Submission to the COP30 Presidency Roadmap on

Transitioning Away from Fossil Fuels in a Just, Orderly & Equitable Manner

Global Compact
Network Lebanon

CONTEXT AND SOURCE OF INSIGHTS

This submission reflects insights derived from Lebanon and is intended to contribute to the Presidency's effort by providing grounded evidence from a context characterised by institutional fragility, economic contraction, and high exposure to systemic shocks. While rooted in the Lebanese experience, the findings are relevant to other countries facing similar constraints, including weakened public systems, impaired financial intermediation, and high levels of informality, and may therefore offer a useful reference point for comparable settings.

The insights draw on the Peer Learning Group (PLG) on Just Transition in Lebanon, convened by UN Global Compact Network Lebanon (UNGC Lebanon) from 10 to 12 September 2025. The process brought together approximately 150 participants from the private sector, public institutions, international organisations, and academia. It was structured across two online sessions and one in-person national consultation, with discussions covering energy, SME finance, water, agriculture, waste, and broader governance and implementation dynamics.

All breakout group discussions and plenary exchanges were systematically documented, including through audio recording, to ensure that the insights presented accurately reflect the substance of the exchanges and the perspectives shared by participants, while respecting their anonymity.

The PLG was designed as an implementation-focused dialogue to identify how transition pathways unfold in practice where financial systems are impaired, regulatory frameworks are evolving, and private actors often move ahead of formal policy alignment. The findings therefore provide cross-sectoral evidence on barriers, enabling conditions, and distributional dynamics relevant to the transition away from fossil fuels.

The process was conducted following a period of conflict and economic disruption in Lebanon, including the escalation between October 2023 and November 2024, which resulted in significant damage to infrastructure and services, including energy systems, water networks, and waste management capacities. These conditions have direct implications for transition pathways, particularly in relation to system reliability, reconstruction needs, and environmental pressures linked to debris, hazardous waste, and damaged infrastructure.

Subsequent developments, including the most recent escalation (March 2025), introduce an additional layer of uncertainty and constraint. While the findings presented here are derived from discussions conducted prior to this escalation, they remain relevant in highlighting structural barriers and practical pathways that shape transition dynamics. At the same time, ongoing conflict and reconstruction needs are likely to influence the pace, sequencing, and priorities of the transition, including opportunities to integrate renewable and decentralised energy solutions within recovery efforts.

Building on this evidence, the submission responds directly to the Presidency's guiding questions.

(a) What are the most critical barriers — whether physical, economic, financial, institutional, technological or social— preventing a transition away from fossil fuels?

The most critical barriers are institutional and systemic rather than technological. A central constraint is the limited operational readiness of core energy system actors, particularly in relation to grid integration, system management, and enforcement of technical standards. While decentralised renewable energy solutions have expanded rapidly, system operators lack the capacity to integrate these at scale, creating a structural disconnect between deployment on the ground and system-level coordination.

A second barrier is the absence of effective financial intermediation. The breakdown of formal banking channels has eliminated reliable pathways through which capital can reach firms and households. This is not simply a question of capital availability, but of capital transmission. SMEs in particular face high transaction costs linked to compliance, reporting, and verification, which limits their ability to access financing even where funding sources exist.

A third barrier lies in the misalignment between market dynamics and regulatory frameworks. Renewable energy deployment and decentralised supply arrangements have been driven by energy insecurity and cost pressures, yet regulatory frameworks, technical standards, and interconnection rules have not evolved at the same pace. This creates uncertainty, increases perceived risk, and constrains the scalability of otherwise viable solutions.

A fourth barrier is the emergence of unequal transition outcomes. Access to capital has enabled certain firms and households to reduce dependence on fossil fuels, while others remain locked into high-cost, carbon-intensive energy sources such as diesel. This divergence is shaping the structure of the transition itself.
Finally, a cross-cutting barrier is the weakness of delivery systems across interconnected sectors. Constraints in governance, coordination, and enforcement limit the ability to implement and sustain transition measures. The result is not a lack of solutions, but a lack of delivery architecture capable of operationalising them at scale.

(b) What potential levers, whether economic, financial, institutional, social or technological, exist for accelerating the implementation of the transitioning away commitment?

In contexts where institutional capacity is constrained, effective levers are those that operate within existing system limitations while reducing risk and lowering entry barriers. One such lever is the use of proof-of-concept and pilot-based approaches. Transition has progressed through bottom-up initiatives, particularly in renewable energy deployment, where firms and households adopt solutions in response to cost and reliability pressures. These initiatives function as de-risking mechanisms, demonstrating feasibility and attracting subsequent investment.

