

Lebanon Sustainable Low-emission Transport Systems

Review CEO Endorsement and Make a recommendation

Basic project information

GEF ID

10358

Countries

Lebanon

Project Name

Lebanon Sustainable Low-emission Transport Systems

Agencies

UNDP

Date received by PM

6/18/2021

Review completed by PM

10/29/2021

Program Manager

Ming Yang

Focal Area

Climate Change

Project Type

FSP

PIF ☐

CEO Endorsement ☐

Part I ? Project Information

Focal area elements

1. Does the project remain aligned with the relevant GEF focal area elements as presented in PIF (as indicated in table A)?

Secretariat Comment at CEO Endorsement Request

6/30/2021 MY:

Yes, the project remains aligned with the GEF7 CCM focal area strategy.

10/22/2021 MY:

Please address the following comments from the GEF PPO Unit:

1. The M&E budget under section 9 of the Portal entry totals \$97,000 with Stakeholder Engagement Plan and Gender Action Plan; it should be in the Monitoring of Stakeholder Engagement Plan and Monitoring of Gender Action Plan, while the budget table in Annex E gives the total M&E budget of \$179,850.

- **M&E budget:**

The details of the budget and timeline for each of the deliverables in the M&E plan are presented in the table below.

GEF M&E requirements	Indicative costs to be charged to the Project Budget (US\$)	Time frame
Inception Workshop	USD 2,000	Within two months from the date of First Disbursement
Inception Report	None	Within two weeks of inception workshop
Standard UNDP monitoring and reporting requirements as outlined in the UNDP POPP	None	Quarterly, annually
Risk management	None	Quarterly, annually
Monitoring of indicators in project results framework	USD 6,000	Annually before PiR
GEF Project Implementation Report (PIR)	None	Annually
Lessons learned and knowledge generation	USD 4,000	Annually
Monitoring of environmental and social risks, and corresponding management plans as relevant	USD 6,000	On-going
Stakeholder Engagement Plan	USD 2,000 [2]	On-going
Gender Action Plan	USD 7,000	On-going
Addressing environmental and social grievances	None for time of project manager and UNDP CO	Costs associated with missions, workshops, BPPS expertise etc. can be charged to the project budget
Project Board meetings	None	At minimum annually
Supervision missions	None [3]	Annually
Oversight missions	None	Troubleshooting as needed
GEF Secretariat learning missions/site visits	None	To be determined.
Independent Mid-Term Evaluation	USD 30,000	01/01/2025
Independent Terminal Evaluation (TE) included in UNDP evaluation plan, and management response	USD 40,000	01/09/2026
TOTAL indicative COST Excluding project team staff time, and UNDP staff and travel expenses	USD 97,000	

Table 10: Budget and timeline for M&E Deliverables

- **Budget table:**

Other Operating Costs	Mailing and clearances (300 USD per year) * 5 = 1,500						1,500	1,500	UNDP
Other Operating Costs	Office operations (USD 300 per year) * 5 = 1,500						1,500	1,500	UNDP
Grand Total		610,510	2,012,860	580,559	3,203,929	179,850	169,189	3,552,968	

2. Project Manager and Assistant are mistakenly charged to both project components and the PMC. Please do not charge the costs of hiring the Project Manager and Assistant in the project components. Please consider using part of the \$2.28 million that is reserved from the co-financing for the PMC to cover the costs.

3. For the World Bank loan co-financing, the source should be changed from ?other? to ?Donor agency?.

Recipient Country Government	Ministry of Interior and Municipalities	In-kind	Recurrent expenditures	663,300.00
Recipient Country Government	Ministry of Energy and Water	In-kind	Recurrent expenditures	250,000.00
Beneficiaries	Municipality of Jbel	In-kind	Recurrent expenditures	331,700.00
Other	World Bank	Loans	Investment mobilized	42,690,000.00
GEF Agency	UNDP	Grant	Investment mobilized	200,000.00
GEF Agency	UNDP	Equity	Investment mobilized	342,182.00
Total Co-Financing(\$)				44,477,182.00

11/1/2021 MY:

Please continue addressing GEF PPO's comments below:

Most of the comments provided on October 21st were addressed excepting the one related to the Project Manager and Assistant being charged to the project's component. In order to keep these two positions charged to the project's components, in the Review Sheet the Agency explained that:

the terms of references of the Project Manager and Project Assistant contain technical specs. Please refer to Prodoc Annex 7 - Overview of Project Staff and Technical Consultants (Also provided below). Therefore, their salaries are distributed to the technical components as well as PMC which is in line with the GEF Guidelines on the Project and Programme Cycle Policy, Annex 7, Section II on Project Budget, Item 4 - if project staff are charged to both PMC and project components (i.e. not only to PMC), clear Terms of Reference describing unique outputs linked to the respective components are required at the time of CEO Endorsement/Approval, for review by the Secretariat. Project staff refers to the following: i) personnel of the Executing Entity carrying out long-lasting tasks funded with GEF resources; ii) GEF Agency staff funded with GEF resources when the GEF Agency is also acting as an Executing Entity.

While it is true that the Guidelines require TOR's if the salaries are distributed between PMC and components, please know that in the same Annex 7 ? Section IV ? paragraph 11 of the Guidelines, it is specified that the ?Execution functions are financed through Project Management Costs (PMC), which are funded partly by the GEF funding and partly by the counterpart funding of the beneficiary government or other co-financing resources.?

As mentioned in the comment already provided on October 21st, ?for this project the co-financing portion allocated to PMC is 2,28 million, with 43 million of co-financing represented in investment mobilized. It seems to be that there is room for covering the Project Manager and Assistant with part of

the co-financing portion allocated to PMC?. Hence, please use part of the allocated co-financing amount to PMC to cover the costs associated with the project's execution.

11/4/2021

Needs further clearance from the GEF PPO.

Agency Response

4/11/2021:

Thank you for this further guidance. We're pleased to comply with paragraph 11 of the guidelines on co-financing for PMCs. The last version already included UNDP co-financing for PMCs, and we've made further changes in the new version on staff costs in PMCs as follows:

- The total salary cost of the Project Manager under the PMC is \$62,100. Previously, in the last version, this PMC cost was entirely covered by GEF funding. In this new version, half of this cost (\$31,050) is now funded by UNDP co-financing.

