Integrated Financing Strategy

Aleppo, 11 November 2009
Main challenges for SLM financing

Four levels of constraints/ barriers:

1. Political ➔ SLM is not a priority, hence political backing is weak
2. Institutional ➔ the institutional framework is not coherent enough to tackle such a cross-sectoral issue
3. Legal framework ➔ the legal framework not supportive of SLM issues
4. Technical/ human resources ➔ the capacities of the actors and the know-how are insufficient
Mobilising finance for SLM: main principles

Principle 1: Mainstreaming

- Identify entry points, stakeholders and partners (“networking”)
- Gather and disseminate analytical inputs on most promising entry points and arguments (“analyses”)
- Deploy a communication/coordination strategy (“awareness raising”)
Principle 2: Creating an enabling environment

Design of an “enabling” policy, legal, and institutional environment plays a considerable role in mobilizing resources for sustainable land management.
Principle 3: Enhancing Coordination & Partnerships

- SLM cross-cutting issue: partnerships crucial
- Cross-sectoral coordination
- Participation of key stakeholders
What is an Integrated Financing Strategy (IFS)?

A tool designed to address resource mobilization constraints.

The Integrated Financing Strategy is a guiding framework for developing a mix of financial sources, instruments and mechanisms to fund programs and projects related to combating desertification and sustainable land management (SLM).
**IFS is** leading to a country level *integrated investment framework (IIF)* for SLM.

**Integrated Investment Framework**
The IIF defines all the financing sources and partners with indicative amounts of investments.
The IFS process:
Builds on what is already there:
- Integrates into national development agenda
- creates inter-linkages between various sectors
- builds on partnerships
- mainstreams SLM into national development agenda.

Not a blueprint!! Each country’s approach to developing an IFS will be different.
Main steps in the IFS process

Step 1
Setting up the IFS strategy process
• Map existing strategic planning processes
• Design the specific IFS approach for country
• Establish IFS country team

Step 2
Stocktaking and national context analysis
• Examining the environment for SLM resource mobilization
• Identify potential financing sources, instruments and mechanisms, including bottlenecks, opportunities and gaps

Step 3
Elaborating the IFS Action Plan
• Priority setting
• Identify key activities
• Develop IFS action plan

Integrated Investment Framework
Step 1: Setting up the IFS strategy process

- Map existing strategic planning processes
- Undertake stakeholder analysis
- Design the specific IFS approach for the country
- Establish IFS country team
Step 2: IFS stocktaking and national context analysis

- Examining the environment for SLM financing
- Identifying potential financing sources, instruments and mechanisms
  - Internal Sources of Financing
  - External Sources of Financing
  - Innovative Sources of Financing
Examining the environment for SLM financing

• Assessment of SLM/UNCCD financing situation
• Political and macroeconomic situation
• Policy, legislative, institutional and coordination framework
• Financial flows: internal, external and innovative sources, mechanisms and instruments
Main sources for SLM

- Internal resources
- External resources
- Innovative resources
Step 3: Elaborating the IFS action plan

- Priority setting
- Identify key activities
- Commitment and agreement on responsibilities from partners
- Develop IFS action plan