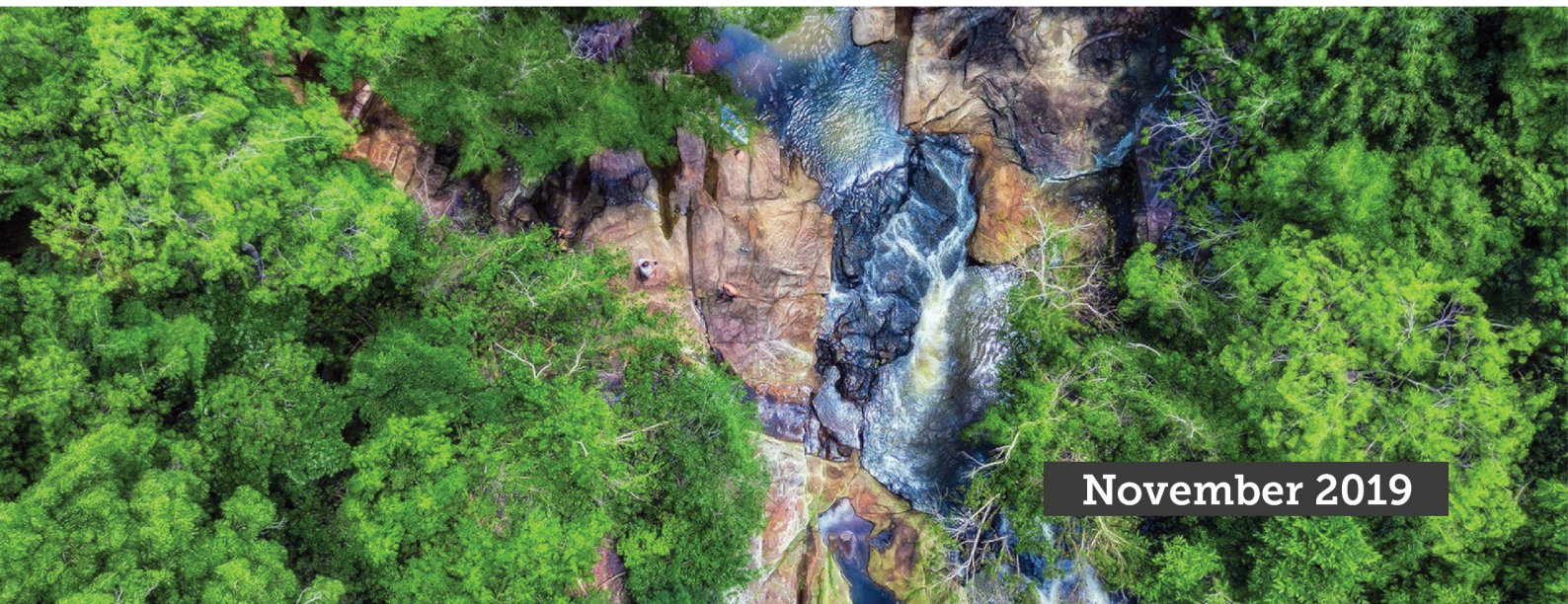


READINESS & PREPARATORY SUPPORT

PROPOSAL TEMPLATE



Proposal title:	Development of Energy Efficiency Standards and Labelling program for electric motors, transformers, washing machines and TVs in Lebanon
Country:	Lebanon
National designated authority:	Ministry of Environment
Implementing Institution:	UNEP – The Climate Technology Centre and Network (CTCN)
Date of first submission:	31 March 2020
Date of current submission / version number	16 October 2020 V.3



November 2019

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Download the guidebook:
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Please be concise. If you need to include any additional information, please attach it to the proposal.

If the Delivery Partner implementing the Readiness support is not a GCF Accredited Entity for project Funding Proposals, please complete the Financial Management Capacity Assessment (FMCA) questionnaire and submit it prior to or with this Readiness proposal. The FMCA is available for download at the [Library](#) page of the GCF website.

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Note: Environmental and Social Safeguards and Gender

Throughout this document, when answering questions and providing details, please make sure to pay special attention to environmental, social and gender issues, particularly to the situation of vulnerable populations, including women and men. Please be specific about proposed actions to address these issues. Consult Annex IV of the Readiness Guidebook for more information.

Please visit the Country Portal on the GCF website to submit this proposal via the **online system**.

When submitting the proposal, please name the file:
GCF Readiness -[Country]-[yyymmdd]

1. SUMMARY

1.1 Country submitting the proposal	Country name: Name of institution representing NDA or Focal Point: Name of contact person: Contact person's position: Telephone number: Email: Full office address: Additional email addresses that need to be copied on correspondences:	Lebanon Ministry of Environment Samar Malek Acting Head of the Service of Environmental Technology +961 1 976 555 ext. 434 samar@moe.gov.lb Ministry of Environment, Lazarieh Center, 7th & 8th Floor, Block A-4 New, A4-Old, and A5 P.O.Box: 11/2727; Beirut-Lebanon climatechange@moe.gov.lb; vahakn@moe.gov.lb
1.2 Date of initial submission	31 March 2020	
1.3 Last date of resubmission	16 October 2020	Version number V.3
1.4 Which institution will implement the Readiness and Preparatory Support project?	<input type="checkbox"/> National designated authority <input checked="" type="checkbox"/> Accredited entity <input type="checkbox"/> Delivery partner Name of institution: Name of official: Position: Telephone number: Email: Full office address: Additional email addresses that need to be copied on correspondences:	United Nations Environment Programme (UNEP) on behalf of The Climate Technology Centre and Network (CTCN) Kelly West GCF AE Focal Point +254-20 76 23113 kelly.west@un.org ; unep-gcf@un.org UN Environment Programme United Nations Avenue, NFO Block 2-3 NW P.O. Box 30552-00100 Nairobi, Kenya Rose Mwebaza, Director CTCN, mwebaza@un.org Rajiv Garg, gargr@un.org Hemini Vrontamitis, Hemini.vorntamitis@un.org

1.5 Title of the Readiness support proposal

Development of Minimum Energy Performance Standards and Labeling for electric motors, transformers, washing machines and TVs in Lebanon.

1.6 Type of Readiness support sought

- I. Capacity building
- II. Strategic frameworks
- III. Adaptation planning
- IV. Pipeline development
- V. Knowledge sharing and learning

1.7 Brief summary of the request

This readiness proposal will result in Lebanon having a regulatory framework for Minimum Energy Performance Standards and labels. This will be legislated through a notification by the Ministry of Energy and Water in Lebanon under the proposed draft law which was developed and submitted to the council of Ministers. The framework will include Monitoring, Verification and Enforcement (MV&E) elements, which shall also include information sharing with the established platform developed by the Ministry of Environment to track NDC actions.

The project will also define the suitable minimum energy performance standards (MEPS) level for four technologies: electric motors, distribution transformers, washing machines and TVs. An awareness plan for three of the technologies (electric motors, washing machines and TVs) will be developed to reach end-users effectively. The main users of distribution transformers are power and utility companies, thus awareness raising activities are not foreseen and direct intervention through a regulatory mechanism is envisaged. The project will also define the activities required for the monitoring, verification and enforcement of MEPS (e.g. capacity building for customs officers, the establishment of product registration systems, reporting mechanism to the NDC action tracking platform, testing equipment required by the relevant certification organization, etc.).

This readiness proposal aims to fill the technical capacity gap of the Lebanese authorities in the development of a comprehensive policy framework that builds on international best-practices and market experience of UNEP. This will ensure that the framework developed, and specific MEPS and labels result in an effective market transformation and are future-proof.

1.8 Total requested amount and currency

USD 584'048

1.9 Implementation period

24 months

1.10 Is this request a multiple-year strategic Readiness implementation request?

- Yes
- No

1.11 Complementarity and coherence of existing readiness support

- Yes
- No

Lebanon has received one readiness grant from GCF. The grant focuses on NDA strengthening, engagement with the private sector, enhancement of existing policies and identification of strategic investment priorities. The grant is budgeted at USD828'000 of which USD 285'000 correspond to NDA strengthening activities, to be deployed over two years.

The Kigali Cooling Efficiency Program (K-CEP) is supporting Lebanon to develop the National Cooling Plan (NCP), which includes developing policies, minimum energy performance standards (MEPS) and a roadmap for accelerating market transformation in the domestic refrigeration and air-conditioning sectors.

The Polychlorinated Biphenyls (PCB) Management in the Power Sector Project implemented at the Ministry of Environment and funded by the GEF through the World Bank, has amongst other activities, developed a comprehensive detailed national inventory of power transformers (distribution, transmission and production). The inventory had been accomplished in December 2018, resulting in a national database including information that may facilitate the determination of an energy efficiency baseline (e.g. year of production, manufacturer, owner, dry weight, etc.).

The International Climate Initiative (IKI) program from the German Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU) has had several projects in Lebanon, such as the “Accelerating 0-emission building sector”. This project developed a set of recommendations to lower the barriers for efficient heating and cooling in residential buildings in Lebanon. One such recommendation was to implement Minimum Energy Performance Standards in the country, which is precisely the objective of this readiness proposal.

The Ministry of Environment is in the final stages of submitting a National Adaptation Planning (NAP) proposal to GCF.

Finally, the Lebanese Center for Energy Conservation (LCEC) has an ongoing program with the Italian Ministry for the Environment Land and Sea (IMELS) to support the introduction of efficient Italian appliances in the country. For this purpose, a study on the market penetration and end-user perception of the Italian brands is currently being performed. This study, although limited in scope due to the niche segment being addressed, will help to establish communication channels with retailers and importers. It is expected that this network will be useful for the baseline assessment proposed in this readiness proposal.

This proposal builds upon some of these projects and complements the activities of others. For example, the project will utilize the information collected as part of the PCB management program to define a baseline scenario for the distribution transformers. It will also provide a more stable legislative framework (through an energy efficiency law) to projects developing MEPS and labels for other technologies (which are currently one-time efforts, based on decrees). Further, it will establish key policy measures that support the development of funding proposals (and funds deployment) for energy efficient products, suitably complementing the NDA strengthening activities currently ongoing.

2. SITUATION ANALYSIS

The electricity sector in Lebanon suffers from several problems that make the electricity produced not sufficient to respond to the increasing demand. These problems range from a historical average increase in electricity consumption of ca. 5% p.a. (exacerbated by the influx of Syrian refugees), to high technical and non-technical losses, to aging of power plants and inadequate electricity tariffs.

Electricity generation in Lebanon is primarily provided through Heavy Fuel Oil power plants. The combination of poor efficiency of the power plants, high system losses and low average electricity price results in an annual net transfer from the government to EDL (the national utility company) of USD 1-1.5 bn a year, depending on the oil prices. This represents a substantial portion of the budgeted USD 4.8 bn deficit in 2018.

This situation has led to chronic under-capacity, electricity disruptions in the system and the widespread appearance of private generator businesses that cover the electricity needs of the end-users through an informal, yet tolerated, secondary electricity connection. The associated perception of the general public in the country is that energy costs are high and there is no real mechanism to decrease them.

