2002 and 2003. At the same time, the increase in the budget in 2004 was not only matched but exceeded by the MoEW's Part II budget increase.

Figure 5-2 shows the disparity between the allocated budget and the cut-off for both Part I and Part II budget allocation between 2000 and 2004. It shows a decrease in the allocated Part I budget and an increase in Part II funds. Nevertheless, a 90 % gap between allocated and used funds is to be noted in 2004, after two consecutive efficient years (2002 and 2003).

Figure 5-2: MoEW budget allocation and cut-off parts I and II 2000–2004



### 5.2.2.2 Budget cut-off

Part I of the budget cut-off exceeded allocated funding in all years except 2001. A peak is noted for the 2004 Part II allocated budget. These extra funds were not carried over into the cut-off; instead, only 55% of the allocated budget was spent in 2004. The entire Part II of the budget highlights the inefficiency of spending allocated funds. It is worth noting that this ministry is one of the main government bodies involved in combating desertification.

### 5.4.3 Ministry of Environment

The budget and cut-off of the MoE are shown in Table 5-14 and Table 5-15.

Table 5-14: MoE budget allocation 2000–2004

Description (LBP million)	2000	2001	2002	2003	2004
Budget allocation part I	2,245.0	3,237.5	3,373.3	2,780.7	3,345.0
Budget allocation part II	555.0	5,755.0	2,021.7	1,000.0	1,533.0
Total budget allocation parts I and II	2,800	8,993	5,395	3,781	4,878
Total budget	9,683,976	9,900,000	9,375,000	8,600,000	9,400,000
	0.03%	0.09%	0.06%	0.04%	0.05%



Table 5-15: MoE budget cut-off 2000–2004

Description (LBP million)	2000	2001	2002	2003	2004
Budget cut-off part I	2,130	1,474	1,715	2,994	1,824
Budget cut-off part II	158	115	99	1,651	448
Total budget cut-off parts I and II	2,288	1,589	1,814	4,645	2,272
Total budget cut-off	8,906,693	8,211,881	9,234,450	9,434,283	9,182,827
	0.0%	0.0%	0.0%	0.0%	0.0%

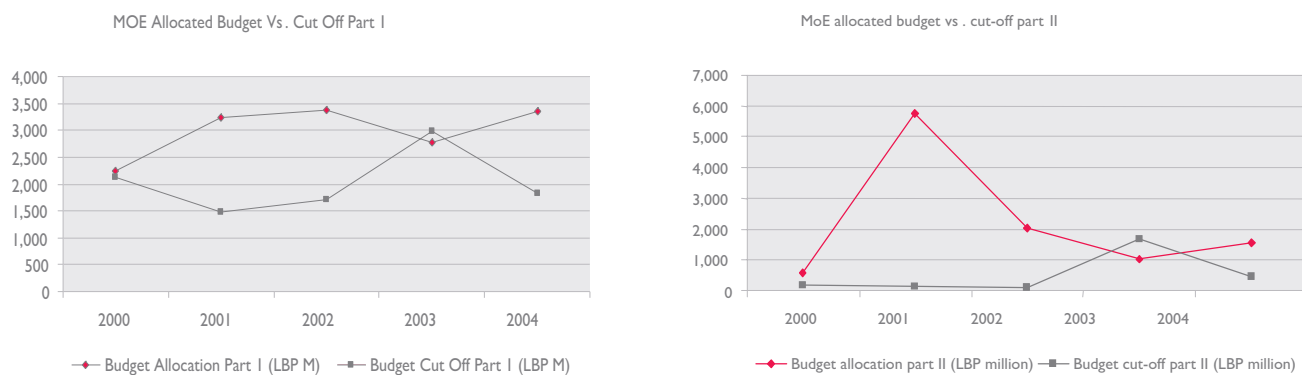
### 5.4.3.1 Budget allocation

The total budget allocated to the MoE varies from 0.03 to 0.09 % of the total national budget. The average allocated budget fluctuates over the years, showing a slight increase in 2004 in spite of the continuous decrease since 2001. This budget is randomly allocated between part I and part II.

The current expenditures allocated to the MoE show a constant trend of 0.04 % of part I total budget, although a slight rising trend can be noted as of 2003. Investment expenditure shows a huge peak in 2001, a decrease between 2001 and 2003, and another increase in 2004. The part II figures can be classified as a potential entry point for resource mobilization for NAP implementation. Unfortunately, these funds are so negligible – one-tenth of those of the MoA for the same category – that they represent only a minor financing source. It is also worth noting that this budget is one of the major direct sources of financing of activities related to combating desertification. More efforts should be made by the MoE to reclassify environmental issues in the government’s top priorities, in order to negotiate more funds for this purpose during the annual budget preparation.

Figure 5-3 shows the disparity between the allocated budget and the cut-off for both Part I and Part II budget allocations between 2000 and 2004, with an exception in 2003. It also demonstrates the inefficient use of allocated funds and the lack of proper planning. A divergence between allocated and spent funds for Parts I and II can also be seen for 2004.

Figure 5-3: MoE’s budget allocation and cut-off parts I and II 2000–2004



### 5.4.3.2 Budget cut-off

The MoE's budget appears insignificant compared with those of the other four institutions. However, it is interesting to note that the majority of the Part II allocated budget was not used between 2000 and 2002. This could explain why the MoF decreased the MoE's allocated budget in 2003. In this year, the MoE changed its expenditure policy for using its own funds, but fell back into inefficient use of resources in 2004.

### 5.4.4 Ministry of Social Affairs

The MoSA is one of the ministries of lesser importance in SLM-related activities. Its role is mainly related to poverty alleviation, and thus could be classified as an indirect source of funding. The problem identified is the large number of CBOs dependent on the ministry's minor contributions, and the variety of fields covered by these CBOs. Hence, it cannot be stated the entire the budget allocated to the MoSA contributes to combating desertification. Because funds are channeled from the public budget through the MoSA to the CBOs, those CBOs that work in desertification-related fields could be considered an indirect source of public funding for SLM-related activities.

Table 5-16: MoSA budget allocation 2000–2004

Description (LBP million)	2000	2001	2002	2003	2004
Budget allocation part I	92,291	106,573	106,118	100,078	108,899
Budget allocation part II	228	148	61	29	29
Total budget allocation parts I and II	92,519	106,721	106,179	100,107	108,928
Total budget	9,683,976	9,900,000	9,375,000	8,600,000	9,400,000
	0.96%	1.08%	1.13%	1.16%	1.16%

Table 5-17: MoSA budget cut-off 2000-2004

Description (LBP million)	2000	2001	2002	2003	2004
Budget cut-off part I	98,239	70,771	99,404	91,870	89,831
Budget cut-off part II	82	184	18	151	25
Total budget cut-off parts I and II	98,321	70,955	99,422	92,020	89,856
Total budget cut-off	8,906,693	8,211,881	9,234,450	9,434,283	9,182,827
	1.1%	0.9%	1.1%	1.0%	1.0%

#### 5.4.4.1 Budget allocation

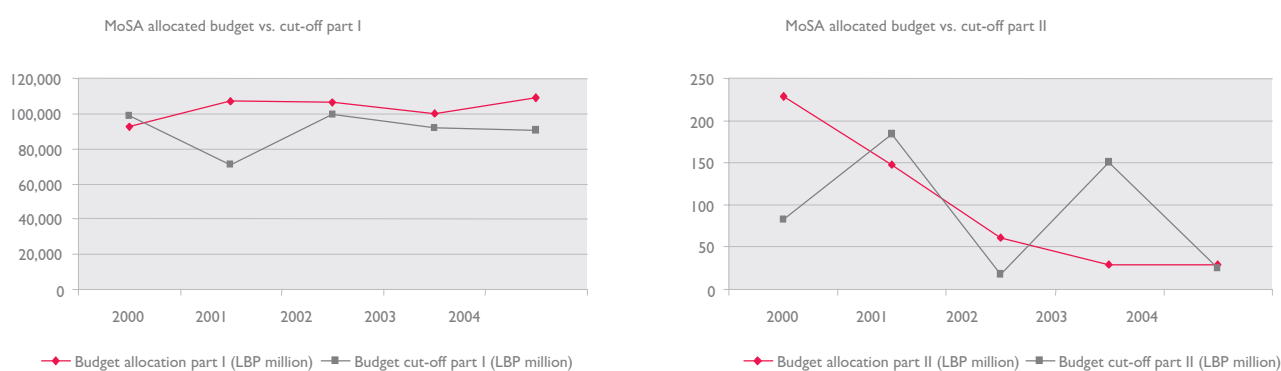
The total budget allocated to the MoSA varies from 0.96 to 1.16 % of the total national budget. The average allocated budget is constant over the years and is allocated entirely to Part I.

This allocated part shows a constant trend and accounts for 1.22 % of the government's total Part I budget. Investment expenditure is nearly nonexistent. As mentioned above, the CBOs channeling funds through the MoSA can be classified as a potential entry point for resource mobilization for NAP implementation.

Unfortunately, these funds cannot be monitored because of the huge number of CBOs active in the diverse desertification-related fields. The MoSA should have a database of different CBOs and their fields of activity, with statistics on their contributions over the years. Currently, such figures do not appear in the public budget.

Figure 5-4 shows the disparity between the allocated budget and the cut-off for both Part I and Part II budget allocation between 2000 and 2004. It shows the decrease in the allocated Part II budget and the instability in usage of Part II funds and also shows the MoSA's contribution to NGOs is considered current expenditures. Nevertheless, more funds should be allocated to the Part II budget of the MoSA, to launch social programmes and poverty alleviation plans.

Figure 5-4: MoSA budget allocation and cut-off parts I and II 2000–2004



#### 5.4.4.2 Budget cut-off

The only spending consistency noted among the five institutions is in Part I of the MoSA's budget, where most of the funds allocated were actually spent (with the exception of the anomalous year 2001).

Part II of the MoSA budget is nearly nil, on account of the nature of the ministry's duties.

#### 5.4.5 DGUP

The budget allocation and cut-off of the DGUP are shown in Table 5-18 and Table 5-19.

Table 5-18: DGUP budget allocation 2000–2004

Description (LBP million)	2000	2001	2002	2003	2004
Budget allocation part I	4,057	5,074	4,836	4,530	4,860
Budget allocation part II	5,411	7,800	4,968	5,667	5,110
Total budget allocation parts I and II	9,468	12,874	9,804	10,197	9,970
Total budget	9,683,976	9,900,000	9,375,000	8,600,000	9,400,000
	0.10%	0.13%	0.10%	0.12%	0.11%



Table 5-19 DGUP budget cut-off 2000–2004

Description (LBP million)	2000	2001	2002	2003	2004
Budget cut-off part I	4,102	4,428	4,300	4,547	4,273
Budget cut-off part II	1,862	2,556	2,051	1,631	1,861
Total budget cut-off parts I and II	5,964	6,984	6,351	6,178	6,134
Total budget cut-off	8,906,693	8,211,881	9,234,450	9,434,283	9,182,827
	0.1%	0.1%	0.1%	0.1%	0.1%

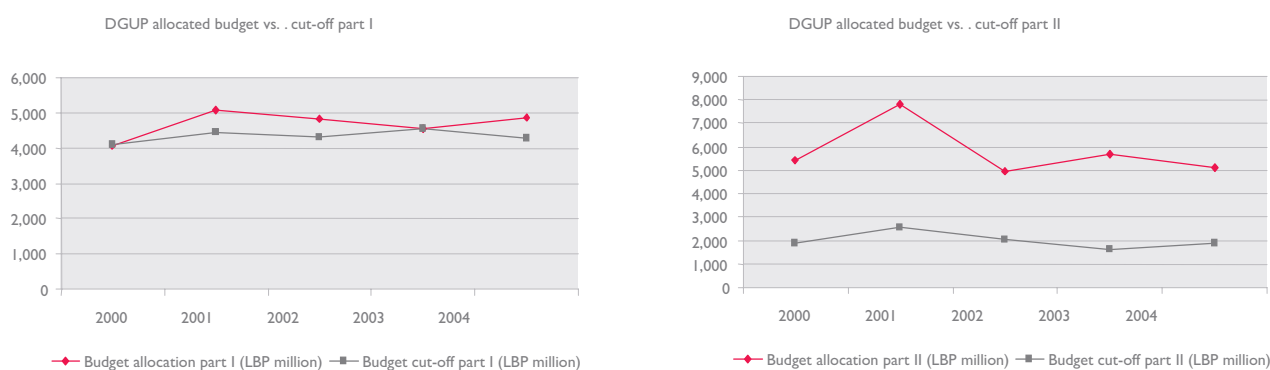
### 5.4.5.1 Budget allocation

The total budget allocated to the DGUP is constant, at about 0.11 % of the total national budget. This budget is allocated equally between the two parts (current expenditure and current investment). The fund allocated to each part shows a constant trend, with the exception of an irregular peak in 2001.

These funds cannot be clarified as sources of funding to combat desertification because of the imprecise nature of the DGUP's activities.

Figure 5-5 shows the stability in spending in Part I between 2000 and 2004, and demonstrates the inefficient use of funds in part II of the allocated budgets (an average gap of 300 % is detected). This represents a potential source of funds, with proper planning.

Figure 5-5: DGUP budget allocation and cut-off parts I and II 2000–2004



### 5.4.5.2 Budget cut-off

About 55 % of the total allocated budget is spent, on a constant basis throughout the years. The discrepancy is due to the Part II budget, while the majority of the Part I allocated budget is actually spent. It could be considered as a source of available funding because it is not being efficiently spent.



## 5.5. MUNICIPAL BUDGETS

Municipalities enjoy financial sovereignty within their jurisdictions and possess full independence over management of their funds do not need to report to the MoF for approval of allocations or disbursements. Even the process of preparing the municipal budget is carried out with minimal involvement of a central authority (as detailed below). Municipal budgets are approved by the Administrative Control Authority, and a copy of the approved budget law is sent to the MoIM.

Unfortunately, a detailed study of the municipalities budgets was not carried out. Municipal budgets fall within the budget of the MoIM, which ranks fourth ministries with the highest proportion of total government budget allocation (see Table 5-6). The budget of the MoIM constitutes about 4 % of the total annual budget. It is interesting to note, however, that when investment budget are considered separately, the MoIM slips out of the “top five”. Hence, it is presumable that the MoIM’s high budget allocation is due mainly to its high expenditure budget (among other items, Part I covers the salaries, vehicles and equipment of the internal security force and the municipal police force). Municipal budgets may therefore be considered an entry point for mobilizing funds without bureaucratic complications, but it should be noted that these funds do not constitute significant amounts.

## 5.6. SUMMARY OF PUBLIC BUDGET FINDINGS (2000–2004)

Analysis of the budget revealed a disparity between funds allocated during the budget preparation, and therefore available for use, on the one hand, and the actual disbursement or use of these funds, on the other. It can be noted that the total budget allocated to the four SLM-related ministries is never entirely spent. It is therefore possible to deduce that Part II of the budget (investment expenditures) represents a modest entry point for public budget financing. For example, the funds allocated to part II vary from LBP 57 billion to 75 billion. In contrast, the funds effectively spent vary from only LBP 27 billion to 58 billion. Possible reasons for the discrepancy are:

- reallocation of these funds for other purposes;
- misallocation of funds and inability to switch funds between accounts;
- improper planning (plans or projects not executed → funds remain unspent); and
- political reasons.

The following is a summary of the main findings from an analysis of the public budget.

### Preparation of the municipal budget

The municipal budget should be approved before the end of the year. However, there is no legally binding time frame for the completion of each step in the budget preparation process.

1. The process begins with a request from the Head of the Municipality (*Ra’iiss el Baaladiyya*) to each department within his/her jurisdiction, requesting he department to prepare its own budget and explain expenditures anticipated in the year to come.

2. The budget expenditure proposals from all departments are consolidated into a single document, and revenues for the year to come are projected.

3. The Head of the Municipality tries to balance the expenditures with the revenues, and sets the budget project (*Mashrou’ el Mouwazaneh*).

4. The budget project is delivered to the Municipality Council, accompanied by a detailed explanatory

report (similar to the Fazlakeh report at the national level).

5. The Municipality Council discusses the budget proposal before the end of September. The council may appoint a committee specialized in financial and budgetary matters to study the proposed budget further.

6. The council members then vote on the budget proposal, which becomes a budget law.

7. Within eight days of voting, and before the end of November, the Head of the Municipality sends the budget law to the Administrative Control Authority (*Sultel el Rakaba al Idariyya*) in the CoA (*Diwan el Mouhassaba*) for approval.

8. Within one week of approval of the budget law, the Head of the Municipality sends a copy of the law to the MoIM.

#### General – ministry level

1. Budget allocation through programme laws has no rational basis. Funds for investment activities are at their highest four to five years into a programme, rather than at the start, when investments generally take place.

2. Budgets are never spent within the term of the programme law. Instead, unspent funds are continuously pushed forward by an additional year, thus extending the term of the programme indefinitely.

3. The four ministries related to SLM activities (the MoA, the MoEW, the MoE and the MoSA) receive only 2 to 3 % of the total annual budget.

4. The part II of the public budget, allocated to investment activities, is very modest (between 5 and 12 % of the total budget).

5. The four ministries related to SLM activities receive between only 6 and 19 % of the total (5 to 12 %) part II (investment) budget.

6. The real total expenditures of the five concerned institutions (the four ministries and the DGUP) are always below the allocated budget (as shown by the cut-off). This discrepancy between allocated budget and cut-off highlights inefficient use of allocated funds and a lack of proper planning.

#### General – municipal level

7. Municipalities possess autonomy over the management of their budgets, and need not report to a central authority when allocating or disbursing funds.

8. Municipality budgets represent an uncomplicated, albeit modest, source of internal funding, and can be a recipient of international funding sources.

#### MoA

9. MoA funds are predominantly dedicated to part I (current expenditures) of the budget (about 90 %).

10. The MoA Part II budget, which could be classified as a potential entry point for resource mobilization for NAP implementation, is so minor (0.025 % of the total budget) that it represents only a very modest financing source.

#### MoEW

11. The MoEW budget is the major source of public budget funding among the five SLM-related institutions.

12. The MoEW budget is predominantly dedicated to part II (investment expenditures), which accounts for 75-95 % of the budget. The part II figures for the MoEW can be regarded as a potential entry point for resource mobilization. They represent a significant financing source, which could offset the lack of funding at the MoA.

13. Funds can be made available if properly negotiated by the line ministries, as demonstrated by the 2004 part II budget increase at the MoEW.

14. The entire part II of the MoEW budget highlights inefficient spending of allocated funds.

#### MoE

15. The MoE budget appears insignificant compared with those of the other four institutions.

16. The allocation of the bulk of the budget is random: in some years the bulk goes to part I, in others to part II.

17. Although the MoE part II budget can be classified as a potential entry point for resource mobilization, these funds are so low – one-tenth of those of the MoA for the same category – that they represent only a very minor financing source.

18. Of this very minor source (the part II budget), the majority of funds were not spent between 2000 and 2002. This prompted the MoF to decrease the allocated budget in 2003, and the MoE to change its expenditure policy for using its own funds. However, in 2004 the spent funds were again less than the allocated budget.

#### MoSA

19. The main problem at MoSA is the large number of CBOs that are dependent on the ministry's minor contributions, and the variety of fields covered by these CBOs. Hence, it cannot be stated that the entire budget allocated to the MoSA contributes to SLM. This contribution falls under Part I of the budget.

20. CBOs that depend on the MoSA's contributions and are active in SLM-related activities can be classified as a potential entry point for resource mobilization. Unfortunately, these funds cannot be monitored because of the large number of CBOs active in the diverse desertification-related fields.

21. The MoSA's Part II budget is nearly nonexistent.

#### DGUP

22. The DGUP's budget allocation is fairly equally divided between Part I and Part II.

23. The majority of Part I of the budget is spent. Funds in part II are inefficiently used. This represents an available source of funding to benefit SLM activities.