- The total salary cost of the Project Assistant under the PMC is \$102,300. Previously, in the last version, \$46,500 was charged to UNDP co-financing and \$55,800 to GEF. In this new version, this PMC cost is equally distributed to GEF and UNDP budgets (\$51,150).

- In summary, as a result of these changes, the total UNDP co-finance contribution to project staff to \$82,200, that is 50% of the salary costs under PMC.

- Relevant changes were made in the GEF Budget Table and Project Document (Total Budget and Work Plan Section).

29/10/2021:

1. The M&E budget table has been corrected. The reference to monitoring of the Stakeholder Engagement Plan, Gender Action Plan and other plans has been corrected. The former table did not include relevant personnel costs in the M&E budget, which are now included, making it fully aligned now with the budget of component 4. This budget has been slightly revised in order to stay below 5% of the total GEF grant. These minor resources (USD 6,900) have been reallocated from component 4 to output 3.2. All these changes are reflected in Table B, Table 1(changes in alignment?), Table 10 (M&E budget), Annex I.1 (detailed budget) and Annex J (M&E) of the CEO ER, as well as in Section VI (table 2), section IX and Annex 1 of the ProDoc.

2. The terms of references of the Project Manager and Project Assistant contain technical specs. Please refer to Prodoc Annex 7 - Overview of Project Staff and Technical Consultants (Also provided below). Therefore, their salaries are distributed to the technical components as well as PMC which is in line with the GEF Guidelines on the Project and Programme Cycle Policy, Annex 7, Section II on Project Budget, Item 4:

If project staff are charged to both PMC and project components (i.e. not only to PMC), clear Terms of Reference describing unique outputs linked to the respective components are required at the time of CEO Endorsement/Approval, for review by the Secretariat. Project staff refers to the following: i) personnel of the Executing Entity carrying out long-lasting tasks funded with GEF resources; ii) GEF Agency staff funded with GEF resources when the GEF Agency is also acting as an Executing Entity.

Therefore, we suggest to keep the Project Manager and Project Assistant salary distributions as they are. We are looking forward to GEF's final assessment on this.

The technical specs of Project Manager and Project Assistant as indicated in their Terms of References are presented below:

Project Manager:

*Undertake the following technical tasks:

- Assess progress in the achievement of NDC targets and NAMA initiatives related to transport and steer the process for the preparation of self-certified Green Public Transport Service (GPTS) Agreements and Green Fleet Management (GFM) Agreements.
- Steer the process for drafting the national e-mobility strategy as well as facilitating its adoption by key stakeholders.
- Steer the drafting of the roadmap on end-of-life vehicle management, including business models for second life of EV batteries and end-of-life management of EVs.
- Steer the process for the adoption of GPTS, including selection of bus operators and setting up self-certification procedures.
- Steer the process to implement and monitor the GFM concept in ISF.
- Supervise the selection of walking and cycling improvement works in Jbeil, their implementation and evaluation.
- Coordinate the report on results, lessons learnt and replication options for the GPTS and e-buses demonstration.
- Coordinate the report on results, lessons learnt and replication options for the GFM and e-car demonstration.
- Facilitate the establishment and operation of the networking mechanism supporting sustainable mobility and the e-mobility strategy.
- Act as focal point to liaise the project with the UNEP/GEF Global Programme to Support countries with the Shift to Electric Mobility.
- Steer the preparation, implementation, monitoring and evaluation of the project's communication plan.
- Steer the preparation, implementation, monitoring and evaluation of capacity-building activities addressed to municipal planners and public transport managers.
- Steer the setting-up of the project Grievance Redress Mechanisms.

Project Assistant:

**Support the project manager in the following technical tasks:*

- Preparation of self-certified Green Public Transport Service (GPTS) Agreements and Green Fleet Management (GFM) Agreements.
- Drafting the national e-mobility strategy as well as facilitating its adoption by key stakeholders.
- Adoption of GPTS, including selection of bus operators.
- Implementation of the GFM concept in ISF.
- Selection of walking and cycling improvement works in Jbeil, their implementation and evaluation.
- Support the establishment and operation of the networking mechanism supporting sustainable mobility and the e-mobility strategy.
- Support the participation of Lebanon in the activities of the UNEP/GEF Global Programme to Support countries with the Shift to Electric Mobility.
- Support the preparation, implementation, monitoring and evaluation of the project's communication plan.
- Support the preparation, implementation, monitoring and evaluation of capacity-building activities addressed to municipal planners and public transport managers.

3. For the World Bank loan co-financing, the source has been changed to "Donor agency".

Project description summary

2. Is the project structure/design appropriate to achieve the expected outcomes and outputs as in Table B and described in the project document?

Secretariat Comment at CEO Endorsement Request

6/30/2021 MY:

Yes, The project structure and design are appropriate to achieve the expected outcomes and outputs as in Table B and described in the project document

But the PMC in Table B needs to be revised. Please increase the share of co-financing in PMC to make the percentage equal or similar to that of the GEF. Please see the table below.

3,383,779.00	111,219,682.00
169,189.00	1,192,500.00
5.00%	1.07%

8/26/2021 MY:

Some more information needs to be provided.

It seems that component 2 (INV) consists of more outputs of TA than that of investment. For example, for "Output 2.1: Self-certified green public transport services (GPTS) concept developed and implemented in at least one regular bus line in the northern corridor", what does it mean by "implemented" ? It looks like a TA activity. Please specify it.

Similarly, for output 2, what does it mean by "implemented"? For output 3, what does it mean by "improved"? For output 4, how many new buses will be invested/purchased for demonstration. Please use quantitative information to describe all these INV outputs.

Please split the total GEF \$2,012,860 budget and the co-financing budget of \$39,984,590 to match each of the outputs. Then, the reviewers can verify cost-effectiveness of the investments for the outputs.

8/27/2021 MY:

The comments on 8/26/2021 were not addressed. Please do so.

9/23/2021 PM:

The comments on 8/26/2021 were not addressed. Please do so.

10/6/2021 MY:

Not completed at this time.

