

# Lebanon Sustainable Low-emission Transport Systems

**Review PIF and Make a recommendation**

## Basic project information

**GEF ID**

10358

**Countries**

Lebanon

**Project Name**

Lebanon Sustainable Low-emission Transport Systems

**Agenices**

UNDP

**Date received by PM**

10/9/2019

**Review completed by PM**

10/25/2019

**Program Manager**

Ming Yang

**Focal Area**

Climate Change

**Project Type**

FSP

## PIF

### Part I – Project Information

#### Focal area elements

**1. Is the project/program aligned with the relevant GEF focal area elements in Table A, as defined by the GEF 7 Programming Directions?**

#### Secretariat Comment at PIF/Work Program Inclusion

10/9/2019 MY:

Yes, the project is well aligned with the GEF7 Strategy of CCM-1-2 Promote innovation and technology transfer for sustainable energy breakthroughs for electric drive technologies and electric mobility.

## **Agency Response**

**Indicative project/program description summary**

**2. Are the components in Table B and as described in the PIF sound, appropriate, and sufficiently clear to achieve the project/program objectives and the core indicators?**

## **Secretariat Comment at PIF/Work Program Inclusion**

10/9/2019 MY:

Not completed at this time. The amount of GEF grant to be used for INV needs to be enlarged.

Please consider:

1. removing outcome 1.4 and allocate 25% of the budgeted GEF fund for Component 1 (\$950,000) to Outcomes 2.2 and 2.3. The GEF does not finance any research activities.
2. reallocating some of the GEF budget for Component 3 (813,000) to Outcomes 2.2 and 2.3. It seems that this component does not need so much GEF grant.
3. putting the targeted numbers of charging stations and O&M systems in outputs 2.2 and 2.3.

10/25/2019 MY:

Yes, comments were addressed and the PIF was revised.

## **Agency Response**

**UNDP response 23/10/2019**

1. Thanks for these helpful comments. Output 1.4 on research and innovation is removed however the estimated cost for these studies was less than 25% of the total amount given that there are 3 other outputs within this component. Overall, the budget of Component 1 is reduced from \$950,000 to \$770,750, e.g. by 19%.

2. Thanks for these helpful comments. As suggested, both Component 1 and component 3 budgets are reduced to increase the budget of Component 2 Investment outputs 2.2 and 2.3.

3. At this PIF stage, it would be difficult to assess accurately the targeted numbers of charging stations and O&M systems given that it is too early in the design of the investments. These targets will be accurately set during PPG phase and presented at CEO endorsement request.

#### **Co-financing**

**3. Are the indicative expected amounts, sources and types of co-financing adequately documented and consistent with the requirements of the Co-Financing Policy and Guidelines, with a description on how the breakdown of co-financing was identified and meets the definition of investment mobilized?**

#### **Secretariat Comment at PIF/Work Program Inclusion**

10/9/2019 MY:

Yes. The WB and the EIB will likely provide a total of \$51 million loan and grant financing; the private sector will likely provide \$29.8 million equity financing.

#### **Agency Response**

##### **GEF Resource Availability**

**4. Is the proposed GEF financing in Table D (including the Agency fee) in line with GEF policies and guidelines? Are they within the resources available from (mark all that apply):**

#### **Secretariat Comment at PIF/Work Program Inclusion**

10/9/2019 MY:

Yes.

No policy and guideline violence has been detected.

### **Agency Response**

**The STAR allocation?**

### **Secretariat Comment at PIF/Work Program Inclusion**

10/9/2019 MY:

Yes. This is the first GEF7 project for Lebanon; the country has a total of \$5.5 million STAR allocation. It is fully flexible.

### **Agency Response**

**The focal area allocation?**

### **Secretariat Comment at PIF/Work Program Inclusion**

10/9/2019 MY:

Yes. This is the first GEF7 project for Lebanon; the country has \$1 million STAR CCM allocation. But it is fully flexible. The project will use some of other focal area's funding.

### **Agency Response**

**The LDCF under the principle of equitable access**

### **Secretariat Comment at PIF/Work Program Inclusion**

10/9/2019 MY:

N/A

**Agency Response**

The SCCF (Adaptation or Technology Transfer)?