A number of measures may be taken to improve the mobilization of funds from internal sources. Although internal sources of financing comprise sources other than the public budget, the present analysis is limited



to the public budget alone. Lack of resources prohibited an adequate investigation of other domestic sources of funds. The recommendations that follow take note of other sources of internal funding that should be subject to further scrutiny.

### 5.7. OBJECTIVE 1: PROMOTE BETTER PLANNING OF PROGRAMME LAWS

Programme laws can be considered an intelligent source of funding and can be used as entry points to public sources of funding if targeted by ministers and backed by well-developed plans. Current programme laws however, reflect a lack of planning in general, particularly for the integration of SLM-related activities into the budget.

#### Action 1: Develop SLM-related programmes and plans based on programme laws

A well-developed plan at the ministerial level, targeting a specific NAP theme, could be included in the programme law, and become an official component of the budget allocated to a function during a specific year. Budget allocations should be backed by programmes and plans that justify the necessary funds and detail their use over the given period. This ensures that funds are not allocated in excess, and provides a tool for monitoring the progress of spending throughout the year. Hence:

- the institutions related to SLM (the MoA, the MoEW, the MoE, the MoSA and the DGUP) should develop detailed programmes specifying planned activities and justifying needed funds; SLM themes should be incorporated into these programme laws;
- programme development should be consistent with the timing of the budget cycle.

### 5.8. OBJECTIVE 2: OPTIMIZE FUND ALLOCATION

The disparity between allocated funds and actual spent funds is significant. This reflects an overallocation of funds on one hand, and the inability of institutions to spend their allocated budgets on the other.

#### Action 1: Submit budget requests that conform to spending capabilities

The analysis showed that ministries are incapable of spending their allocated budgets, particularly Part II of the budget. This suggests the following:

- The institutions should assess their capacity to implement planned activities (as part of programme development).
- The ministries should request only the budget that they can effectively spend.

#### Action 2: Limit subsequent budget allocations when funds are not spent

If allocated budgets are not spent, a re-evaluation should take place, and funds should be decreased in the following year. This will motivate institutions to plan their spending and strive to disburse their funds effectively during the fiscal year:

- The MoF should evaluate and adjust, on a yearly basis, the institutions' allocated budgets to better reflect their actual spending capabilities.

### 5.9. OBJECTIVE 3: REFORM THE LAWS GOVERNING THE PUBLIC BUDGET PROCESS

The need for fiscal reforms has already been discussed. One major problem is the inability of ministries to control their own budgets effectively, owing to the complicated bureaucracy and the time-consuming process of obtaining permission to make amendments.



### Action 1: Enact a comprehensive budget system law

There is an urgent need for consolidation of the budgeting process into a single primary law that contains only the main principles governing the budgeting process and that is not frequently amended. The Lebanese Government has taken the decision to move towards the enactment and implementation of a BSL to replace the PAL.

- A number of laws, decree-laws, decisions and other regulations need to be amended for Lebanon to reach the stage where a single unified and comprehensive law regulates the budgeting process. It is worth noting that the PAL is not the only legal instrument that needs to be amended; other major laws, such as those governing the CoA, need serious reconsideration to comply with international transparency standards.

- A Constitutional amendment would be required to adopt an Organic Budget Law (OBL). The current Lebanese legal system does not recognize organic laws, and the Lebanese Constitution does not provide for the enactment of organic laws to regulate specific issues.

- The Lebanese Government, through the MoF, should therefore enact a comprehensive Budget System Law (BSL) that regulates the budgeting process, and follows the same principles and adopts the same building blocks as a typical organic budget law. The only difference between the new framework law and an organic law would be that there is no hierarchy between the new law and other laws in Lebanon. The new law will have no special voting conditions when compared to other regular laws.

### Action 2: Increase the flexibility of budget allocations

Budget allocation is extremely rigid. Once allocated, funds cannot be easily transferred from part I to part II, and vice versa. In the immediate short term, while reforms are ongoing and before a new comprehensive budget law is stipulated, ministries should be granted more autonomy to manage their budgets.

- The MoF should pursue its reform projects in the short and medium terms. Among the reform measures is modernization of the laws governing budget preparation, execution, accounting and auditing.

- The MoF should reform the laws governing budget allocation to grant ministries more flexibility in the administration of their in-house budgets.

## **5.10. OBJECTIVE 4: INCREASE THE BUDGET DEDICATED TO SLM**

The four ministries related to SLM activities (the MoA, the MoEW, the MoE and the MoSA) together receive between only 2 and 3 percent of the total annual budget. With the exception of the MoEW, investment funds are virtually negligible. At the MoA, 90 percent of the funds are allocated to current expenditures. The budget available for SLM activities is therefore severely limited.

### Action 1: Dedicate funds within the budget to SLM-related activities

Through planning and programming, institutions can justify requests for higher budgets.

- The MoA, the MoE, the MoEW and the MoSA should prepare detailed programmes that integrate SLM, justifying their budget requests in detail (see Objective 2, Action 1).

- Ministries should lobby the MoF for allocation of their requested budgets.

- The MoSA and the MoA should lobby the MoF for the creation of a separate budget for operating the proposed NCB.

- The MoA should lobby the MoF for the creation of a separate budget for the proposed Desertification Unit, and for provision of autonomy in managing its own funds.



### Action 2: Activate the NEF

Creation of the NEF is stipulated by Law 444/2002. As there is no fund solely dedicated to SLM, desertification-related activities are included in the sectors covered by the NEF. The NEF represents an independent and direct source of funding for environment-related activities. Legislation for its creation and for the creation of the National Environment Committee has been prepared and is awaiting endorsement.

- The MoE should take the lead in lobbying for endorsement of the legislation to create the NEF. The legislation should be endorsed by the CoM.
- The MoE should take the lead in overseeing management of the NEF, ensuring that the mechanism for fund allocation and disbursement is properly managed.
- Once the NEF has been established, the MoA should lobby to increase its resources allocated to SLM-related activities.

### Action 3: Integrate SLM into municipal budgets

Municipal budgets represent an independent and uncomplicated source of funding that is not subject to the many bureaucratic hurdles usually encountered.

- The MoA should assist municipalities (particularly in desertification-prone areas) in incorporating SLM into their budgets.
- Municipalities should mainstream SLM into their budgets. Budget requests should include funding for SLM-related activities that are to be carried out at the local level and funded primarily by the municipal budget.

## **5.1.1. OBJECTIVE 5: INCREASE THE POLITICAL LOBBY FOR SLM**

Environmental issues are not featured as a priority. It is important to bring these issues out of obscurity by raising them time and again. To politicians, civil society groups and the general public.

### Action 1: Strengthen the pro-environment voice in budgetary decisions

Preparation of the budget involves several negotiation steps, which provide an additional opportunity to justify and press for the requested budget for SLM-related activities (see Figure 3-5). Entry points for lobbying during the budget preparation process are presented in Table 6-14.

Table 5-20: Entry points for lobbying during the budget preparation process

Timeline	Stage	Entry point
End of May	Line ministries send proposed budgets to MoF	1st stage of negotiations, between line ministries and MoF
Before 1 September	CoM reviews the proposed budget law project	2nd stage of negotiations, through political lobbying by ministers
Before 1 November	Proposed budget law project reviewed by the Finance and Budget Parliamentary Committee	3rd stage of negotiations, through ministers and ministry representatives
		Lobbying from Environment Committee, NGOs, MPs
-	General Assembly	Lobbying through MPs



■ The ministers of SLM-related institutions (especially the MoA and the MoSA) should lobby for greater investment budget for their respective ministries.

■ The Green Party and pro-environment Members of Parliament (MPs) should support the budget requests in parliamentary committees and during other negotiations.

#### Action 2: Lobby for greater recognition of environmental issues

Lobbying for environmental issues should be ongoing and should not be limited to the budget preparation process. Lobbying can come during regular parliamentary sessions, at CoM meetings and, most effectively, through personal relations. The general public can also put pressure on its representatives in office.

■ The Minister of Environment should lobby for the inclusion of environmental issues in the government's priorities, and for activation of the NEF.

■ Pro-environment MPs and other decision-makers should lobby at the level of parliamentary committees and CoM meetings to assign higher importance to environmental issues on the national agenda.

■ The general public, guided by civil society and environmental groups, should press its representatives in government to allocate a higher priority to environmental issues.

### **5.12. OBJECTIVE 6: INVESTIGATE OTHER INTERNAL SOURCES OF FUNDING**

The present study is limited to the public budget, but there are other possible sources of funding that can be generated internally and that should be investigated further.

#### Action 1: Study and develop other sources of internal funding

There are a multitude of other potential internal sources of funding that should be studied. These include, but are not limited to, private companies, commercial banks, NGOs and philanthropic organizations.

■ The MoA, or the proposed dedicated desertification unit, should carry out a study on other potential sources of internal funding, assessing the measures required to increase funding from such sources.

■ The MoA, in coordination with the MoF, the MoET and NGOs, should develop a list of incentives for encouraging investment from other internal sources of funding and should lobby for their implementation. Incentives may be necessary to encourage investment from other sources of internal funding, particularly from the private sector. Such incentives should be further developed.

### **5.13. OBJECTIVE 7: STRENGTHEN HUMAN CAPACITIES**

In order to effect the recommended changes, the capacities of human resources will need to be developed to empower them to take on the challenging tasks. Planning capacities in particular are a notable weakness in institutions in Lebanon. In rural communities, traditional know-how may not include the necessary knowledge for SLM.

#### Action 1: Train human resources in government offices

Although highly skilled, the ministerial staff may lack adequate training in planning, administration and technical skills.

■ Ministries should develop special training programmes to fill the gaps in technical and managerial capacities. Ministry staff should be trained in programme preparation, budgeting, planning and priority setting.

- The MoF should undertake a comprehensive programme on budget preparation, with a focus on the preparation of programme laws.

- Training should also be extended to municipalities. The MoF, in coordination with the MoIM, should take the lead in training municipalities on the preparation of budgets and the allocation of resources, so that they are able to develop more thoroughly planned budgets and can better effect the disbursement of their funds.

- Where possible, such training programmes should be linked to programmes offered by donors through assistance projects, such as exchange programmes. The MoA should take the lead in this.

#### Action 2: Train local populations

Local populations carry valuable know-how about the traditional practices of countless generations. With the changing environment, however, traditional knowledge may no longer be sufficient to maintain the land in a sustainable manner.

- At the community level, the MoA should develop programmes to build local capacities. These programmes should be specifically concentrated in desertification-prone areas and should focus on farmer extension programmes, and training workshops on marketing of produce, management of water resources, and other activities related to SLM.

- The dedicated unit at the MoA should take the lead role in developing these initiatives and should work in coordination with municipalities, NGOs and CSOs.

### 5.14. SUMMARY OF ENTRY POINTS TO INTERNAL SOURCES OF FUNDING

A summary of entry points for mobilizing internal sources of funding is presented in Table 5-21.

Table 5-21: Entry points for internal sources of funding

Entry point	Description	Actor/level of action	Measures to be taken
Programme laws	These are budget execution laws that show the budgets allocated to specific plans or programmes over a certain period, and reflect in detail what has been done and how much it has cost. Current programme laws reflect a lack of planning in general, particularly as regards the integration of SLM-related activities into the budget.	■ Ministries	<ul style="list-style-type: none"> <li>■ Develop a plan or programme to be included in the programme law, thereby making it an official component of the budget allocated to a specific function during a specific year.</li> </ul>
Budget requests	There is a disparity between the funds allocated and those actually spent. As a result, the credibility of ministries in spending their budgets has decreased, and with it the funds that they are allocated.	■ Ministries	<ul style="list-style-type: none"> <li>■ Institutions to assess their capacities to implement planned activities.</li> <li>■ Ministries to prepare budgets, justifying in as much detail as possible their budget requests in order to be granted the full amounts requested.</li> </ul>

Entry point	Description	Actor/level of action	Measures to be taken
Comprehensive budget law	There is no unified BSL in Lebanon to lay out the requirements of the annual budget process and implementation of the annual budget law. Budget management is governed by a number of legal instruments that are not consolidated in a single document.	<ul style="list-style-type: none"> <li>■ MoF</li> <li>■ CoM</li> </ul>	<ul style="list-style-type: none"> <li>■ Enact a comprehensive BSL that regulates the budgeting process and adopts the same principles and building blocks as a typical OBL.</li> </ul>
Municipal budgets	Municipal budgets are allocated by the MoF on an annual basis. Municipalities have the freedom to use the budgets however they deem necessary, without entering into tedious bureaucratic processes involving the MoF, which result in long delays.	<ul style="list-style-type: none"> <li>■ Municipalities</li> <li>■ MoA</li> </ul>	<ul style="list-style-type: none"> <li>■ Train capacities within municipalities to include SLM-related activities within requested budgets.</li> <li>■ Train capacities within municipalities to use their budgets better to implement SLM-related activities.</li> </ul>
NEF	Creation of the NEF was stipulated by Law 444/2002. The NEF represents an independent and direct source of funding for environment-related activities. Legislation for the creation of the National Environment Committee and the NEF has been prepared and is awaiting endorsement.	<ul style="list-style-type: none"> <li>■ CoM</li> <li>■ MoA</li> </ul>	<ul style="list-style-type: none"> <li>■ CoM to endorse the legislation for creation of the NEF.</li> <li>■ MoA to lobby for increasing fund allocation to SLM activities.</li> </ul>
Political lobby	Preparation of the budget involves several negotiation steps, which provide an opportunity further to justify and press for the requested budget for SLM-related activities (see Figure 3-5). Lobbying for environmental issues can also take place during regular parliamentary sessions, CoM meetings and personal relations. The general public can put pressure on its representatives in office.	<ul style="list-style-type: none"> <li>■ MPs</li> <li>■ Green Party</li> <li>■ Politicians in general</li> <li>■ CSOs, environment NGOs, general public</li> </ul>	<ul style="list-style-type: none"> <li>■ Pro-environment MPs to lobby at the parliamentary committee level for assigning higher importance to environmental issues on the national agenda.</li> <li>■ Include environmental issues in the government's top priorities.</li> </ul>
Other internal sources of funding	There are a multitude of other potential internal sources of funding that should be studied. These include, but are not limited to, private companies, commercial banks, NGOs and philanthropic organizations.	<ul style="list-style-type: none"> <li>■ MoA/ Desertification Unit</li> </ul>	<ul style="list-style-type: none"> <li>■ Investigate other internal sources of funding.</li> <li>■ Develop incentives to encourage investment in SLM.</li> </ul>



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## 6. Strategic Objective III: Mobilize External Sources Of Funding

### MOBILIZE EXTERNAL SOURCES OF FUNDING

External sources of funding are from outside the country sources, such as bilateral and multilateral donors, multinational corporations, charitable foundations and the like. These sources have traditionally contributed the bulk of funds for SLM and environment-related activities. In the new programme approach being advocated, donor funds will be allocated only to specific activities that fall within country priorities and – in many cases – to which other sources of funding, namely public budget co-financing, have been committed.

The most important external sources of funding are bilateral and multilateral donors. Donors differ from one another in their preferred intervention areas, their instruments of financial allocation, and their funding prerequisites and conditions. In view of their importance in Lebanon, a number of bilateral and multilateral donors are presented in more detail in this section. Specific entry points and recommended actions for tapping into these external sources of funding are explored in the donor matrix in Appendix C1 (included in the CD ROM). Additional information on donors and their financing modalities is provided in Appendix C2.

### 6.1. EXTERNAL SOURCES OF FUNDING

#### 6.1.1 National priorities and donor intervention areas

The external sources of funding explored in this section fall into two categories: bilateral and multilateral. Bilateral cooperation is defined as country-to-country, or government-to-government, Official Development Assistance (ODA) or development agreements. Multilateral aid consists of funds managed by multilateral agencies to which several international parties contribute.

In contrast to the past approach, in which donors followed their globally applied funding agendas/schemes, today donors focus on the recipient country's national priorities to identify areas for targeted interventions. For instance, the EU has outlined its strategy for approaching countries bordering the EU and around the Mediterranean in its European Neighbourhood Policy (ENP). The ENP calls for development of country-specific action plans that set priorities for specific and measurable actions. Key areas of these action plans are political dialogue, economic and social development policies, trade, justice and internal affairs, and social and cultural cooperation. The ENP and its associated action plans will form the main window for EU support to Lebanon for the coming years.



As regards the World Bank, assistance will be provided over the next four years in the context of the Country Assistance Strategy (2006–2009), which focuses on three pillars: (1) governance for economic management and growth support; (2) development of human capital and mitigation of the poverty effects of transition; and (3) resource and environmental management. This last would contribute to the Country Assistance Strategy outcomes of improved water management, land-use management and air pollution control.

It is worth mentioning that the Spanish International Cooperation Agency (AECI) is currently finalizing a national five-year strategy, which stems from the overall Spanish strategy and focuses on Lebanese specificities. This is a further indication that it is important for the Government of Lebanon to present the NAP and its strategy for combating desertification to potential donors present in the country, regionally and internationally, so that the donors can align their intervention areas with national priorities.

Most funding agencies have very similar stated intervention areas, regardless of how these are expressed by each donor. These priorities converge on three main axes:

- support to governance and institutional strengthening;
- poverty alleviation and job creation; and
- either environmental conservation or gender equality.

The first two axes have traditionally been given greater weight or significance, in terms of financial allocations and of consideration. Because national priorities in Lebanon were not articulated, projects tended to be tailored to fit one of these priority financing axes. SLM-related projects have often fallen under ‘environmental conservation’. It Programmes and projects implemented in the context of ‘poverty alleviation and job creation’ have undoubtedly assisted in inducing practices leading to the alleviation of land degradation (e.g., support to small farmers, development of agricultural cooperatives, ‘a tree instead of a mine’ and reforestation). Nevertheless, land degradation remains a poorly addressed issue, primarily because it is not yet articulated as a predetermined priority area for funding.

It is therefore imperative for Lebanon to articulate SLM as a national priority and to engage in dialogue for overall donor harmonization and alignment with national priorities.

### 6.1.2 Main donors

Donors routinely refine their funding strategies and modalities, making changes to their geographic and sectoral prioritization. For several donors, Lebanon is no longer a priority country, because of its relatively high GDP. Few still consider Lebanon to be entitled to development financing, although it is categorized within a specific grouping. For instance, AECI includes Lebanon in the “countries for special attention” category, a classification that brings together countries under special circumstances (e.g., where there is need to prevent conflict or contribute to peace-making). For other donors, such as GTZ, Lebanon is no longer a priority country unless an activity falls within a regional context. Some newly established funding agencies serve Lebanon in a regional context; such agencies include the Swiss Development Agency, whose regional plan and priorities are currently under development.

Table 6-1 shows Lebanon’s ten most significant funding sources over past years, based on the number of UNCCD-related projects that have been implemented, as explored in Chapter 4. The table also shows donors’ current priority intervention areas. The following sections explore these main current external sources of funding, in terms of bilateral and multilateral donors in general, and Arab donors in particular.

## 6.2. STRATEGIC APPROACH TO DONORS

### 6.2.1 Multilateral donors

The most significant multilateral donors for Lebanon are the EU, the GEF, IFAD and the World Bank among ‘global donors’ and the AFESD, ISDB and OFID among Arab donors. The EU and the World Bank are the only donors with country-specific strategies for Lebanon.

The EU’s ENP opens new roads for strengthening the EU–Lebanon relationship by providing a framework for the Lebanese Government to develop a five-year action plan that details specific priorities. Because they will dictate the EU’s funding scheme to Lebanon over the next five years, the ENP action plans provide a prime opportunity for advancing the NAP and other cross-sectoral policies (such as the NEAP). At this stage, it is also imperative for the different line ministries to articulate their priorities, in order to ensure that these become part of funded activities. Because the amount and periodicity of assistance will depend on the achievements and progress made, the government should assign high priority to the development of and adherence to the action plans. As a further potential element of support, the EU could consider macro-financial assistance (aid paid directly into the Treasury to assist in alleviating the budget deficit), on the condition that fiscal and administrative reforms are completed.