For Output 2.4. The viability of electric buses in certified green public transport services is demonstrated and assessed in the northern corridor AND

Output 2.5. The viability of electric cars in corporate fleets under green fleet management is demonstrated and assessed,

Please indicate the number of electric buses and the number of electric cars in Table B Project description summary.

10/18/2021 MY:

Yes, comments were addressed and the project document was revised.

Agency Response

The share of co-financing in PMC has been revised, as a result of the review of the co-financing provided by the World Bank. The share of co-financing in PMC is now 5.4%, as shown in the table below:

3383779	42194682
169189	2282500
5,0%	5,4%

10/5/2021

Outputs 2.1 and 2.2. of component 2 are necessary to undertake the investments in electric buses (output 2.4) and cars (output 2.5). Output 2.3 provides investments for the improvement of accessibility conditions of soft modes in Jbeil. For this reason, initially, all outputs were considered as INV. Following the GEF secretariat's comment, outputs 2.1 and 2.2 are now classified as technical assistance. The GEF budget and the co-financing budget have been split among the 5 outputs in component 2, in Table B. Further details are provided in footnotes in Annex I-2.

Moreover, the following textual additions were made to the 3) Proposed Alternative Scenario Section of CEO ER.

The description of output 2.1 is expanded as follows:

Since its implementation, the participating operators will regularly self-certify (providing the requested evidence) until the end of the project that the services provided in the lines selected (at a minimum one regular line of one operator) are in compliance with the quality standards agreed in the GPTS concept.

The description of output 2.2 is expanded as follows:

Since its implementation and until the end of the project, the ISF (and eventually other managers of governmental fleets) will manage and monitor the fleet included in the demonstration applying the principles (eco-driving, car assignment, maintenance) and indicators (fuel consumption, speed profile) included in the GFM concept.

Finally, the description of output 2.3 provides information on the scope of the improvements: materialized around and inside the bus stops, including adequate width, pavement design and conditions, continuity of itineraries, protection and priority from general traffic and commodities at the bus stops, which will be implemented in 2 to 4 bus stops.

Also, the description of output 2.4 states that 2 electric buses will be purchased for the demonstration. Also, the description of output 2.5 in page 34 states that 4 electric cars will be purchased for the demonstration.

10/13/2021:

Table B project description summary: the number of electric buses (2) and the number of electric cars (4) is now included in the description of outputs 2.4 and 2.5. Corresponding changes were made in other parts of the CEO ER and Prodoc as well.

3. If this is a non-grant instrument, has a reflow calendar been presented in Annex D?

Secretariat Comment at CEO Endorsement Request

6/30/2021 MY:

N/A

Agency Response

Co-financing

4. Are the confirmed expected amounts, sources and types of co-financing adequately documented, with supporting evidence and a description on how the breakdown of co-financing was identified and meets the definition of investment mobilized, and a description of any major changes from PIF, consistent with the requirements of the Co-Financing Policy and Guidelines?

Secretariat Comment at CEO Endorsement Request

6/30/2021 MY:

Not completed at this time.

The co-financing amount shown in the World Bank letter is not consistent with the amount in Table C. Please ask the World Bank to issue a new letter with the amount of \$109,009,590 for Component 2 plus project management cost. In the letter, the best is to split the total investment amount and allocate the split-amounts for outputs 2.1, 2.2, 2.3, and 2.4.

8/26/2021 MY:

Not completed.

Please put the co-financing budgeted amounts for outputs 2.1, 2.2, 2.3, and 2.4 to Table B. Please also see the new comments that related to Table B (Question No. 2 of this review sheet). More comments may come for the co-financing issue after reviewing revised Table B.

8/27/2021 MY:

The comments on 8/26/2021 were not addressed. Please do so.

9/23/2021 PM:

The comments on 8/26/2021 were not addressed. Please do so.

10/6/2021 MY:

Yes, comments were addressed and the project document was revised.

Agency Response

UNDP thanks the GEF Sec for raising this issue. The co-financing letter refers to a WB loan, approved in 2018 of USD 295 million for the design and implementation of the ?Greater Beirut Public Transport Project? (GBPTP). After receiving the GEF Sec Review, UNDP has approached the World Bank, and they have indicated that they cannot provide a new letter with further breakdown of costs at this stage due to the current situation in Lebanon, which makes that the eventuality of restructuring this transport project cannot be discarded, although, as stated in its letter, the WB foresees its continued support to the transport sector in Lebanon.

Based on the details of the WB?s 2018 Project Appraisal Document, the UNDP project design team has provided a conservative estimate of such distribution, based on the following assumptions:

- The disbursement of the loan is envisaged to be made in three years. Assuming that this could start in 2024, this means that the WB?s co-financing would occur in the period 2024-2026 (project years 1, 2 and 3). The loan disbursements envisaged for each year are, respectively, USD 2.11 million, USD 17.4 million and USD 23.18 million, or a total of USD 42.69 million. PMC are included in the loan with a total value of USD 10 million.
- The contents of the GBPTP are fully aligned with the UNDP project component 2, and more specifically with outputs 2.1, 2.3 and 2.4, as well as with the capacity-building activities addressed in component 3. However, there is not enough information available to distribute the co-financing among these three outputs. The assumption of the UNDP project design team is that these activities could provide USD 39.45 million of co-financing to component 2 and USD 1.1 million of co-financing to component 3.
- The GBPTP budget includes project management costs for a total of USD 10 million. The assumption of the UNDP project design team is that during the first 3 years of the project PMCs could represent 5% of the loan disbursement each year, i.e., a total of USD 2.14 million in PMC co-financing.

Explanation on these calculations is now provided in CEO ER Document as footnote 1.

10/5/2021:

Co-financing amounts for each output under Component 2 are now provided in Table B. Further details are presented as footnotes in Annex I-2.

GEF Resource Availability

5. Is the financing presented in Table D adequate and does the project demonstrate a cost-effective approach to meet the project objectives?

Secretariat Comment at CEO Endorsement Request

6/30/2021 MY:

Yes. The financing presented in Table D is adequate and the project demonstrates a cost-effective approach to meet the project objectives if all investment outputs are cost-effectively justified.