**Secretariat Comment at PIF/Work Program Inclusion**

10/9/2019 MY:

N/A

**Agency Response**

Focal area set-aside?

**Secretariat Comment at PIF/Work Program Inclusion**

10/9/2019 MY:

N/A

**Agency Response**

Impact Program Incentive?

**Secretariat Comment at PIF/Work Program Inclusion**

10/9/2019 MY:

N/A

**Agency Response****Project Preparation Grant**

5. Is PPG requested in Table E within the allowable cap? Has an exception (e.g. for regional projects) been sufficiently substantiated? (not applicable to PFD)

**Secretariat Comment at PIF/Work Program Inclusion**

10/9/2019 MY:

Yes.

**Agency Response****Core indicators**

6. Are the identified core indicators in Table F calculated using the methodology included in the correspondent Guidelines? (GEF/C.54/11/Rev.01)

**Secretariat Comment at PIF/Work Program Inclusion**

10/9/2019 MY:

Yes.

GHG accounting is attached in an MS-Excel sheet. When more detailed data is available, the calculation needs to be done again and the GEF SEC will provide comments then.

**Agency Response****Project/Program taxonomy**

**7. Is the project/ program properly tagged with the appropriate keywords as requested in Table G?**

**Secretariat Comment at PIF/Work Program Inclusion**

10/9/2019 MY:

Yes. It is attached in Annex C on page 26.

**Agency Response**

**Part II – Project Justification**

**1. Has the project/program described the global environmental / adaptation problems, including the root causes and barriers that need to be addressed?**

**Secretariat Comment at PIF/Work Program Inclusion**

10/9/2019 MY:

Yes. It is on pages 4-9.

**Agency Response**

**2. Is the baseline scenario or any associated baseline projects appropriately described?**

**Secretariat Comment at PIF/Work Program Inclusion**

10/9/2019 MY:

Yes. It is on pages 10-12.

**Agency Response**

**3. Does the proposed alternative scenario describe the expected outcomes and components of the project/program?**



**Secretariat Comment at PIF/Work Program Inclusion**

10/9/2019 MY:

Yes. It is on pages 13-15.

**Agency Response**

**4. Is the project/program aligned with focal area and/or Impact Program strategies?**

**Secretariat Comment at PIF/Work Program Inclusion**

10/9/2019 MY:

Yes. It is aligned with CCM-1-2 Promote innovation and technology transfer for sustainable energy breakthroughs for electric drive technologies and electric mobility.

**Agency Response**

**5. Is the incremental / additional cost reasoning properly described as per the Guidelines provided in GEF/C.31/12?**

**Secretariat Comment at PIF/Work Program Inclusion**

10/9/2019 MY:

Yes. It is stated on page 16.

**Agency Response**

**6. Are the project's/program's indicative targeted contributions to global environmental benefits (measured through core indicators) reasonable and achievable? Or for adaptation benefits?**

**Secretariat Comment at PIF/Work Program Inclusion**

10/9/2019 MY:

Not clear at this time.

The GHG accounting needs more work. How is yearly GHG reduction calculation related to the baseline emission factor 193 gCO<sub>2</sub>/km and the EU heavy duty vehicle emission factor 770 gCO<sub>2</sub>/km? Please justify the numbers and calculations in Section 6 on page 17.

10/25/2019 MY:

Yes, comments were addressed and the PIF was revised.

### **Agency Response**

**UNDP response 23/10/2019**

Thank you. The GHG emission calculation is revised and detailed in Section 6 of the PIF. References are also provided.

**7. Is there potential for innovation, sustainability and scaling up in this project?**

### **Secretariat Comment at PIF/Work Program Inclusion**

10/9/2019 MY:

Not completed at this time.

In sustainability, please elaborate how the GEF invested tangible equipment and assets will be in fully operation after the GEF project is closed. Who will pay the O&M costs of the assets?

10/25/2019 MY:

Yes, comments were addressed and the PIF was revised.

