Component 4
Resource Mobilization
- External Sources of Funding
External Sources of Funding

- Out-of-country sources such as bilateral and multilateral donors, multinational corporations, charitable foundations, etc

- Have traditionally contributed the bulk of funds to SLM and environment-related activities

- In the new donor approach, donor funds will only be allocated to specific activities that fall within country priorities
Mobilizing Financial Resources

**Mobilize Financial Resources from Innovative Sources based on program requirements**

**Mobilize Financial Resources from External Sources such as bilateral and multilateral donors**

**Mobilize Financial Resources from External Sources such as bilateral and multilateral donors**

**Internal Sources**
- Water: MoEW + local auth.
- Reforestation: MoE/MoA + local auth.
- Sustainable agriculture: MoA + private sector
- Protected Areas: MoE + local auth.
- Poverty alleviation: MoSA + NGOs

**External Sources**

**Innovative Sources**
Program Approach to Funding

- The traditional approach of funding individual projects has been superseded by a structured program-financing mechanism

1. Financing of an integrated program rather than individual projects
2. Donors stress national priorities
3. Donors require co-financing
4. Bulk of program costs must be contributed from other sources (internal or other donors)
Analysis of External Sources of Funding

Identify types of external sources of funding

1. Thematic area
2. Donor
3. Stated donor intervention area
4. Entry points
5. Clarification

Identify main donors

Analyze funding modalities & priorities

1. Donor Matrix

2. Donor Profiles

1. Donor history / description / institutional framework
2. Contact information
3. Strategic objectives
4. Instruments of financial cooperation

Component
Identifying External Sources of Funding

- Bilateral donors
- Multilateral donors
- Private sources such as Foreign Direct Investment (FDI)
- Expatriate funds
- International NGOs
- International philanthropic organizations
Bilateral & Multilateral Donors

The most important external sources of funding are bilateral and multilateral donors

- Bilateral cooperation ➔ country-to-country or government-to-government aid or development agreements
- Multilateral aid ➔ consists of funds managed by multilateral agencies and to which several international parties contribute

Donors differ from one another in their

- preferred intervention areas
- instruments of financial allocation, and
- funding pre-requisites and conditions.
Identify main Donors

- **Historically**, the main cooperation partners
- **Geographically**, donors active in the region (e.g. Arab donors in the Middle East)
- **Sectorally**, the donors with most interest in sustainable development, combating desertification and sustainable land management
  - Such as GTZ in the region
- Donors with *intervention areas* dedicated to CD and SLM
  - such as GEF (mandate includes land degradation ➔ Operational Program 15)
Methodology for Identifying Main Donors

- Literature review
  - Review of past initiatives (financial flows into SLM) reveals important donors

- Stakeholder meetings
  - Stakeholder questionnaires should include questions on cooperation with donors, types of initiatives funded, etc

- Internet Search
  - Exhaustive information resource that is readily available and easy to access

- Donor Consultations
  - Questionnaires and meetings help complement and verify web-based information

- Donor Matrix & Profile Sheet
  - Construct information database on donor modalities and priorities
# Web-based research: Advantages and Disadvantages

<table>
<thead>
<tr>
<th>Advantages of internet-research approach</th>
<th>Disadvantages of internet-research approach</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Donor websites are in most cases very informative and up-to-date</td>
<td>• Websites are not always comprehensive and prospective plans may not always be published</td>
</tr>
<tr>
<td>• Information on contact persons is available, making inquiries possible</td>
<td>• Specific in-depth information is sometimes only published in the donor's native language</td>
</tr>
<tr>
<td>• Useful approach when consultation meetings are not possible (either due to time constraints or lack of in-country donor representative)</td>
<td>• Response rate for inquiries is low and the process cumbersome, sometimes involving several referrals before the appropriate party who can offer a response becomes available</td>
</tr>
<tr>
<td>• Given the number of donors, this is the best way to filter through primary information</td>
<td>• Not possible to follow up on individual projects and pose targeted questions</td>
</tr>
<tr>
<td></td>
<td>• Difficult to draw conclusions on donor's country-approach or commitment to mobilizing resources without effective communication / correspondence with representative</td>
</tr>
</tbody>
</table>
Exploring External Sources

Ideally, exploring external resources should entail a combination of **both** approaches.