Agency Response

Project Preparation Grant

6. Is the status and utilization of the PPG reported in Annex C in the document?

Secretariat Comment at CEO Endorsement Request

6/30/2021 MY:

Yes. It is presented in Annex C on page 102 of the CEO ER document.

Agency Response

Core indicators

**7. Are there changes/adjustments made in the core indicator targets indicated in Table E?
Do they remain realistic?**

Secretariat Comment at CEO Endorsement Request

6/30/2021 MY:

Not completed at this time.

Please fill the missing information for Indicator 6.3.

8/26/2021 MY:

Yes, comments were addressed and issues were cleared.

Agency Response

Information for indicator 6.3 has been added on page 5. Detailed GHG calculations are provided in Annex M of the CEO ER document.

Part II ? Project Justification

1. Is there a sufficient elaboration on how the global environmental/adaptation problems, including the root causes and barriers, are going to be addressed?

Secretariat Comment at CEO Endorsement Request
6/30/2021 MY:

Yes. It is presented on pages 19-22.

Agency Response

2. Is there an elaboration on how the baseline scenario or any associated baseline projects were derived?

Secretariat Comment at CEO Endorsement Request
6/30/2021 MY:

Yes. It is presented on pages 22-28.

Agency Response

3. Is the proposed alternative scenario as described in PIF/PFD sound and adequate? Is there sufficient clarity on the expected outcomes and components of the project and a description on the project is aiming to achieve them?

Secretariat Comment at PIF/Work Program Inclusion
6/30/2021 MY:

Yes. It is presented on pages 28-56.

Agency Response

4. Is there further elaboration on how the project is aligned with focal area/impact program strategies?

Secretariat Comment at CEO Endorsement Request
6/30/2021 MY:

Yes. It is presented on pages 56-57.

Agency Response

5. Is the incremental reasoning, contribution from the baseline, and co-financing clearly elaborated?

Secretariat Comment at CEO Endorsement Request

6/30/2021 MY:

Yes. It is presented on pages 57-58.

Agency Response

6. Is there further and better elaboration on the project's expected contribution to global environmental benefits or adaptation benefits?

Secretariat Comment at CEO Endorsement Request

6/30/2021 MY:

Yes. It is presented on pages 58-60.

Agency Response

7. Is there further and better elaboration to show that the project is innovative and sustainable including the potential for scaling up?

Secretariat Comment at CEO Endorsement Request

6/30/2021 MY:

Yes. It is presented on pages 60-61.

Agency Response

Project Map and Coordinates

Is there an accurate and confirmed geo-referenced information where the project intervention will take place?

Secretariat Comment at CEO Endorsement Request

6/30/2021 MY:

Yes. The map is presented on page 66.

Agency Response
Child Project

If this is a child project, is there an adequate reflection of how it contributes to the overall program impact?

Secretariat Comment at CEO Endorsement Request
6/30/2021 MY:

N/A

Agency Response
Stakeholders

**Does the project include detailed report on stakeholders engaged during the design phase?
Is there an adequate stakeholder engagement plan or equivalent documentation for the implementation phase, with information on Stakeholders who will be engaged, the means of engagement, and dissemination of information?**

Secretariat Comment at CEO Endorsement Request
6/30/2021 MY:

Yes. It is presented in Annex 8 of the CEO ER package uploaded in the folder of the project document at the GEF Portal.

Agency Response
Gender Equality and Women's Empowerment

Has the gender analysis been completed? Did the gender analysis identify any gender differences, gaps or opportunities linked to project/program objectives and activities? If so, does the project/program include gender-responsive activities, gender-sensitive indicators and expected results?

Secretariat Comment at CEO Endorsement Request
6/30/2021 MY:

Yes. It is presented in Annex 11 of the CEO ER package uploaded in the folder of the project document at the GEF Portal.

Agency Response
Private Sector Engagement

If there is a private sector engagement, is there an elaboration of its role as a financier and/or as a stakeholder?

Secretariat Comment at CEO Endorsement Request
6/30/2021 MY:

Yes. It is presented on pages 71-72.

Agency Response
Risks to Achieving Project Objectives

Has the project elaborated on indicated risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved? Were there proposed measures that address these risks at the time of project implementation?

Secretariat Comment at CEO Endorsement Request
6/30/2021 MY:

Not completed at this time.

Please write a paragraph to elaborate how COVID-19 will create any opportunities for this project to achieve its objective, namely delivering global environment benefits.

8/26/2021 MY:

Yes, comments were addressed and issues were cleared.

Agency Response
A paragraph has been added to the risks section on page 46, identifying 3 key opportunities:

After experiencing COVID-related mobility restrictions, city dwellers are more aware of their ability to change travel behavior and adapt to car restrictions; furthermore, the crucial role of public transport systems to provide mobility under all circumstances has raised awareness among decision makers about the need to guarantee their quality and financial sustainability; finally, walking and cycling have gained visibility as safe and healthy modes, and have receive more attention- and more public space- by many local authorities.

These opportunities are explained in some more detail within the ?COVID risk analysis? subsection at the end of Risks section.

Coordination

Is the institutional arrangement for project implementation fully described? Is there an elaboration on possible coordination with relevant GEF-financed projects and other bilateral/multilateral initiatives in the project area?

Secretariat Comment at CEO Endorsement Request

6/30/2021 MY:

Not completed yet.

Per an email of the PM (see below), the GEF SEC may accept the proposal of the UNDP in terms of "UNDP's executing function" for this project on condition that the OFP of country is supportive to this proposal. It seems that the letter of the OFP is missing. Please provide such as a letter.

From: Ming Yang <myang@thegef.org>

Sent: Tuesday, April 6, 2021 11:36 AM

To: Oliver Waissbein <oliver.waissbein@undp.org>

Cc: Filippo Berardi <fberardi@thegef.org>; Bahtiyar Kurt <bahtiyar.kurt@undp.org>;

Ulrich Apel <uapel@thegef.org>; cgascon@thegef.org

Subject: RE: Lebanon Transport (10358) - Update on design, management arrangements

Dear Oliver,

Thank you for your message and the attached document.

After carefully reviewing the case in Lebanon for the GEF 10358 project, we are initially receptive to assess this case further if the OFP of the county is supportive and submits a supporting letter. We will examine this case in detail once the CER is formally submitted. Thank you.