### **Agency Response**

## **UNDP response 23/10/2019**

Thank you. The project will not only work on the design and the investment in equipments and assets but will also explore various operation and maintenance aspects in the low-emission transport sector. The sustainability of these equipments will be considered accordingly. This includes the design of financial mechanisms and models that ensure a return on investment and incorporate the needed maintenance aspects and operation that would also be presented within the overall policies and regulatory framework to the government. The project will support decision makers with the possibilities of splitting investment needs and economic risks when building up the infrastructures. Innovative schemes to finance electric mobility will be developed through Component 3, that will benefit all stakeholders such as municipalities, car dealers, and public transport companies.

### **Project/Program Map and Coordinates**

**Is there a preliminary geo-reference to the project's/program's intended location?**

### **Secretariat Comment at PIF/Work Program Inclusion**

10/9/2019 MY:

Not yet, but the information is not very important at this time for a small country of 10,452 square km. It can be elaborated at the CEO ER stage.

### **Agency Response**

**Stakeholders**

**Does the PIF/PFD include indicative information on Stakeholders engagement to date? If not, is the justification provided appropriate? Does the PIF/PFD include information about the proposed means of future engagement?**

**Secretariat Comment at PIF/Work Program Inclusion**

10/9/2019 MY:

Yes. it is listed on page 19.

**Agency Response**

**Gender Equality and Women's Empowerment**

Is the articulation of gender context and indicative information on the importance and need to promote gender equality and the empowerment of women, adequate?

**Secretariat Comment at PIF/Work Program Inclusion**

10/9/2019 MY:

Yes. it is stated on page 19-20.

**Agency Response**

**Private Sector Engagement**

Is the case made for private sector engagement consistent with the proposed approach?

**Secretariat Comment at PIF/Work Program Inclusion**

10/9/2019 MY:

Yes. it is stated on page 20.

**Agency Response**

**Risks**

**Does the project/program consider potential major risks, including the consequences of climate change, that might prevent the project objectives from being achieved or may be resulting from project/program implementation, and propose measures that address these risks to be further developed during the project design?**

**Secretariat Comment at PIF/Work Program Inclusion**

10/9/2019 MY:

Not completed at this time.

Please elaborate climate risk on the project.

For example, how will the project outputs (charging stations) be resilient enough? How to mitigate the climate change risk on the installed equipment in the streets?

10/25/2019 MY:

Yes, comments were addressed and the PIF was revised.

**Agency Response**

**UNDP response 23/10/2019**

Thanks for these helpful comments. The risks related to climate change is now fully detailed. The below is added in the risk table, page 23.

Climate Change and Environmental risk: (1) Management of obsolete batteries from electric vehicles. (2) Charging stations not resilient enough to Climate change.

(1) Electric vehicles have batteries that have limited duration of about 5 to 8 years. removal, transportation and replacement of batteries have serious environment challenges.

(2) Charging stations may be affected by climate change effects, especially those located on the streets. Extreme weather such as high winds or floods can be damaging.

Mitigation measures: The technical studies to be worked on by the project will take these issues into consideration to ensure the reduction of this environmental risk. This will include for example, a geospatial study of the best locations for charging stations, the options versus the costs (charging stations covered, or within buildings, etc.).

#### **Coordination**

**Is the institutional arrangement for project/program coordination including management, monitoring and evaluation outlined? Is there a description of possible coordination with relevant GEF-financed projects/programs and other bilateral/multilateral initiatives in the project/program area?**

#### **Secretariat Comment at PIF/Work Program Inclusion**

10/9/2019 MY:

Yes, it is described on page 21.

#### **Agency Response**

##### **Consistency with National Priorities**

**Has the project/program cited alignment with any of the recipient country's national strategies and plans or reports and assessments under relevant conventions?**

#### **Secretariat Comment at PIF/Work Program Inclusion**

10/9/2019 MY:

Yes, it is described on page 22.

## **Agency Response**

### **Knowledge Management**

**Is the proposed “knowledge management (KM) approach” in line with GEF requirements to foster learning and sharing from relevant projects/programs, initiatives and evaluations; and contribute to the project’s/program’s overall impact and sustainability?**

## **Secretariat Comment at PIF/Work Program Inclusion**

10/9/2019 MY:

Yes, one of the three project components is on knowledge management.

## **Agency Response**

### **Part III – Country Endorsements**

**Has the project/program been endorsed by the country’s GEF Operational Focal Point and has the name and position been checked against the GEF data base?**

## **Secretariat Comment at PIF/Work Program Inclusion**

11/1/2019 MY:

Yes, but a new letter is needed.