Several activities have been planned to alleviate these problems and are currently under several implementation stages. Some of these are listed below:

- Two National Energy Efficiency Action Plans (NEEAP 2011-2015 and NEEAP 2016-2020). Both NEEAPs set the roadmap to be followed by the country towards reaching its objectives in energy efficiency. The finalization of the first NEEAP, was marked with a partial achievement of the measures proposed, as indicated in Table 2. Despite the moderate progress on many of the proposed initiatives, the promotion of energy efficient equipment was identified as one of the initiatives most lagging. The current NEEAP (2016-2020) includes several energy efficiency initiatives targeting the different sectors of the Lebanese economy. The primary measures targeting the end-use energy sector consist of the implementation of an Energy Conservation Law and the development of Minimum Energy Performance Standards. There has been limited progress due to the lack of in-house experience in developing MEPS policies and the lack of funding.
- The National Renewable Energy Action Plan (NREAP 2016-2020), which sets a target of 12% of renewable electricity production in the country by 2020. The NREAP 2016-2020 builds upon the NEEAP 2011-2015, which also included Renewable Energy initiatives. This action plan sets out a clear trajectory for the increase in Renewable Energy, focused on the further deployment of hydro electricity generation and solar water heaters, with the introduction in the country of Wind power, Photovoltaic (both grid-connected and distributed generation) and bioenergy projects between 2015 and 2020.
- The introduction of mandatory standards (through decree) and a rebate scheme for solar water heaters. The program was developed through technical assistance from the GEF under the Global solar water heater market transformation and strengthening initiative. Subsidized project financing was provided through a dedicated credit line for Renewable Energy projects from the EU to the Lebanese Central Bank (BDL). Local coordination was performed by the LCEC, establishing clear procedures for supplier registration and project approval. An additional activity supported by the Hellenic Aid consisted of the implementation of a testing facility at the Industrial Research Institute for solar collectors according to mandatory standards NL EN 12975-1 and NL EN 12975-2. The program had substantial success, accelerating the adoption rate of Solar Water Heaters in the country since 2010 from 212'000m² of solar collectors installed in the country to approximately 525'000 m² until the end of 2016.
- The introduction of mandatory standards for Compact Fluorescent Lamps (CFL) through decree in 2010, after a voluntary compliance period of 3 years. This initiative was encompassed in a wider effort to increase energy efficiency in the lighting sector, named "towards the banning of incandescent lamps in Lebanon". It included several pilot projects, such as the distribution of 90'000 CFL free of charge to electricity customers in the southern part of the country and the planning of initiatives such as the 3 million CFL project. Technological limitations of the CFL technology at the time (low initial brightness) and the rise of LED lighting as mainstream technology has limited the implementation of CFL.
- The successful deployment of National Energy Efficiency and Renewable Energy Action (NEEREA) initiative, a financing instrument providing soft loans for energy efficiency and renewable energy projects. NEEREA funding is channeled through the Lebanese central bank

(BDL) to private banks, which in turn lend it to end-users under strict eligibility criteria. A total of USD 500 M of loans have been provided since 2012 under this mechanism, and the LCEC is tasked to ensure the climate-positive impact of the projects funded.

A summary of the various policies and their linkage to the project is indicated in Table 1 below.

Policy / Plan / Mechanism		Achievements	Link with GCF Readiness Proposal
<i>NEEAP 2011-2015</i>	☑	See Table 2	Established the institutional awareness of the need for energy efficiency policy development.
<i>NEEAP 2016-2020</i>	🕒	In progress	The National Energy Efficiency Action Plan sets the roadmap to be followed by Lebanon towards reaching its objectives in energy efficiency. Key elements in the roadmap are the implementation of an Energy Conservation Law (Output 2.2.1 of this readiness proposal) and the development of Minimum Energy Performance Standards (Outputs 2.2.2, 2.2.3 and 2.2.4).
<i>NREAP 2016-2020</i>	🕒	In progress	Complements the mitigation actions roadmap for Lebanon on Renewable Energy aspects.
<i>Solar Water Heating promotion program</i>	☑	A large increase in the uptake of Solar Water Heaters, from 212'000 m2 to 525'000 m2 installed in the country	Limited
<i>Mandatory CFL efficiency standards</i>	☑	Limited success due to limitations of CFL technology (low initial brightness) and rapid progress in LED lighting technology	Limited
<i>Deployment of NEEREA funding</i>	☑	USD500M of loans provided to renewable energy and energy efficiency projects.	The current institutional setup for the deployment of international funds paves the way for a successful deployment of GCF project funds, should a local institution progress on to become a Direct Access Accredited Entity. The GCF Readiness proposal will create an enabling environment to speed up deployment of NEEREA funding or an equivalent successor.

Key	☑	in place/established	🕒	In progress
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Table 1. Previous policies and linkage to GCF readiness proposal

Further, as per the Decree 167/2017 (on Article 20 of Law 444 on Environment, July 29, 2002), it provides any individual or legal entity engaged in environmental industry activities and meeting all of the criteria and conditions listed under Article 1 of this decree a credit on the income tax paid on profits accruing from those activities. It however does not include the use of EE appliances in household sector. Further, Article 7 of the same decree provides an abatement to the Custom Duty on import of goods to be used to avoid, reduce, or eliminate pollution, or to treat, recycle, or reuse waste, again this does not include an EE Appliances. This GCF proposal will explore possibilities of inclusion of energy efficient appliances and equipment's which have a MEPS certification under the ambit of the decree as they are being environmentally friendly technologies.

TABLE 1: RESULTS OF THE EVALUATION OF NEEAP 2011-2015

Initiative	Description	Percentage of completion
1	Towards banning the import of incandescent lamps to Lebanon	45%
2	Adoption of Energy Conservation Law and institutionalization of LCEC as the energy agency	40%
3	Promotion of decentralized power generation by PV and wind applications	30%
4	Solar water heaters for buildings and institutions	53%
5	Design/Implementation of National Strategy for Efficient and Economic Public Street Lighting	60%
6	Electricity generation from wind power	23%
7	Electricity generation from solar energy	42%
8	Hydro power for electricity generation	34%
9	Geothermal, waste to energy, and other technologies	30%
10	Building code for Lebanon	0%
11	Financing mechanisms and incentives	80%
12	Awareness and capacity building	69%
13	Paving the way for energy audit and ESCO business	20%
14	Promotion of energy efficient equipment	8%

Table 2. NEEAP 2016-2020 Results of the first National Energy Efficiency Action Plan

These efforts have created a new market for energy efficiency and renewable energy projects. The projects financed by the NEEREA program have achieved yearly energy savings around 144 GWh, however, despite these initiatives, the electricity demand in the country has steadily increased.

As part of its NDC, Lebanon has defined two sets of climate change mitigation targets: the first representing the country's own contribution ("unconditional target"), the second offering a wider mitigation target conditional on receiving international support ("conditional target"). More specifically, the country aims to achieve a 3% reduction in energy consumption through energy efficiency measures as unconditional target, and 10% as conditional target. This compares to the share of renewable energy generation targets by 2030 of 15% and 20%,¹ respectively (up from 5% in the baseline year).

The differences between conditional and unconditional targets reflect the need for international support of activities aimed at improving the energy efficiency in Lebanon, as the country remains focused on upgrading the ailing power infrastructure at the center of the endemic electricity sector crisis, including the upgrade of transmission and distribution infrastructure and switching from heavy fuel oil and diesel oil to natural gas for electricity production.

Some of the strategic government actions to address climate change mitigation are set out in the National Energy Efficiency Action Plan (NEEAP) 2016-2020. The establishment of Minimum Energy Performance Standards (MEPS) and energy labels is identified in this plan as one of the horizontal end-use measures with cross-sectorial impact. The expected energy consumption reductions from the introduction of MEPS has been estimated by UN

¹ The 2019 Policy paper on the electricity sector mentions 30% RE share by 2030. This new target, although not reflected in the 2015 version of the NDC, will be included in the 2020 version.

Environment's "United for Efficiency" at 1'500 GWh by 2030 (ca. 8% of current annual electricity production in the country), this in effect might contribute to the country's NDC targets

CTCN is the implementation arm of the UNFCCC technology mechanism and has been mandated by the successive COP decisions to provide technical assistance to the developing countries on their request. The MoEW, through LCEC, has requested CTCN to provide support in developing assessments to provide the financial, energy, and climate potential of accelerating a market transformation for each of the products (washing machines, TVs, electric motors, and distribution transformers). National stakeholder consultations were held in Lebanon, thereafter the GCF readiness proposal was framed in consultations with the NDA, the NDE, Ministry of Energy and Water and the respective electricity utility companies. The beneficiaries of this project include, the Ministry of Energy and Water, the Utility companies, the Standard formulation body, local manufacturers, the private sector engaged in wholesale and retail of appliances and electricity consumers.

Lebanon has set out its strategic government actions for sustainable energy in the National Energy Efficiency Action Plan (NEEAP) 2016-2020 and the National Renewable Energy Action Plan (NREAP) 2016-2020. The Lebanese Center for Energy Conservation (LCEC) is affiliated to the Ministry of Energy and Water responsible for developing and implementing the technical aspects of both action plans.

The establishment of an energy conservation law as well as the development of Minimum Energy Performance Standards (MEPS) and energy labels, is identified in the NEEAP 2016-2020 as key horizontal end-use measures with cross-sectorial impact. Until today, only standards for solar water heaters and compact fluorescent lamps have been implemented through executive decree, and the country lacks a legislative framework to facilitate the actions identified in these plans.

The Ministry of Energy and Water has started the development of an Energy Efficiency law; however, the progress has been slow due to the limited resources, limited experience in the setup of MEPS and past political stalemate. The government change in January 2019 resulted in a more favorable political environment for such activity, however, public protests forced its resignation in October 2019 and a new government was formed in January 2020. The new government was technocratic and faced the challenging mission to bring the country forward after defaulting on its debt obligations in March 2020. In order to mitigate the impact of this economic crisis the Lebanese government developed a comprehensive macro financial program aimed at resolving deep seated macroeconomic problems, restoring confidence, boosting economic growth, promoting a healthy financial system and achieving depth and financial sustainability. As per the Lebanese Government's Financial Recovery Plan the government has also committed to strongly improve the Lebanese system of governance and change harmful practices.

The current economic indicators point toward the contraction of the economy which is further aggravated by the coronavirus crisis leading to a deteriorated economic environment. In the face of the dire economic, social and financial situation the government has designed a comprehensive program to restore the confidence and put the country back on a long-term sustainable growth path. The program rests on 9 central and interrelated pillars, some of which have strong linkages to this project.

One of the pillars targets a comprehensive restructuring of the financial system to address dismissively accumulated forex mismatches at the central bank and in the banking sector, to reveal the embedded losses and refocus a resized banking system on the distribution of credit to the private sector. This action by the Government would positively impact the outcomes of this readiness project in terms of sustainable incentives if included in the proposed assessments' recommendations.

Another pillar consists of a strong fiscal adjustment focused on improving tax compliance, streamlining expenditure and reforming the public sector including the reform of Electricité du Liban (EDL). This would have a positive impact on the fiscal measures to be recommended as part of the framing of MEPS. The policy recommendations on MEPS would have a positive impact on the operations of EDL.

Finally, a further pillar consisted of an environmental reform and a national sustainable development strategy to preserve the environmental identity of the country and sustainably using it as a social economic engine. The policy recommendations under the readiness project would contribute to a sustainable development goal on climate impacts.

In August 2020, the entire Cabinet resigned in the aftermath of the explosion in Beirut. As of this revised writing in Oct 2020, a new government has not yet been formed. Once it is established, it will still be required to confront the unprecedented crisis that the country is experiencing.

As indicated above, a substantial portion of the country's deficit is a result of the transfers to EDL, therefore, the restructuring of the power sector is expected to be a primary target of the new government. Although it is still early in the process, this could be the catalyst to break the current stalemate in the energy sector and bring the necessary reforms that allow a market-based approach, which in turn enables the development of energy efficiency projects.

A key element of the project is the Measurement Verification and Enforcement aspects, to ensure that any passed legislation is practical and feasible to enforce. The LCEC keeps a close collaboration with the Lebanese Standards Institution (LIBNOR) to define suitable standards, and with testing laboratories such as the Industrial Research Institute (IRI). The accreditation body of Lebanon (COLIBAC) is formally established, but not functional. As a result, the country lacks locally accredited testing facilities. Laboratories such as IRI have been accredited for certain activities by foreign laboratories. IRI also has the mandate from the Ministry of Industry to perform inspection and control activities on certain imported products and is expected to be another key stakeholder in the design of the MV&E mechanism.