Best regards,

Ming

8/26/2021 MY:

Not completed at this time.

The last Annex in the CEO ER document is Annex H (see below). Annex Q is missing in the CEO RE document. Please provide it.

ANNEX H: (For NGI only) Agency Capacity to generate reflows

Instructions. The GEF Agency submitting the CEO endorsement request is required to respond to any questions raised as part of the PIF review process that required clarifications on the Agency Capacity to manage reflows. This Annex seeks to demonstrate Agencies' capacity and eligibility to administer NGI resources as established in the Guidelines on the Project and Program Cycle Policy, GEF/C.52/Inf.06/Rev.01, June 9, 2017 (Annex 5).

ANNEX H: (For NGI only) Agency Capacity to generate reflows

Instructions. The GEF Agency submitting the CEO endorsement request is required to respond to any questions raised as part of the PIF review process that required clarifications on the Agency Capacity to manage reflows. This Annex seeks to demonstrate Agencies' capacity and eligibility to administer NGI resources as established in the Guidelines on the Project and Program Cycle Policy, GEF/C.52/Inf.06/Rev.01, June 9, 2017 (Annex 5).

8/27/2021 MY:

The GEF Program Unit evaluated the letter of the OFP which tries to endorse the UNDP to perform some execution functions. Unfortunately, we do not think the letter is appropriate. The letter should explain the **reasons** why the government is requesting the GEF agency to perform certain execution functions. It should also contain a **detailed list** of what those execution functions are and how much budget is related to each of the outputs of the execution activities. The letter should not defer to the GEFSEC on this request (?should the GEF deem it appropriate?).

Please discuss this issue again with the government. Thank you. If the government cannot timely send a new version of the letter, please consider removing the execution functions by the UNDP from the project. This is to ensure timely submission and endorsement of the project. Thank you.

9/23/2021 PM:

Cleared by the GEF technical team.

Agency Response

The letter of the GEF OFP (Minister of Environment) supporting the Direct Implementation Modality by UNDP can be found in Annex Q of the CEO ER.
Consistency with National Priorities

Has the project described the alignment of the project with identified national strategies and plans or reports and assessments under the relevant conventions?

Secretariat Comment at CEO Endorsement Request
6/30/2021 MY:

Yes. It is presented on pages 87-88.

Agency Response
Knowledge Management

Is the proposed Knowledge Management Approach for the project adequately elaborated with a timeline and a set of deliverables?

Secretariat Comment at CEO Endorsement Request
6/30/2021 MY:

Not completed at this time.

In the section of Knowledge Management on page 88, please adequately elaborate with a timeline for all deliverables of Knowledge Management.

8/26/2021 MY:

Yes, comments were addressed and the document was revised.

Agency Response
The section of Knowledge Management now includes a table (new table 9) with all project deliverables relevant for knowledge management and their expected timeline.
Environmental and Social Safeguard (ESS)

Are environmental and social risks, impacts and management measures adequately documented at this stage and consistent with requirements set out in SD/PL/03?

Secretariat Comment at CEO Endorsement Request

6/30/2021 MY:

Yes. Environmental and social risks, impacts and management measures are documented at " Annex 1. Social and Environmental Screening Template" and attached to the GEF Portal. The CEO ER document also addressed the issue of Environmental and Social Safeguard on pages 93-94.

Agency Response
Monitoring and Evaluation

Does the project include a budgeted M&E Plan that monitors and measures results with indicators and targets?

Secretariat Comment at CEO Endorsement Request
6/30/2021 MY:

Not completed at this time.

Please provide a table to show the details of the budget and timeline for each of the deliverables in the M&E plan.

8/26/2021 MY:

Yes, comments were addressed and the document was revised.

Agency Response
The M&E section now includes a new table (table 10) presenting the details of the budget and timeline of the deliverables included in the M&E plan. This table is also presented in Annex J.
Benefits

Are the socioeconomic benefits at the national and local levels sufficiently described resulting from the project? Is there an elaboration on how these benefits translate in supporting the achievement of GEBs or adaptation benefits?

Secretariat Comment at CEO Endorsement Request
6/30/2021 MY:

Yes. It is presented on page 93 of the CEO ER document.

Agency Response

Annexes

Are all the required annexes attached and adequately responded to?

Secretariat Comment at CEO Endorsement Request

6/30/2021 MY:

Yes. All required Annexes are attached to the CEO ER document on pages 95-111.

Agency Response

Project Results Framework

Secretariat Comment at CEO Endorsement Request

6/30/2021 MY:

Yes. It is presented on pages 95 as Annex A.

Agency Response

GEF Secretariat comments

Secretariat Comment at CEO Endorsement Request

6/30/2021 MY:

The PM put the following comments during the PIF stage asking the UNDP to take into account in PPG/CEO ER stage:

10/25/2019 MY:

As the agency knows, the implementation and execution roles on GEF projects are meant to be separate per policy and guideline. The GEFSEC will analyze any requests for dual role playing by an agency at the time of CEO endorsement and only approve those cases that it deems warranted on an "exceptional" basis. We strongly encourage the agency to look at third party options as a preferred way forward. We also strongly encourage the agency to discuss any and all options for execution that do not include the government with the GEFSEC early in the PPG phase. The technical clearance of this PIF in no way endorses any alternative execution arrangement.

The Agency formally requested to execute the project due to the lack of capacity and expertise of the government and in the country. The GEF might consider the request on condition that the OFP signs a formal letter of endorsement for the request.

8/26/2021 MY:

Not completed at this time.

Please be aware the OFP's letter cannot be found in the CEO ER document (web version) which is one and only official version. In addition, the CEO ER document in MS Word version does not have such a letter neither. Please provide the letter in the CEO ER document web version while resubmitting the project.

ANNEX Q: GOVERNMENT LETTER FOR UNDP DIRECT IMPLEMENTATION MODALITY (DIM)

The project's government letters are attached separately.

8/27/2021 MY:

Not completed at this time. The comments on 8/26/2021 were not addressed yet.