The World Bank’s Country Assistance Strategy targets poverty mitigation as one of its central pillars of action. With the household survey already under way, the government, through the MoSA, should capitalize on the World Bank’s commitment to developing a national development strategy that targets the rural poor. Also central to securing funding from the Bank is the implementation of reforms, which will determine the size of the lending envelope for the Country Assistance Strategy period (ranging from USD 100 million to USD 700 million, depending on how efficiently reforms are implemented).

Because not all multilateral agencies follow country-specific strategies, it is important for Lebanon to articulate its national priorities and advance these through credible sectoral strategies to donor organizations. The development of a PRS, for example, would provide a tool for requesting assistance from other donors interested in funding activities for the improvement of socio-economic conditions. IFAD in particular has emphasized the need for commitment to a development strategy directed towards the rural poor.

Table 6-1: Top ten sources of funding

#	Funding institution	Priority axes
1	World Bank	<ul style="list-style-type: none"> <li>■ Governance for economic management and growth support</li> <li>■ Development of human capital and mitigation of the poverty effects of transition</li> <li>■ Resource and environmental management</li> </ul>
2	EU	<ul style="list-style-type: none"> <li>■ Political dialogue: strengthening democracy and respect of human rights, good management of public affairs and rule of law</li> <li>■ Trade: greater opening of markets, in compliance with World Trade Organization (WTO) principles and in convergence with EU standards</li> <li>■ Justice and internal affairs: border management; migration; fight against terrorism, trafficking in human beings, drugs and weapons, organized crime, economic crimes, etc.</li> <li>■ Social and cultural cooperation</li> </ul>

#	Funding institution	Priority axes
3	IFAD	<ul style="list-style-type: none"> <li>■ Community development and institutional building</li> <li>■ Promoting appropriate technologies for marginal and dryland areas</li> <li>■ Long-term, on-farm investment and rural infrastructure</li> <li>■ Rural financial institution and micro-enterprise development</li> </ul>
4	United States (through USAID)	<ul style="list-style-type: none"> <li>■ Expanding economic opportunities</li> <li>■ Accelerating economic reform</li> <li>■ Strengthening foundations for governance</li> <li>■ Improving environment policies and practices</li> <li>■ Promoting mine awareness and victims' assistance</li> <li>■ Strengthening American educational institutions</li> </ul>
5	UNDP	<ul style="list-style-type: none"> <li>■ Achievement of the MDGs</li> </ul>
6	FAO	<ul style="list-style-type: none"> <li>■ Animal diseases (Technical Cooperation Programme [TCP]) approximately USD 300,000</li> <li>■ Olive and olive oil sector (TCP)</li> <li>■ Capacity building</li> </ul>
7	Italy	
8	Spain	<ul style="list-style-type: none"> <li>■ Governance</li> <li>■ Education</li> <li>■ Health</li> <li>■ Environment</li> <li>■ Micro-credit (SMEs) and small enterprises</li> <li>■ Palestinian camps</li> </ul>
9	GEF	<p>15 Operational Programmes (OPs) through which it provides grants; 12 reflect GEF's primary focal areas:</p> <ul style="list-style-type: none"> <li>■ five in the biodiversity focal area</li> <li>■ four in climate change</li> <li>■ three in international waters.</li> <li>■ OP 12, Integrated Ecosystem Management, encompasses cross-sectoral projects that address ecosystem management in a way that optimizes ecosystem services – ecological, social and economic</li> <li>■ OP 14 deals with projects addressing persistent organic pollutants, and</li> <li>■ OP15 (draft) deals with SLM through combating land degradation, primarily desertification and deforestation.</li> </ul>
10	France	<ul style="list-style-type: none"> <li>■ Global public goods and regulation of globalization</li> <li>■ Sustainable development and democratic governance</li> <li>■ Cultural diversity and the French-speaking world</li> </ul>



Essential to the approach of most global multilateral donor agencies is the building of partnerships with NGOs and CSOs, which are eligible to funding schemes beyond the reach of public authorities, such as the GEF's Small Grants Programme and the World Bank's Lebanon Development Marketplace. The role of public institutions would be to act as liaison between the NGOs and the funding opportunities. In this capacity, the institutions should develop programmes in desertification-prone areas and create links between these programmes and NGOs that are active in the areas. Involvement should include providing guidance on funding schemes, assisting the development and submission of proposals to donors, and executing targeted activities. Such partnerships would ensure that close links are created among the institutions and organizations active on the ground, and that available funds are identified and channeled to the neediest areas.

### 6.2.2 Bilateral donors

Bilateral donors provide assistance through several channels, so more than one financing scheme can be considered. The following are the main schemes through which bilateral funds are administered:

- 1- Bilateral assistance provided annually out of national budgets and allocated by national ministries of finance or other specialized ministries: this is the most common form of assistance from Arab countries.
- 2- Assistance through government agencies, such as the French Development Agency (AFD).
- 3- Assistance mainly to NGOs, while maintaining a small cooperation programme with the government, such as USAID.
- 4- Donors working equally with government and NGOs, such as the Hanns Seidel Foundation in Germany, AECI and others.

Bilateral donors generally have a country-specific strategy for funding, and special interests that determine their areas of focus.

■ For **France**, Lebanon falls into its Priority Solidarity Zone, a group of countries in which France's aid is concentrated. Countries within the zone are of geographical significance to France, either as former colonies or as hubs for regional influence.

■ **Japan** also considers Lebanon important owing to its role in the Middle East peace process. Japan regards the Middle East as an important region for energy supply, and is hence interested in the peace and stability of the international community. Japan's focus areas are therefore peace and political stability, reflected in the NAP themes under governance and rule of law (pertaining to the institutional framework and the legislative framework, respectively).

■ The **United Kingdom** has made the MDGs the focus of its work in developing countries, and hence its work in Lebanon is tied to meeting these goals.

■ The **United States** operates mostly through its development agency USAID, but the Department of State has included Lebanon in its regional Middle East Partnership Initiative programmes, in anticipation of a bilateral programme for Lebanon in coming years, potentially because of Lebanon's growing role in the escalation of conflict in the region.

Bilateral aid to Lebanon is therefore strongly tied to political developments, and the direction of funding will primarily depend on changes in donors' foreign policy towards Lebanon. Nevertheless, traditional focus areas remain sustainable development, scientific and cultural exchange, and technical assistance. Many assistance programmes are offered through embassies in the host country (Lebanon), others are granted by donors' national development agencies. Some countries, such as France and Canada, also offer



assistance to improvements in the macroeconomy, but commitment to reforms and the development of credible sectoral policies remain preconditions.

Because Lebanon is not considered a least-developed country (LDC), it does not benefit from direct donations aimed at alleviating poverty. This is an additional reason for demonstrating commitment to a development strategy that implicitly addresses the underlying economic conditions. The development of credible sectoral policies that emphasize the rural poor is therefore a necessity for securing funding for socio-economic initiatives.

One area that bilateral cooperation emphasizes is fostering knowledge sharing and enhancing information exchange. Such opportunities for strengthening the technical and scientific human resource base should be capitalized on by building them into national research programmes. Training and exchange programmes rank highly on some donor lists, and it should be the role of the public agencies to see that their technical personnel benefit from the opportunities made available by donors.

Similar to multilateral donors, bilateral cooperation also places high value on the establishment of partnerships with CSOs and NGOs. Public institutions should work with organizations on the ground, bringing them into contact with the available opportunities and offering them guidance on how to benefit from cooperation aid.

### 6.2.3 Arab donors

Arab donors have historically played an important role in Lebanon. Saudi Arabia, Kuwait and the United Arab Emirates are Lebanon's most significant donors from the region. The development assistance of Arab donors takes several forms, similar to that of global counterparts (European, North American and Asian), with the exception that aid allocated out of national budgets can be allocated directly by the ruling families, and not only by the ministries of finance. For national development funds, with the exception of the Kuwait Fund for Arab Economic Development (KFAED), the role of Arab donors within the scheme of bilateral cooperation is not of major significance. In addition, loans play a dominant role in the portfolio of assistance, although grants are often made directly available from national budgets.

One significant difference that sets Arab donors apart from their global counterparts is the absence of a development policy plan for the recipient country. Arab donors' funding policies are relatively underdeveloped, leading to sporadic funding of initiatives as they present themselves, regardless of their contribution, or lack thereof, towards a national development objective in the recipient country. The formulation of a development planning policy is therefore essential to ensure efficient use of the available funds and the funding of complementary activities.

The lack of sectoral preference on the part of Arab donors provides an opportunity for advancing more agriculture-related projects in addition to the infrastructure initiatives traditionally funded from these sources. One further objective would be to explore more thoroughly the forms of grant aid that are available, instead of continuing to focus primarily on seeking loans.

### 6.3.A NOTE ON THE PARIS III CONFERENCE

A multi-donor conference, Beirut I, was planned to take place in Beirut in September 2006. However, the events of that summer (i.e., the 34-day conflict with Israel) led to cancellation of the conference, and in its stead a multi-donor conference was scheduled for the beginning of the following year.

The Paris III Conference was held in Paris, in January 2007. It was the third in a line of multi-donor conferences held to raise financial resources for Lebanon through new loans, refinancing of old loans at lower interest rates, and direct financial support (donations). The funds raised were directed at containing the gross public debt, which by the end of 2006 was estimated to have exceeded USD 40 billion, equivalent to 180 % of estimated post-war 2006 GDP<sup>31</sup>.

<sup>31</sup> Government of Lebanon, 2007. *Recovery, Reconstruction, and Reform: International Conference for Support to Lebanon*. 2 January 2007.

The conference resulted in the mobilization of USD 7.6 billion in pledges. Donors were presented with sectoral programme matrices that served as the basis for the priority programme areas to be funded. These matrices are being reviewed by the CDR and constitute a window of opportunity for integrating SLM priorities. It should be noted however that no mention was made of the environment sector (or NAP priorities) in the government's proposed national recovery plan that was presented at the Donor conference in Paris (Paris III) in late January 2007.

In the wake of the Paris III Conference, and in view of the pledges made by donor nations, it is important to note that the approach to donors has shifted. As donor nations have begun to inquire about governments' priority needs, the focus is no longer on seeking funding but on elaborating priorities and justifying the funds sought.

## 6.4. MOBILIZING DONOR RESOURCES

External sources of funding represent the second line of resources to be sought after funds from the internal budget and other domestic sources are mobilized. The new programme approach to funding emphasizes this direction and has become the method of preference for multilateral and bilateral donors. In line with this approach, donors are increasingly requiring that the brunt of financial resources be mobilized internally and that their own contributions are matched with those of other donors, or co-funders. It is therefore important to be able to identify a number of potential donors with similar or complementary interests that can be matched to the remaining funding needs of a cross-sectoral plan or programme.

### 6.4.1 The donor matrix

The donor matrix provides a tool for planners and decision-makers to identify potential sources of external funding from a number of different donors. The matrix matches the ten NAP themes to donors' areas of interest and available sources of funding, detailing for each theme the array of donors available, their stated intervention areas, and their instruments of financial cooperation. Because donors vary in terms of preferred intervention areas, financial instruments and funding prerequisites and conditions, each donor requires a specific approach. The matrix explores these specific entry points and aids the development of a tailored approach to requesting funding from external sources.

The matrix is presented in Appendix C1 (included in the CD ROM). Further clarification about each donor, including priority areas and funding schemes, is provided in Appendix C2.

### 6.4.2 Maximizing external sources of funding

The donor matrix aids in identifying the right funding partner per sector, but this is carried out at an advanced stage in the programme cycle. There remain several commonalities in approaches to developing external sources of funding, and a number of measures may be taken prior to programme development and throughout the cycle to aid the improvement of resource mobilization from external sources. The following objectives provide a framework for this approach.

## 6.5. OBJECTIVE 1: ENSURE EXPOSURE OF SLM THROUGH SECTOR MATRICES

The Government of Lebanon has prepared a number of sectoral programme matrices to serve as a framework for priority areas. The matrices are largely based on the CDR's four-year development plan (part of a longer-term 12-year plan) and were presented to donors during the Paris III Conference. In the absence of a National Development Strategy (NDS), the matrices represent the government's official priority axes on which donor support is based.



### Action 1: Integrate SLM into the Paris III sectoral programme matrices

The sectoral programme matrices are at the stage of review and finalization. Environment and agriculture are not included in the matrices, but the sectors of water and wastewater, safety net (social) and transport present eligible opportunities for mainstreaming SLM.

- The MoA should lobby to be involved in finalization of the matrices and integration of SLM-related issues.
- The MoE should support the MoA in lobbying for integration of SLM and other environment-related topics.

### Action 2: Lobby for priority of SLM issues in matrices

Agriculture and environment remain underrated topics on any agenda, and it is plausible to assume that the sectoral programme matrices that address these issues will hold lower priority than those addressing issues such as infrastructure rehabilitation.

- The MoA and the MoE should increase their lobby for prioritization of the issues that concern their respective sectors.

## **6.6. OBJECTIVE 2: ARTICULATE NATIONAL PRIORITIES**

The new funding approach followed by donors calls for the alignment of donor intervention areas with national priorities. In the immediate short term, this objective is ensured through the sector matrices. In the long term, however, Lebanon should develop concrete policies, plans and programmes so as to be able to seek funding from donors.

### Action 1: Develop sectoral strategies

Few sectoral or cross-sectoral strategies exist, and those that have been elaborated often lack official endorsement.

- The action plans stipulated under EU requirements should be completed. The MoET is the lead coordinating ministry and should resume deliberations for elaboration of the action plans. The MoA should integrate NAP priorities to ensure that they become part of funded activities.
- Ministries should elaborate their priorities through sectoral strategies.
- The CoM should endorse the NAP.

### Action 2: Adopt the programme approach – start with elaborating the LAPs

To keep in line with the donor-favoured approach of programme funding, and based on the priorities elaborated in ministerial policies, the subsequent step would be to develop these national priorities into discrete fundable programmes. For example, IFAD is committed to addressing poverty and the development of rural communities. The recent conflict has renewed IFAD's interest in Lebanon, and this donor is currently looking to fund a programme in a productive sector that will bring economic benefits to the rural poor.

- The MoA should take the lead in developing fundable cross-sectoral programmes based on elaboration of the Local Action Programs (LAPs). It should coordinate with other relevant ministries in elaborating these programmes.
- When developing fundable programmes within and across their sectors, ministries should draw on the assistance of the CDR, which maintains an overview of sectoral activities and has experience in developing cross-sectoral programmes.





■ The MoA could develop a concept proposal for a cross-sectoral programme that addresses a productive sector in Lebanon, such as viticulture. The programme should focus on the chain approach, from production to marketing and selling, build partnerships across institutions and with communities, and be of economic benefit. Such a programme would be of interest to donors such as IFAD.

#### Action 3: Consolidate and elaborate available development plans

The conflict with Israel in 2006 demonstrated the importance of having funding priorities, when countries that were eager to provide aid to affected communities resolved to use the Municipalities Priority Issues plan to decide where to allocate their funds.

In addition, the elaboration of an NDS is a long-term plan. In collaboration with the CAS, UNDP and the World Bank, the MoSA is developing a poverty study that can serve as a building block for the elaboration of an NDS.

■ The CDR and the MoSA should consolidate the municipal development plans developed in a previous project into a framework programme.

■ The MoSA should complete preparation of the poverty study to serve as a building block for the elaboration of an NDS.

### **6.7. OBJECTIVE 3: EXPEDITE THE IMPLEMENTATION OF REFORMS**

The implementation of reforms directly influences the amount and form of aid that Lebanon will be eligible for from certain donors (e.g., France, Canada, the World Bank). Macroeconomic aid, for instance, may be accessible only if fiscal reforms are carried out. Both multilateral donors, such as the EU, and bilateral donors, such as France, have expressed commitment to aiding alleviation of the budget deficit, provided essential reforms are carried out. The size of the World Bank's lending envelope, for instance, is dependent on the implementation of reforms.

#### Action 1: Implement fiscal reforms

The implementation of fiscal reforms is identified by the World Bank and the IMF as an essential requirement.

■ The MoF and the Central Bank should expedite the implementation of fiscal reforms.

### **6.8. OBJECTIVE 4: DEVELOP THE ROLE OF MUNICIPALITIES IN RESOURCE MOBILIZATION**

Municipalities represent autonomous administrative units that enjoy fiscal independence from a central authority and thereby provide an uncomplicated and direct pathway for channeling funds.

#### Action 1: Use municipalities as a direct funding sink

Municipalities have the autonomy to accept funding from external (or internal) sources, without needing to channel the funds through the MoF prior to gaining access to them. Approval need only be sought from the Municipal Council and the Union of Municipalities. This simplification can save months of delay and tedious paperwork, and provide a source of liquid financial resources ready for immediate use.

■ The MoA should establish links with municipalities to strengthen their capacities in fund acceptance and management for SLM-related activities.



## 6.9. OBJECTIVE 5: BUILD PARTNERSHIPS

Donors emphasize the need to build partnerships, particularly with the groups that are most directly affected by land degradation. Many donors also provide funding directly to NGOs, CSOs and local authorities (e.g., the GEF's Small Grants Programme, and the World Bank's Lebanon Development Marketplace). Partnerships with groups that work on the land and are (1) eligible for those funds, and (2) directly involved in implementation of activities increases the flow of resources and ensures their more efficient use. Public institutions should therefore work with these groups to bring them into contact with the available opportunities, and should offer guidance on how to benefit from cooperation aid.

### Action 1: Build partnerships with NGOs and CSOs

NGOs and CSOs maintain strong ties to communities and have experience of working at the local level. They represent an important entry point in the strategy, and their collaboration is instrumental to the success of programme activities in desertification-prone areas.

- The MoSA should assist the MoA in identifying NGOs and CBOs that have sufficient capacities to carry out projects successfully.
- The MoA, the MoE, the MoSA and the MoEW should establish strong ties with local NGOs and CSOs. Involvement of NGOs/CSOs should start with the setting of local priorities.
- The MoA should accredit NGOs as UNCCD partners to assist in implementing LAPs.
- The MoA should link NGO work plans to one another and to the SLM work plan at the MoA.
- The MoA should offer guidance and assistance on available funds, and means for obtaining access to them.

### Action 2: Build partnerships with local authorities/municipalities

Municipalities play an important role in the decision-making process at the local level, and their involvement in SLM is essential to ensure the sustainability of activities implemented within their jurisdictions. Some donors, such as USAID, work directly with municipalities and place a high value on decentralized efforts.

- The MoA should strengthen its ties with local authorities through its LFPs and decentralized departments. To enhance involvement and instill a sense of ownership, local authorities should be involved in prioritization of problems and implementation of activities.
- The MoA should offer guidance and assistance on available funds, and means for obtaining access to them.

### Action 3: Build partnerships with donors to foster knowledge sharing

Some donors provide funds and expert advice to developing country researchers. Specifically, donors fund applied research activities, provide expert advice to local researchers, and build local capacities to undertake research.

- The MoA should work with national research institutes, such as the National Council for Scientific Research and academic institutions, to develop research programmes that focus on SLM-related issues, and should establish links with donors to foster knowledge exchange and research alliances.



## 6.10. OBJECTIVE 6: BUILD CAPACITY OF HUMAN RESOURCES

The new approach to seeking funding requires the development of integrated cross-sectoral programmes, for which skills such as planning, programming and budgeting are indispensable. For the mobilization of external sources of funding, partnership building and maintaining donor relations are additional skills that human resources should master.

### Action 1: Develop training programmes

Ministerial staff need to be trained to develop the skills required to implement the programme approach. Similarly, the capacities of local municipalities must be strengthened to plan and manage resources efficiently and transparently and to improve environmental practices, particularly community-based approaches that promote sustainable agriculture and environmental health.