A second lever is the deployment of financial mechanisms that bypass impaired intermediaries and reduce upfront costs. Practical examples include third-party financing models for renewable energy such as PPA-style arrangements, supplier-linked financing within value chains, and blended finance facilities channelled through non-bank institutions. These models enable SMEs to adopt transition technologies without requiring upfront capital or access to traditional lending.

A third lever is the development of simplified and context-adapted standards and data frameworks. Reducing the complexity of compliance and reporting requirements allows smaller firms to participate in the transition. In parallel, the establishment of clear technical standards for renewable integration reduces uncertainty and supports scaling.

A fourth lever is aggregation, particularly for SMEs. Collective procurement, shared financing facilities, and pooled investments in storage and efficiency allow smaller actors to overcome scale constraints and access technologies that would otherwise be unaffordable.

Finally, structured coordination mechanisms can accelerate implementation when designed with clarity and accountability. Effective coordination aligns incentives across public institutions, private actors, and technical partners, and reduces fragmentation.

(c) What country, regional or sector roadmap experiences, best practices, and lessons learned can be shared?

A central lesson is that in institutionally constrained contexts, transition pathways do not follow a linear sequence from policy design to market implementation. Instead, they often emerge through reverse sequencing, where private-sector action precedes formal regulation. Renewable energy deployment has been driven primarily by energy security needs and cost competitiveness, with regulatory frameworks evolving in response.

A second lesson is that multi-stakeholder processes are most effective when focused on implementation constraints rather than strategic alignment alone. Bringing together public institutions, private actors, and academia enables the identification of concrete bottlenecks, including gaps in technical standards, financing channels, and value chain coordination.

A third lesson is that transition accelerates when aligned with competitiveness and market access. Firms are more likely to adopt low-carbon solutions when these reduce operating costs, improve resilience, or enable access to markets.

A fourth lesson is that decentralised and distributed models can act as transitional solutions where centralised systems are constrained. However, without appropriate governance frameworks, these models risk creating fragmentation and parallel systems that are difficult to integrate.

Finally, the experience highlights that transition processes can generate unintended inequalities if not actively managed. While some actors benefit from early adoption of renewable solutions, others remain excluded due to financial or institutional barriers.

(d) How can a just, orderly and equitable transition best reflect the diverse realities of countries at different stages of development and with different degrees of dependence on fossil fuels?

A just, orderly and equitable transition must be grounded in institutional and economic realities. In contexts where public systems are constrained and informal economic activity is significant, transition pathways cannot rely solely on comprehensive policy frameworks or large-scale public investment. Instead, they must be designed around mechanisms that enable participation under existing conditions.

Ensuring equitable access is central. This requires reducing barriers for SMEs and lower-income households through adapted financing models, simplified compliance requirements, and targeted technical support. Without such measures, the benefits of transition are likely to remain concentrated among actors with existing capital and capabilities.

Institutional realism is equally important. In the short term, private-sector initiatives may compensate for gaps in public delivery systems, enabling progress in renewable energy adoption and efficiency improvements. However, this introduces risks related to fragmentation, unequal access, and limited oversight. A just transition therefore requires the gradual strengthening of public coordination and regulatory clarity alongside private-sector action.

In addition, differentiated pathways must account for cross-sectoral interdependencies. Energy interventions can have unintended consequences in related systems if not carefully designed. Integrating safeguards across sectors is therefore essential to ensure that transition outcomes are both sustainable and equitable.

Ultimately, reflecting diverse realities requires recognising that transition pathways will differ in sequencing and implementation conditions, particularly in fragile or conflict-affected settings.

CLOSING NOTE

The evidence presented in this submission indicates that in fragile and institutionally constrained contexts, the transition away from fossil fuels is shaped less by the availability of solutions than by delivery capacity, financial access, and governance conditions. Transition is already underway, but often in uneven and uncoordinated ways.

Reflecting these realities in the COP30 Presidency Roadmap can strengthen its relevance across diverse country contexts and support pathways that are both implementable and equitable in practice.

Network Lebanon

About the United Nations Global Compact Network Lebanon

The United Nations Global Compact Network Lebanon is one of 69 Country Networks operating under a Memorandum of Understanding with the United Nations Global Compact Headquarters. Established in 2015, the Network advances the Ten Principles of the United Nations Global Compact and the Sustainable Development Goals at the national level.

The Network supports companies through awareness raising, capacity building, policy dialogue and multi-stakeholder partnerships. Through direct engagement with participants and coordination with Headquarters, it assists Lebanese businesses in translating sustainability commitments into practical action that enhances resilience, operational performance and competitiveness.

www.ungcnlebanon.org