9/23/2021 PM:

Previous document has not been addressed. Please be aware the OFP's letter cannot be found in the CEO ER document (web version) which is one and only official version. In addition, the CEO ER document in MS Word version does not have such a letter neither. Please provide the letter in the CEO ER document web version while resubmitting the project.

10/18/2021 MY:

Yes, comment was addressed.

Agency Response

The formal OFP's signed letter of endorsement is annexed.

10/5/2021:

The OFP letter has been added to the CEO ER's web version.

Council comments

Secretariat Comment at CEO Endorsement Request

6/30/2021 MY:

Yes. The comments are addressed in Annex B.

Agency Response

STAP comments

Secretariat Comment at CEO Endorsement Request

6/30/2021 MY:

Not completed. Please address the comments of STAP and present the responses in Annex B.

https://www.thegef.org/sites/default/files/web-documents/10358_STAP_screen.pdf

8/26/2021 MY:

Yes. The comments are addressed.

Agency Response

Thanks to STAP for their valuable contribution. The Project Design team has taken into consideration this recommendation from STAP and come up with the following improvements in the project design (as reflected in Annex B of the CEO ER):

OVERALL STAP's COMMENT on the need to address behavioral change in the project's Theory of Change: The problem tree includes the following barrier: 'Cultural attitudes favoring private car use and road expansion among decision-makers, transport professionals and the public', with among others the following root cause: 'Strong social misconceptions towards public transport, cycling and walking'. The Theory of Change addresses this barrier through project component 3, output 3.3 (Sustainable mobility communication and public awareness campaigns implemented, based on project results and focusing on mobility behavior (including road safety), and low-emission transport). This contributes to outcome 3: 'Sustainable low-emission transport programs widely known and supported, facilitating modal shift'.

Furthermore, output 3.3 envisages 'sustainable mobility communication and public awareness campaigns implemented, based on project results and focusing on mobility behavior (including road safety), and low-emission transport (including EVs, public transport, walking and cycling)'. These activities will integrate a gender-sensitive approach, in accordance with the guidance provided in the Gender Action Plan. With the newly collected data and e-mobility information available, the project will make linkages with the reform agendas and the national context (financial, socio-economic and development needs) to design focused communication strategies that promote e-

mobility and other low-carbon transportation. Awareness raising on e-mobility will be integrated into the climate communication and other development strategies.

STAP COMMENT on 1.b. Project map and coordinates: Map provided not georeferenced. The project now includes a table with the geo-coordinates of the project sites.

STAP COMMENT on 5. Risks. Behavioral response of transport users? needs to be more carefully evaluated during project planning. Refer to article referenced in overall assessment.

The behavioral response of transport users has been integrated in the project's Theory of Change as described above. Additionally, the negative public perception of e-mobility technology has been identified as a cultural risk (#6 in risk table), with the following mitigation measures: ?Awareness raising activities will be attuned to the current social perception so that the communication is targeted to the specific negative impressions?.

Convention Secretariat comments

Secretariat Comment at CEO Endorsement Request

6/30/2021 MY:

N/A

Agency Response

Other Agencies comments

Secretariat Comment at CEO Endorsement Request

6/30/2021 MY:

N/A

Agency Response

CSOs comments

Secretariat Comment at CEO Endorsement Request

N/A

Agency Response

Status of PPG utilization

Secretariat Comment at CEO Endorsement Request

6/30/2021 MY:

N/A

Agency Response

Project maps and coordinates

Secretariat Comment at CEO Endorsement Request

6/30/2021 MY:

Yes. It is presented in Annex D.

Agency Response

Does the termsheet in Annex F provide finalized financial terms and conditions? Does the termsheet and financial structure address concerns raised at PIF stage and that were pending to be resolved ahead of CEO endorsement? (For NGI Only)

Secretariat Comment at CEO Endorsement Request

6/30/2021 MY:

N/A

Agency Response

Do the Reflow Table Annex G and the Trustee Excel Sheet for reflows provide accurate reflow expectations of the project submitted? Assumptions for Reflows can be submitted to explain expected reflows. (For NGI Only)

Secretariat Comment at CEO Endorsement Request

6/30/2021 MY:

N/A

Agency Response

Did the agency Annex H provided with information to assess the Agency Capacity to generate and manage reflows? (For NGI Only)

Secretariat Comment at CEO Endorsement Request

6/30/2021 MY:

N/A

Agency Response

GEFSEC DECISION

RECOMMENDATION

Is CEO endorsement recommended? (applies only to projects and child projects)

Secretariat Comment at CEO Endorsement Request

6/30/2021 MY:

Not at this time.

Please address the comments above.

8/26/2021 MY:

Not at this time.

Please address the comments above. Major remaining issues include (1) OFP's endorsement letter on UNDP's execution functions; (2) justification of cost-effectiveness of outputs 2.1, 2.2, 2.3 and 2.4.

8/27/2021 MY:

Not completed at this time. The comments on 8/26/2021 were not addressed and issues were not resolved.

9/27/2021 PM:

No. Previous comments in Boxes 2 and 4 above have not been addressed. The OFP's letter has been cleared by the GEF technical team (still subject to approval by our policy team). However, please do copy the letter in the CEO ER document (web version) which is the only official version. Please provide the letter in the CEO ER document web version while resubmitting the project.

10/6/2021 YM:

Not at this time.

Please address the remaining comments.

The OFP's letter is seen in the CEO ER document in the GEF web version and it has been cleared by the GEF technical team. But it is still subject to approval by the GEF policy team.

10/18/2021 MY:

Not at this time,

Please address the comments from the GEF PPO Unit. These comments are presented in Box 1 of this review sheet. Please use the space under Box 1 to provide responses.
Thank you.

11/1/2021 MY:

Not completed.

Plases see comments in Box 1 of this review sheet.

11/4/2021

Needs further clearance from the GEF PPO.