- A training programme should be developed to address the gaps in needed skills. The programme should be implemented across ministries and in municipalities.
- The MoA (the lead institution), the MoF (which already offers workshops through its Financial Institute) and the CDR (which has extensive programming experience) should collaborate in the development of such a programme.

### Action 2: Foster exchange programmes

Training programmes offered by donors provide an opportunity to enhance the technical skills of human resources within public authorities.

- Ministries should carry out needs assessments individually to determine their training needs.
- Each ministry should develop criteria for nominating staff for training and exchange programmes, on a yearly basis.

## 6.11. OBJECTIVE 7: CREATE AN ONLINE DONOR DATABASE

The donor matrix is a useful tool for the identification of potential funding partners for planned activities. The matrix would be more useful and more accessible if it were made available in a user-friendly digital format showing financial resources from external sources.

### Action 1: Create a digital donor database based on the donor matrix

The donor matrix presents an aggregate of highly useful information on donor modalities from a multitude of sources, in a summarized format. The matrix can be converted into an online searchable database for locating appropriate funding sources easily.

- The MoA should develop the donor matrix into an online database that is regularly updated and maintained.
- The proposed Desertification Unit at the MoA could serve as the information hub that compiles and updates the information.



## 6.12. SUMMARY OF ENTRY POINTS TO EXTERNAL SOURCES OF FUNDING

A summary of strategic entry points for mobilizing external sources of funding is presented in Table 6-2.

Table 6-2: Strategic entry points for external sources of funding

Donor	Strategic approach	Actor/level of action
EU	<ul style="list-style-type: none"> <li>■ Finalize the development of action plans. Ministries' priorities should be articulated and presented in the action plans</li> <li>■ Mainstream the NAP and SLM into action plans</li> <li>■ Officially endorse the action plans</li> <li>■ Implement fiscal reforms to become eligible for macroeconomic assistance</li> </ul>	<ul style="list-style-type: none"> <li>■ Ministries</li> <li>■ CoM</li> <li>■ MoF</li> </ul>
World Bank	<ul style="list-style-type: none"> <li>■ Implement reforms to maximize the size of the lending envelope</li> </ul>	<ul style="list-style-type: none"> <li>■ MoF</li> <li>■ OMSAR</li> </ul>
IFAD	<ul style="list-style-type: none"> <li>■ Articulate priorities (eventually through a NDS)</li> <li>■ Funding requests should fall in line with needs elaborated in the NDS</li> </ul>	<ul style="list-style-type: none"> <li>■ MoA and MoSA, in coordination with other ministries</li> </ul>
USAID	<ul style="list-style-type: none"> <li>■ Develop partnerships with NGOs funded by USAID, and link their activities to (desertification-prone) areas in which the ministry is active</li> </ul>	<ul style="list-style-type: none"> <li>■ MoA</li> <li>■ MoE</li> </ul>
Bilateral donors	<ul style="list-style-type: none"> <li>■ Demonstrate commitment to a development strategy, through credible sectoral policies that emphasize the rural poor</li> </ul>	<ul style="list-style-type: none"> <li>■ Government of Lebanon</li> </ul>
	<ul style="list-style-type: none"> <li>■ Build research partnerships to foster knowledge sharing and enhance exchange of information and know-how</li> </ul>	<ul style="list-style-type: none"> <li>■ Research centres</li> <li>■ Academia</li> </ul>
	<ul style="list-style-type: none"> <li>■ Lobby for funding for environment- and SLM-related activities at embassies (e.g., through invitations to cultural activities and awareness events, requests for sponsorship of activities)</li> </ul>	<ul style="list-style-type: none"> <li>■ NGOs</li> <li>■ CSOs</li> <li>■ Municipalities</li> </ul>
Multiple donors represented at the Paris III Conference	<ul style="list-style-type: none"> <li>■ Integrate SLM into the sector matrices developed by the CDR and presented to donors at the Paris III Conference</li> </ul>	<ul style="list-style-type: none"> <li>■ CDR</li> <li>■ MoA/MoE</li> </ul>
Arab donors	<ul style="list-style-type: none"> <li>■ Approach with a development planning policy to ensure concerted effort, as Arab donors have not set their own development targets for funding</li> <li>■ Lack of sectoral preference provides an opportunity to emphasize agriculture-related projects and programmes</li> <li>■ Explore forms of grant aid, instead of focusing primarily on loans</li> </ul>	<ul style="list-style-type: none"> <li>■ CDR</li> <li>■ Ministries</li> </ul>
All donors	<ul style="list-style-type: none"> <li>■ Establish partnerships with NGOs and CSOs that are eligible for direct funding from external sources (such as the GEF and the World Bank)</li> </ul>	<ul style="list-style-type: none"> <li>■ MoA</li> </ul>
	<ul style="list-style-type: none"> <li>■ Follow the programme approach to seeking funding (i.e., develop cross-sectoral programmes based on priorities, mobilize majority of funds from internal sources and subsequently seek co-funding)</li> </ul>	<ul style="list-style-type: none"> <li>■ Ministries</li> <li>■ Municipalities</li> <li>■ NGOs/CSOs</li> </ul>

## 7. Strategic Objective IV

### MOBILIZE INNOVATIVE FINANCING MECHANISMS AND INSTRUMENTS

This section covers economic mechanisms and financial instruments that may be utilized to fund initiatives or alter behaviour in order to combat desertification causes such as poor water management, biodiversity and habitat loss and destruction, and climate change, among others.

#### 7.1. WATER MANAGEMENT

Water tariffication can incorporate elements of taxation or subsidies for different consumer groups in different areas, and thus be an income redistribution instrument. Profits that originate in economies of scale (urban areas) can be invested to improve water supply in poorer regions (rural), where economies of scale are not attainable. Because of the supplier's fixed costs, small, rural customers are more expensive to supply than large urban ones, and this point should be considered when constructing tariffs.

Conceptually, tariffs can be described as regressive, progressive or unitary, depending on whether they rise, fall or remain constant with rising consumption.

With regressive or 'efficiency' tariffs, each customer pays the cost incurred by the supplier (which falls as more output is consumed), and thus the supplier has reasonable incentives to provide service to all customers. At the other end, the progressive taxing scheme takes income distribution or ethical (and political) considerations into account, by providing services to poorer (lower-volume) consumers at subsidized rates and charging richer (higher-volume) consumers increasingly higher rates. This kind of charge may appear to be the 'greenest' tariff construction and the most appropriate in reducing wasteful consumption: "the minimum (necessary) consumption is cheap, but the more wasteful uses are discouraged by a high price"<sup>32</sup>. It is however a misunderstanding that progressive tariffs are needed for resource conservation, as the latter requires the correct value of the resource rent, which does not rise for the individual.

The unitary tariff is, in a sense, progressive in that it provides subsidies to low-volume consumers and taxes high-volume consumers relative to the actual costs of supply. It is easier to implement because cheaper metres and administrative routines can be used, and there is less incentive for cheating.

Similar tariff applications ought to be found for the agriculture sector, which is one of the largest users of water. However, care should be taken to compensate the sector in other ways so as not to damage its already insecure status.

<sup>32</sup> T. Sterner: 2003. *Policy instruments and natural resource management*. RFF Press, World Bank, SIDA, Washington, DC.



## 7.2. BIOLOGICAL DIVERSITY

The UNCBD is one of the principal international agreements for the conservation of biological diversity (biodiversity), requiring Parties to “adopt economically and socially sound measures that act as incentives for the conservation and sustainable use of components of biological diversity” (Article 11). The UNCBD’s COP has referred to the importance of economic incentives in a number of COP decisions, and has offered recommendations on the design and implementation of incentive measures.

In Lebanon: Initiating a lifeline subsidized rate in Lebanon is recommended, with progressive tax rates thereafter. However, this would need much investment and political will, as water metering is virtually non-existent in Lebanon, where a flat rate applies to all: -irrespective of whether the client fills a swimming pool or only uses water for basic needs,

Various financial instruments may be used to enhance and protect biodiversity. The instruments are grouped under several themes: property rights, market creation, charges, fiscal instruments, financial assistance, liability systems, and environmental funds. These instruments are adopted directly from UNEP’s report on *Economic instruments in biodiversity-related Multilateral Environmental Agreements, published in 2004.*

### 7.2.1 Economic mechanisms for biodiversity conservation

Economic mechanisms relevant to Lebanon, and that help fund initiatives to reduce and reverse the loss of biodiversity are described in the following sections.

#### 7.2.1.1 Financial assistance (sources of funding)

The following financial mechanisms may be used to promote conservation and sustainable activities:

■ **Small targeted grants** are transfer payments designed to provide financial support to NGOs and CBOs involved in activities related to sustainable livelihoods and environmental conservation.

■ **Conservation leasing** is the payment by a government agency or private organization to landowners who voluntarily undertake activities to conserve endangered species on their property for a prescribed period. It would be the responsibility of the municipality, ideally, or an NGO to forward payment to landowners in return for their conservation of natural assets on their lands.

■ **Soft credits** are loans with flexible forms of payment or lower interest rates to help finance activities that provide both conservation value and economic benefits to the landowners. Ecotourism, organic agriculture and the sustainable extraction of forest products are examples of these activities.

Soft credits in Lebanon: Lebanese financial institutions (banks) do not have differentiated loans that give better terms with respect to repayment structure and interest rates for projects that enhance conservation and provide economic returns to the investor. The introduction of preferential treatment on loan structures for such projects (which also enhance conservation) would need to be discussed with the Lebanese Government and banks under a clearly defined set of criteria.

#### 7.2.1.2 Environmental funds

National environmental funds are not an economic instrument per se, but they can be used in a manner that complements the use of economic instruments. Several classes of funds are described here:

■ **Endowment funds** may be established from public and/or private resources. The interest earned on an endowment fund is applied to conservation purposes, while the original capital remains invested. There is therefore a critical mass for an endowment fund, below which annually available disbursements would be too small.



■ **In debt-for-nature swaps (DNS)**, interested conservation agencies buy up some of a country's international debt in return for an environmental conservation programme. A debt swap involves purchasing foreign debt at a discount, converting the debt into local currency<sup>33</sup> and using the earnings to finance local conservation activities. In other words, the debt is priced at less than its face value; the actual value differs from the face value because there is a risk that the indebted country will not pay the debt back. The World Wide Fund for Nature (WWF), the institution that first dealt with DNS, differentiates a couple of mechanisms which can be used to this end<sup>34</sup>:

Endowment funds for the purpose of conservation are yet to be utilized in Lebanon.

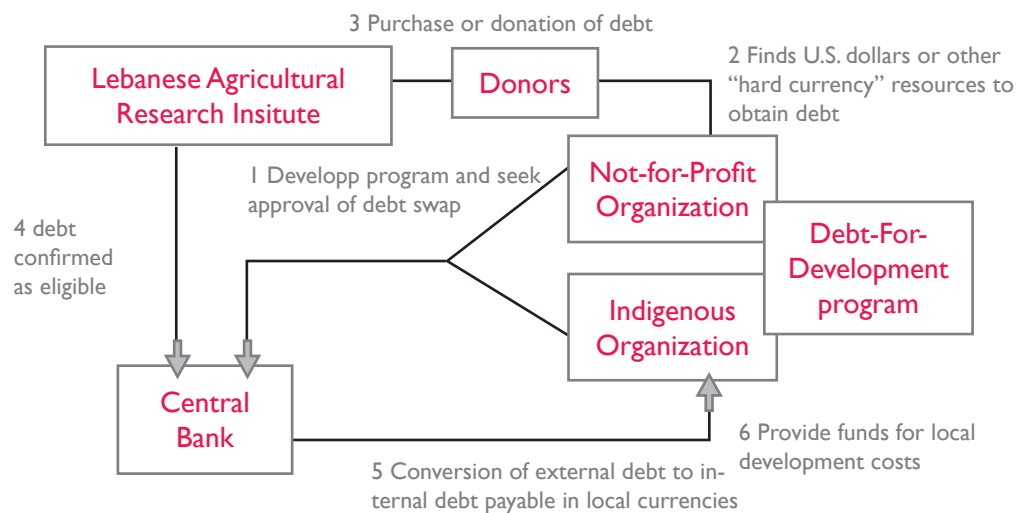
■ In **bilateral DNS**, the creditor government cancels the debt owed by a debtor government. In exchange, the debtor agrees to set aside a predetermined amount of local currency as a counterpart fund. While NGOs such as the WWF may play a role in establishing the counterpart fund and determining its use, the primary agreement is made between the two governments.

■ In the **commercial DNS** model, an NGO (such as the WWF) solicits debt donations or purchases debt at a discount from its face value from a creditor. The NGO then negotiates separately with the debtor government by offering to cancel the debt in exchange for conservation project funding.

Figure 7-1 illustrates how debt swaps work.

Figure 7-1: Debt swap operation scheme

In Lebanon: Although Lebanon is highly indebted, most of its debt is internal. Potential benefit from DNS exists, subject to efforts by the Lebanese Government and NGOs. Requests to this end are made either bilaterally between Lebanon and a creditor government or through the WWF (or other NGO or donor, such as The Nature Conservancy, Conservation International or USAID).



Appendix D1 included in the CD ROM illustrates a typical DNS operation involving a face value debt of USD 1 million. It also lists known consultancies involved in DNS, and NGOs and donors that are intently involved in DNS.

<sup>33</sup> An NGO may find that a debt-for-development swap will provide it with more local money for its foreign currency than it would obtain over the bank counter, making the swap a better option for business.

<sup>34</sup> [www.worldwildlife.org/conservationfinance/swaps.cfm](http://www.worldwildlife.org/conservationfinance/swaps.cfm).



### 7.2.1.3 Defining property rights

Property rights are often identified as a first step in improving patterns of resource use. In the context of biodiversity, property rights can be established on land or other elements of an ecosystem, such as specimens of flora and fauna. The following are two types of property rights:

■ **Conservation easements** are voluntary legal agreements that allow landowners to restrict permanently the type and amount of development on their property. Easements are made in partnership with land trusts, which monitor and enforce land-use restrictions on current and subsequent owners. The creation of property easements among private landowners can be promoted through fiscal instruments, such as tax deductions or exemptions. Easements may include restrictions on the use of the land, and obligations to carry out specific management practices (see Appendix D2 included in the CD ROM for a more detailed description of conservation easements).

In Lebanon: Conservation easements have not yet been put to the test, but they remain a potentially compelling instrument for conserving natural landscape features and biodiversity. Any private landowner may grant an easement to an outside party, which in turn 'holds' the easement and is required to monitor and enforce the adherence of current and future property owners to the easement's terms. Typically, easements are held by local government agencies, land trusts or NGOs. In Lebanon, the local municipality remains the main institution potentially capable of holding a conservation easement (and in return delivering tax reductions).

■ **Communal property rights (or common property resource management)** are a form of land right that limits access to public land and establishes governance rules for community users. Communal property rights operate as common property inside and private property outside the group, and have the potential to promote local community participation in biodiversity conservation. Communal property rights often establish a unitary and exclusive management system for a given natural resource or area (see Appendix D2, included in the CD ROM).

In Lebanon: Approximately 80 percent of Lebanon remains unclassified and is often subject to haphazard development (Dalal-Clayton and Sadler, 2005). While this situation is being resolved by introducing better land-use planning (and zoning) and by empowering local municipalities (to undertake consultation processes with local populations for conservation purposes and to ensure monitoring and compliance), common property resource management is still a powerful and informal method for conserving natural habitats and biodiversity (e.g., of medicinal and aromatic plants, with local harvesters agreeing permissible amounts and techniques for harvesting, such as not uprooting plants).

### 7.2.1.4 Market creation

Development of new markets may enhance the capacity of interested parties to define the attributes of biological resources and capture the value of different functions of this natural capital. New markets may also trigger the creation of new products, services and corresponding markets. Examples include:

■ **Tradable development rights (TDRs)** are marketable rights awarded to landowners in areas reserved for conservation. These rights can be sold to the owners of land in development areas, to ensure that the owners satisfy requirements for holding a certain number of credits before they gain permission to develop, such as environmental impact assessment (EIA) requirements. They can also be sold to public or private organizations with conservation interests.

TDRs have economic flexibility and can enhance economic equality compared with the typical system of zoning for conservation, which allows development in some areas and limits it in conservation areas. The coercive aspect of this latter system often generates hostility. It is relatively inequitable because



it allows people in development zones to earn significant income that landowners in conservation areas, through no fault of their own, are unable to share. Under TDRs, people in conservation areas are given development credits that landowners in the development areas purchase in exchange for permission to develop their properties.

■ **Tradable quota systems** are a means of addressing overexploitation by allocating quotas to individual harvesters or fishers, so that the sum of the individual quotas does not exceed the carrying capacity of that which is harvested or fished. Quotas can be traded between groups of producers, or individually. Those who wish to reduce or curtail their efforts can sell their quotas to others who wish to enter or expand production at rates set by the market.

In Lebanon, appropriate land-use planning is still being developed. This situation is ideal for the introduction of TDRs in areas designated as protected areas or where development is to be limited by law, where landowners could thereby be compensated by selling the rights to owners in areas where development may occur.

#### Bioprospecting in Lebanon

The Initiative for Biodiversity Studies in Arid Regions (IBSAR) is driven by a group of researchers from the American University of Beirut, who “recognize biodiversity as a regional asset and are committed to exploring and developing related economic opportunities through research, biotechnology and multidisciplinary approaches”.

A privately funded project implemented by IBSAR, and running from 1 July 2004 to 30 June 2007, covers all of Lebanon and is part of bioprospecting in the Middle East. The aim of this project is to identify natural products related to cancer. The overall objective is “to use natural products to promote drug discovery and economic development. Therefore, our overall objective is to inventory the medicinal plants of Lebanon, to promote conservation of these resources and to search for plant compounds as potential candidates for drug development.”

[www.lb.aub.edu.lb/~webibisar/english/projects/bioprospecting\\_middle\\_east.htm](http://www.lb.aub.edu.lb/~webibisar/english/projects/bioprospecting_middle_east.htm).

■ **Bioprospecting** is the conducting of scientific research into the useful application of genetic resources in various commercial markets, for pharmaceutical, horticultural, cosmetic, botanical or agricultural ends. The goal of bioprospecting is to identify genetic resources that may be used to develop products of commercial value, thereby supplying consumer needs and wants, and providing enhanced incentives for biodiversity conservation.

### 7.2.2 Fiscal instruments for biodiversity conservation

Fiscal instruments – such as charges, taxes and tax exemptions – may be applied by governments with the aim of promoting sustainable production and consumption practices and raising revenues that can be applied to biodiversity protection.

#### 7.2.2.1 Charges

Charging users for ecosystem services and products is another form of promoting natural resource conservation and creating markets. In protected areas, charge schemes can include entrance fees, concession payments for tourism, and hunting and fishing fees. When protecting agricultural biodiversity, charge schemes can include pesticide and fertilizer charges<sup>36</sup>.

In Lebanon: Charges in Lebanon for the purpose of nature conservation and biodiversity are still at the development stage. Entrance fees to some natural reserves are in place (e.g. the Al-Chouf Cedar Reserve), but other charges such as hunting and fishing charges, and environmental charges on pesticide and fertilizer use, are absent.



### 7.2.2.2 Taxes

Taxes should also be used for the same purposes of nature conservation. Taxes used to this end are outlined here:

■ **Differential land-use taxation** involves establishing incentives by applying different tax rates to land activities for which the environmental impact differs. For example, higher taxes would be applied to land used for development purposes than to land designated as a protected area, thus providing an incentive for environmentally favourable land use (compare with TDRs).

■ **Deforestation taxes** apply a high(er) tax rate to certain logging activities, thus providing a disincentive for activities that cause deforestation. In general, deforestation taxes are unit payments applied to each hectare or cubic metre of wood extracted. They can be partially refunded if the logging enterprises engage in reforestation within a certain period.