- Web-based searches are invaluable for filtering through the vast volumes of information and narrowing down queries, however

- Bilateral meetings are necessary to verify information and draw pragmatic conclusions
Sample List of Main Donors

Some of the main bilateral and multilateral donors involved in combating desertification and sustainable land management

<table>
<thead>
<tr>
<th>Bilateral</th>
<th>Multilateral</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belgium</td>
<td>EU</td>
</tr>
<tr>
<td>Canada</td>
<td>FAO</td>
</tr>
<tr>
<td>France</td>
<td>GEF</td>
</tr>
<tr>
<td>Germany</td>
<td>IFAD</td>
</tr>
<tr>
<td>Italy</td>
<td>UNESCO</td>
</tr>
<tr>
<td>Norway</td>
<td>UNIDO</td>
</tr>
<tr>
<td>Spain</td>
<td>UNDP</td>
</tr>
<tr>
<td>Sweden</td>
<td>USAID</td>
</tr>
<tr>
<td>UK</td>
<td>World Bank</td>
</tr>
<tr>
<td>U.S.A.</td>
<td>Other UN Agencies</td>
</tr>
</tbody>
</table>
## Donor Data to be Collected

Type and significance of data to be collected for the analysis of main donors

<table>
<thead>
<tr>
<th>Data Collected</th>
<th>Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donors' priority countries or regions</td>
<td>Ascertain if country is eligible for funding based on geographic location</td>
</tr>
<tr>
<td>Donors' intervention areas or fields</td>
<td>Determine for which intervention area donor funding is available and can be applied for (e.g. water resource management activities, reforestation initiatives, etc.)</td>
</tr>
<tr>
<td>Type of assistance offered</td>
<td>Some donors offer non-monetary assistance such as technical assistance, training of experts, etc.</td>
</tr>
<tr>
<td>Criteria for assistance</td>
<td>Determine pre-requisites for donor assistance (e.g. implementation of reforms, co-financing, etc.)</td>
</tr>
<tr>
<td>Financing Partners</td>
<td>Certain donors provide assistance only through specific partners, such as NGOs (e.g. USAID)</td>
</tr>
<tr>
<td>Country-specific programs</td>
<td>Outline the planned assistance over a particular period of time; funding amounts may be specified (e.g. the World Bank's CAS, the EU's ENP, etc.)</td>
</tr>
</tbody>
</table>
### Donor Questionnaires

- **Contact information**
- **Type of funding**
  - Grants,
  - Loans,
  - Non-monetary
- **Funding priorities**
- **Criteria for funding**
  - Reforms,
  - Co-financiers
- **Agency partners**
- **Amount of ODA scheduled for disbursement through relevant programs over next 5 years**
- **Country specific programs for funding**

### Donor Questionnaires

<table>
<thead>
<tr>
<th>1. General Information</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Donor</strong></td>
</tr>
<tr>
<td><strong>Contact Person</strong></td>
</tr>
<tr>
<td><strong>Position</strong></td>
</tr>
<tr>
<td><strong>Email</strong></td>
</tr>
<tr>
<td><strong>Persons in charge of the program</strong> in Lebanon (if any)</td>
</tr>
<tr>
<td><strong>Position</strong></td>
</tr>
<tr>
<td><strong>Email</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2. Type of Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Multilateral</strong></td>
</tr>
<tr>
<td><strong>Non-Multilateral</strong></td>
</tr>
<tr>
<td><strong>Grants</strong></td>
</tr>
<tr>
<td><strong>Loans</strong></td>
</tr>
<tr>
<td><strong>Non-financial contributions</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3. How much ODA (Official Development Assistance) did your agency disburse in the following sectors in the past five years?</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>To the GoL</strong></td>
</tr>
<tr>
<td><strong>To the Private sector</strong></td>
</tr>
<tr>
<td><strong>To NGOs/NGOs...</strong></td>
</tr>
<tr>
<td><strong>Note:</strong>*</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>4. How much ODA did your agency disburse in the ongoing projects with the following sectors?</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Timeframe:</strong></td>
</tr>
<tr>
<td><strong>To the GoL</strong></td>
</tr>
<tr>
<td><strong>To the Private sector</strong></td>
</tr>
<tr>
<td><strong>To NGOs/NGOs...</strong></td>
</tr>
<tr>
<td><strong>Note:</strong>*</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>5. How much ODA did your agency schedule for disbursement to the following sectors for the next one or two years?</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Timeframe:</strong></td>
</tr>
<tr>
<td><strong>To the GoL</strong></td>
</tr>
<tr>
<td><strong>To the Private sector</strong></td>
</tr>
<tr>
<td><strong>To NGOs/NGOs...</strong></td>
</tr>
<tr>
<td><strong>Note:</strong>*</td>
</tr>
</tbody>
</table>

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*External Sources of Funding*
Funding Modalities and Priorities