Review Dates

	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
First Review	6/29/2021	
Additional Review (as necessary)	8/26/2021	
Additional Review (as necessary)	8/27/2021	
Additional Review (as necessary)	10/6/2021	
Additional Review (as necessary)	11/1/2021	

CEO Recommendation

Brief reasoning for CEO Recommendations

On project design:

The objective of the project is to promote sustainable transport in Lebanon through electric mobility and improved quality of service. The project has four components: (1) Institutional and policy support for the promotion of sustainable transport systems and e-mobility; (2) Short-term barrier removal through e-mobility and other low-carbon demonstrations; (3) Knowledge management, capacity development and awareness raising; and (4) Monitoring & Evaluation. With \$ 3,552,968 of GEF CCM grant, this project will mobilize \$44,477,182 co-financing investment in e-mobility in Lebanon. The project aims at reducing 117,000 tonnes of CO2 in its lifetime.

Possible impact of COVID -19:

The COVID 19 pandemic may remain as a threat for a considerable amount of time, resulting in sustained challenges in mobility and social behavior. There is risk of the spread of COVID and other respiratory diseases among workers and community during bus operation and rehabilitation activities. As such, many passengers have stopped using public transport due to concerns of lack of adequate social distance, and contagion risks; they have exposed the poor conditions of public transport rides in many cities and the need to dedicate public resources to provide a safe environment. To resolve these issues and challenges, governments will need to offer financially sustainable solutions, dedicating more resources to sustain and to control the quality of the services provided.

Opportunities of COVID-19 to the project:

Some opportunities are also associated to the COVID-19 pandemic to advance towards sustainable, low-carbon urban mobility in Lebanon. First, many city dwellers can reduce their mobility needs through teleworking and teleshopping. Most of these people are urban residents with higher income; they often use private cars in commuting. Second, the COVID pandemic provides a stronger case to improve public transport quality and dedicate the necessary public resources to it. There is now a stronger case for public subsidies and adequate control of service conditions in public transport in the country. Third, walking and cycling have gained visibility as safe and healthy modes, and have receive more attention- and more public space- by many local authorities.

To sum, the increased public awareness and acceptance to implement more restrictions to private car use, to dedicate more public resources to improve the quality and safety of public transport services and to give priority and more space to walking and cycling will mitigate COVID-19 risks and provide unique opportunities to local and national decision-makers to accelerate the transition towards sustainable, low carbon mobility.

On UNDP's Execution Functions:

Early this year (2021), the UNDP requested to perform some executing functions for this project. The GEF CCM coordinator, the ECA regional coordinator and the Program Manager of this project discussed this issue and analyzed the legal situation on ground in Lebanon. They reached an agreement: if the OFP of Lebanon issues a letter to the GEF to endorse the UNDP for the performance of the execution functions, upon the final approval from the GEF GPU manager, the GEF would allow the UNDP to do so. In 2021, the OFP sent a letter to the GEF CEO and indicated a few outputs that need the UNDP to perform execution functions. The GPU manager approved/cleared the UNDP's request on 2021.

From: Claude Gascon <cgascon@thegef.org>

Sent: Friday, August 27, 2021 11:42 AM

To: Ming Yang <myang@thegef.org>

Cc: Ulrich Apel <uapel@thegef.org>; Henry Salazar <hsalazar@thegef.org>; Filippo Berardi <fberardi@thegef.org>

Subject: RE: RE: Lebanon Transport (10538) - Update on design, management arrangements

Dear Ming,

Unfortunately, the letter is not appropriate. The letter from the OFP should explain the **reasons** it is requesting the GEF agency to perform certain execution functions. It should also contain a **detailed list** of what those execution functions are, and it should not defer to the GEFSEC on this request (should the GEF deem it appropriate?).

The agency will have to discuss this again with the government.

Claude

From: Ming Yang <myang@thegef.org>
Sent: Friday, August 27, 2021 10:55 AM
To: Claude Gascon <cgascon@thegef.org>
Cc: Ulrich Apel <uapel@thegef.org>; Henry Salazar <hsalazar@thegef.org>; Filippo Berardi <fberardi@thegef.org>
Subject: RE: Lebanon Transport (10538) - Update on design, management arrangements

Dear Claude,

As you may recall, in April 2021, the UNDP requested to perform some execution functions for GEFID 10538 project in Lebanon. Ulrich and you guided me on proceeding the project. Please see the emails below.

The OFP sent a letter again to the CEO on July 30, 2021 to endorse the UNDP. Please see the attached.

Would you kindly approve the request of the UNDP to allow them to perform some execution functions for the captioned project? Thank you for your guidance in advance.

Best,
Ming

From: Claude Gascon <cgascon@thegef.org>
Sent: Tuesday, April 6, 2021 10:11 AM
To: Ulrich Apel <uapel@thegef.org>; Ming Yang <myang@thegef.org>
Cc: Filippo Berardi <fberardi@thegef.org>
Subject: RE: Lebanon Transport (10358) - Update on design, management arrangements

Thanks Ulrich. So you can go back to the agency and say that we are receptive to assess further if the OFP is supportive and submits supporting letter. We will then examine this once the CER is formally submitted.

c.

From: Ulrich Apel <uapel@thegef.org>
Sent: Tuesday, April 6, 2021 10:09 AM
To: Ming Yang <myang@thegef.org>; Claude Gascon <cgascon@thegef.org>
Cc: Filippo Berardi <fberardi@thegef.org>
Subject: RE: Lebanon Transport (10358) - Update on design, management arrangements

From my side three points:

- As Claude already mentioned, the agency has to follow to standard procedures and submit an OFP support letter with the request. I understand that UNDP is checking upstream with GEFSEC on whether such a request has a chance. Our usual answer in such cases that it really depends if the government requests the exception and what the justification is.
- I also agree with Filippo, that given the situation in Lebanon right now, there is a strong justification for execution support.
- Please consider also the timing for CEO endorsement. When is the CEO endorsement deadline for this project? There may not be much time discussing details and/or finding alternatives?

Best,

Ulrich

From: Ming Yang <myang@thegef.org>
Sent: Monday, April 5, 2021 2:09 PM
To: Claude Gascon <cgascon@thegef.org>; Ulrich Apel <uapel@thegef.org>

Cc: Filippo Berardi <fberardi@thegef.org>

Subject: RE: Lebanon Transport (10538) - Update on design, management arrangements

Thank you very much for your clear guidance.

