



Republic of Lebanon
Ministry of Agriculture

Increasing finance
for sustainable land management

LEBANON

CONTEXT

After the 1975–1990 war, Lebanon embarked on recovery and reconstruction. The government recognized the importance of linking the environment to the overall development process as Lebanon's resources were being depleted, particularly through land degradation and deforestation. Initiatives have been launched to save the country's patrimony and sustainably manage its natural resources.

The main hindrances to economic growth are political instability and slow administrative reform. Lebanon's fiscal situation is a major concern. Until 2006, the country's economy was recovering towards the highest growth in a decade, forecast at 5-6%. However, the hostilities of summer 2006 put an end to this period of recovery. Wages and interest rates exceed 90% of total budget revenues, and government debt continues to increase in both absolute and relative terms. The World Bank estimates the cost of land degradation to be 1.3% of gross domestic product (GDP), which far exceeds the funding flowing towards sustainable land management (SLM) activities (0.37 % of GDP).

In spite of this, Lebanon was one of the first countries in the region to ratify the United Nations Convention to Combat Desertification (UNCCD) and to formulate initiatives with development partners to prevent further degradation of its land, by focusing on the root causes of the problem at the national and local levels.

CHALLENGES

Mass exodus during the war had a severe environmental impact, exacerbating poverty rates and regional disparities, especially in remote rural areas. Internal migration is high, and puts pressure on urban areas, through increased population density, land abandonment, and subsequent degradation. Rapid urbanization has had a major impact on living conditions and the environment.

Constraints on several levels are hampering implementation of the UNCCD National Action Programme (NAP). These include institutional, socio-economic and financial factors.

The institutional set-up does not clearly attribute responsibilities for NAP implementation. This limits coordination - essential for implementing a national and inter-sectoral programme such as the NAP. The country still lacks an overall development plan and sectoral strategies to ensure balanced development among regions and sectors. The scarcity of financial resources is aggravated by the lengthy process for mobilizing and allocating financial resources and by the government's minimal contribution.



Map courtesy of IFAD

Total population (million), 2007: 4.10
Surface area (thousand km²): 10.4
Forest area (% surface area): 13%
Agricultural land (% surface area): 37%
Per capita GDP (USD), 2007 (estimate): 11,300
Annual GDP growth (%), 2007: 2%
External debt (million), 2006: USD23,963
UNCCD ratification (year): 1995

The Global Mechanism (GM) was established under Article 21 of the United Nations Convention to Combat Desertification (UNCCD), and began its operations in October 1997. The GM is defined as an organizational entity mandated "to increase the effectiveness and efficiency of existing financial mechanisms... [and]... to promote actions leading to the mobilization and channelling of substantial financial resources to affected developing country Parties."

LEBANON

COMMON OBJECTIVES

Working in partnership with the Lebanese Ministry of Agriculture and the United Nations Development Programme (UNDP), the Global Mechanism (GM) started to develop an Integrated Financing Strategy (IFS) for combating desertification in 2006.

The IFS is a response to the changing environment for development financing, at both the international and national levels that aims to:

- provide a guiding framework for locating and developing a mix of internal, external and innovative financial resources to fund programmes and projects that combat desertification and promote sustainable land management (SLM);
- identify potential barriers to resource identification, allocation and disbursement in the policy, fiscal, legal, institutional and human resource environments;
- recommend actions for overcoming these barriers to the enabling environment, and promote resource mobilization.

WHERE DO WE STAND ON IMPLEMENTATION?

The IFS has been finalized and published, but owing to the prevailing political situation in Lebanon, still has to be presented to stakeholders for final validation. The IFS presents the following findings and outcomes:

- Analysis of the national context identifying hindrances to resource mobilization: lack of a national policy framework for sustainable development, of integrated or sectoral national development plans and programmes, of a national environmental action plan, and of a coordination mechanism for SLM activities; weak institutional structure; inadequate legislation; an outdated public budgeting process; and poorly developed human capacities.
- Analysis of the public budget centred on the significant disparity between funds allocated during budget preparation and actual disbursement of funds, as well as the lack of public investment budgets for SLM activities. It also identified opportunities for increasing SLM investments within the national budgeting process.
- A donor matrix was developed to serve as a planning tool for identifying potential donors and matching them with the types of activities (programmes, projects, etc.) that they may be willing to fund.
- Potential financing mechanisms, including the Clean Development Mechanism (CDM), conservation easements and debt-for-nature swaps, were identified as suitable for the Lebanese context.

FOR MORE INFORMATION



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NEXT STEPS

The IFS action plan ties together the activities recommended for overcoming barriers in the enabling environment and facilitating the mobilization of a mix of financial resources.

In partnership with UNDP, the GM will support the Ministry of Agriculture in implementing the IFS action plan, specifically for the mobilization of resources in the short- and medium term.