Further, in an effort to link the readiness project with eventual funding proposals, the feedback of commercial banks will be sought during the stakeholder consultation. The recent financial crisis in the country is most likely to result in a restructuring of BDL, therefore, the processes setup as part of NEEREA may need to be updated and the role of the commercial banks reassessed.

Link to other activities

The selection of the technologies to be supported through the GCF readiness program has been undertaken as a combination that maximizes climate impact as well as the awareness of the general population. Refrigeration and Air Conditioning equipment have not been included in this proposal because MEPS and labeling for these appliances are currently being developed under a K-CEP program by the Ministry of Environment's Ozone unit and UNDP. The project will continue the close coordination and alignment of activities between the various ministries involved to ensure complementarity of the programs and avoid duplication of efforts in the development of MEPS, such as the establishment of common legislative frameworks and Monitoring, Verification & Enforcement activities (activities 2.2.1a-d, 2.2.2d, 2.2.3d and 2.2.4c in this proposal).

The proposal will also directly build on previous projects, such as the PCB Management in the Power Sector Project implemented at the Ministry of Environment, the IMELS market study on Italian appliances and the IKI project as enumerated below.

- PCB Management in the Power Sector project has compiled a comprehensive dataset of power transformers in the country. This data set would be used to determine baseline efficiencies as part of Activity 2.2.4a.
- Data on Market Assessment for Italian appliances in Lebanon would be used to reach out to retailers and product importers for the development of the appliance market studies under Activity 2.2.3a of this proposal.
- High-level country analysis performed by UN Environment's "United for Efficiency" and a set of end-user surveys performed by UNDP under the CEDRO 4 program would help compare baselines aftermarket assessments under Activity 2.2.3a.

Although targeting the building sector, one of the recommendations of the IKI project was to develop of Minimum Energy Performance Standards for cooling equipment, which illustrates the importance of this type of policy.

Other ongoing activities, as indicated in section 1.11 are:

- The GCF funded, NDA strengthening program is focused on empowering the Ministry of Environment to manage climate investments in Lebanon. It includes capacity building activities for the NDA, engaging with accredited entities, and identifying and developing direct access entities in the country. The NDA strengthening program will support this proposal, by strengthening the mechanisms in the country that ultimately lead to future funding proposals for energy efficiency programs.

Problem Statement

As described previously in this section, Lebanon has developed in its National Energy Efficiency Action Plan 2016-2020 a set of initiatives, consistent with its NDC, designed to drive down energy demand, alleviate the stressed electricity infrastructure and reduce the country's GHG emissions. In particular, the NEEAP 2016-2020 lists the adoption of an Energy Conservation Law and the development of Minimum Energy Performance Standards as a key cross-sectorial measure to achieve these objectives.

Despite the identification of these initiatives, the historical institutional setup in the country, limited resources, lack of experience on the development of comprehensive MEPS policy frameworks and the focus on larger issues within the power generation sector, have resulted in Lebanon not being able to implement these policies. More specifically, the destruction of basic electricity infrastructure during the Lebanese Civil war (1975-1990), has resulted in a variety of problems that plague the electricity sector (and are also responsible for a large part of the financial troubles of the country). These range from a lack of reliable electricity supply, which spurred the

appearance of private neighborhood generators that cover the black-out periods of the national utility (EDL), the subsequent double billing to electricity users, a low electricity tariff from the national utility that is not able to cover its operational costs. This situation has resulted in the focus to increase the generation capacity in the country, whereas the development of Demand-side-management activities (and therefore the general government capacity and experience on this topic) has been modest to date.

This project will support the development of:

- A legislative framework that introduces MEPS and labels as policy measures. This overarching legislative framework has been missing and is seen as a key step to support this and other MEPS projects.
- MEPS and labels for electric motors, transformers, washing machines and TVs.
- Detailed market studies that provide a scientific background and wide market consensus to the selection of such MEPS and associated procedures.
- Awareness raising and communication plans.
- Measurement, Verification and Enforcement (MV&E) plans, including capacity building plans for key stakeholders and development of Product Registration System.

3. LOGICAL FRAMEWORK

Outcomes	Baseline ²	Targets	Outputs	Activities (brief description)	Deliverables ³
Outcome 2.2: GCF recipient countries have developed or enhanced strategic frameworks to address policy gaps, improve sectoral expertise, and enhance enabling environments for GCF programming in low-emission investment	<p>"The country does not have a legislative framework that facilitates the introduction, operationalization and regular update of MEPS, labels and its Monitoring, Verification and Enforcement.</p> <p>The country has limited legislation regulating the energy efficiency of equipment which does not currently include electric motors, washing machines, TVs, and electric transformers available for purchase in the market."</p>	<p>The country has established one appropriate energy efficiency legislative mechanism that facilitates the introduction, operationalization and automatic update of MEPS and labels.</p> <p>Regulation is established for the minimum energy efficiency and labeling of three (3) technologies (electric motors, washing machines, and TVs) available for purchase in the market.</p>	Output 2.2.1 Policy mechanism to introduce and update MEPS, labels and its MV&E activities is incorporated in the country legislation, effectively preventing inefficient equipment from entering the market.	<p>Activity 2.2.1: Development of mechanisms to introduce and update MEPS, labels and its MV&E through legislative framework.</p> <p>Activity 2.2.1a: Form Policy Working Group (PWG) with strategic stakeholders such as the Ministry of Environment, Ministry of Energy and Water, LIBNOR, CTCN, UNDP, UNEP, ALI, NCLW, etc. The PWG will be co-chaired by the Ministry of Energy and Water and the GCF National Designated Authority (NDA). The PWG will meet quarterly, and oversee the work of the various activities (e.g. market assessment, testing standard development, etc.) During the formation of the PWG, CTCN will request the member organizations to present at least two candidates and be mindful of gender-equality concerns.</p>	Deliverable 2.2.1a: TORs of the PWG, list of PWG members; including an aggregated gender composition; 11-day kick-off meeting
				<p>Activity 2.2.1b: Organize & participate in quarterly meetings of the PWG.</p>	Deliverables 2.2.1b: Minutes of the quarterly meetings
				<p>Activity 2.2.1c Consult stakeholders on the introduction of MEPS and labeling legislation. The consultation process will be driven by the newly created Policy Working Group (PWG) The consultation workshops will strongly promote women's participation. The National Council for Lebanese Women (NCLW) will be tasked with providing gender-related aspects to the policy design and proposing additional stakeholders for the consultation process.</p> <p>The consultation process will include appliance importers, distributors and retailers, commercial banks, the Lebanese Customs department, the Consumer Protection Directorate from the Ministry of Economy and Trade, and the Industrial Research Institute (testing lab). Consultations will be in the form of individual feedback, and a joint stakeholder workshop to present the proposed aspects of the MEPS and labeling legislation and collect a final round of feedback.</p>	Deliverable 2.2.1c Consultation workshops report. These shall include a list of participants with an aggregated gender composition

² Please briefly elaborate on current baselines on which the proposed activities can be built on, processes that are in place that the current Readiness proposal can strengthen, or any gaps that the proposed activities would fill in. If more space is needed, please elaborate this in Section 4.

³ Please include tangible and specific deliverables for each activity proposed, please note that during implementation all deliverables should be included within the implementation reports for GCF consideration.

Outcomes	Baseline ²	Targets	Outputs	Activities (brief description)	Deliverables ³
		<p>The minimum energy efficiency of distribution transformers available for purchase in the market is regulated and incorporated in the procurement processes of EDL and local distribution concessions.</p> <p>The MV&E plans for 4 technologies (electric motors, electric transformers washing machines and TVs) are developed and MV&E processes are implemented and tracking 99% of the relevant equipment for sale in the country</p>	<p>Output 2.2.2 MEPS and labeling policy for electric motors is established and related market MV&E and communication plans are developed</p>	<p>"Activity 2.2.1d: Develop MEPS and labels draft policy with the following policy components:</p> <ul style="list-style-type: none"> •Overall objectives of the MEPS and labeling program. •General criteria for selection of products and processes for labels and/or standards and type of market transaction (covering domestically produced as well imported products). •Technologies covered. •Envisioned implementation timeframe (e.g. voluntary phase, first mandatory MEPS level phase, etc.) •Definition of Measurement Verification and Enforcement framework, including non-compliance cases and general registration fee structure for products. •Update mechanisms •Rules, procedures, responsibilities and deadlines. <p>The project team will clarify technical doubts, present international best practices, and in general, support the Ministry of Energy and Water in the process to present the law to Parliament for approval</p> <p>Activity 2.2.2: Development of policy on MEPS, labelling, MV&E and communication campaign of motors</p> <p>Activity 2.2.2a: Develop a detailed market study for electric motors, including:</p> <ul style="list-style-type: none"> •Expert and stakeholder consultation following the recommendations of NCLW regarding gender balance. •Baseline determination: Data gathering on energy efficiency distribution of products in the market, trends, market barriers and gender issues. •Identification of existing MEPS in the region and suitability analysis. <p>Activity 2.2.2b: Develop draft MEPS and labels policy paper for electric motors based on the results of the market study. It shall include:</p> <ul style="list-style-type: none"> •Definition of principle and methods for setting the standards (e.g., lowest life-cycle cost, CO2 reduction potential, etc.) and determination of those levels. 	<p>Deliverable 2.2.1d: Draft MEPS and labels policy articles for inclusion in Energy Efficiency law. (Note1: Should the parliamentary process not succeed; the key components of the policy framework shall be reworked to be adopted under a Cabinet approval) (Note 2: the deliverable would be in line with the Article 18, 19 and 20 of the proposed/draft Energy Efficiency Law or any of its provisions thereof when approved by an appropriate body)</p> <p>Deliverable 2.2.2a: Detailed market study for electric motors which shall include a specific chapter on the gender issues identified.</p> <p>Deliverable 2.2.2b: Draft MEPS and labels policy paper for electric motors for submission to Cabinet for approval.</p>

Outcomes	Baseline ²	Targets	Outputs	Activities (brief description)	Deliverables ³
		<p>The awareness campaign for 3 technologies (electric motors, washing machines and TVs) is designed to address gender-specific issues and to reach at least 50% of the relevant end-users, (ongoing implementation once the program starts and registration fees allow for funding)</p>		<ul style="list-style-type: none"> •Impact assessment of the introduction of MEPS and labeling on manufacturers, importers, end-users, utilities and country. •Identification and comparison of testing standards. The result shall feed-in the technical standards committee to determine the adoption path. •Assessment of current financing mechanisms and fiscal incentives/disincentives in the market. Development of a set of recommendations for program implementation. (During the assessments of the financing mechanism and fiscal incentives stakeholders including commercial banks, customs and income tax officials would be engaged in a consultative manner) <p>Activity 2.2.2c: Develop a communication campaign strategy to raise awareness of MEPS and labeling with relevant stakeholders. It shall include:</p> <ul style="list-style-type: none"> • Goals of the communication campaign to address relevant market barriers. • Research on previous communication campaigns, current energy efficiency awareness, specific gender issues, partner organizations, feedback from stakeholders • Target audience and engage in the design process (e.g. general public, manufacturers, importers, electrical components wholesalers, electric motors repair shops, mechanical & electrical engineering companies, etc.) • Messaging to address barriers relevant to the target audience. • Communications plan (e.g. mass-market, stakeholder-focused, etc.), including communication channels and resources required. • Public web portal including the messaging developed and a link to the public interface of the Product Registration System. <p>Activity 2.2.2d: Develop Monitoring Verification and Enforcement (MV&E) plan, including:</p> <ul style="list-style-type: none"> •Capacity assessment of customs agency and testing organizations and development of capacity building roadmap. •Definition of registration requirements: certification, fee structure for products. •Definition of data collection and reporting processes (e.g. import declaration forms, product registry databases, reporting to NDC action tracking platform, etc.). •Definition of verification program. •Implementation of Product Registration Software (suggested to adapt UN Environment U4E PRS Framework software to Lebanon's MEPS program). 	<p>Deliverable 2.2.2c: Communication campaign plan for electric motors</p> <p>Deliverables 2.2.2d: Country MV&E plan for electric motors. Country PRS module for electric motors.</p>