Best regards,

Ming

From: Claude Gascon <cgascon@thegef.org>

Sent: Monday, April 5, 2021 12:49 PM

To: Ming Yang <myang@thegef.org>; Ulrich Apel <uapel@thegef.org>

Cc: Filippo Berardi <fberardi@thegef.org>

Subject: RE: Lebanon Transport (10538) - Update on design, management arrangements

Thanks. It is not up to us to approach OFP on this. IF there is now OFP letter associated with this request, the you would note that in the review sheet. It is up to agency to then go and get the appropriate letter.

Let's hear from Ulrich (he is back tomorrow) on this before making a final determination.

c.

From: Ming Yang <myang@thegef.org>

Sent: Monday, April 5, 2021 12:47 PM

To: Claude Gascon <cgascon@thegef.org>; Ulrich Apel <uapel@thegef.org>

Cc: Filippo Berardi <fberardi@thegef.org>

Subject: RE: Lebanon Transport (10538) - Update on design, management arrangements

Dear Claude,

Thank you for your response.

1. Filippo and I are on the same page, trying to get a greenlight from you. Please see the attached email. I have not contacted Ulrich yet. Hope he can give us his advice.
2. I have not got any news from the OFP regarding this issue. With your or Ulrich's permit, I can ask Olha to approach the OFP.

Look forward to your further guidance. Thank you

Best regards,

Ming

From: Claude Gascon <cgascon@thegef.org>

Sent: Monday, April 5, 2021 11:03 AM

To: Ming Yang <myang@thegef.org>; Ulrich Apel <uapel@thegef.org>

Cc: Filippo Berardi <fberardi@thegef.org>

Subject: RE: Lebanon Transport (10538) - Update on design, management arrangements

Thanks Ming,

2 things:

1. I would like to hear from Ulrich on what he thinks
2. Did the OFP write a letter to support this request?

Claude

From: Ming Yang <myang@thegef.org>
Sent: Friday, April 2, 2021 9:23 AM
To: Claude Gascon <cgascon@thegef.org>
Cc: Filippo Berardi <fberardi@thegef.org>
Subject: FW: Lebanon Transport (10538) - Update on design, management arrangements

Dear Claude,

Yesterday, the UNDP sent an email to me and Filippo to ask a greenlight for the UNDP to execute the captioned project. Please see below and the attached MS-Word file. After reading the PIF (see the attached PDF file), the UNDP attached MS Word file and doing some research on the internet, I would like to share my opinions on the issue and get your guidance.

1. Given the current political and economic situation in Lebanon, we should allow the UNDP to execute the project.
2. However, the project objectives, components, expected outputs, and executing agencies (Ministry of Energy and Water, Ministry of Public Works and Transport) keep the same. The UNDP listed following 4 bullets to justify its role in project execution.
 - *Financial risks: As a direct result of the devaluation of the Lebanese currency, there is a reluctance of private sector contractors and individual consultants to sign contracts with the government in Lebanese pounds and the national budgetary and payment processes have practically stopped (except for critical services and staff payrolls) as a result of the situation. One of the reasons behind the deteriorating*

economic situation in the country is the mismanagement of public financing and the delays in issuing due payments by the government for contracts. Given the structure of the financial system, funding from external donors at this time through government accounting system is high risk of mismanagement.

- *Organisational structures and staffing: at the ministerial levels, the recruitment of government personnel has been frozen for over a decade resulting in personnel gaps in ministries and numerous vacancies in positions. Government freeze on recruitment of personnel has weakened government institutions and slowed down all operational processes.*
- *Programme management and reporting: ministries and government institutions vary in terms of capacity for oversight but given the deficit in staff, project and programme oversight is questionable and M&E structures are not well defined.*
- *Procurement capacity is weak overall as this is a sector that needs considerable reform across the board. Public procurement procedures exist but they are not computerized and formal policy regarding contract management does not exist. The time frame needed to undertake procurement processes is significantly lengthy as all processes have to go through centralized procurement units that do not have the needed staff capacity.*

I think the above-mentioned risks and issues can be resolved if the UNDP provides technical assistance to the execution agencies. When the government executes the project, the GEF can really build up the local capacity and develop government institutions. Furthermore, given recent UNDP's corruption issues, we have to be very careful to prevent any corruptions in this project.

Here is my suggestion to resolve this issue: the Ministry of Energy and Water and the Ministry of Public Works and Transport should be kept as executing agencies. The UNDP can provide an expert paid by GEF budget to guide the agencies in executing the project. If you think we should allow the UNDP to perform full function of execution, I am also more than happy to follow you.

I look forward to your phone call at 10:00am as scheduled. Hope you can guide me on this project as well. Thank you.

Best regards,

Ming

From: Filippo Berardi <fberardi@thegef.org>
Sent: Thursday, April 1, 2021 12:22 PM
To: Ming Yang <myang@thegef.org>
Subject: RE: Lebanon Transport (10538) - Update on design, management arrangements

Dear Ming,

Considering the catastrophic conditions Lebanon is in right now, I would be amenable to recommend the green light to this request to Claude. But since you are the PM, I would leave the decision with you. Let me know if you'd like to discuss this at all.

Regards,

Filippo

From: Oliver Waissbein <oliver.waissbein@undp.org>
Sent: Thursday, April 1, 2021 7:52 AM
To: Ming Yang <myang@thegef.org>
Cc: Filippo Berardi <fberardi@thegef.org>; Bahtiyar Kurt <bahtiyar.kurt@undp.org>
Subject: Lebanon Transport (10538) - Update on design, management arrangements

[External]

Hi Ming, Filippo,

I'm getting in touch with regard to the Lebanon Transport project (GEF ID 10358), currently at the PPG/CEO ER stage.

We'd like to provide a brief update on the progress with the project, given the extraordinary national developments in Lebanon. Please find attached a brief update note that sets this out. We've taken some steps on adaptive management with regard to the project design. We are also revisiting the management arrangements. Filippo, you may recall that I briefly flagged this to you verbally in a call late last year.

In particular, it would be helpful to receive your feedback on the proposed management arrangements, where we are proposing we now move to an arrangement where UNDP would execute the project (?DIM? in UNDP's terminology).

I'm copying in my colleague Bahtiyar Kurt, based in our Istanbul Office, who is overseeing the design of this project.

Cheers, Oliver