In Lebanon permits are needed for tree cutting and are obtained from the MoA. Private landowners ask for permits from the MoA, which grants them after an on-the-ground survey of the trees to be cut. Such permits are required only for 'forest' trees, however, and not for other kinds such as olive, almond and peach. Furthermore, the costs of permits are negligible (the price of a stamp only), but the MoA requires private landowners to plant the same number of trees as they cut. This requires intensive and continuous monitoring on the part of the ministry, making the use of 'deforestation taxes' preferable. (It is also preferable that the receipts from these proposed deforestation taxes go into forestation programmes.)

### 7.2.2.3 Tax exemptions

■ **Tax exemptions or tax deductions** can be applied against the existing tax base to provide incentives for activities that support nature conservation and sustainable use. Exemptions or deductions can be applied against a range of taxes – including land, income, inheritance and sales taxes – to protect biodiversity.

■ **Removal or mitigation of perverse fiscal policies relevant to biodiversity protection** involves the reform of a range of measures, such as subsidies in the agriculture, fisheries or other natural resource sectors, and import taxes related to technology transfer relevant to biodiversity protection. Global spending on subsidies is estimated to total USD 500 billion a year for agriculture, fishing, logging, energy production and water (Robin Sarah et al., 2003). Their removal or mitigation involves a complex policy process for which a solid assessment of the existing adverse effects is essential.

Lebanon is awaiting accession into the WTO, and thus there is pressure to reduce taxes and eliminate subsidies on traded goods and services. Within this context, any technology that enhances environmental and conservation objectives should be imported with minimal taxes or charges. In the agricultural sector, however, subsidies that may enhance nature conservation cannot be removed (neither can they be removed in the EU under its Common Agricultural Policy) without continuous support and compensation through alternative means. This is the case because Lebanon has experienced a dwindling of its agricultural sector and is subject to fierce regional competition characterized by substantially lower production and labour (input) costs.

### 7.2.2.4 Liability systems

Liability mechanisms may change the economic incentives associated with environmentally risky behaviour

<sup>36</sup> Taxes on pesticides are used in Lebanon, but are not related to the environmental degradation caused by these inputs. Additional charges on pesticides may be socially unacceptable, however, and would put the agricultural sector in a less competitive situation with respect to the region. Earmarking environmental charges on pesticides and channeling the funds back into the community (where the money could be used to train farmers in integrated pest management, for example) would potentially be better received by the sector.





by increasing the likelihood that perpetrators of environmental damage pay for its consequences. Two cases in point are identified:

■ **Environmental fines** are designed to provide a disincentive for environmentally unsound behaviour, and should be set to reflect the opportunity cost of non-compliance, the likelihood that non-compliance will be discovered and an element of sanction. Money raised through fines can be applied to environmental clean-up, decommissioning and site restoration, or more broadly to support environmental projects (e.g., small conservation projects).

In Lebanon, environmental fines are already defined in Law 444/2002. However, enforcement of environmental fines requires a strong and willing implementing agency and personnel, as well as an effective monitoring system (for any type of environmental amenity or entity). Both these need enhancement in Lebanon, because including environmental fines without effective monitoring and enforcement is worthless.

■ Environmental performance bonds are used mainly to guarantee compliance with environmental or natural resource requirements. Polluters or users may be required to pay a deposit in the form of a bond. The deposit is refunded when compliance is achieved.

In Lebanon, an example of environmental performance bonds can be found in the quarry permit system, where a permit is given for quarry operators after issue of a bond that is equal to the approximate rehabilitation costs, which is returned only when/if rehabilitation occurs.

### 7.3. CLIMATE CHANGE

Like the UNCBD, the UNFCCC has recommended its own financial instruments and has its own economic mechanisms to deal with the critical issue of climate change. Lebanon is a signatory of the UNFCCC and has recently ratified the Kyoto Protocol (May 2006), which could be considered the implementation arm of the UNFCCC. All Parties to the UNFCCC can sign or ratify the Kyoto Protocol; non-Parties cannot.

#### 7.3.1 Available funds under the UNFCCC and the Kyoto Protocol (economic mechanisms)

Regarding the UNFCCC, several funds can be tapped into for investment in projects or programmes that combat climate change and/or aid adaptation to its consequences. The GEF is the administrator of these funds, which are as follows:

■ **Least-Developed Countries Fund:** As Lebanon is not considered an LDC, this fund is not applicable.

■ **The Special Climate Change Fund (SCCF)** is used to assist developing countries dealing with climate change, including through adaptation as well as mitigation measures. The Marrakech Accords (November 2001) agreement specifically lists four activities to be supported under this fund:

- adaptation;
- technology;
- energy, transport, industry, forestry and waste management; and
- activities to assist developing country Parties in diversifying their economies.

■ **The Adaptation Fund** (a new fund currently being formed) will consist of the proceeds of the adaptation levy (a 2 % share of the proceeds of the CDM) put on transactions under the CDM, which is a mechanism for trading greenhouse gas reductions between companies from the developed and the





developing countries (see below). This fund, known as the Kyoto Protocol Adaptation Fund, was created specifically to support “concrete adaptation projects and programmes in developing country Parties that have become Parties to the Protocol”. It is meant to aid payment of the costs of adaptive actions carried out to reduce the impact of climate change, and the incremental (response) costs of the impacts due to climate change.

The Kyoto Protocol itself delivers several financial mechanisms to the nations that have signed and ratified it. Three mechanisms are directly related to the protocol:

- joint implementation: not relevant to developing nations;
- **emissions trading:** not relevant to developing nations; and
- **the CDM**, which allows Annex I Parties to implement projects that reduce greenhouse gas emissions in non-Annex I Parties, and has the additional goal of assisting non-Annex I Parties in achieving sustainable development and contributing to the ultimate objective of the Convention. Under the CDM, Annex I Parties may use “certified emission reductions” (CERs) generated by project activities in non-Annex I Parties to contribute to compliance with their own emission commitments.

The main concept behind the CDM is the implementation of projects to reduce greenhouse gases in non-Annex I countries while claiming the reductions in emissions in Annex I countries. Emission reductions have to be additional to what would normally have happened, making it a complex process to distinguish projects that would have occurred without the CDM from those that occur strictly because of funding from the CDM. Land use, land-use change and forestry can be considered in CDM transfers.

Any project to be funded through the CDM must be judged by a validator (an independent and accredited third party) and institutions established within the UNFCCC, proven by a baseline study and validated by monitoring reports after implementation.

The parties involved in the CDM process are:

- first and foremost, the project participants (e.g., project dealers and investors);
- the CDM Executive Board (within the UNFCCC);
- the DNA;
- the Designated Operational Entity (DOE) <sup>37</sup>,  
and others such as the COP and buyers of  
carbon credits.

In Lebanon, the MoE is currently assessing which organization is to be the DNA, what structure it should take and what responsibilities it will have.

The CDM process is described in Table 7-1.

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<sup>37</sup> Operational authorities are usually consultancy firms assigned by the CDM Executive Board and designated by the COP and Meetings to the Party of the Protocol that validate and register CDM-funded projects.



Table 7-1: Summary of the CDM process

Order	CDM process	Description
1	Project design and formulation	<ul style="list-style-type: none"> <li>■ Is the project small- or full-scale?</li> <li>• Estimation of real emissions reductions and design of a project information note</li> <li>• Preparation of investment plan</li> <li>• Financial analysis</li> <li>• Development of emissions monitoring and verification methodology</li> <li>• Feasibility study of the proposed project</li> </ul>
2	National approval	<ul style="list-style-type: none"> <li>• Screening of the CDM project by the DNA, based on criteria involving goals and policies for sustainable development, and certification that:               <ul style="list-style-type: none"> <li>- participation in the project is voluntary</li> <li>- project activities help move the country towards sustainable development</li> </ul> </li> </ul>
3	Validation and registration	<ul style="list-style-type: none"> <li>• Validation is the independent evaluation of a project activity against the requirements of the CDM, based on the project design document.</li> <li>• It is carried out by a DOE</li> <li>• Registration is the formal acceptance by the Executive Board of a validated project</li> </ul>
4	Project implementation	<ul style="list-style-type: none"> <li>• Permits</li> <li>• Financial agreements</li> <li>• Construction or upgrading of plant</li> <li>• Carbon contract</li> </ul>
5	Monitoring	<ul style="list-style-type: none"> <li>• A monitoring plan providing information on data collection and storage:               <ul style="list-style-type: none"> <li>- emissions occurring in the project boundary</li> <li>- the baseline, as applicable</li> <li>- estimated leakage, where this needs to be considered</li> </ul> </li> <li>• The plan must be developed according to an approved or new methodology</li> <li>• If based on a new methodology, that methodology must be approved by the Executive Board</li> <li>• Monitoring by the project proponent or a specialized company               <ul style="list-style-type: none"> <li>– power consumption</li> <li>– operating hours</li> <li>– energy use of the devices installed</li> </ul> </li> </ul>
6	Verification and certification	<ul style="list-style-type: none"> <li>• Carried out by the DOE</li> <li>• Verification is the periodic review and determination of monitored reductions of emissions</li> <li>• Certification is the written assurance that a project achieved the reductions verified</li> <li>• The DOE submits a verification report and a certification report to the CDM Executive Board</li> <li>• The certification report constitutes a request to the Executive Board for issuance of CERs</li> </ul>
7	Issuance of CERs	<ul style="list-style-type: none"> <li>• The CDM registry issues the CERs on the Executive Board's instruction</li> <li>• Issuance is final unless a request for review of the proposed issuance of the CER is required</li> </ul>

### 7.3.2 Financial instruments to combat climate change



A wide array of economic instruments may be used to combat climate change. The instruments for this are divided into two main categories: economic policy instruments for road transportation (to limit vehicle emissions); and economic instruments that deal with point source (or industrial) emissions. This section elaborates on the latter.

### 7.3.2.1 Economic instruments for industry: tackling point-source air pollution

Economic instruments to deal with point sources come in the form of command-and-control policies, taxes, tradable permits, and regulation of the informal industrial sector.

■ **Pigovian taxes:** One of the main conditions for optimality is that a pigovian tax is set equal to the marginal damages. Owing to the technical, informational, political and social difficulty of setting the optimal level of taxes, introducing a given tax in small, previously announced steps may help reduce resistance to it. It may, however, also provide incentives for end-of-pipe solutions at first, but then require a change in the whole production process, entailing extra costs (end-of pipe plus the whole process) at a later stage.

In the United Kingdom, for example, the **Climate Change Levy (CCL)** is utilized as a tax that applies to business and public sector use of gas, coal and electricity and that provides an incentive to improving energy efficiency. The **Carbon Trust** was created to recycle the CCL receipts (or part of them) to accelerate the take-up of cost-effective, low-carbon technologies and other measures by businesses and levy payers.

In Lebanon no such instrument (pigovian tax) or mechanism (Carbon Trust) exists. The Lebanese Government has set environmental standards and limits for most emissions, and expects industries to meet these limits (see below).

■ **Command and control (direct regulation):** Direct regulation by the government or concerned agency may aim to cut back pollution by reducing current emissions to an optimal level (e.g. as in the Ambient Air Quality Emissions Standards), thus following a quantity-type policy to cut pollution.

In Lebanon this type of control is undertaken by the Lebanese Government, with monitoring by the MoE.

Prescribing the technology or conditions of operation (e.g., zoning, timing) is another method often used to curb pollution. The mandatory technology may not, however, encourage the exploration of cost-effective ways of achieving pollution control, and may lead only to end-of-pipe solutions. With the time perspective of a political cycle, a given technological fix might seem adequate, but it is more efficient in general to target emissions rather than technology, inputs or outputs. Performance standards is the term applied to regulating or imposing a limit on emissions (regulating quantities). *Performance standards* give firms flexibility in the choice of abatement method by which to meet the mandated goals. They also leave the firms a choice between output reduction and abatement level, and trade-offs between polluting units are possible.

■ **Tradable emission permits (TEPs):** one way to control aggregate levels of emissions or harvests is to set a total number of permits or quotas adapted to the assimilative capacity of the environment or the sustainable harvest yield, respectively.

In Lebanon, using TEPs internally is not likely to be a feasible mechanism because there are relatively few large industrial units. Lebanon is known for its many small and informal industrial units (see below).

■ Regulating the informal sector:



Lebanon's industrial sector is mainly an informal sector made up of small and scattered enterprises providing valuable employment and production, but contributing to pollution. The industries are difficult to regulate because they operate outside designated (industrial) zones, or in the 'grey' zone of the economy, where reporting requirements do not apply. The use of conventional regulation, zoning and economic or incentive instruments (e.g., taxes) is difficult or impracticable. In many cases, competition among these enterprises is intense, and small differences in costs and prices determine survival. In order to enhance the environmental performance of these enterprises, the following solutions are suggested:

- banning certain fuels or using zoning for certain activities;
- encouraging private sector collaborative initiatives (by government 'moral-suasion, an attempt to influence behaviour without stipulating rules to constrain it);
- involving local grassroots organizations;
- using simple, low-cost measures to abate pollution, which may be more effective than complicated abatement technology; and
- holding public awareness campaigns on environmental issues.

#### 7.4. OTHER RELATED ISSUES – WTO INTEGRATION

It is important to note the importance of the WTO's Doha mandate, which included negotiations on the reduction or elimination of tariff and non-tariff barriers to environmental goods and services (an ongoing debate issue). In this context, it is important that any transfer of funds or technology and know-how under WTO rules becomes subject to the elimination of tariff or non-tariff barriers. This eventually reduces the costs of applying environmentally friendly technologies and services that help to combat climate change, biodiversity loss and desertification.

#### 7.5. THE LEBANESE TAXATION SYSTEM <sup>38</sup>

The Lebanese tax system is progressive, in that the proportion of spending going to tax rises as individuals become richer. The major taxes used in Lebanon are summarized in Table 7-2.

Table 7-2: Main taxes in Lebanon

Tax	Description
Direct taxes	
Taxes on salaries, wages and benefits	Taxes on sources of income are progressive and yield 3.9% of total tax revenue, or about 0.65% of GDP. Business income tax (on individual proprietors) is graduated, and tax on incorporated businesses is a flat rate of 15%. There is also a 10% levy on dividends.
Tax on interest	There has been a 5% tax on interest since 2003, providing a considerable 3.2% of tax revenue (in its first year).
Built property tax and municipal property tax	A tax on the actual or imputed rent from real estate, the tax on built property yields about 1.8% of total tax revenue. This tax too is progressive. The municipal property tax is imposed at a rate of 5% on the rental value of occupied property (and 7% on commercial property). A further 1.5% tax on rental property is levied to cover the costs of sidewalks and sewers.
Property registration tax	Property registration is subject to a tax of 5% of the property value. This tax yields almost twice as much revenue as the built property tax.
Inheritance tax	This tax is levied in a progressive manner (and yielded about 0.8% of tax revenue in 2003).
Indirect taxes	

<sup>38</sup> Adapted from Haughton, 2004.

Value-added tax (VAT)	There has been a 10% VAT since 2002, which accounts for almost 30% of total tax revenue, equivalent to 5% of GDP.
Excise taxes	The tax on fuel in Lebanon used to be about LBP 550/litre, yielding about LBP 819 billion in revenue, or about 18.2% of all tax revenue (and 3% of GDP) in 2003. Owing to the increase in world prices for petroleum products, however, and the social unacceptability of the government increasing petroleum product prices, this tax has been reduced substantially. The tax on tobacco is 108%, and yields about 4.1% of tax revenue. This tax is regressive, representing 1.2% of expenditure for those in the poorest quintile and 0.6% for those in the richest. This is considered acceptable, however, as the tax allows smokers to compensate society for the medical bills they are to incur.
Import tariffs	The average tariff on imports is 5.4%, ranging from 45% on used and new vehicles to zero on products that are exempt.
Other taxes	
<ul style="list-style-type: none"> <li>■ A tax on new and used car sales, generating about 3.6% of tax revenue.</li> <li>■ Car registration fees.</li> <li>■ Airport departure tax.</li> <li>■ Stamp duties, generating 4.8% of tax revenue.</li> <li>■ Nuisance taxes on slaughterhouses, sidewalk cafes, gas stations and registering rental contracts.</li> </ul>	

### 7.5.1 Analysis of the Lebanese tax system

In principle, the Lebanese tax system can be considered 'fair' in terms of taxing the rich more than the poor, in both relative and absolute terms. Regarding environmental taxes and charges, however, only a few economic instruments utilized could be considered beneficial to the conservation of the environment and the abatement of pollution.

The first of these is the VAT, which is related completely to the amount of expenditure consumers undertake, and therefore could be considered partly a green tax, as it reduces the consumption of many (mostly non-essential) goods.

Other taxes outlined in Table 7-2 and related to environmental pollution abatement and nature conservation are considered in Table 7-3, along with their use by the government.

Table 7-3: Use of taxes for pollution abatement and nature conservation

Subsector and economic instrument	Use by government	Comments	
Nature conservation			
1	Differential land-use taxation	No	Applying different tax rates to land activities with different environmental impacts
2	Deforestation taxes	No	Applying high(er) tax rates to certain logging activities
3	Tax exemptions/ deductions to aid sustainability	No	Nothing specifically for the environment exists
4	Mitigation of perverse fiscal policies related to biodiversity (e.g., agricultural subsidies)	See comments	Agricultural subsidies are being reduced, owing to expected entry into the WTO
Transportation sector			
5	Area pricing	No	A pricing scheme based on differentiation of location, time of day and vehicle characteristics
6	Mileage taxes and road tolls	No	Typically a fee-per-mile system.

7	Differential vehicle taxes	Yes	Vehicles are charged a yearly fee in direct relation to their engine sizes
8	Fuel excises	Yes	High oil costs worldwide have greatly reduced the share of these government taxes
9	Fuel quality/vehicle standards and urban planning	See comments	Lead has been removed from fuel and diesel has been banned, different qualities of gasoline are priced differently (95 vs. 98), but catalytic converters are still not obliged by law
Industry			
10	Pigovian taxes	No	No tax on industry based on the pollution it emits, but quantitative standards are in place
11	TEPs	No	Lebanon does not have enough large industries to enable internal trade
12	Command and control (e.g., prescribing technology)	Yes	Environmental limits on many effluents exist and are monitored by the MoE. Quantitative restrictions are in place, but the technology and means of achieving them remain in the hands of industries

The Government of Lebanon has used vehicle and fuel taxes intensively, primarily for the purposes of raising needed revenues. However, many potential benefits could arise from minor restructuring of certain tax bases, where a strategy that taxes a ‘good’ could be replaced by one that taxes a ‘bad’. In essence, this would mean using economic instruments beneficial for environmental ends, while decreasing or eliminating taxes or charges on that which is beneficial to society, such as employment.

A number of measures could be taken to ‘green’ the taxation system in Lebanon. Recommendations are considered in Table 7-4.

Table 7-4: Recommendations for greening the taxation system in Lebanon

Tax	Recommendations
Tax on wages, salaries and benefits	These taxes remain relatively very low in Lebanon compared with other nations. Nevertheless, their further reduction in return for a proportional increase in other taxes, such as water and electricity use charges, which raise similar revenues and also conserve energy and water use should be studied and assessed.
Business income tax	Decrease this tax and in its place apply a pigovian tax on environmental pollution abatement and/or energy use.
Tax on interest	As this tax affects mainly high-income categories, it should be kept.
Built property tax	This tax is progressive, i.e., it taxes in proportion to value, but properties that enhance environmental quality (e.g., ‘green’ buildings with renewable energy connections and excellent insulation) should be at least favoured by a lower tax rate.
Municipal property fee	A very important fee for local revenue, enabling better governance; recommendation is to preserve and enhance the transparency of this tax base.
Property registration tax	This tax is considerable. In the long term it could be reduced for properties that rank high on energy and water conservation, for example.
Inheritance tax	A fixed percentage of this tax could be earmarked for environmental considerations.
VAT	One of the most important tax revenue sources in Lebanon. It also favours the environment, particularly solid waste management. Any increase in this tax base should consider the socio-economic situation and should earmark part of the receipts for solid waste management services. Environmentally friendly products and technology should be subject to VAT reduction or elimination.
Excise taxes	Important taxes that yield the government considerable money, and directly affect consumers’ choices (e.g. the tobacco tax). These taxes are encouraged, particularly those on hazardous items such as chemical products (pesticides) and tobacco.
Import tariffs	These tariffs will be subject to considerable reduction when Lebanon becomes a member of the WTO. Environmental technology products and services should have reduced or no import taxes, to increase their diffusion in Lebanon.

