

Economic and Social Commission for Western Asia

# Webinar on Lebanon's policy regulatory reforms and financial and legal frameworks needed to promote small-scale renewable energy technologies and applications in rural areas

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Regional Initiative to Promote Small-Scale Renewable Energy Applications in Rural Areas of the Arab Region (REGEND)  
Lebanon



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# Agenda

1. Status of rural areas in Lebanon
2. National strategies and policies for rural development
3. The role of small-scale renewable energy in rural development
4. Rural women's economic empowerment and entrepreneurship
5. Current and alternative policy drivers
6. Recommendations: strategy and policy, legal and regulatory, institutional, financial and capacity building



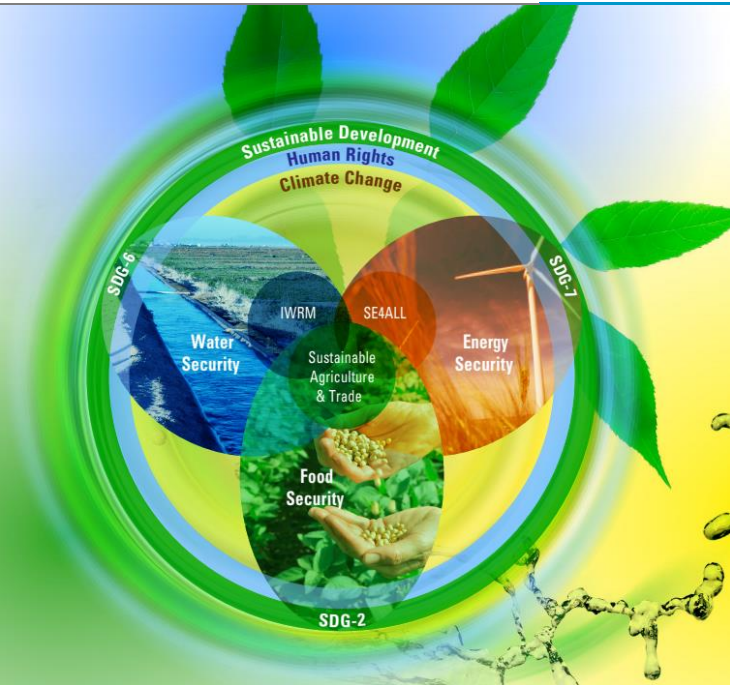
## Status of Rural Areas in Lebanon



Lebanon's rural areas have been marginalized and suffer from unsustainable and uneven development

Rural development has been on the agenda of the succeeding governments, yet, policy-making in Lebanon is hindered by the absence of political stability

Rural development used to be perceived as the development and expansion of the agricultural sector



# NATIONAL STRATEGIES AND POLICIES FOR RURAL DEVELOPMENT



# Assessment of current policies and regulations



- The most comprehensive strategies linked to the rural development were the agriculture strategies
- A rural tourism strategy was also developed to include high-level goals
- However, an inclusive rural development strategy is lacking



## Identification of shortcomings in current national strategies

- Various national strategies such as the national electricity, water and women strategies are critical for rural development, but they are fragmented and mostly do not account for the rural context
- The strategies are also constrained by the lack of an inclusive framework, coordination mechanisms, data collection and sharing and public dissemination
- Other major shortcomings are the lack of measurable indicators for follow-up, absence of financing mechanisms and lack of an integrated approach to sustainable development



# Institutional and legal framework

## Institutional framework

Rural development has been undermined by the absence of a dedicated institutional capacity and the lack of a consolidated policy and regulatory framework

Considering the historic role of agriculture in the rural economy, the Ministry of Agriculture has been the most linked to rural development

Roles and functions are overlapping across ministries and this fragmentation on the institutional level is yielding a fragmentation in data collection where the lack of data is limiting the ability to adopt evidence-based policies and optimize implementation



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## Legal framework

The overlapping agencies operate as per their respective mandates and regulations

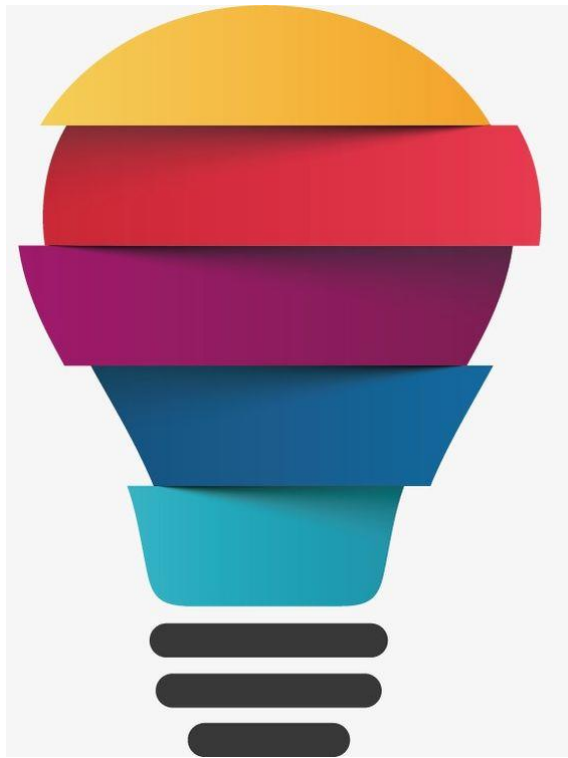
The quasi-absence of rural development is linked to the absence of an integrated planning and regulatory framework

As such, several laws and regulations apply to the rural context but are fragmented and face challenges in implementation





# Prospects of attracting Investments



The political and economic uncertainties and the lack of policy consistency and comprehensive strategy negatively impact the ability to attract investments

Lebanon attracts more remittances and aid than foreign direct investments yet figures for the inflows of aid are unavailable

Whereas there are some financial mechanisms that do not necessarily tackle rural areas but do cover some rural activities, the rural population lacks the awareness on these programmes, incentives, and financing mechanisms, and lacks the capacity to undergo the application process.