The OFP of the country, His Excellency, Mr. Fady Jreissati signed the endorsement letter, and the letter is saved in the Project Documents of the GEF Portal. However, the letter does not show correct information on the total amount of GEF fund for the project. The total amount of STAR resources in CCM and LD for Lebanon only reach \$3.5 million in GEF7, while this project requires \$4 million. The gap must come from BD. In the endorsement letter, the OFP does not show this information. Thus, a new letter is needed from the OFP.

## **Agency Response**

Thank you for this comment. Today, we discussed this issue and had a long teleconference with Lebanon colleagues. Basically, there is an ongoing civil unrest in the country for the last 2 weeks. The prime minister resigned 2 days ago, and the whole Government is in limbo. The OFP of the country (His Excellency Mr. Fady Jeissati) is the Minister of Environment himself. It is almost impossible to get a new letter signed in this context, as the OFP will wait a bit to see who will be part of the new cabinet. As it is known, the country is facing strong demonstrations. Only today, November 1<sup>st</sup>, banks re-opened after 2 weeks of shut-down, mainly because of the end of the month to pay salaries. In this chaotic environment, it is difficult to have Government commitment on anything right now.

On the letter itself, what is being requested to change seems really minor. At the end, the country's STAR allocation is fully flexible, so hopefully the current letter can be accepted as it is.

## **Termsheet, reflow table and agency capacity in NGI Projects**

**Does the project provide sufficient detail in Annex A (indicative termsheet) to take a decision on the following selection criteria: co-financing ratios, financial terms and conditions, and financial additionality? If not, please provide comments. Does the project provide a detailed reflow table in Annex B to assess the project capacity of generating reflows? If not, please provide comments. After reading the questionnaire in Annex C, is the Partner Agency eligible to administer concessional finance? If not, please provide comments.**

## **Secretariat Comment at PIF/Work Program Inclusion**

10/9/2019 MY:

N/A

## **Agency Response**

## **GEFSEC DECISION**



## **RECOMMENDATION**

**Is the PIF/PFD recommended for technical clearance? Is the PPG (if requested) being recommended for clearance?**

### **Secretariat Comment at PIF/Work Program Inclusion**

10/9/2019 MY:

Not at this time.

Please address the comments above.

11/1/2019 MY:

Not at this time.

Please see the comments in the Box on OFP's endorsement letter. The comments are also copied below:

The OFP of the country, His Excellency, Mr. Fady Jreissati signed the endorsement letter, and the letter is saved in the Project Documents of the GEF Portal. However, the letter does not show correct information on the total amount of GEF fund for the project. The total amount of STAR resources in CCM and LD for Lebanon only reach \$3.5 million in GEF7, while this project requires \$4 million. The gap must come from BD. In the endorsement letter, the OFP does not show this information. Thus, a new letter is needed from the OFP.

In addition, here is a special notice to the Agency:

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 the agency at the time of CEO endorsement and only approve those cases that it deems warranted on an “exceptional” basis. The GEFSEC strongly encourages the agency to look at third party options as a preferred way forward. We also strongly encourage the agency to discuss any 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.

11/4/2019 MY:

Not at this time. The PM, after consultation with the PPO, recommends the following ways to revise the project:

1. For GEF Focal Area, please revise "Multi Focal Area" into " CCM Focal Area"
2. In Table D, please delete Rows 2 (LD) and 3 (BD), only keep Row 1. But the total amounts of GET, fees etc should be consistent with the total mounts in Table D.
3. In Table E, please delete Row 2 (LD), but the total amount should be consistent with the total amount of the existing Table E.

Should the Agency has any questions, please call the PM.

11/4/2019 MY:

Yes, the Agency revised the PIF accordingly. All comments were addressed and the PM recommends PIF technical clearance.

#### **ADDITIONAL COMMENTS**

**Additional recommendations to be considered by Agency at the time of CEO endorsement/approval.**

#### **Secretariat Comment at PIF/Work Program Inclusion**

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.

#### **Review Dates**

	PIF Review	Agency Response
First Review		
Additional Review (as necessary)		
Additional Review (as necessary)		
Additional Review (as necessary)		
Additional Review (as necessary)		