Innovative sources of funding are still poorly developed in Lebanon. A number of measures should be considered for improving the contribution from innovative sources and assessing future possibilities for mobilizing these resources.

## 7.6. OBJECTIVE 1: INVESTIGATE MAIN INNOVATIVE SOURCES FURTHER

A number of innovative mechanisms are applicable to Lebanon. However, scarce attention has so far been devoted to these mechanisms, and their consideration as supplementary funding sources should be explored in more detail.

### Action 1: Elaborate the main innovative sources available in Lebanon

The sources of innovative financing that would be most applicable to Lebanon are presented in Table 7-5, which also identifies the main steps needed for their implementation. Further studies should investigate the feasibility of applying these mechanisms and finding means for developing them. The MoE should take the lead, in coordination with the MoA.

Table 7-5: Main innovative financing mechanisms applicable in Lebanon

Innovative mechanism	Points of entry/ recommended steps	Applicability/comments
Conservation easements	<ul style="list-style-type: none"> <li>■ Municipality to identify a natural asset in its jurisdiction under threat of exploitation.</li> <li>■ Municipality to approach owner with a package (perhaps consisting of tax reductions).</li> <li>■ Owner voluntarily to agree to accept tax reductions in return for conserving the natural asset.</li> </ul>	<p>When a natural asset is on privately owned land, the owner's agreement to a conservation easement rests on two criteria:</p> <p>1- He/she must voluntarily agree to accept such an agreement.</p> <p>2- The municipal body in whose jurisdiction the land lies must agree to provide the landowner with some sort of tax cuts if she/he undergoes the conservation measure(s) agreed in the easement.</p>
Small targeted grants	<ul style="list-style-type: none"> <li>■ Identify an important local environmental asset (forest) or service that needs conservation or enhancement.</li> <li>■ Approach an institution (private bank or private sector company) to see if they are willing to offer a grant for the asset or service.</li> <li>■ When agreement is made, ensure that media coverage is undertaken to publicize the bank's (or other institution's) commitment to the environment.</li> </ul>	<p>Many institutions such as private banks are becoming aware of the importance of a positive environmental image.</p>
DNS	<ul style="list-style-type: none"> <li>■ Identify (with the MoE) a natural area that needs to be protected.</li> <li>■ Identify whether the area is under public property. If so, proceed.</li> <li>■ Contact international organizations (e.g., WWF) that deal with DNS and assess their willingness to coordinate.</li> <li>■ Involve the MoF to define the amount of debt the organization should pay in return for conservation of the specified area.</li> <li>■ Involve directly the international or local body that is the recipient of the debt, because the debt can probably be returned at lower than face value.</li> </ul>	

Communal property rights	<ul style="list-style-type: none"> <li>■ Identify the sustainable yield of what is being exploited (e.g., medicinal and aromatic plants).</li> <li>■ Identify the area (the municipal or regional jurisdiction) where the exploitation is taking place.</li> <li>■ Identify the people who harvest the resource.</li> <li>■ Set up workshop(s) under the local municipalities, inviting all harvesters.</li> <li>■ Provide harvesters with permits to harvest, communicating to them the methods and amounts to harvest.</li> <li>■ Empower local harvesters to notify municipal (or other) authorities of any outside harvesters, to prevent the latter.</li> </ul>	Implementing communal property rights in as densely a populated nation as Lebanon, with its sectarian and other divisions, is not easy, however.
CDM (Kyoto)	<ul style="list-style-type: none"> <li>■ Investor to prepare an investment plan.</li> <li>■ DNA to screen the project.</li> <li>■ Investor to involve DOE to verify the project and emission reduction.</li> <li>■ Register the project with the CDM Executive Board.</li> <li>■ Implement the project.</li> <li>■ Set monitoring plan through the project proponent and have it verified by the DOE.</li> <li>■ DOE to give certification, with a certification letter to the Executive Board.</li> <li>■ CDM Registry to issue the CERs, on the Executive Board's instruction.</li> </ul>	Lebanon is still in the phase of establishing the DNA, without which the CDM cannot be initialized.

■ The MoE should take the lead in further investigating the feasibility of applying these mechanisms and developing means for elaborating them.

■ The main innovative mechanisms that the MoE should explore are conservation easements, small targeted grants, communal property rights, DNS and the CDM.

■ The MoE should initiate actions to promote the most promising sources of innovative financing.

#### Action 2: Study swappable portion of national debt

One of the main innovative instruments available is the DNS. It is important to consider the portion of the debt that may be eligible for swapping.

■ The MoF, in coordination with the MoE, should carry out an investigation into this type of financing mechanism to determine the portion of the national debt that may be eased in the form of conservation projects.

#### Action 3: Develop action plan for the integration of green taxes

Some recommendations for greening the taxation system are presented in Table 7-4. Further studies should investigate the potential for integrating green taxing schemes.

- The MoF should investigate means and develop an action plan for integrating green taxing schemes into the Lebanese taxation system.
- The MoE should lobby for the implementation of green taxes.



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## 8. Consolidated Strategy and Action Plan

### 8.1. CONSOLIDATING THE STRATEGY

The resource mobilization strategy aims to improve the impact of existing resources and mobilize additional ones for combating desertification. The strategy explores the national context and identifies the complementary roles of the different sources of financing – domestic, foreign, public and private. This analysis highlights the fact that the environment in which the strategy is developed is far from ideal for implementation. Elements in the legal, fiscal and institutional frameworks present major barriers for carrying the strategy forwards. Also, current use of public resources is highly inefficient, and reliance on foreign sources to address SLM remains paramount. The use of alternative or innovative resources is minimal at present. These deficiencies reaffirm the need for decisive actions to improve the mobilization of resources for SLM, and a robust framework for implementation of the strategy.

The strategy addresses a cross-sectoral national issue. The stakeholders concerned with SLM are many, and are distributed horizontally across sectors and vertically along the decision-making hierarchy. From ministers and members of parliament, to village mayors and farmers on the land, SLM cuts across political borders and social divides. Decision-makers who are concerned with running the economy should be as much involved in SLM and combating desertification as are landowners who depend on their small parcels for sustaining their livelihoods. Such is the nature of SLM and the approach required to address it effectively.

Implementation of the strategy therefore requires the collaboration of a multitude of stakeholders across sectors. During the development process, consultations were carried out across institutions to ensure that the strategy incorporates the concerns of all involved parties (consultations are ongoing at time of writing). It is therefore important to emphasize that the strategy, although developed at the MoA, is addressed to all parties with a stake in SLM.

The following action plan is proposed for the adoption of the resource mobilization strategy and its implementation. The plan also lists the main stakeholders involved in the implementation process and the tools for verifying progress and results.



(Please refer to Tables at the end of the book)

## 8.2. TIMING OF THE STRATEGY

The challenges that lie ahead for Lebanon are overwhelming and, as regards priorities, SLM is currently of low concern. The timing for implementation of the strategy may, however, be ideal given the anticipated reforms in the administration and budgeting process, the growing concern for the environment after the devastating effects experienced during the recent war, and donors' renewed interest in Lebanon.

While the reform processes are subject to the same slow mechanisms that hamper the structural integrity of governance, demonstrating commitment to a development strategy should not be impeded by these legal and administrative inconsistencies. It is time to bring the NAP out of its inconspicuous position as a ministerial action plan to become a nationally endorsed cross-sectoral strategy that serves as a stepping stone for further development initiatives related to SLM.

## 8.3. FURTHER ACTION

### 8.3.1 Partnership building

The separate elements of the strategy have highlighted opportunities that must be built on to enhance the mobilization of resources. Some of these entail establishing partnerships with civil society groups, others require legal changes, and some require the introduction of new mechanisms that are not yet familiar.

It is important to build on the country's strengths, primarily its private sector, civil society and local governments. More specifically, the country's strengths lie in three areas that are addressed only in passing by the strategy: Lebanon's highly entrepreneurial private sector, which has survived – and in some sectors prospered – in spite of the difficult environment; its vibrant civil society/NGO sector, which has provided many of the social services and public goods traditionally provided by the government; and its nascent elected local councils, which have provided local services with limited resources.

These three actors present a highly valuable resource that has yet to be appropriately incorporated into planning and execution policies. The strategy highlights the need to establish partnerships with local communities as an integral means of securing financing from some donors, as well as of ensuring the long-term sustainability of projects on the ground. Similarly, the involvement of local governments is important for successful project implementation, and is sometimes required to secure financing. As regards the private sector, its involvement as yet remains limited to a few promotional campaigns that may relate indirectly to SLM. In the private sector, however, lies great potential for the development of innovative mechanisms of financing, such as the creation of new markets (TDRs and bioprospecting) and execution of CDM projects.

### 8.3.2 Information management

The UNCCD emphasizes the importance of information for decision-making related to combating desertification. For efficient and coordinated action to take place, all stakeholders involved in combating desertification should have access to and mastery of complex information, which, as prescribed by their mandates, may be scientific, socio-economic, institutional or political. The main types of information related to SLM are:

- Scientific information generated by experiments and observations related to land degradation. This type of information is necessary for the development of alert/response systems.
- Information on traditional knowledge, know-how, technologies and local practices, which must be compiled, built on and enhanced

■ Information on implementation of the UNCCD, which assists in organizing and following implementation of the NAP. This type of information would be presented to the COP.

■ Information on the mobilization of resources. The strategy provides guidance on locating and developing internal, external and innovative sources of financing.

A centralized information system should be instituted as a forum for compiling, updating and disseminating information. Ideally, the primary actor in combating desertification, the MoA, should take the lead role in implementing such a mechanism. By virtue of its role in desertification, the MoA would remain abreast of developments in NAP implementation and would accordingly be responsible for maintaining information up to date. Concerned line ministries – the MoE, the MoEW, the MoSA and the DGUP – research institutes and NGOs officially linked to the UNCCD would have the responsibility of sharing their respective data and maintaining up-to-date information sites.

The resource mobilization strategy should be subject to regular updates carried out by the unit responsible for desertification at the MoA. The format of the strategy, particularly the action matrices, is conceived in a manner that allows for continuous update and revision. It is essential to keep the strategy contemporary in light of the developments that are taking place in the country, changing donor policies, and the development of new financing modes and mechanisms. Appropriate management of information is also important for monitoring and evaluating the performance of financing for actions related to SLM.

### 8.3.3 Monitoring and evaluation

The development of an M&E programme is important for assessing the effectiveness of implementation of the strategy. The programme should build on the indicators presented in the action plan to measure progress, identify and correct weaknesses, assess what works and what does not, demonstrate achievements and record experience. Such indicators must make it possible to assess the quality of the implementation processes at the various levels, including development of the enabling environment and the mobilization of financial resources. All concerned stakeholders should be involved in monitoring their own progress and evaluating their own performance, reporting success stories and sharing lessons learned along the way.



Strategic Objective I:  
Improve the Enabling Environment

Objective	Action	Responsibilities	Outcome indicators (scorecard)	Baseline situation	Target	Activities	Sources of verification	Priority	Budget	Risks and assumptions
Mainstream SLM into country policy framework	• Articulate SLM as a national priority by endorsing the NAP	• Lead: MoA	0 - Legal text not endorsed 1 – COM has endorsed the legal text, officially recognizing the NAP as a cross-sectoral plan	• Legal text for official endorsement of the NAP has been prepared and submitted to the COM • Legal text is not yet endorsed • Score = 0	1	• MoA to lobby for NAP endorsement • COM to endorse the NAP	• COM decree endorsing the NAP published in the Official Gazette	High	Limited	• Political turmoil makes it difficult to put the NAP on to the COM agenda
	• Integrate UNCCD concerns/principles into policies, plans and programmes (PPPs)	• MoA as promoter of SLM concept in other institutions • MoE to support promotion • MoA, MoE, CDR, GP, MoE, MoSA, MoF, DGUP to integrate into PPPs	0 - SLM not integrated into any PPPs 1 - SLM integrated into sectoral programme matrices for Paris III 2 - SLM represented in institutional strategies and integrated into PPPs 3 - Overarching policy framework developed, integrating SLM, and institutions consider SLM in their planning frameworks	• SLM not represented in PPPs across institutions • Score = 0	1	• MoA and MoE to coordinate with MoF and CDR for integration of SLM into sectoral matrices • MoA to develop LAPs into operational programmes • CDR to lobby for endorsement of NPMP • MoE to develop/lobby for endorsement of programme law for NBSAP, protected areas, NEAP • MoSA to integrate SLM into proposed national development strategy • MoSA and GP to integrate SLM criteria into project selection and approval	• Texts of sector matrices • Texts of PPPs • Endorsed programme laws	High	NA	• SLM may remain underrated owing to low priority given to environmental issues
	• Establish a national coordination platform for UNCCD implementation with focus on resource mobilization	• Lead: MoA • Support: MoSA, MoE, MoEW, CDR, MoF	0 - No operation coordination platform. NCB still inactive 1 - Coordination platform operational, but meetings are irregular 2 - Platform operational and meetings held on a regularly scheduled basis 3 - Coordination proceedings create a positive feedback loop into SLM-related activities in individual institutions	• NCB is inactive • No coordination platform exists to combine stakeholders	2	• Explore feasibility of proposed coordination platforms: n revitalize NCB n create an autonomous coordination department within MoA n use an existing platform (CDR, HCUP, IMC) for coordination of activities • Set up appropriate platform	• Legal text setting up the coordination platform • Work plan and agenda of the coordination platform • Minutes of meetings	High		• Participants designated by institutions are appropriate for the posts and report back to decision-makers for follow-up • Incentives for participants may be required • The coordination body enjoys some form of autonomy
	• Strengthen bilateral coordination among parties	• Equal involvement from all parties: MoA, MoE, GP, MoF, DGUP, MoSA, CDR, NGOs, private sector	0 - No change in the status quo; bilateral coordination still very limited 1 - Formal channels of bilateral coordination set up (e.g., designated authorities in respective institutions; strengthened capacities in MoSA service centres) 2 - Coordination meetings held on a regular basis. 3 - Active exchange of information, update, peer review of plans, coordination and consultation in implementation of activities, synergistic efforts from stakeholders	• Bilateral coordination remains weak and in need of strengthening	3	• Set up formal channels of communication: designate authority in respective institutions for coordination, strengthen capacities of MoSA service centres to interact with community • Hold regular meetings for update and exchange of information • Incorporate feedback into planning and execution of activities	• Established channel of communication • Minutes of meeting	Medium		• Points of conflict between invitations are resolved • Incentives to coordinate and consult one another exist • Institutional responsibilities and mandates are clearly understood and respected by all parties
Create a stable institutional structure	• Create a unit dedicated to combating desertification	• MoA	0 - Unit not created 1 - Unit created, but not functional (lack of staff, budget, etc.) 2 - Unit functional, but not autonomous. 3 - Unit functional and autonomous. Is within MoA structure, but has independent and flexible budget and carries out activities with minimal ministerial involvement	• Creation of unit has been proposed and a legal study has been carried out • Endorsement of the legal text by the Minister of Agriculture is pending • Minister resigned end of 2006, halting all procedures that require minister's signature • Score = 0	2	• Minister to sign the legal text endorsing unit's creation • UNCCD Focal Point to lobby for allocation of appropriate budget for the unit to function properly	• Legal texts • Budget segment in MoA budget • Staff appointment	High		• Appointment of new minister may take time owing to political turmoil • Resources must be available to staff, and the unit equipped to become operational

Objective	Action	Responsibilities	Outcome indicators (scorecard)	Baseline situation	Target	Activities	Sources of verification	Priority	Budget	Risks and assumptions
	• Increase synergy among the Conventions	• Lead: MoE and MoA • Support: proposed NCB	0 - No interaction among focal points, hence no synergy 1 - NCSA recommendations finalized but not endorsed 2 - NCSA recommendations stipulated in a programme law, officially assigning responsibility to parties, but no action taken 3 - Capacity development programme created on the basis of NCSA, leading to increased interaction and synergy among the Conventions	• Focal points of the Rio Conventions are split between MoA and MoE • Minimal cooperation between the focal points • NCSA recommendations have not yet been finalized • Score = 0	3	• MoE to stipulate NCSA recommendations in a programme law to ensure their adoption and implementation. • Proposed NCB to oversee development and implementation of a capacity development programme for carrying out NCSA recommendations and building synergy	• Programme law stipulating adoption of NCSA recommendations • Established capacity development programme created on the basis of NCSA recommendations	Medium		• Stipulation of a programme law may be a time-consuming process  • Initiation of the capacity development programme is dependent on the availability of resources. A separate follow-up programme to the NCSA may be required to initiate the programme
Increase cooperation with partners across sectors	• Establish partnerships	• Lead: MoA and MoE • Support: MoEVV, MoSA, CDR, MoF, municipalities	0 - No partnerships established 1 - Partnerships with grassroots organizations, e.g., NGOs and local CSOs 2 - Partnerships with potential financial sources such as commercial banks and private enterprises 3 - Partnerships across sectors and borders, including media, political parties and international NGOs	• Partnerships are limited. • 2 NGOs are official partners to the UNCCD • No partnerships with private sector, media, political parties, etc. • Score = 1	3	• MoA to accredit NGOs as official partners • MoA and MoF to develop measures for improving investment climate to encourage partnerships with private sector • MoE and MoA to lobby for incorporation of SLM in agenda of Green Party • MoA to engage the media in awareness raising	• Memorandums of Understanding	Low	Limited	• There are incentives for entering into partnerships and the advantages of establishing partnerships are clearly recognized
Implement legal reforms	• Clarify institutional responsibilities	• MoA, MoE, Ministry of Justice	0 - Major institutional inconsistencies exist among key agencies related to SLM 1 - Minor institutional inconsistencies exist among key agencies related to SLM 2 - No institutional inconsistencies exist among key agencies related to SLM – their roles are clear and complementary	• Major inconsistencies between roles of MoA and MoE in SLM and fighting desertification exist • Score = 0	1	• MoA and MoE to initiate constructive discussions • Review institutional mandates of ministries to clarify their roles	• Minutes of meetings • New mandates published in official gazette	• High		• Parties not willing to cooperate
	• Improve the legal framework	• MoA, MoE, MoF	0 - No legal reform initiated 1 - Few legal texts amended, as recommended in legal reform section 2 - Several legal texts amended, as recommended in legal reform section 3 - Comprehensive legal reform addressing weaknesses implemented	• No legal reform initiated • Score = 0	2	• Undertake in-depth legal assessment • Initiate comprehensive participatory process, involving all stakeholders • Make amendments to relevant texts and submit for formal approval	• Terms of reference for legal assessment study • Minutes of participatory meetings • Official gazette	• Medium		• Political will • Cooperation of MoF is crucial • Economic conditions in country can prevent government from seeing reforms as a priority
Strengthen human capacities	• Develop a capacity building programme	• Lead: MoA • Support: MoE, CDR, MoF, MoSA, MoEW	0 - No capacity building taking place 1 - Limited capacity building taking place outside the scope of a formal programme 2 - A capacity building programme established, but training needs not adequately addressed 3 - A cross-sectoral capacity building programme reaching across institutions is established and caters to identified training needs	• Training programmes are not designed to cater to specific needs, particularly regarding planning, priority setting and general management • Institutions nominate staff on an ad-hoc basis for participation in training workshops • Training programmes are not always well advertised • Score = 1	3	• MoA to coordinate with supporting institutions in development of capacity building programme • Institutions to assess the training needs of their staff • MoA to assist concerned municipalities in assessing their needs	• Text of the proposed capacity building programme • List of training needs identified by each institution • Lists of staff nominated for training workshops	Medium		• Institutions (through ministers and DGs) perceive need for the capacity building programme and have the will to engage in its conception • Resources are ensured for the inception of the programme