Outcomes	Baseline ²	Targets	Outputs	Activities (brief description)	Deliverables ³
			Output 2.2.3 MEPS and labeling policy for washing machines and TVs is established and related market MV&E and communication plans are developed	<p>Activity 2.2.3: Development of policy on MEPS, labelling, MV&E and communication campaign of washing machines and TVs</p> <p>Activity 2.2.3a: Develop a detailed market study for washing machines and TVs, including:</p> <ul style="list-style-type: none"> •Expert and stakeholder consultation following the recommendations of NCLW regarding gender balance. •Baseline determination: Data gathering on energy efficiency distribution of products in the market, trends, market barriers and gender issues. •Identification of existing MEPS in the region and suitability analysis. <p>Activity 2.2.3b: Develop draft MEPS and labels policy paper for washing machines and TVs based on the results of the market study. It shall include:</p> <ul style="list-style-type: none"> •Definition of principle and methods for setting the standards (e.g., lowest life-cycle cost, CO2 reduction potential, etc.) and determination of those levels. •Impact assessment of the introduction of MEPS and labeling on manufacturers, end-users, utilities and country. •Identification and comparison of testing standards. The result shall feed-in the technical standards committee to determine the adoption path. •Assessment of current financing mechanisms and fiscal incentives/disincentives in the market. Development of a set of recommendations for program implementation. (During the assessments of the financing mechanism and fiscal incentives stakeholders including commercial banks, customs and income tax officials would be engaged in a consultative manner) <p>Activity 2.2.3c: Develop a communication campaign strategy to raise awareness of MEPS and labeling with relevant stakeholders. It shall include:</p> <ul style="list-style-type: none"> • Goals of the communication campaign to address relevant market barriers. • Research on previous communication campaigns, current energy efficiency awareness, specific gender issues, partner organizations, feedback from stakeholders • Target audience and engage in the design process (e.g. general public, manufacturers, importers, retailers, etc.) • Messaging to address barriers relevant to the target audience. 	<p>Deliverable 2.2.3a: Detailed market study for washing machines and TVs which shall include a specific chapter on the gender issues identified</p> <p>Deliverable 2.2.3b: Draft MEPS and labels policy paper for washing machines and TVs for submission to Cabinet for approval.</p> <p>Deliverable 2.2.3c: Communication campaign plan for washing machines and TVs</p>

Outcomes	Baseline ²	Targets	Outputs	Activities (brief description)	Deliverables ³
				<ul style="list-style-type: none"> • Communications plan (e.g. mass-market, stakeholder-focused, etc.), including communication channels and resources required. • Public web portal including the messaging developed and a link to the public interface of the Product Registration System. 	
				<p>Activity 2.2.3d: Develop Monitoring Verification and Enforcement (MV&E) plan, including:</p> <ul style="list-style-type: none"> •Capacity assessment of customs agency and testing organizations and development of capacity building roadmap. •Definition of registration requirements: certification, fee structure for products. •Definition of data collection and reporting processes (e.g. import declaration forms, product registry databases, reporting to NDC action tracking platform, etc.). •Definition of verification program. •Implementation of Product Registration Software (suggested to adapt UN Environment U4E PRS Framework software to Lebanon's MEPS program). 	<p>Deliverables 2.2.3d: Country MV&E plan for washing machines and TVs. Country PRS module for washing machines and TVs.</p>
			<p>Output 2.2.4 MEPS policy for electric transformers is established and related market MV&E plan is developed</p>	<p>Activity 2.2.4: Development of policy on MEPS, MV&E and communication campaign of transformers</p> <p>Activity 2.2.4a: Develop a detailed market study for electric transformers, including:</p> <ul style="list-style-type: none"> •Expert and stakeholder consultation following the recommendations of NCLW regarding gender balance. •Baseline determination: Data gathering on energy efficiency distribution of products in the market, trends, market barriers and gender issues. •Identification of existing MEPS in the region and suitability analysis. 	<p>Deliverable 2.2.4a: Detailed market study for electric transformers which shall include a specific chapter on the gender issues identified.</p>
				<p>Activity 2.2.4b: Develop a MEPS policy paper for electric transformers based on the results of the market study. It shall include:</p> <ul style="list-style-type: none"> •Definition of principle and methods for setting the standards (e.g., lowest life-cycle cost, CO2 reduction potential, etc.) and determination of those levels. •Impact assessment of the introduction of MEPS and labeling on manufacturers, end-users, utilities and country. •Identification and comparison of testing standards. 	<p>Deliverable 2.2.4b: Policy for electric transformers including proposed procurement guideline update to EDL</p>

Outcomes	Baseline ²	Targets	Outputs	Activities (brief description)	Deliverables ³
				<p>•Assessment of current financing mechanisms and fiscal incentives/disincentives in the market. Development of a set of recommendations for program implementation. (During the assessments of the financing mechanism and fiscal incentives stakeholders including commercial banks, customs and income tax officials would be engaged in a consultative manner)</p> <p>Activity 2.2.4c: Develop Monitoring Verification and Enforcement (MV&E) plan. Includes:</p> <ul style="list-style-type: none"> •Capacity assessment of testing organizations and the development of capacity building roadmap. •Definition of registration requirements: certification, fee structure for products. •Definition of data collection and reporting processes (e.g. import declaration forms, product registry databases, reporting to NDC action tracking platform, etc.). •Definition of verification program. •Implementation of Product Registration Software (suggested to adapt UN Environment U4E PRS Framework software to Lebanon's MEPS program). 	<p>Deliverables 2.2.4c: Country MV&E plan for electric transformers. Country PRS module for electric transformers.</p>

4. THEORY OF CHANGE

TOC Narrative

This section provides the rationale for this GCF Readiness project and defines a Theory of Change that identifies the causal processes through which the project is intended to achieve its expected outputs, outcomes, and goal.

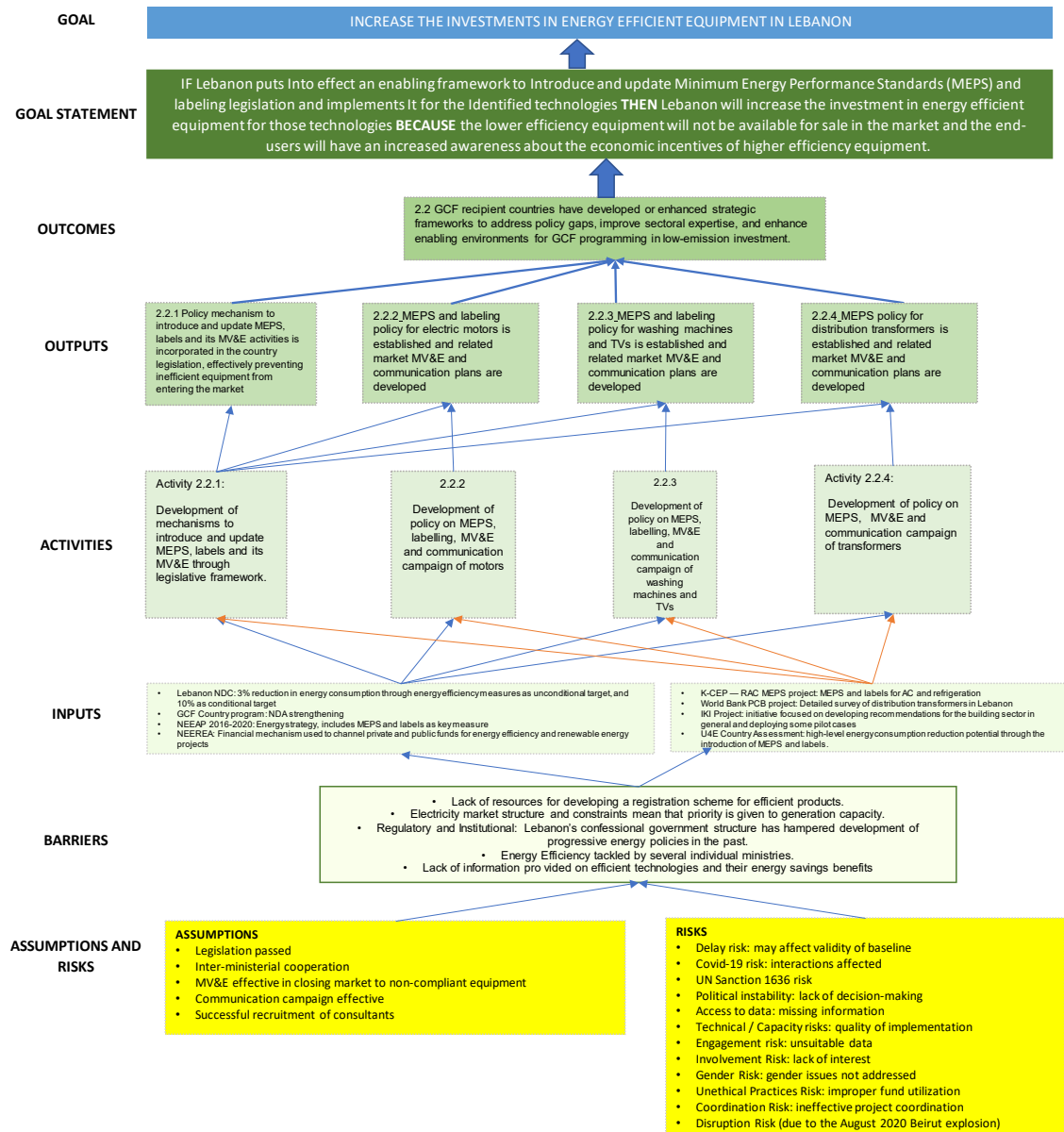


Figure 1. Theory of Change diagram

Goal

The goal of this project is to create enabling environment for increased adoption of efficient appliances/equipment and increased investment in energy efficient products in Lebanon

Goal Statement

IF Lebanon puts into effect an enabling framework to introduce and update Minimum Energy Performance Standards (MEPS) and labeling legislation and implements it for the identified technologies **THEN** Lebanon will increase the investment in energy efficient equipment for those technologies **BECAUSE** the lower efficiency equipment will not be available for sale in the market and the end-users will have increased awareness about the economic incentives of higher efficiency equipment.

Outcome

The GCF Readiness Outcome for this proposal is Outcome 2.2: “GCF recipient countries have developed or enhanced strategic frameworks to address policy gaps, improve sectoral expertise, and enhance enabling environments for GCF programming in low-emission investment”.

More specifically, the outcome of the project is the enhancement of Lebanon’s strategic energy efficiency framework. This will be in the form of an Energy Efficiency law which regulates the introduction, operationalization, and regular update of MEPS and labels for appliances as well as the actual implementation of such MEPS and labels legislation and support mechanisms for four technologies.