- Relevant information on financing opportunities and possibilities and potential financing partners’ procedures, particularly:
  - Existing financing,
  - Modes of financing,
  - Priority themes and domains of cooperation for each partner,
  - Calendars for submitting requests and/or calls for offers,
  - Procedures for submitting project proposals
  - Criteria (pre-requisites) for obtaining funding
Common Modes of Financing

ODA delivery mechanisms

- Direct budget support (macro-economic)
- Basket funding ➔ joint funding by several donors sometimes provided in the form of direct budget support
- Sector-wide approach ➔ in support of a single policy or expenditure program

ODA = official development assistance
Donor Matrix

- A valuable tool for matching donors with potential programs/projects
- The matrix provides a tool for planners and decision makers to identify potential sources of external funding
- It explores the specific entry points and aids in developing a tailored approach for each donor

Entry points
- Each donor may need a different approach to gain access to the financial resources
- Could be through a country-specific program
- Loans, grants, direct budget support
Donor Matrix: Information Presented

Entry points

- Different instruments of financial cooperation (loans, grants, TA)
- Country specific programs (e.g. World Bank CAS, EU ENP)
- A partnership with an NGO/CSO with direct links to an important donor

<table>
<thead>
<tr>
<th>Column</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>NAP theme</td>
<td>Identifies the relevance to combating desertification</td>
</tr>
<tr>
<td>Donor</td>
<td>Identifies the donor</td>
</tr>
<tr>
<td>Stated donor intervention area</td>
<td>Specifies the area or sector of interest to the donor</td>
</tr>
<tr>
<td>Points of entry / Recommended action</td>
<td>Describes the actions that should be taken to approach the donor</td>
</tr>
<tr>
<td>Clarification</td>
<td>Provides additional information on the actions that are recommended.</td>
</tr>
</tbody>
</table>
## Donor Matrix - example

<table>
<thead>
<tr>
<th>Nap Theme</th>
<th>Donor</th>
<th>Stated donor intervention area</th>
<th>Points of entry / Recommended Steps</th>
<th>Clarification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water management</td>
<td>EU</td>
<td>Water Reform and Environment</td>
<td>European Neighborhood Policy • The relevant ministries (MoA, MoE, MoEW, MoI, MoET) should take advantage of the central areas of cooperation specifically listed under the AA in formulating their priorities which should be integrated into the Country Action Plan. For example . • MoA could focus on development of agricultural water resources</td>
<td>The ENP opens new roads to strengthen the EU-Lebanon relationship. The ENP provides a framework for the Lebanese Government to develop a five-year Action Plan that would enhance economic integration and deepen political cooperation with the EU The Association Agreement Article 51 states that the Parties encourage industrial cooperation centered on - developing agricultural water resources</td>
</tr>
</tbody>
</table>
Donor Profile Sheet

- Provide supplementary information on the donors listed in the matrix
- Information included:
  - Website
  - Contact information
  - Brief description of background, mandate, activities implemented, etc
  - Strategic objectives
  - Instruments of financial cooperation
    - type of financing provided
    - conditions if applicable
    - application procedures
Presenting the Results

For main donors, present the important entry points that are developed in the matrix. For example:

1. **World Bank**
   - Implement fiscal reforms to maximize the size of the lending envelope

2. **EU**
   - Finalize development of Country Action Plans
   - Mainstream NAP and SLM into Action Plans
   - Implement fiscal reforms to become eligible for macroeconomic assistance

3. **IFAD**
   - Articulate priorities (eventually through a National Development Strategy)
   - Funding requests should reflect the needs elaborated in the National Development Strategy
Presenting the Results

- Group together strategic entry points for all bilateral donors, e.g.
  - Build research partnerships
  - Lobby through embassies

- Group together approach for all Arab donors
  - Approach with a development planning policy and emphasize agriculture-related SD
  - Shift emphasis from loans to grants
Examples of Strategic Approaches

- Mainstream SLM into national development frameworks and articulate as a priority, since donors are interested in funding national priorities
- Translate priorities into programs that are ready for implementation
- Understand donor priorities, programming cycles and modalities
- Build partnerships, namely with NGOs and CSOs. Some donors provide direct funding to these actors.
- Implement reforms, such as fiscal reforms that would make the country eligible to more types of assistance (e.g. macroeconomic assistance)
Summary of Approach to External Sources of Funding

- Research Donor Modalities
  - Identify entry points
  - Integrate into National Development plans
  - Prepare Bankable Program
    - Negotiate with donor
    - Obtain Endorsement

- CD/SLM Needs
  - Lobbying

Internal sources mobilized
Coordination
Lobbying