Objective	Action	Responsibilities	Outcome indicators (scorecard)	Baseline situation	Target	Activities	Sources of verification	Priority	Budget	Risks and assumptions
	<ul style="list-style-type: none"> <li>Increase qualified human resources in institutions</li> </ul>	<ul style="list-style-type: none"> <li>MoA, MoE, MoEW, MoSA within their own institutions</li> </ul>	<p>0 - Institutions are understaffed</p> <p>1 - Institutions are adequately staffed in terms of numbers, but human resources lack the needed qualifications</p> <p>2 - Human resources in institutions are adequate and qualified, but not working in posts appropriate to their qualifications/expertise</p> <p>3 - Human resources are appropriate in numbers, qualifications and positions held within institutions</p>	<ul style="list-style-type: none"> <li>A hiring freeze is complicating the appointment of new staff</li> <li>Job descriptions are vague, resulting in staff performing duties not consistent with their posts or qualifications</li> <li>Score = 2</li> </ul>	3	<ul style="list-style-type: none"> <li>Institutions to lobby COM to lift the hiring freeze</li> <li>Institutions to develop appropriate terms of reference for the positions they are to fill</li> </ul>	<ul style="list-style-type: none"> <li>Legal text ending the hiring freeze</li> <li>Terms of reference for job descriptions</li> <li>Completed application exams</li> <li>Staff appointments</li> </ul>	Medium		<ul style="list-style-type: none"> <li>Qualified human resources are available and willing to enter the public sector</li> <li>Training/knowledge on development of appropriate terms of reference/job descriptions exists</li> </ul>
Strengthen the knowledge base	<ul style="list-style-type: none"> <li>Establish an information database</li> </ul>	<ul style="list-style-type: none"> <li>MoA</li> </ul>	<p>0 - Information database not established</p> <p>1 - Information database created, but not properly managed (not updated/maintained) or information not shared</p> <p>2 - Information database created, maintained and updated on a regular basis, but information only centrally accessible</p> <p>3 - Information database properly managed, information shared/transparent, access provided to all</p>	<ul style="list-style-type: none"> <li>Information is difficult to locate and access</li> <li>Information is scattered across the institutions, with no central database to compile and organize it</li> <li>Score = 0</li> </ul>	3	<ul style="list-style-type: none"> <li>MoA (through the proposed unit) to establish a web-based information system for sharing data among stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>Information system infrastructure</li> </ul>	Medium		<ul style="list-style-type: none"> <li>Knowledge management carried out on a regular basis</li> <li>Institutions are willing to cooperate and share their information to create the database</li> </ul>
<ul style="list-style-type: none"> <li>Institutions are willing to cooperate and share their information to create the database</li> </ul>	<ul style="list-style-type: none"> <li>Raise awareness on SLM</li> </ul>	<ul style="list-style-type: none"> <li>Lead: MoA</li> <li>Support: MoE, media, NGOs, proposed NCB</li> </ul>	<p>0 - Limited awareness of SLM. Only some departments within institutions are familiar with it</p> <p>1 - SLM mainstreamed into institutions. Ministers and DGs familiar with it</p> <p>2 - Communities, NGOs and CBOs in desertification-prone areas familiar with SLM and apply its principles</p> <p>3 - SLM a household term. All stakeholders have a clear idea of SLM and its implications</p>	<ul style="list-style-type: none"> <li>SLM is a little-known concept. Few departments within ministries (MoA and MoE) are familiar with it</li> <li>Decision-makers, communities and general public are poorly informed</li> <li>Awareness raising limited to ad-hoc campaigns</li> <li>Score = 0</li> </ul>	2	<ul style="list-style-type: none"> <li>MoA to develop a national awareness raising campaign</li> <li>MoA, in coordination with media channels, to publish information material</li> <li>MoE's Guidance and Awareness Service to increase its involvement in raising awareness of the general public</li> </ul>	<ul style="list-style-type: none"> <li>Availability of posters, brochures, TV spots</li> <li>Hosting of seasonal events, organized by MoA, etc.</li> <li>Application of SLM principles by farmers/landowners</li> <li>Surveys</li> </ul>	Low	USD 50,000 per annum	<ul style="list-style-type: none"> <li>Awareness raising becomes a concerted effort involving all stakeholders</li> <li>Awareness raising strategy is well developed and resources are available to implement it</li> </ul>

Strategic Objective II:  
Mobilize Internal Sources of Funding

Objective	Action	Responsibilities	Outcome indicators (scorecard)	Baseline situation	Target	Activities	Sources of verification	Priority	Budget	Risks and assumptions
Promote better planning of programme laws	• Develop SLM-related PPPs based on programme laws	• MoA, MoE, MoEW, MoSA within their own institutions	0 - PPPs not developed on basis of planning and prioritization 1 - Some programme laws developed based on planned activities following ministerial strategy or action plan, but budgets may not be appropriately allocated 2 - Most PPPs reflect priorities and accurately represent planned activities through programme laws. Comprehensive and detailed budgets developed 3 - All activities fall within programme laws and include an allocated budget that considers all financial needs over the duration of the activity	• Some programmes fall in line with ministerial strategies and action plans, but budgets are usually not well developed, allocated or disbursed • No programme laws explicitly include SLM-related activities • Score = 1	3	• Ministries to develop planned activities into detailed programme laws specifying needed funds • Programme development to be consistent with timing of the budget cycle	• Programme laws, including detailed activities and budgets • Texts reflecting SLM principles and criteria	High		• Human resources should have the skills or be adequately trained to develop PPPs based on priority setting, forecasting of activities and required budgets  • Allocated budgets may be different from requested budgets
Optimize fund allocation	• Submit budget requests that conform to spending capabilities	• MoA, MoE, MoEW, MoSA	0 – Significant disparity between allocated and spent funds. Spending capacities not assessed (planned activities and ease of disbursement), and budget requests not based on prior disbursement performance 1 – Modest disparity between allocated and spent funds is modest. Ministries make effort to link planned activities with capacities to implement, and thus disburse funds 2 - Ministries estimate more accurately their ability to implement activities and disburse funds. Budget requests made on the basis of programme laws that justify allocations and spending over the duration of the activity	• Significant disparity between allocated and disbursed funds remains • Ministries incapable of spending their allocated budgets, particularly part II of the budget • Score = 0	2	• Ministries to assess their capacity to implement planned activities (as part of programme development) • Ministries to request only the budgets that they can effectively spend	• End-of-year budget cut-offs showing allocations and disbursement	High	NA	• Highly dependent on the ability of ministries to set priorities, plan activities, and estimate their budgets accurately  • Planning and budgeting skills therefore indispensable

Objective	Action	Responsibilities	Outcome indicators (scorecard)	Baseline situation	Target	Activities	Sources of verification	Priority	Budget	Risks and assumptions
	<ul style="list-style-type: none"> <li>Limit subsequent budget allocations where funds are not spent</li> </ul>	<ul style="list-style-type: none"> <li>MoF</li> </ul>	<p>0 - Budget approvals not based on previous fund disbursements. No budget adjustments made on the basis of spending capabilities</p> <p>1 - Budget evaluations based on previous spending performance, but such action is informal and does not result in adjustments</p> <p>2 - Budget approvals based on evaluation of spending capacities, and subsequent budgets set accordingly</p>	<ul style="list-style-type: none"> <li>MoF evaluates ministries' spending capabilities on only an informal basis. Evaluations do not necessarily result in budget adjustments</li> <li>Score = 1</li> </ul>	2	<ul style="list-style-type: none"> <li>MoF to evaluate and adjust, on a yearly basis, institutions' allocated budgets better to reflect their actual spending capabilities</li> </ul>	<ul style="list-style-type: none"> <li>Annual budgets</li> <li>End-of-year budget cut-offs showing allocations and disbursement</li> </ul>	High	NA	<ul style="list-style-type: none"> <li>Dependent on MoF's capacities</li> <li>Budget cut-offs of the previous year or two should be completed by the time the new budget is stipulated</li> </ul>
Reform laws governing the public budget process	<ul style="list-style-type: none"> <li>Enact a comprehensive budget system law</li> </ul>	<ul style="list-style-type: none"> <li>MoF</li> </ul>	<p>0 - Laws governing the public budgeting process are outdated and lack consistency. A single unifying law does not exist</p> <p>1 - Reforms carried out to reach a unified public budget law (system in state of transition)</p> <p>2 - BSL enacted, unifying inconsistent legislation and replacing the outdated PAL</p> <p>3 - An OBL enacted through a Constitutional amendment</p>	<ul style="list-style-type: none"> <li>No single unifying public budgeting law exists</li> <li>Current laws, rules and regulations are inefficient in controlling or auditing expenditure and preventing extensive waste</li> <li>PAL is being reformed</li> <li>Score = 1</li> </ul>	2	<ul style="list-style-type: none"> <li>MoF to amend a number of laws, decrees, laws, decisions and other regulations</li> <li>MoF to enact a comprehensive BSL that regulates the budgeting process and adopts the same principles and building blocks as a typical OBL</li> </ul>	<ul style="list-style-type: none"> <li>Legal texts</li> </ul>	High		<ul style="list-style-type: none"> <li>Speed of implementation of reforms dependent on the ongoing political standoff</li> </ul>
	<ul style="list-style-type: none"> <li>Increase the flexibility of budget allocations</li> </ul>	<ul style="list-style-type: none"> <li>MoF</li> </ul>	<p>0 - Highly rigid budget allocation. Moving/ allocating funds to other activities is tedious and lengthy bureaucratic process</p> <p>1 - Reforms carried out to increase the flexibility of budget allocations, making it easier to manage funds</p> <p>2 - Departments within ministries enjoy flexibility in managing their in-house budgets. Lengthy bureaucratic processes abolished</p>	<ul style="list-style-type: none"> <li>Budget allocation is extremely rigid. Once allocated, funds cannot be transferred easily from part I to part II, and vice versa</li> <li>Score = 0</li> </ul>	2	<ul style="list-style-type: none"> <li>MoF to pursue reform projects, including modernization of the laws governing budget preparation, execution, accounting and auditing</li> <li>MoF to reform laws governing budget allocation, to grant ministries more flexibility in administration of their in-house budgets</li> </ul>	<ul style="list-style-type: none"> <li>Legal texts</li> </ul>	High		<ul style="list-style-type: none"> <li>Political will exists for enacting the legislation</li> <li>Enacting the legislation necessary to increase budget flexibility is dependent on the priority allocated to the reform process, which is being delayed due to the ongoing political standoff</li> </ul>

Objective	Action	Responsibilities	Outcome indicators (scorecard)	Baseline situation	Target	Activities	Sources of verification	Priority	Budget	Risks and assumptions
Increase the budget dedicated to SLM	<ul style="list-style-type: none"> <li>Dedicate funds within the budget to combating desertification activities</li> </ul>	<ul style="list-style-type: none"> <li>Lead: MoA</li> <li>Support: MoE, MoEW, MoSA</li> </ul>	<p>0 - Budgets of ministries directly concerned with SLM are minor and not commensurate with the scale of activities that need to be carried out</p> <p>1 - Ministries concerned with SLM are allocated a higher budget, but still insufficient to carry out all their planned activities</p> <p>2 - Budgets allocated to SLM-related ministries are commensurate with the scale of activities that fall within their mandates (including coordination tasks across ministries)</p>	<ul style="list-style-type: none"> <li>Budget available for SLM activities is severely limited</li> <li>Four ministries related to SLM activities (MoA, MoEW, MoE and MoSA) receive only 2-3% of total annual budget</li> <li>Score = 0</li> </ul>	2	<ul style="list-style-type: none"> <li>Ministries to prepare detailed programmes that integrate SLM, justifying their budget requests</li> <li>Ministries to lobby MoF for allocation of their requested budgets</li> <li>MoSA and MoA to lobby MoF for creation of a separate budget for operation of the proposed NCB</li> <li>MoA to lobby MoF for creation of a separate budget for the proposed desertification unit, and for provision of autonomy in managing its own funds</li> </ul>	<ul style="list-style-type: none"> <li>Texts approving the programme laws, which reflect required funds and justify needs</li> <li>Legal texts stipulating the creation of a separate budget for the proposed NCB and proposed unit at MoA</li> </ul>	High	NA	<ul style="list-style-type: none"> <li>Dependent n : <ul style="list-style-type: none"> <li>availability of planning, programming and budgeting skills of human resources at the ministries</li> <li>effectiveness of the lobby at a time when the government is trying to curb wasteful expenditure</li> </ul> </li> </ul>
	<ul style="list-style-type: none"> <li>Activate the NEF</li> </ul>	<ul style="list-style-type: none"> <li>Lead: MoE</li> <li>Support: MoA, MoEW, MoSA</li> </ul>	<p>0 - NEF inactive. Legislation prepared for its activation, but yet to be endorsed</p> <p>1 - Creation of legislation activating NEF is endorsed, but NEF remains inactive</p> <p>2 - NEF endorsed and active, but the mechanism for fund allocation and disbursement is hampered</p> <p>3 - NEF operating as a direct source of funding for environment-related activities</p>	<ul style="list-style-type: none"> <li>Legislation for creation of the NEF and the National Environment Committee has been prepared and is awaiting endorsement</li> <li>Score = 0</li> </ul>	3	<ul style="list-style-type: none"> <li>MoE to take lead in lobbying for endorsement of legislation creating NEF</li> <li>MoE to take lead in overseeing management of NEF, ensuring that the mechanism for fund allocation and disbursement is properly managed</li> <li>Once NEF is established, MoA to lobby to increase resources allocated to SLM-related activities</li> </ul>	<ul style="list-style-type: none"> <li>Legal texts endorsing creation of NEF</li> </ul>	Medium	NA	<ul style="list-style-type: none"> <li>Political turmoil and low priority of the NEF may delay its creation indefinitely</li> </ul>
	<ul style="list-style-type: none"> <li>Integrate SLM into municipal budgets</li> </ul>	<ul style="list-style-type: none"> <li>Lead: MoA</li> <li>Support: MoSA, municipalities MoE, MoSA, MoIM</li> </ul>	<p>0 - Municipalities have no concept of SLM. SLM not mainstreamed into municipal budgets</p> <p>1 - Municipalities in desertification-prone areas understand SLM principles and include SLM-related activities in their budgets</p> <p>2 - Municipalities throughout the country are familiar with SLM and include SLM-related activities in their budgets</p>	<ul style="list-style-type: none"> <li>Concept of SLM is not well known. Municipalities do not include SLM-related activities in their budget lines</li> <li>Score = 0</li> </ul>	1	<ul style="list-style-type: none"> <li>MoA to assist municipalities in desertification-prone areas in incorporating SLM into their budgets</li> <li>Municipalities to mainstream SLM into their budgets. Budget request to include funding for SLM-related activities to be carried out at the local level and funded primarily by the municipal budget</li> </ul>	<ul style="list-style-type: none"> <li>Texts of approved municipal budgets</li> </ul>	Medium		<ul style="list-style-type: none"> <li>Municipalities willing to cooperate with MoA in integrating SLM-related activities into their budgets</li> <li>MoA has sufficient capacities to assist municipalities in mainstreaming SLM into their budgets</li> </ul>

Objective	Action	Responsibilities	Outcome indicators (scorecard)	Baseline situation	Target	Activities	Sources of verification	Priority	Budget	Risks and assumptions
Increase political lobby for SLM	• Strengthen pro-environment voice in budgetary decisions	• Lead: MoA, MoE, MoEW, MoSA • Support: pro-environment MPs, Green Party representatives, NGOs	0 - There is no lobby from line ministries, MPs, etc. during budget preparation process 1 - Limited negotiation from ministries during budget preparation process 2 - Active lobbying from line ministries, MPs, Green Party, etc. during budget preparation process	• Ministries negotiate approval of their budgets during the preparation process • Lobbying from other sources is limited • Score = 1	2	• Ministers of SLM-related institutions to lobby for greater investment budgets for their ministries. Entry points are when: - line ministry sends proposed budget to MoF - CoM reviews proposed budget law project - proposed budget law project is reviewed by Finance and Budget Parliamentary Committee • MPs to lobby during the General Assembly • MPs, Green party, NGOs, etc. to support budget requests in parliamentary committees and other negotiations	• Supporting documents presented during negotiation of the budget preparation process • Minutes of negotiation meetings • Agendas of political parties	High		• Political will to lobby for approval of budget segments related to SLM activities
	• Lobby for greater recognition of environmental issues	• Lead: MoA, MoE, MoEW, MoSA • Support: Pro-environment MPs, Green Party representatives, NGOs	0 - There is no lobby from line ministries, MPs, etc during the budget preparation process. 1 - Lobbying is limited to the budget preparation process. 2 - Active lobbying is ongoing at regular parliamentary sessions, CoM meetings, etc. 3 - Lobbying extends beyond formal settings (assemblies and meetings). The public is pressurizing its representatives in office to include environmental issues in their agendas	• Political lobby for greater recognition of environmental issues is very limited • Score = 1	2	• Minister of Environment to lobby for inclusion of environmental issues in government priorities and for activation of NEF • Pro-environment MPs and other decision-makers to lobby at the level of parliamentary committees and CoM meetings to assign higher importance to environmental issues on the national agenda. • The general public, guided by civil society and environmental groups, to press their representatives in government to allocate higher priority to environmental issues.	• Minutes of meetings during parliamentary sessions • Agendas of political parties	Medium		• The environment is not a priority issues. • Political will needs to exist in order to strengthen the lobby
Investigate other internal sources of funding	• Study and develop other sources of internal funding	• Lead: MoA • Support: MoF, NGOs	0 - Knowledge on other internal sources of funding exists, but sources have not been investigated 1 - Other internal sources of funding are studied, and potential entry points assessed 2 - Entry points to other internal sources are developed, and include incentives for encouraging private sector investment	• Internal sources of funding consider the public budget only • Lack of resources prohibits adequate investigation of funds from other domestic sources • Score = 0	2	• MoA, or proposed Desertification Unit to carry out a study on other potential sources of internal funding, assessing measures for increasing funding from them • MoA, in coordination with MoF and NGOs, to develop a list of incentives for investment from other internal sources of funding, and to lobby for their implementation	• Terms of reference for proposed study to investigate other sources of internal funding • Text of the study, with list of incentives, etc.	Medium		• Capacities to carry out the study are available