Outputs

The outputs of the project may be categorized into two groups:

- A general legislative framework that allows the simplified introduction, operationalization, and regular update of MEPS and labels for various products. The framework is expected to be incorporated in an energy efficiency law currently being drafted by the Ministry of Energy and Water.
There is one specific project output for this group: Output 2.2.1 “Policy mechanism to introduce and update MEPS, labels and its MV&E activities is incorporated in the country’s legislation, effectively preventing inefficient equipment from entering the market”.
- Specific MEPS and labels for four technologies: Electric motors, Washing machines, TVs, and Electric transformers. These outputs have been segregated into three groups, depending on the expected activities and stakeholders to be consulted, which heavily depends on the technologies. There are three specific project outputs within this group:
 - o Output 2.2.2: MEPS and labeling policy for electric motors is established and related market MV&E and communication plans are developed
 - o Output 2.2.3: MEPS and labeling policy for washing machines and TVs is established and related market MV&E and communication plans are developed
 - o Output 2.2.4: MEPS policy for electric transformers is established and related market MV&E plan is developed

Assumptions

Assumptions outline the underlying conditions or resources that are required for the logic of the Theory of Change model to occur, that is, the main assumptions for inputs to lead to the desired impacts. The assumptions for this project are indicated in the table below:

Assumption	Relevance to achieve the objective	Influencers (other than the project team)
Legislation passed	The Lebanese government will approve the drafted legislation, which will lead to the implementation of the policies developed.	Ministry of Environment (NDA), Ministry of Energy and Water,
Inter-ministerial cooperation	Ministries with overlapping areas of activity in the energy efficiency aspects of Climate Change Mitigation will coordinate and cooperate to draft, approve and implement the drafted energy efficiency legislation.	Ministry of Environment (NDA), Ministry of Energy and Water, Ministry of Finance

MV&E effective in closing the market to non-compliant equipment	Legislation will be enforced and effectively close the market to inefficient equipment.	Customs administration, Ministry of Energy and Water, Importers & Retailers
Communication & awareness-raising campaign effective	The communication campaign will be effective in raising awareness within the general public about the benefits of the MEPS and labels program and achieve a widespread buy-in. This is particularly important to achieve investment in higher efficiency classes than the minimum required.	LCEC (previous experience from the Solar Water Heating and CFL programs).
Successful recruitment of consultants capable of performing the work	Suitable national and international consultants will be recruited.	CTCN (wide network of partner organizations), UNEP U4E team (extensive experience in developing these programs with local organizations and consultants)

Table 3. GCF Readiness project assumptions

Risks

The risks identify the conditions in which the intervention may not be able to reach its desired impact. They are inherently external to the project and outside its control, therefore, only mitigation actions can reduce the potential negative effects. The risks associated with this project and related mitigation measures are provided in section 6.3 and briefly described below:

- **Delay risk:** It refers to a large difference between the planned and actual timelines for the project activities which causes a material impact to the project such as invalidity of the baseline conditions.
- **Covid-19 risk:** It refers to the risk that activities or interactions previously taken for granted, such as country visits, stakeholder meetings, etc. are either delayed, canceled or take a less effective format due to limited face-to-face interaction and travel restrictions
- **UN Sanction 1636 risk:** It refers to the risk that the unidentified individuals involved in the 14 February 2005 terrorist bombing in Beirut, Lebanon against president Hariri become materially involved in the GCF readiness project (Note: this risk was suggested by the GCF team in a preliminary review)
- **Political instability:** It refers to the lack of political decision-making regarding the policies developed by the project due to changes in the government structure or general political atmosphere in the country.
- **Access to data:** It refers to a lack of availability or access to data required to develop the project activities (in particular the country baseline).
- **Technical / Capacity risks:** They refer to a material impact on the quality of the project implementation due to limited technical knowledge or capacities of the local stakeholders.
- **Engagement risk:** It refers to the lack of engagement from key stakeholders, which leads to inaccurate or incomplete information, which in turn leads to a flawed policy design.
- **Involvement Risk** It refers to a potential lack of interest by the public and private sector key stakeholders, resulting in a limited scale-up of the results of this intervention.
- **Gender Risk:** It refers to gender-specific issues not being properly assessed during readiness design and implementation, which lead to flawed policies.
- **Unethical Practices:** It refers to the risk of improper GCF Readiness funds utilization.
- **Coordination Risk:** It refers to the potential lack of effective coordination between various project partners.
- **Disruption Risk (due to the August 2020 Beirut explosion):** it refers to the impacts on government agencies and staffing of certain ministries following the August 2020 explosion in Beirut.

Barriers

There are several barriers to the establishment of an enabling framework to introduce and update Minimum Energy Performance Standards (MEPS) and labeling legislation. Some of them are grounded in historical institutional structures while others are related to a lack of resources in the country.

For the project Outputs to be translated into the stated Outcome, the various ministries within the government must work in a coordinated way, to ensure that the proposed legislation is approved. At the time of this writing (October 2020), Lebanon does not have an established Cabinet, following the resignation of the previous government after the Beirut blast in August 2020. The level of political compromise with progressive energy legislation is therefore unknown at this moment, although the recent technocratic trend in previous governments and the current national and international pressure to form a new “political chapter” in Lebanon, leaves room for optimism.

Further, for effective implementation of the legislation, some government resources are required for market Monitoring, Verification and Enforcement (MV&E) activities. For example, this means that customs officers can identify compliant and non-compliant products, that funding is available for testing product samples, that an information management system with product information is available, and that the end-users are aware of these policies and their benefits. Some of the project activities are designed to minimize those barriers, for example by providing training to government officials, establishing the Product Registration System software, and designing the product registration fees to allow for product testing and awareness campaigns, still some government resources are required to achieve the project outcome.

It is worth noting that historically, few resources have been focused on the electricity infrastructure and building the capacity of personnel to develop and implement comprehensive MEPS and labels schemes. This last point is being directly addressed by the readiness proposal.

The historical tariff structure in the country has resulted in a public perception of high energy costs with no real mechanism to decrease them. This is due to the existence of private neighborhood generators to cover the black-out periods as indicated in the situation analysis section. These circumstances result in the receipt of two bills by electricity users, one from the public utility, another from the private generators. The electricity price from EDL for residential customers is heavily subsidized, particularly for small users, whereas the bill from the private generators has been historically charged based on the Amperage of the connection, rather than being based on the amount of electricity used. This situation created a disincentive to obtaining energy efficient appliances due to the lack of attractive monetary savings.

Some of these market challenges have been eased in the recent past, for example, in 2019 private generators have been forced to install electricity meters for their customers, which means that the actual energy consumption of the end-user appliances is being billed, instead of paying a “flat-fee” that disincentivizes the use of efficient equipment.

Inputs

In terms of previous policies and on-going activities, the project is fully aligned with Lebanon’s Energy Efficiency strategy described in the National Energy Efficiency Action Plan (NEEAP 2016-2020), which lists the establishment of an energy conservation law as well as the development of Minimum Energy Performance Standards (MEPS) and energy labels as a key element of the horizontal end-use measures with cross-sectorial impact.

The project will contribute to the draft of the Energy Efficiency Law by providing a policy recommendation report for MEPS and labels and its MV&E aspects aligned with best practice standards. Further, the project contributes to Lebanon’s Nationally Determined Contributions of 3% reduction in energy consumption through energy efficiency measures -as unconditional target- and 10% as conditional target.

One of the inputs to this readiness project would be based on the outcomes of the previous projects an initiatives such as the PCB Management in the Power Sector project from the World Bank, K_CEP project on MEPS for refrigeration and air conditioning, and IMELS program on “Italian energy efficient home appliances”.

The development of financial mechanisms has been contemplated for the project. This, however, has not been proposed due to the existence of an established mechanism (NEEREA) which could be easily adapted to GCF funds once a local institution progresses to become a Direct Access Accredited Entity and develops its own projects or an international Accredited Entity performs this activity in the country. Due to the currently ongoing financial crisis in the country, it is expected that BDL will be restructured. Their continuation as funding aggregator for the NEEREA mechanism is uncertain, however, the current NEEREA processes could be adapted to make use of GCF funds. The experience gained by the private sector in this mechanism is considered very valuable, and their feedback will be sought during the readiness project to understand any shortcomings or potential improvement areas of NEEREA.

Nevertheless, financing is initially expected to be performed through existing financing channels (private financial institutions), either equity or credit, as users are compelled to switch to higher efficiency equipment on new purchases.

In terms of internally managed inputs, the project will form a Policy Working Group which will seek input from various stakeholders affected by the planned new policies, including the private financial institutions that participated in the NEEREA mechanism. The project will contract a variety of international experts to provide best practices on the development and implementation of the various policies. Local consultants will also be contracted to provide market-specific knowledge. Further, the project will cooperate with the Lebanese Standards Institution (LIBNOR), which will define the most appropriate testing standards to be used in the specific MEPS legislation for the technologies identified.

Activities

The activities of the project are aligned with the standard policy development processes for Minimum Energy Performance Standards. These are sequentially oriented, starting from the establishment of a Policy Working Group that will guide the development of a general legislative framework aligned with the objective of the project. This framework sets the basis that allows the introduction, operationalization and regular update of MEPS and labels for various technologies. It also includes critical elements of the Measurement Verification & Enforcement (MV&E) that ensure the correct adoption of the legislation in the market.

The development of MEPS and labels for each technology starts with a market assessment to gain transparency on the market being targeted. The program continues with the development of minimum standards in consultation with local stakeholders, including the definition of relevant testing standards (together with LIBNOR). The definition of the MEPS and labels follows a science-based approach, utilizing market information to target an ambitious, yet practical MEPS level that removes from the market the most inefficient equipment, while limiting potential negative impacts to suppliers and consumers.

Communication activities are extremely important in public policy programs, particularly for technologies with a wide range of end-users. For this reason, the project proposes the development of awareness and communication plans, including the assessment of the target audience, messages a public web portal and delivery of public trainings/workshops. It also includes the development of Audio, Visual and Printing materials. These are meant to provide a kick-start to the awareness campaign, while the long-term communication (and MV&E) activities are planned to be funded by the regular fee collection of the program and/or dedicated government budget.

Finally, the MV&E plan establishes the activities required to ensure that legislation is effectively translated into a market reality. It includes the implementation of a Product Registration System (PRS), which could be based on the UN Environment's U4E framework PRS software (currently under development). Additional support material includes related software specifications and PRS guidance notes. The PRS serves as the data repository for a wide variety of stakeholders, including government officials, manufacturers/importers or the general public. This database acts as a cornerstone of MV&E and public awareness activities by providing reliable information about the technical characteristics of the equipment.

5. IMPLEMENTATION ARRANGEMENTS AND OTHER INFORMATION

5.1 Budget plan

CTCN will be selecting the executing agency through a competitive tender process, evaluating complete technical and financial offers for the execution of the technical assistance. Due to the tendering process, the total budget might be different compared to the one approved by the GCF, but in no circumstances will it exceed the total budget amount approved by GCF.

Within CTCN technical assistance a minimum amount of 1% of the total budget is dedicated to gender mainstreaming, assuring that the gender topic is properly embedded into the technical analysis and is assessed by a gender expert. The presence of a gender expert within the consultant's roster is a requirement within the ToR of the international tender to be published by CTCN. CTCN gender mainstreaming tool will be used as baseline reference to assure that gender issues will be included since the early stage of the technology prioritization of this proposal and throughout all the subsequent Outputs. A description of the gender tool can be found at this link: <https://www.ctcn-n.org/technologies/ctcn-gender-mainstreaming-tool-response-plan-development>.

In addition, in the tendering process one of the mandatory criteria is that the bidder should demonstrate that it has a local presence either by its own office presence or a partnership agreement with a local organization/company. In addition the bidder has to submit a statement that at least 25% of the budget would be allocated to the local partner and up to a maximum of 50%. This is to ensure that capacity is built at the local level and at the same time international expertise is brought into the country. Furthermore, the bidder is required to follow the approved budget by the GCF.

5.2 Procurement plan

Overall financial management and procurement of goods and services under this readiness and preparatory support proposal will be guided by UN regulations, rules, policies and procedures and the Framework Agreement between the GCF and UNEP.

UNEP will be responsible for the implementation of the readiness activities and for procurement and contractual services, as well as reporting on the progress of this implementation in close coordination and strategic guidance from the NDA/FP. The procurement actions and the operational services will be carried forward in accordance with UN policies and procurement guidelines. None of the parties involved in the preparation of this GCF readiness proposal can bid for the implementation of the project in whole or in part.