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# THE ROLE OF SMALL-SCALE RENEWABLE ENERGY IN RURAL DEVELOPMENT



# Assessing the potential for small-scale renewable energy technologies

***The enabling factors for such a shift is the perception of what rural areas have to offer and their development potential in energy and technology***

Provide affordable and reliable electricity supply and develop rural areas, through lowering electricity costs and enabling job creation and technological adoption, and enhancing energy security

The opportunities to re-assess rural development through renewable energy integration are large. Rural areas could become industrial hubs and special economic zones, creating employment opportunities, attracting investments and enhancing the trade balance

Cheap lands and rent in rural areas compared to urban areas present a competitive advantage for outsourcing and establishing back-offices for private firms



So far, only farmers and agro-producers with large access to capital can invest in technological advances. To remedy this, agricultural and agro-food cooperatives can be concentrated in the same buildings enabling sharing a renewable energy system

Multiple produce seasons can be achieved if renewable energy is accounted for. Growing seeds and crops in nurseries reduces the time these crops would otherwise need to grow in the soil and leads to an increased number of cultivation seasons

Small-scale renewable energy would have national and local positive socio-economic and financial impact

# SMALL-SCALE RENEWABLE ENERGY OPPORTUNITIES AND CHALLENGES

- Small-scale renewable energy systems benefit from various policy incentives such as net-metering and financial incentives
- Currently, a set of technical, legal and financial barriers still hinder the deployment of small-scale renewable energy in rural areas
- Several innovative small-scale renewable energy schemes would reduce the necessary investment costs but are not yet allowed as the national electrical utility has a monopoly over electricity generation, transmission, and distribution

# WOMEN'S ECONOMIC EMPOWERMENT IN RURAL CONTEXT

## Policy and regulatory barriers

- There is lack of laws and policies that promote women participation in the workforce, but there are also several policies limiting rural women's ability to contribute to the economy

## Financial barriers

- Access to finance is a main deterrent to women's participation in the productive sectors and the low access to finance is more exacerbating for rural women

## Capacity building

- Rural women still fulfil a traditional role despite some improvement for urban women in the workforce. They have limited access to STEM education, technical training workshops and capacity building training

# READINESS

## Readiness for entrepreneurial development

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Entrepreneurship is need-based in rural areas and less common among women than men

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The appetite for risk is low and the need for certain regular income through the regular employment is high

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Rural incubators are required to assist entrepreneurs in ideas-testing and technical support and coaching in order to allow them to further develop their ideas and business models

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# POLICY DRIVERS

<b>Assessment of main policy drivers</b>	<b>Main drivers for policy alternatives</b>
<i>Improving rural life conditions</i>	<i>Promoting sustainable and equitable growth</i>
<i>Improving agriculture productivity</i>	<i>Ensuring food security</i>
<i>Reducing greenhouse gas emissions and increasing the share of renewables in the energy mix</i>	<i>Alleviating economic pressure and trade imbalance</i>
<i>Women empowerment</i>	<i>Creating jobs and reducing unemployment</i>
	<i>More inclusive policy and consultation</i>
	<i>Institutional support for rural development</i>





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# RECOMMENDATIONS



# Strategy and policy recommendations

**Objective:** Achieving rural economic growth, with affordable and clean electricity is an enabler.

**Outcomes:** rural socio-economic growth, resource optimization, investments attraction, entrepreneurship promotion, technology-transfer and innovation, women inclusion and empowerment, enhanced competitiveness, deployment, financing mechanisms optimization

**Activities**

*Guidelines including 10 expected outcomes and 41 actions are set to assist in policymaking*



# Legal and regulatory recommendations



A rural development framework should be adopted to govern rural development and should incorporate climate change and environmental laws and include an agriculture regulation integrating the food security law

The framework should build on the existing or enhanced regulations, through amending the water law and clearing all laws from all sorts of discrimination against women

Climate change legislation should be adopted in line with the Paris Agreement and Lebanon's NDC, and should include rural targets

Parliament should approve RE and EE laws and decentralized RE law

Trade agreements should be optimized along with trade reforms to ease the exports process



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# Institutional recommendations


Providing institutional support through a dedicated institution for rural development is critical

The transformation of the Ministry of Displaced into the ministry of rural development will facilitate the strategy development and implementation, along with assigned focal points in relevant institutions

The ministry of rural development should closely coordinate with the different international organizations and local NGOs and a permanent political committee should be put in place to mitigate political instability



# Financial recommendations



Small-scale systems present an opportunity for more innovative deployment models that can attract financing and channel diaspora and donors' grants for rural economic growth

Financing mechanisms such as soft loans should be developed with the local and international finance institutions to alleviate the barriers for women economic inclusion

Rural MSMEs should receive fiscal and tax incentives following the implementation of a small-scale system

Additionally, corporate social responsibility should seek economic benefits in rural areas and include small-scale renewable energy



# Capacity building recommendations

Women entrepreneurship should be promoted to increase local content and production

Training on kick-starting and managing a cooperative and a business should be delivered to rural women, in addition to necessary skills to grow the business and increase revenue streams

To achieve that, capacity building in marketing, digital marketing, and branding is also necessary

Technical capacity building through incubators and boot camps is critical in minding the gaps in women's technical skills

Increasing exports also requires capacity building and guidelines on the trade agreements, required standards and trading markets



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Thank you