Objective	Action	Responsibilities	Outcome indicators (scorecard)	Baseline situation	Target	Activities	Sources of verification	Priority	Budget	Risks and assumptions
Strengthen human capacities	• Train human resources in government offices	• Lead: MoA, MoE, MoEW, MoSA, MoF • Support: MoIM	0 - No training programmes developed. Staff sent to workshops on ad-hoc basis 1 - Training needs assessed and in-house training programmes developed accordingly, but mechanism to institute programmes and capacities to carry them out are lacking 2 - Training programmes operational, but training is not reaching the target groups 3 - Training programmes are operational and cater to needs of target groups	• Human resources lack certain skills, and training programmes have not been developed to cater to these needs • Ministerial staff attend training workshops on an ad-hoc basis. Workshops not based on assessment of needed skills and are not administered in-house • Score = 0	3	• Ministries to develop in-house training programmes to fill gaps in technical and managerial capacities • Ministries to link training programmes to those offered by donors through assistance projects, such as exchange programmes. MoA to take lead in this • Training to be extended to municipalities. MoF, in coordination with MoIM, to take lead in training municipalities on preparation of budgets and allocation of resources to improve staff's budget planning and disbursement of funds	• Terms of reference for training programmes • Training material • Reports of training workshops	High		• Capacities (human and financial) exist to develop the needed training programmes
	• Train local populations	• Lead: MoA • Support: NGOs, CBOs, municipalities	0 - No training programmes for local populations exist 1 - Training limited to farmers, through extension programmes at MoA 2 - MoA, NGOs, CSO and municipalities engaged in training local populations on SLM principles. MoA coordinates among parties involved 3 - Comprehensive training programme managed by MoA ensures synergy through timely and coordinated training efforts from NGOs, CSOs and municipalities	• MoA is training farmers through its extension programmes • NGOs and CSOs develop independent training programmes on an ad-hoc basis • Score = 1	2	• At the community level, MoA to develop programmes to build local capacities. Programmes to be concentrated in desertification-prone areas and to focus on farmer extension and workshops on marketing produce, managing water resources, and other SLM-related activities • Dedicated unit at MoA to take lead in developing these initiatives and to work in coordination with municipalities, NGOs and CSOs	• Terms of reference and reports of training workshops • Minutes of meetings with NGOs, CBOs and municipalities	Low		• Capacities (human and financial) exist to develop the needed training programmes

Strategic Objective III:  
Mobilize External Sources of Funding

Objective	Action	Responsibilities	Outcome indicators (scorecard)	Baseline situation	Target	Activities	Sources of verification	Priority	Budget	Risks and assumptions
Ensure exposure of SLM through sector matrices	• Integrate SLM into the Paris III sectoral programme matrices	• Lead: MoA, MoE • Support: CDR, MoF	0 – SLM not integrated into sectoral programme matrices 1 – SLM integrated into one or two sectoral programme matrices 2 - SLM integrated into more than two sectoral programme matrices 3 - SLM integrated into more than two sectoral programme matrices, and assigned significant priority	• SLM is not integrated into sectoral programme matrices • Sectoral programme matrices are at the review and finalization stage, but do not include environment and agriculture. The water and wastewater, safety net (social) and transport sectors present opportunities for mainstreaming SLM • Score = 0	2	• MoA to lobby for involvement in finalization of the matrices and integration of SLM-related issues  • MoE to support MoA in lobbying for integration of SLM and other environment-related topics	• Texts of finalized sectoral programme matrices	High	NA	• SLM may remain underrated owing to low priority given to environmental issues
	• Lobby for priority of SLM issues in sectoral programme matrices	• Lead: MoA, MoE	0 - SLM not integrated into the sectoral programme matrices 1 - SLM-related activities given low priority in sector matrices 2 - SLM-related activities given medium priority in sector matrices 3 - SLM-related activities given high priority in sector matrices	• SLM is not integrated into the sectoral programme matrices, but there is opportunity to mainstream SLM concepts during the finalization stage • Score = 0	2	• MoA and MoE to increase lobby for prioritization of issues that concern their respective sectors	• Minutes of meetings • Texts of official correspondence from decision-makers within ministries	High	NA	• Political will exists to lobby for prioritization of SLM in the sectoral programme matrices
Articulate national priorities	• Develop sectoral strategies	• Lead: MoA, MoET • Support: MoE, MoEW, MoSA	0 - No or very few sectoral strategies developed 1 - Several institutions have developed sectoral strategies articulating sector priorities 2 - Most/all institutions have developed sectoral strategies articulating national sector priorities, and have sought endorsement. NAP and EU action plans have been endorsed	• Few sectoral or cross-sectoral strategies exist; those that have been elaborated often lack official endorsement • Score = 0	2	• MoET to take lead in coordinating completion and endorsement of action plans, as stipulated in EU requirements • MoA to integrate NAP priorities into action plans to ensure that they become part of funded activities • Ministries to elaborate priorities through sectoral strategies • CoM to endorse NAP	• Texts of action plans • Texts of sectoral strategies • Legal text endorsing NAP	High		• Political will to develop action plans exists • Strong lobby of MoA to include NAP priorities • Ministries have capacities to develop sectoral programmes

Objective	Action	Responsibilities	Outcome indicators (scorecard)	Baseline situation	Target	Activities	Sources of verification	Priority	Budget	Risks and assumptions
	<ul style="list-style-type: none"> <li>Adopt the programme approach – start with elaborating the LAPs</li> </ul>	<ul style="list-style-type: none"> <li>Lead: MoA</li> <li>Support: MoE, MoSA, MoEV, CDR</li> </ul>	<p>0 - Sector priorities not articulated or yet to be translated into fundable programmes</p> <p>1 - Sector priorities/ strategies set, and ministries developing fundable programmes within their sectors</p> <p>2 - Sector priorities/ strategies set, and ministries developing fundable cross-sectoral programmes using the programme approach</p>	<ul style="list-style-type: none"> <li>Sectoral priorities have yet to be set</li> <li>No cross-sectoral programmes have been developed. The NAP-to-LAP process provides an opportunity for adopting the programme approach</li> <li>Score = 0</li> </ul>	2	<ul style="list-style-type: none"> <li>MoA to take lead in developing fundable cross-sectoral programmes based on LAPs. MoA to coordinate with relevant ministries in elaboration of programmes</li> <li>MoA to develop a concept proposal for a cross-sectoral programme addressing a productive sector in Lebanon</li> <li>Ministries to draw on assistance of CDR – which maintains overview of sectoral activities and has experience in developing cross-sectoral programmes – to develop fundable programmes within and across their sectors</li> </ul>	<ul style="list-style-type: none"> <li>Texts of elaborated LAPs</li> <li>Programme concept proposals</li> </ul>	High		<ul style="list-style-type: none"> <li>Programme concepts must detail mobilization of internal budget and sources of co-funding as per the programme approach preferred by donors</li> </ul>
	<ul style="list-style-type: none"> <li>Consolidate and elaborate available development plans</li> </ul>	<ul style="list-style-type: none"> <li>Lead: MoSA</li> <li>Support: CDR, DGUP</li> </ul>	<p>0 - Development plans created on an ad-hoc basis without consolidation</p> <p>1 - Municipalities' development plans consolidated with national plans created on an ad-hoc basis within a framework programme</p> <p>2 – NDS developed</p>	<ul style="list-style-type: none"> <li>Some institutions have drafted development plans, e.g., NPMPL and municipal priority plans, but these are not consolidated and do not fall within a national development framework</li> <li>No NDS exist</li> <li>MoSA is working on a poverty assessment that should serve as a building block for an NDS</li> <li>Score = 0</li> </ul>	2	<ul style="list-style-type: none"> <li>CDR and MoSA to consolidate municipal development plans developed in a previous project into a framework programme</li> <li>MoSA to complete the poverty study to serve as a building block for elaboration of an NDS</li> </ul>	<ul style="list-style-type: none"> <li>Texts of consolidated municipal plans</li> <li>Text of poverty study</li> <li>Text of national development study</li> </ul>	Medium		<ul style="list-style-type: none"> <li>Political will exists to move forward on the national development agenda</li> </ul>
Expedite the implementation of reforms	<ul style="list-style-type: none"> <li>Implement fiscal reforms</li> </ul>	<ul style="list-style-type: none"> <li>Lead: MoF</li> <li>Support: Central Bank</li> </ul>	<p>0 - Fiscal reforms have not been carried out</p> <p>1 - Fiscal reforms implemented, but not yet in compliance with World Bank and IMF requirements</p> <p>2 - Fiscal reforms implemented, and in compliance with World Bank and IMF requirements</p>	<ul style="list-style-type: none"> <li>Implementation of fiscal reforms directly influences eligibility for increased donor assistance</li> <li>The reform process is ongoing, but is hampered by political turmoil</li> <li>Score = 0</li> </ul>	2	<ul style="list-style-type: none"> <li>MoF and the Central Bank to expedite implementation of fiscal reforms</li> </ul>	<ul style="list-style-type: none"> <li>Endorsed legal texts of reforms</li> <li>IMF assessment reports</li> </ul>	High	NA	<ul style="list-style-type: none"> <li>Political stability required for continuation of the reform process</li> </ul>

Objective	Action	Responsibilities	Outcome indicators (scorecard)	Baseline situation	Target	Activities	Sources of verification	Priority	Budget	Risks and assumptions
Develop the role of municipalities in resource mobilization	<ul style="list-style-type: none"> <li>Use municipalities as a direct funding sink</li> </ul>	<ul style="list-style-type: none"> <li>Lead: MoA</li> <li>Support: municipalities</li> </ul>	<p>0 – Limited links between municipalities and MoA. Municipalities have limited or no knowledge of external sources of funding</p> <p>1 - Links between MoA and municipalities in desertification-prone areas exist. MoA assists municipalities in developing capacities to mobilize external funding sources for SLM-related activities</p> <p>2 - Municipalities regularly apply for and receive external funding. Funds used to finance SLM-related activities</p>	<ul style="list-style-type: none"> <li>Municipalities enjoy fiscal independence from central authority, so provide an uncomplicated and direct pathway for channelling financing funds</li> <li>Municipalities have limited know-how in fund mobilization</li> <li>Score = 0</li> </ul>	1	<ul style="list-style-type: none"> <li>MoA to establish links with municipalities to strengthen their capacities in fund acceptance and management for SLM-related activities</li> </ul>	<ul style="list-style-type: none"> <li>Terms of reference for training workshops</li> <li>Minutes of meetings</li> <li>Texts of fund approval</li> </ul>	Medium		<ul style="list-style-type: none"> <li>Municipalities have the will to cooperate</li> <li>Municipalities have the incentive to use funding for SLM-related activities</li> </ul>
Build partnerships	<ul style="list-style-type: none"> <li>Build partnerships with NGOs and CSOs</li> </ul>	<ul style="list-style-type: none"> <li>Lead: MoA, MoE, MoSA, MoEW</li> <li>Support: NGOs, CSOs</li> </ul>	<p>0 - No partnerships between ministries and NGOs and CSOs</p> <p>1 - Partnerships limited to NGOs that are accredited UNCCD partners</p> <p>2 - Partnerships with a multitude of grassroots organizations, but cooperation is limited</p> <p>3 - Partnerships established. Cooperation and implementation of activities, particularly in desertification-prone areas, is active</p>	<ul style="list-style-type: none"> <li>Partnerships are limited, 2 NGOs – Greenline Association and Makhzoumi Foundation – accredited to the UNCCD implementation process in Lebanon</li> <li>Score = 1</li> </ul>	3	<ul style="list-style-type: none"> <li>MoSA to assist MoA in identifying NGOs and CBOs with capacities to carry out projects successfully</li> <li>MoA, MoE, MoSA, MoEW to establish strong ties with local NGOs and CSOs. NGO/CSO involvement to start with local priority setting</li> <li>MoA to accredit NGOs as UNCCD partners to assist in implementing LAPs</li> <li>MoA to link NGO work plans to one another and to SLM work plan at MoA</li> <li>MoA to offer guidance and assistance on available funds and means of accessing them</li> </ul>	<ul style="list-style-type: none"> <li>Certificate of accreditation</li> <li>Texts of cooperation agreements</li> </ul>	Medium		<ul style="list-style-type: none"> <li>NGOs willing to cooperate/become involved</li> <li>NGOs have capacities to carry out work in desertification-prone areas</li> </ul>
	<ul style="list-style-type: none"> <li>Build partnerships with local authorities/ municipalities</li> </ul>	<ul style="list-style-type: none"> <li>Lead: MoA,</li> <li>Support: MoE, MoSA, MoEW municipalities</li> </ul>	<p>0 - No partnerships between ministries and municipalities</p> <p>1 - Limited partnerships between ministries and municipalities</p> <p>2 - Partnerships with a multitude of municipalities in desertification-prone areas, but cooperation is limited</p> <p>3 - Partnerships established. Cooperation and implementation of activities, particularly in desertification-prone areas, is active</p>	<ul style="list-style-type: none"> <li>There are limited partnerships between ministries and municipalities, mainly for MoA, owing to its activities with farmers and landowners through extension services</li> <li>Score = 1</li> </ul>	3	<ul style="list-style-type: none"> <li>MoA to strengthen ties with local authorities through its LFPs and decentralized departments. To enhance involvement and instil a sense of ownership, local authorities to be involved in prioritization of problems and implementation of activities</li> <li>MoA to offer guidance and assistance on available funds and means of accessing them</li> </ul>	<ul style="list-style-type: none"> <li>Texts of cooperation agreements</li> <li>Terms of reference for training workshops</li> <li>Minutes of meetings and texts of correspondence</li> </ul>	Medium		<ul style="list-style-type: none"> <li>Local authorities willing to cooperate/become involved</li> <li>Local authorities have capacities to carry out work in desertification-prone areas</li> </ul>

Objective	Action	Responsibilities	Outcome indicators (scorecard)	Baseline situation	Target	Activities	Sources of verification	Priority	Budget	Risks and assumptions
	• Build partnerships with donors to foster knowledge sharing	• Lead: MoA, • Support: National Council for Scientific Research, academia, MoE, MoSA, MoEVV	0 - No partnerships between ministries and donors 1 - Limited partnerships between ministries and donors. No formal channels of cooperation 2 - Partnerships with a multitude of donors, but no formal channels for information exchange 3 - Partnerships established. Cooperation and exchange programmes in full gear	• Exchange of information and expertise between ministries and donor organizations is very limited • Score = 0	3	• MoA to work with national research institutes, such as the National Council for Scientific Research and academic institutions, to develop research programmes focusing on SLM-related issues and to establish links with donors to foster knowledge exchange and research alliances	• Texts of cooperation agreements • Terms of reference for joint research projects	Low		• Capacity and willingness of academia and national research centres to establish partnerships • Familiarity with and interest in SLM concept
Build capacity of human resources	• Develop training programmes	• Lead: MoA, MoF • Support: CDR	0 - No training programmes developed. Staff sent to workshops on ad-hoc basis 1 - Training needs assessed and in-house training programmes developed accordingly 2 - Training programmes operational, catering to needs of target groups	• Human resources lack the necessary skills. There are no formal training programmes • Ministerial staff need training on implementing the programme approach • Local municipalities must be trained to plan and manage resources efficiently and transparently, improve environmental practices that promote sustainable agriculture • Score = 0	2	• Training programme to be developed to address gaps in skills Programme to be implemented across ministries and in municipalities • MoA (lead institution), MoF (offering workshops through its Financial Institute) and CDR (with extensive programming experience) to collaborate in development of the programme	• Terms of reference for training programme • Reports of training workshops • Evaluation forms of training workshops	Medium		• Capacities (human and financial) exist to develop the needed training programmes
	• Foster exchange programmes	• MoA, MoE, MoEVV, MoSA, CDR	0 - Ministries not engaged in any exchange programmes with donors/international organizations 1 - Ministries nominate staff on a regular basis to participate in established exchange programmes, but participation very limited 2 - Ministries nominate staff to participate regularly in exchange programmes, but there is little follow-up and transfer of acquired skills 3 - Participation of staff in regular exchange programmes enhances capacities at ministries. Participants pass on acquired skills to other staff through in-house workshops	• Some donors offer training and exchange programmes, but ministries do not take full advantage of them (by not nominating appropriate staff, for instance) • Score = 0	3	• Ministries individually to carry out needs assessments to determine their training needs • Each ministry to develop criteria for nominating staff for training and exchange programmes, on a yearly basis	• Texts of needs assessments • Lists of staff nominated for exchange programmes • Training exchange programme completion reports	Low		• Benefits of exchange programmes are appreciated • Incentives to participate in the training programmes exist among staff

Objective	Action	Responsibilities	Outcome indicators (scorecard)	Baseline situation	Target	Activities	Sources of verification	Priority	Budget	Risks and assumptions
Create an online donor database	<ul style="list-style-type: none"> <li>• Create a digital donor database based on the donor matrix</li> </ul>	<ul style="list-style-type: none"> <li>• Lead: MoA</li> <li>• Support: MoE, MoEW, MoSA, CDR</li> </ul>	<p>0 - Information matrix on donors and donor modalities exists, but is not translated into digital format</p> <p>1 - Interactive donor database based on the donor matrix exists, but is not disseminated</p> <p>2 - Interactive donor database is online and disseminated across institutions, but updating is irregular</p> <p>3 - Interactive donor database is up and running with regular updates. Ministries routinely contribute information to the database</p>	<ul style="list-style-type: none"> <li>• A donor matrix was created as part of the strategy. The matrix presents an aggregate of highly useful information on donor modalities from a multitude of sources in a summarized format.</li> <li>• Score = 0</li> </ul>	3	<ul style="list-style-type: none"> <li>• MoA to develop the donor matrix into an online database that is regularly updated and maintained</li> <li>• The proposed Desertification Unit at MoA to serve as the information hub that compiles and updates information</li> </ul>	<ul style="list-style-type: none"> <li>• Web-based donor database</li> </ul>	Medium	USD 10,000	<ul style="list-style-type: none"> <li>• Information is collected and updated on a regular basis by a central unit responsible for maintaining the database</li> <li>• Departments at the different ministries supply information on a regular basis</li> </ul>

Strategic Objective IV:  
Mobilize Innovative Sources of Funding

Objective	Action	Responsibilities	Outcome indicators (scorecard)	Baseline situation	Target	Activities	Sources of verification	Priority	Budget	Risks and assumptions
Investigate main innovative sources further	• Elaborate the main innovative sources available in Lebanon	• Lead: MoE	0 - Little attention to innovative sources of funding 1 - Applicability of innovative sources of funding and mechanisms for implementation are explored 2 - Action plan developed for establishing main innovative sources of financing (e.g., conservation easements, DNS, etc). 3 - Mechanism for tapping into innovative sources established. Innovative sources constitute a credible supplementary source of funding	• A number of innovative mechanisms are applicable to Lebanon, but little attention has been devoted to these, and their application as supplementary funding sources has yet to be explored in more detail • Score = 0	3	• MoE to take lead in further investigating feasibility of applying these mechanisms and developing means of elaborating them • Main innovative mechanisms explored by MoE are conservation easements, small targeted grants, communal property rights, DNS and CDM • MoE to initiate actions to promote most promising sources of innovative financing	• Terms of reference for further studies • Mechanism for implementation • Financial contribution from innovative sources	Medium		• Implementation of some innovative mechanisms requires political will, legal action and enforcement capacity (may be very difficult and time-consuming) • Appropriate legal and institutional frameworks are secured
	• Study swappable portion of national debt	• Lead: MoE • Support: MoF	0 - DNS not explored 1 - Studies carried out on DNS. Swappable portion of debt identified 2 - Mechanism developed and implemented for swapping a portion of public debt with a conservation project or programme	• DNS have not been explored in depth and the portion of the national debt that may be alleviated through this mechanism is not known • Score = 0	1	• MoE, in coordination with MoF, to investigate this type of financing mechanism to determine portion of national debt that may be eased in the form of a conservation project	• Terms of reference for the study • Text of assessment of swappable debt	Low		• Access to fiscal information is provided
	• Develop action plan for integration of green taxes	• Lead: MoF • Lobby: MoE	0 - Methods for greening the taxation system are known, but implementation is not pursued 1 - Studies carried out to determine mechanism for incorporating green taxes into the system. Action plan developed 2 - Action plan implemented. Government restructuring tax bases to earmark a portion of some taxes for an environmental fund, such as the NEF	• Government uses certain taxes, such as on vehicles and fuel, to raise revenues, but these are not earmarked for environmental activities • Score = 0	1	• MoE to lobby MoF to investigate means and develop an action plan for integrating green taxing schemes into the Lebanese taxation system • MoE to lobby for implementation of green taxes	• Terms of reference for the study • Legal texts for restructuring tax basis and incorporating green taxes	Medium		• Political willingness to establish a green tax exists