CTCN procedure for procurement: For a request that is eligible and prioritized, the Climate Technology Managers in charge of the respective request sources the appropriate expertise to develop the Terms of Reference of the assistance (called 'Response Plan' as per CTCN procedures). The response plan provides specific information on the technical assistance to be delivered, including activities, outputs, expected outcomes and impacts, timeline, indicators or measuring assistance progress and success, stakeholders to be involved, etc. The response plan, once finalized, is signed by the national focal point of the CTCN in the concerned country (National Designated Entity), the institution which originated the CTCN request for technical assistance and the CTCN Director. It constitutes the basis of the assistance to be implemented and monitored upon the approval and in cooperation with the NDA. Based on the needs and expertise required in the response plan, a CTCN Network Member will be selected to implement it. The selection of the institution from the Network of CTCN for the execution of the technical assistance is conducted through a competitive procurement process as per UNEP Rules and Regulations, in line with CTCN procedures and with UN Rules and Regulations (being UNEP the host of the CTCN, and a specialized agency established under the UN Charter).

The CTCN nurtures a Network of more than 550 expert organizations in the field of low-carbon and climate-resilient technologies. The CTCN network members are drawn from organizations from different countries worldwide and with work experiences across different countries including conflict and post-conflict zones.

The procurement criteria for execution of this work with ensure procuring of organizations with pre-requisite working experience in such environments. The required expertise to carry out the activities that define this intervention will be sourced from the Network. For this, the following four principles shall be given due consideration when undertaking the procurement functions of UNEP:

- i. Best value for money principle.
- ii. Fairness, accountability, integrity and transparency of the procurement process.
- iii. Effective competition.
- iv. The best interest of the UNEP.

5.3 Implementation Plan

See Excel file.

5.4 Disbursement schedule

UNEP as the Delivery Partner for this Readiness and Preparatory Support Proposal will submit requests for disbursement for approved proposals to the GCF in accordance with the Framework Readiness and Preparatory Support Grant Agreement between the GCF and UNEP. Disbursement requests will be signed by the authorized representative of the UNEP and will include details of the bank account into which the grant will be deposited. UNEP, the Delivery Partner for this R&P Support Proposal for Lebanon, will administer the grant disbursed by the GCF in accordance with UNEP's regulations, rules, and procedures including maintenance of records of grant, disbursements and expenditure.

Readiness Proposal that falls within a Framework Agreement with the GCF

Disbursements will be made in accordance to Clause 4 "*Disbursement of Grants*" and Clause 5 "*Use of Grant Proceeds by the Delivery Partner*" of the Framework Readiness and Preparatory Support Grant Agreement entered into between GCF and UN Environment Programme on *11 October 2016*, amended on 13 December 2017 and further amended on 2nd June 2020. The Delivery Partner is entitled to submit 2 request(s) for disbursement each year and is also entitled to request one interim request for disbursement within 30 days of notification of approval.

6. IMPLEMENTATION ARRANGEMENTS AND OTHER INFORMATION

6.1 Implementation arrangements

Please describe how implementation arrangements will be made and how funds will be managed by the NDA and/or the Delivery Partner.

UNEP will manage the funds for the activities under this readiness proposal. UNEP will agree on a plan with the NDA of Lebanon to monitor the implementation of the activities. However, UNEP will be responsible for the implementation of the activities under this readiness and preparatory support proposal. UNEP is the responsible party that will ensure the delivery of anticipated outputs and outcomes which must report to the Green Climate Fund on project outcomes. and report to the GCF.

The selected entity from the Network will report to UNEP as per their contractual arrangement and in line with UN rules and regulations. They will carry out the activities listed in the readiness proposal, either with internal personnel or externally recruited consultants for specialized tasks. The selected entity will be overall responsible (with the support from the LCEC) for organizing workshops and following-up on activities to achieve the outputs of the readiness project. They will also produce regular progress and financial reports and will submit deliverables to UNEP. Funds will only be released when the deliverables are satisfactory and cleared by UNEP. They will return any unspent funds within ninety days of expiry or notice of termination of the UNEP.

The UNFCCC country focal points for technology (NDE) and finance (NDA) will provide active support to the implementer in the execution of this technical assistance. Their roles as country focal points will include, but not be limited to: Ensuring the activities associated with the implementation of this technical assistance are aligned with national climate priorities; promote and engage with key stakeholders as identified by the implementer; promote and present this technical assistance in climate change-related events; and participate in CTCN events and in national workshops affiliated with this technical assistance, if required. They will also be expected to provide guidance and review any relevant documents produced and will be kept apprised of the progress of the technical assistance. In addition, a policy working group chaired by MoEW will be formed which will have representations from LCEC, CTCN and other stakeholders as chosen by the NDA. This policy working group will track the progress of the project and the deliverables and provide guidance. The outputs and recommendations from this technical assistance would be implemented by MoEW through legislative notifications and the adoption of MEPS.

In terms of Governance: Climate Technology Centre and Network (CTCN) was established by the Conference of the Parties (COP) in Cancun in December 2010. The CTCN was established to provide technical assistance and capacity building activities responding to requests from developing country parties. Following competitive bidding, the COP decided that the CTCN would be hosted by UNEP through a consortium to be co-led by UNIDO. This is the CTCN 'host'. CTCN also has an extensive network of organizations that can collaborate to successfully deliver this project. A network of 550 organizations has subsequently joined the CTCN.

The CTCN (hosted by UNEP-UNIDO) aims to provide technical assistance to the Government of Lebanon, as per its COP Mandate and is thus supporting Lebanon to develop this readiness proposal. The CTCN Engagement with the Government of Lebanon is mature with close co-operation between the NDA and NDE.

UNEP has significant experience in delivering and supporting similar projects among other projects in developing countries. They have a wide network of local/ regional offices and expertise in the West Asia region.

The implementation map in the next section 6.2, summarizes the different interactions between the different parties involved in this technical assistance

6.2 Implementation and execution roles and responsibilities

Please briefly describe how the activities will be implemented and outputs delivered by project staff and consultants.

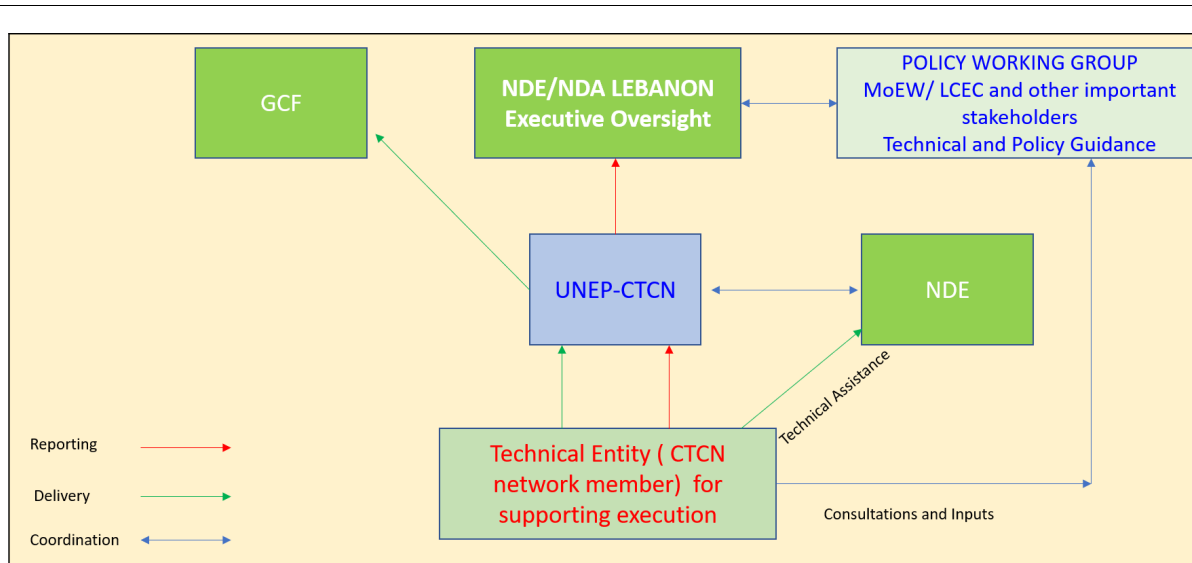


Figure 2. Implementation Arrangements Map

CTCN processes before the selection of the implementer (described in the implementation arrangements map)

The CTCN process for managing technical assistance is the following: Requests for technical assistance can be prepared by any applicant organization from a developing country, but all requests must be submitted by the CTCN NDE (national focal point in the concerned country). Once submitted, all requests submitted by developing countries are assessed as per the eligibility, balancing and prioritization criteria approved by the CTCN Advisory Board. The three eligibility criteria are the following: 1) The support provided will contribute to increased resilience and/or mitigate emissions, and is aligned with national plans; 2) The support will enhance endogenous capacities; and; 3) Processes are in place in the requesting country to monitor and evaluate any support provided (that is, project accountability is ensured). Balancing criteria look at inter and intra-regional a geographical balance (with a preference for requests submitted by LDCs and other highly vulnerable and low capacity countries; balance between adaptation and mitigation objectives, and balance between various types of support spanning the technology cycle. Prioritization criteria consider a number of elements that demonstrate project strength and potential for success, including the promotion of endogenous capacities and appropriate technologies, potential for scale- up, for South-South cooperation, for leveraging public and private financing, for creating social, economic and social benefits, promoting gender equality etc.

Once a request is deemed eligible and prioritized, the CTCN selects the best expertise among its consortium partners to develop a response plan. The criteria for selection are: Relevant technical expertise, Experience and network in national context, Relevant language capacity, Response Planning track record, Representative use of the consortium partners in Response Planning and Feedback/ preference from the NDE. In the spirit of promoting country ownership, most of the readiness activities are planned to be performed by local consultants, with the guidance of international experts. Institutions that have a broad Lebanese base and/or experience will naturally be situated in a strong competitive position during the selection process. During the tendering process one of the mandatory criteria for further technical evaluation of bids is that the bidder should demonstrate that it has a local presence either by its own office presence or a partnership agreement with a local organization/company or consultants. In addition the bidder has to submit a statement that at least 25% of the budget would be allocated to the local partner and up to a maximum of 50% (dependent on the budget approved by the GCF). This is to ensure that capacity is built at the local level and at the same time international expertise is brought into the country. This encourages creation of partnerships and North -South, South-South and triangular collaborations

Based on the discussion with the NDE, NDA and request proponent as well as feedback from the CTCN, the consortium partner develops the response plan. Once an advanced version is prepared, it is presented to CTCN's director NDE and NDA for signature. Once the response plan is signed, the contracting of the implementer starts. As per the COP mandate and the guidance of the advisory board of the CTCN, it selects the partner for implementation of the activities through a competitive bidding process amongst its registered network members which are more than 550 in number. The network members are selected provided they meet the membership criterion as defined by the COP decisions and approved by the Advisory Board of the CTCN (<https://www.ctc-n.org/network>). All the members of the network have signed the Code of Conduct as a condition for membership. The objective of this Code of Conduct is to ensure that the members meet the highest levels of professional conduct and ethical standards in supporting the functions of the CTCN defined in paragraph 123 of decision 1/CP.16(COP decision) , and that they act in the spirit of international cooperation and with commitment to fostering the development and transfer of environmentally sound technologies to developing country Parties. It applies to all members. The Code of Conduct is guided by two main principles (<https://www.ctc-n.org/network/code-conduct>):

- Adherence to the Supplier Code of Conduct of the United Nations; and
- Professionalism and commitment to the principles of technology cooperation as described in the Cancun Agreement (1/CP.16).

The generic qualifications, skills and experience of team members in the network members which would be selected for implementation of the activities are enumerated below:

Expert title	Minim qualification requirements	Necessary experience
Team Leader	Master's degree in science/technology, finance, project management/ climate change adaptation and mitigation/ or another relevant field	<u>Essential</u> <ul style="list-style-type: none"> - minimum 10 years of relevant expertise; expertise in climate change mitigation work with a focus on policy development, project management, high-level negotiations. - Familiarity with the UN process, market assessment methodology and policy actions planning - Previous experience in the development of Minimum Energy Performance Standards and labels - working experience in the country highly desired - language skills: excellent command of oral and written English.
International Experts	At least a master's degree in, science/technology, natural resources management, business, climate change, engineering or another relevant field	<u>Essential</u> <ul style="list-style-type: none"> - 15 years' experience of providing technical consultancy services within a developing country, especially within the Middle East - Experience of developing national plans that involve rigorous assessment of technology options and sectoral analysis at a country or regional level. - Demonstrated technical and policy development expertise, particularly in testing standards and efficiency trends, for the technologies selected. - Familiarity with the UN process, market assessment methodology and policy actions planning - Experience of engaging with multiple actors in the development of initiatives aimed at building regional/national capacity within the region - Facilitation skills in delivering dedicated training workshops around the policy development process - Experience of conducting technology prioritisation and multi-criteria analysis - Nexus experience across Energy, Industry and Agriculture sectors, specifically within the Middle East region - Fluency in the English language. <u>Highly Desirable</u> <ul style="list-style-type: none"> - Understanding of wider policy measures and drivers to overcome barriers to the deployment of technologies and sectors for climate change mitigation and adaptation. - Knowledge of enabling environments and stimulus for SME development
Local Experts	A formal academic qualification in, science/technology, business, engineering, climate change or another related field	<u>Local experts required across the prioritized sectors and technology subsectors</u> <u>Essential</u> <ul style="list-style-type: none"> - Experience of developing, facilitating and delivering stakeholder workshops and group facilitating aimed at engaging multiple actors - 10 years' experience of energy and industry sectors within the country - 5 years' experience of policy development within country - Demonstrated technical knowledge in the technologies selected. - Awareness of the methodology of market assessments and/ or policy actions plans.

		<ul style="list-style-type: none"> - A formal academic qualification in, science/technology, business, engineering, climate change or other related fields. - Fluency in English language <p><u>Highly Desirable</u></p> <ul style="list-style-type: none"> - Understanding of wider policy measures and drivers to overcome barriers to the deployment of technologies and sectors for mitigation and adaptation. - Knowledge of enabling environments and stimulus for SME development
Gender specialist	Master's degree in gender studies or other discipline with focus on the field of gender issues in a developing country context	<ul style="list-style-type: none"> - Relevant master's degree in Gender studies or other discipline with focus on the field of gender issues in a developing country context - At least 7 years working experience with gender mainstreaming issues in a developing country context - knowledge and experience of gender mainstreaming in climate change adaptation and mitigation.
Finance Expert	A university degree in accounting, economics or finance is required and further studies on public service, building or infrastructure finance desirable	<ul style="list-style-type: none"> • Minimum 8 years of experience in financial mechanisms and procedures, preferably in relation to government work. • Knowledge and experience in working with government and private sector. • Knowledge and experience in designing and implementing loan applications and programmes as well as funding proposals. • Ability and willingness to travel at short notice • Adequate computer literacy • Must be fluent in English.
Communications Expert	A university degree in communications, journalism or other closely related field	<p>At least 7 years professional experience in the field of communications.</p> <ul style="list-style-type: none"> • Proven expertise in developing and implementing consumer awareness strategies for energy efficiency purposes. Experience in communicating the impacts of energy-efficiency is highly desired. • Excellent organizational skills and attention to detail. • Excellent computer skills using Excel and MS Office Suite. • Must be fluent in English
Project Management Expert	Master's degree in science/technology, finance, project management/ climate change adaptation and mitigation/ or another relevant field	<p><u>Essential</u></p> <ul style="list-style-type: none"> - Minimum 10 years of relevant expertise; expertise in managing and implementing policy projects in developing countries. - Experience with project design, monitoring and evaluation. - Experience with climate change mitigation, sustainable development, community-based projects/interventions. - Experience with the UN process and policy actions planning - Must be fluent in English - <p><u>Highly Desirable</u></p> <ul style="list-style-type: none"> - Working experience in the country - Working experience in Arabic and French

Table 4. Summary Qualifications for Project Staff/Consultants

Apart from the individual qualifications and experiences of the proposed team members as mentioned above, the network member should demonstrate:

- Proven project management expertise of managing and delivering complicated multi-stakeholder projects involving surveys, data collections, capacity development programs working with national and international organizations.
- Proven expertise of engaging and mobilizing typical stakeholders from private and public sector to design/implement national policy and regulations.
- Proven relevant experience of market assessments, technical support for policy implementation and financial mechanisms.
- Proven expertise in developing or updating national plans.
- Proven experience of writing technical reports, outreach and communication materials.
- Experience of working in respective country.

The request proponent of this project is the MoEW through LCEC as the technical arm of the MoEW on energy efficiency topics. National stakeholder consultations were held in Lebanon on 9th and 10th April 20219 (as in the footnote) through an expert hired for this purpose and thereafter the GCF readiness proposal were framed in consultations with the NDA, the NDE, Ministry of Energy and Water and the respective electricity utility companies.

The implementation team will seek technical and policy advice from MoEW/LCEC on a day-to-day basis. The LCEC will also coordinate activities with the relevant government officials in the MoEW to incorporate the policy outputs of the project into the draft legislation. Other key stakeholders may include the Lebanese Standards Institution (LIBNOR), to coordinate the development/adoption of testing standards, the Association of Lebanese Industrialists (ALI) and other manufacturer/importer associations to provide the point of view of the private sector in the policy development and the National Commission for Lebanese Women (NCLW), organization affiliated to the presidency of the Council of Ministers and with the role to advise the Government and all administrations on gender issues. The CTCN will engage a consultant for project management activities. The role of this consultant would be to manage the project activities as “Project Manager”, this includes GCF reporting, planning for budget and procurement, following up on the timeliness of the deliverables and monitoring of key performance indicators.

The beneficiaries of this project include the Ministry of Energy and Water, Utility companies, Standard formulation body, local manufacturers private sector engaged in wholesale and retail of appliances and electricity consumers. In addition, the commercial banks and financial institutions would also be beneficiaries.

The CTCN (hosted by UNEP-UNIDO) is providing technical assistance to the Government of Lebanon, as per its COP Mandate, and supporting Lebanon to develop this readiness proposal. The CTCN Engagement with the Government of Lebanon is mature with close co-operation between the NDA and NDE. The implementing partner will be procured through formal tendering procedures if the Readiness proposal is approved for implementation. The relevant COP decisions are provided below for easy reference:

Decision 14/CP.22: Linkages between the Technology Mechanism and the Financial Mechanism of the Convention

Para 4. Welcomes the increased engagement between the Green Climate Fund and the Climate Technology Centre and Network, particularly with respect to utilizing the Readiness and Preparatory Support Programme and the Project Preparation Facility of the fund, noting the potential of such engagement in supporting developing country Parties to build their capacity for implementing technology projects and programmes;

Para 6. Invites Green Climate Fund national designated authorities and focal points to use the support available to them under the Readiness and Preparatory Support Programme to, inter alia, conduct technology needs assessments and develop technology action plans.

Para 7. Also invites developing country Parties to develop and submit technology-related projects, including those resulting from technology needs assessments and from the technical assistance of the Climate Technology Centre and Network, to the operating entities of the Financial Mechanism for implementation, in accordance with their respective policies and processes.

Decision 15/CP.22: Enhancing climate technology development and transfer through the Technology Mechanism

Para 13. Underlines the importance of well-functioning and strengthened collaboration between the national designated authorities for the Green Climate Fund, the focal points for the Global Environment Facility and the national designated entities for technology development and transfer

Para 15. Welcomes the increased engagement between the Green Climate Fund and the Climate Technology Centre and Network, particularly with respect to utilizing the Readiness and Preparatory Support Programme and the Project Preparation Facility of the fund in order to respond to country-driven requests for technical assistance.

Para 16. Encourages the advancement of the engagement referred to in paragraph 15 above, including through the strengthening of collaboration between national designated authorities for the Green Climate Fund and national designated entities for technology development and transfer.

Para 17. Invites the Climate Technology Centre and Network to include the outcomes of the engagement referred to in paragraphs 15 and 16 above in its annual report to the Conference of the Parties at its twenty-third session.”

6.3 Risks and mitigation measures

Risk category	Specific risk(s) / Risk(s) description	Probability of occurrence (low, medium, high)	Impact level (low, medium, high)	Mitigation action(s)	Entity(ies) responsible to manage the risk(s)
Delay risk	Delay in implementation of readiness programme	Low	Low	Project management procedures in place. UNEP actively engaged.	UNEP/CTCN, Network partner, Ministry of Energy & Water/LCEC
Covid-19 risk	Activities delayed or repeated for inadequate data due to limited face-to-face interaction and travel restrictions	Medium	Medium	<p>The network member will hire local consultants with previous experience with the various local stakeholders to facilitate flow of information. Data collection will be performed adhering to applicable Health and Safety rules in the country.</p> <p>CTCN will provide tools for remote collaboration and engagement.</p> <p>Unused travel budget may be repurposed to complement remote collaboration tools or additional related costs stemming from Covid-19 situation.</p>	UNEP/CTCN, Network partner,
UN Sanction 1636 risk ⁴	Unidentified individuals involved in the 14 February 2005 terrorist bombing in Beirut, Lebanon that killed former Lebanese Prime Minister Rafiq Hariri and 22 others become materially involved in the GCF readiness project	Low	Low	<p>The proposed project will be implemented in accordance with UN regulations, rules and policies and in compliance with UN Security Council Resolution 1636. The financial management and procurement for the project will be guided by UN Financial Regulations, Rules and Practices.</p> <p>The Special Tribunal for Lebanon has not yet completed its investigations and indictments are still pending. Therefore, there are no exceptions</p>	UNEP/CTCN

⁴ Factsheets: Subsidiary Organs of the United Nations Security Council. Page 16; <https://www.un.org/securitycouncil/sanctions/information>

Risk category	Specific risk(s) / Risk(s) description	Probability of occurrence (low, medium, high)	Impact level (low, medium, high)	Mitigation action(s)	Entity(ies) responsible to manage the risk(s)
				required from the UN Sanctions Committee.	
Political instability	Lack of decision-making on legislation due to political instability	Medium	Medium	If the passing of the planned Energy Law (which requires parliamentary approval) is further delayed, implementation of measures may be performed by executive decree (easier process)	NDA/NDE, MoEW/LCEC
Access to data	Data accessibility, mainly from the Utility and other involved stakeholders and lack of data required to determine the country baseline.	Medium	Medium	The sourcing of relevant data for the determination of the country baseline is critical to the success of the project. Inclusive engagement and consultation with national manufacturers and retailers will help obtain the necessary data quality. The representative of utility companies would be part of the PWG Inclusive engagement and consultation with national manufacturers and retailers	MoEW/LCEC, CTCN, NDA/NDE, Utility company
Technical / Capacity risks	Lack of capacity by the national counterparts to implement results and conclusions.	Low	Low	The project is in line with national policies and the project will be executed in close coordination with the respective Ministry and authorities. Training workshops will be held.	CTCN, MoEW/LCEC, NDA/NDE.
Engagement risk	Lack of engagement from key stakeholders.	Low	Low	The Policy Working Group (PWG) will be established to serve as the project's steering committee and oversee the development of the national policy roadmaps on higher efficiency equipment. It will be comprised of key stakeholders.	CTCN, MoEW/LCEC, NDA/NDE; it's a country driven process and all stakeholders are on board
Involvement Risk	Lack of interest by the public and private sector key stakeholders, resulting in limited interest	Low	Medium	During project implementation a thorough consultative and participatory approach will be applied; key private sector and industry stakeholders	CTCN, MoEW/LCEC, NDA/NDE.

Risk category	Specific risk(s) / Risk(s) description	Probability of occurrence (low, medium, high)	Impact level (low, medium, high)	Mitigation action(s)	Entity(ies) responsible to manage the risk(s)
	of local players to scale up the results of this intervention.			have been identified and targeted.	
Gender Risk:	Resistance against or lack of interest in, the project activities from stakeholders, especially concerning the active promotion of gender equality	Low	Low	This Project will pursue thorough and gender responsive integration and ensure stakeholder involvement at all levels.	CTCN, National Commission of Lebanese Women
Unethical Practices	Opportunities for money laundering, terrorist financing, or other prohibited practices	Low	Low	The implementation body would be selected as per the UN procurement rules. There is no direct transfer of money to any local sector entity.	UNEP/CTCN
Management Risk	Lack of effective coordination between various project partners	Low	Low	A proper coordination will be sought through the CTCN	CTCN, MoEW/LCEC, NDA/NDE.
Disruption Risk (due to the August 2020 Beirut explosion)	Impacts on government agencies and staffing of certain ministries following August 2020 explosion in Beirut	Low	Low	The effects and mitigation actions for this risk are similar to the Capacity risk: ensure close coordination with the respective Ministry and authorities.	CTCN, MoEW/LCEC, NDA/NDE.

6.4 Monitoring

UNEP-CTCN will ensure that the progress of the planned activities as well as any material issues arising in the implementation are tracked throughout the project implementation and compared against the project logical framework through the use of project management tools and scheduled calls between the implementer, the LCEC, the office of the NDA and the NDE. In addition, quarterly calls will be held between the CTCN, the LCEC, the NDA and the NDE to discuss the main outputs of the Policy Working Group meetings. The main issues arising from these meetings will be discussed, fed back to the GCF and if corrective action is needed, they will be communicated to the implementer as potential updates. Besides this, information will be reported twice annually to the GCF, one for the period of January through June and another for the period between July and December through interim reports.

It is foreseen that the collection of this information will be formalized as part of the Policy Working Group meeting reports as well as regular interaction with the lead international and local consultants. The table below presents the framework of monitoring and assurances of country ownership and engagement.

Deliverable by output	Assurance regarding country ownership and engagement
<p>Output 2.2.1</p> <p>Policy mechanism to introduce and update MEPS, labels, and its MV&E activities is incorporated in the country legislation, effectively preventing inefficient equipment from entering the market.</p>	<p>A centralized Technical Working Group, co-chaired by the NDA and the Ministry of Energy and Water is proposed to coordinate the review of deliverables and the implementation of the Readiness project.</p> <p>The proponent of CTCN's Technical Assistance request for this Readiness Proposal is the Ministry of Energy and Water, which, as indicated above will be a key driver for the readiness implementation.</p> <p>Representative stakeholders would be included in the constitution of this steering committee. It would be the focus for stakeholder engagement (especially vulnerable groups), be a convening power for public and private stakeholders and ensure that the project implementation by the national and international consultants is delivered with the highest level of impact and best value for money considerations.</p>
<p>Outputs 2.2.2, 2.2.3 & 2.2.4</p> <p>MEPS and labeling policy for electric motors is established and related market MV&E and communication plans are developed</p> <p>Output 2.2.3 MEPS and labeling policy for washing machines and TVs is established and related market MV&E and communication plans are developed</p> <p>Output 2.2.4 MEPS policy for electric transformers is established and related market MV&E plan is developed</p>	<p>The specific technologies and policy instruments have been selected in accordance with Lebanon's national commitments – NDC, and current energy policies – NEEAP.</p> <p>The activities of the Readiness Proposal have been aligned with ongoing activities in the country, to avoid duplication of work and optimize the use of funds (e.g. K-CEP MEPS project on ACs and World Bank transformers project).</p>

Table 5. Country Ownership and Engagement Assurances

Further, before the start of the project the network member who implements the project prepares a detailed workplan as per the CTCN procedures. This workplan is used to monitor the timeliness of the activities. Further all the deliverables are reviewed by the CTCN experts and then passed on to the GCF NDA/NDE and the project proponents for feedback and comments. The deliverable is approved only after all the comments are incorporated by the network member. Upon completion of all activities and outputs, as per the CTCN procedures all the technical assistance implemented by CTCN are subjected to monitoring and evaluation and are mapped in the Performance Measurement Framework of the CTCN, which is in alignment with reporting on the implementation of the Technology Framework under Article 10, paragraph 4, of the Paris Agreement under the United Nations Framework Convention on Climate Change (UNFCCC). The data during and after the completion of the project is collected through the well-defined templates as below:

- M&E Plan and Impact Statement Form
- Technical Assistance Closure Report Template
- Technical Assistance NDE Feedback Form
- Post-implementation NDE survey
- Event and Training Reporting Template
- Training Evaluation Form

The results are shared with the countries and continuously followed up in terms of progress made towards the implementation of the recommendations of the technical assistance delivered.

6.5 Other Relevant Information

Previous Cooperation

The CTCN maintains a close relationship with all its NDEs. In the case of Lebanon, the NDE to the technology mechanism and the NDA to the GCF are the same entities and is represented by the same focal point. The NDEs are invited to all regional and sub regional meetings. The CTCN collaborated with the NDE/NDA of Lebanon to conduct the regional NDE meeting of West Asia region in Beirut, Lebanon in 2018. The regional forum provides opportunities for NDEs, Network Members and climate technology stakeholders to meet and discuss some of the key issues of the CTCN and share experiences.

In addition, UNEP as a host to the CTCN has been engaged in several projects with the Ministry of Environment in Lebanon from as early as 2006. Several projects have been implemented by UNEP through its West Asia regional office located in Manama. UNEP has been closely working with the Ministry of Environment in Lebanon and have delivered on the following initiatives:

- Support to Alignment of Lebanon's National Action Programme to the UNCCD 10 Year Strategy and Reporting Process.
- Revision/Updating of the NBSAP, Preparation of 5th National Report to CBD and Undertaking Clearing House Mechanism Activities
- Market Policy and Legislative Development for Mainstreaming the Sustainable Management of Marine and Coastal Ecosystems in Lebanon
- Integrated Management of Cedar Forests in Lebanon in Cooperation with other Mediterranean Countries
- Environmental Resources Monitoring in Lebanon

Exit Strategy

The project inherently builds sustainability at the national and regional levels by providing guidance and tools. A substantial part of the MV&E activities will consist of building local capacity for key stakeholders that will bear the responsibility of managing the program in the long term. In particular, the Customs department which has a controlling role at the port of entry will be trained in the use of the Product Registration System and how to obtain and enter the necessary information. The Ministry of Energy and Water will also receive training on the processes required to define MEPS and labels based on the results of the market study, so that they build their internal capacities for an eventual update of the thresholds. In terms of product testing, the most likely scenario is that local product laboratories will not avail of adequate testing equipment and samples will have to be sent to third party laboratories. This is a common process in countries with limited market volume and will be considered in the design of the registration fees. It is also worth noting that Lebanon does not start from ground zero on MEPS and labels, as the country already has had some experience with mandatory Minimum Energy Performance Standards for lighting and solar water heaters as isolated pieces of legislation.

The implementation of Minimum Energy Performance Standards allows for the introduction of fees on the importation and sale of equipment that pay for the on-going costs of the program once the initial phase has been completed. These fees tend to be very modest, can be made proportional to the market share of equipment and they may also be used to further promote energy efficient equipment by setting different fee structures for equipment on more energy intensive equipment (that meets the minimum standards). Some of the costs of the program that are planned to be covered with the registration fees include product sample testing, but also awareness activities, which are essential in the case of technologies purchased by the general public. Once the appropriate capacities are established at the NDA and a national accredited entity is established, the development of financial mechanisms using GCF funding in a similar scheme as the NEEREA program could easily be developed to provide special financing conditions to end-users for the purchase of energy efficient technologies addressed by this readiness program.

Training on MV&E aspects is part of the project and several workshops are planned to be held with government officials and other stakeholders relevant to those activities. The gender issues raised during the readiness proposal and policy specific actions will also be addressed as part of the training programs

It is also worth mentioning that UN Environment's United for Efficiency (U4E) team provides global ongoing support for the implementation of energy efficient standards. This support may be leveraged during and after the project to provide specific inputs to the project team to align it with international standards. For example, U4E has developed model regulations for distribution transformers and electric motors, that could be used as guiding principles for the development of national MEPS and labels regulations in Lebanon. It has also developed policy briefs and sectorial guides, addressing the key issues for policymakers on Distribution Transformers and electric motors. Further, U4E is currently developing a framework Product Registration System in the form of a web application. The framework will follow best practices in terms of user roles

definitions, database structuring, workflows, MV&E actions, etc. The source code of this web application will be made available for countries that wish to use as a basis for their national Product Registration System.

Accredited Entity Statement on Conflict of Interest

To avoid any possible conflicts of interest deriving from the delivery partner's role as an accredited entity, the prioritization of investments and projects in the context of this readiness grant, will be made through a broad consultation process with relevant stakeholders, including other potential implementing entities. The final validation of these priorities will be carried out through the countries' own relevant coordination mechanism and institutional arrangements, with the participation of other government agencies, as well as representatives from civil society and private sector as the NDA deems relevant, to ensure chosen priorities are fully aligned with national plans and strategies and adequately includes inputs from consulted stakeholders.

Whistle Blower Protection

Further UNEP being part of the UN Secretariat adheres to the United Nations Ethics Office prescribed Whistle Blower Protection by the Secretariat's ST/SGB/2005/21.⁵ The Ethics Office has the authority to take preventive action against potential repercussions the [whistle blower](#) may receive.⁶⁷

By providing protection for staff who may otherwise be reluctant to come forward, the UN learns about and is able to respond to misconduct. This strengthens accountability and maintains the integrity of its operations and programmes.

Protection against retaliation applies to all staff members, interns and UN volunteers. Punishing consultants who report violations of UN rules and regulations is also prohibited.

UNEP will comply with its obligations under the Framework Agreement for Readiness and Preparatory Support, including applying the UNEP Environmental and Social Sustainability Framework. UNEP has already provided information on its Grievance Redress Mechanism through the accreditation process. For more information, please refer to <https://www.unenvironment.org/resources/report/uneps-environmental-social-and-economic-sustainability-stakeholder-response>. Please note that the UNEP website provides a direct link for stakeholders to report project concerns.

As indicated in section 6.3 of the project document, the proposed project will be implemented in accordance with UN regulations, rules and policies and in compliance with UN Security Council Resolution 1636. Kindly also refer to the letter from the UNEP GCF Coordinator dated 6 July 2020 confirming no exceptions are required from UN Security Council.

AML/CFT and "know your customer"

UNEP will comply with its obligations under the Framework Agreement for Readiness and Preparatory Support, including applying UN fiduciary principles and standards relating to any "know your customer" checks, AML/CFT and financial sanctions imposed by the United Nations Security Council, which should enable UNEP to comply with the Policy on Prohibited Practices and the principles of the AML/CFT Policy. UNEPs screening processes for prohibited practices and money laundering have been shared with the GCF Secretariat through the accreditation process. For more information on UNEPs Misconduct and Anti-fraud Policies is available at <https://www.unenvironment.org/about-un-environment-programme/policies-and-strategies/misconduct-and-anti-fraud-policies>

1. ⁵ [Annan, Kofi \(19 December 2005\). "Secretary-General's Bulletin - Protection against retaliation for reporting misconduct and for cooperating with duly authorized audits or investigations". *undocs.org*. United Nations. ST/SGB/2005/21. Retrieved 24 March 2017.](#)
2. ⁶ ["The UN Ethics Office promotes an ethical organizational culture based on our shared values of integrity, accountability, transparency and respect. It is independent, impartial, confidential and professional". *www.un.org*. Retrieved 2017-08-10.](#)
3. ⁷ ["The UN Ethics Office promotes an ethical organizational culture based on our shared values of integrity, accountability, transparency and respect. It is independent, impartial, confidential and professional". *www.un.org*.](#)

READINESS & PREPARATORY SUPPORT



BUDGET, PROCUREMENT & IMPLEMENTATION PLAN

Readiness Grant Budget Preparation Guidelines

This file contains three specific planning tools to complete the supplementary information required when submitting a proposal for Readiness Programme support (including for NAP/adaptation planning):

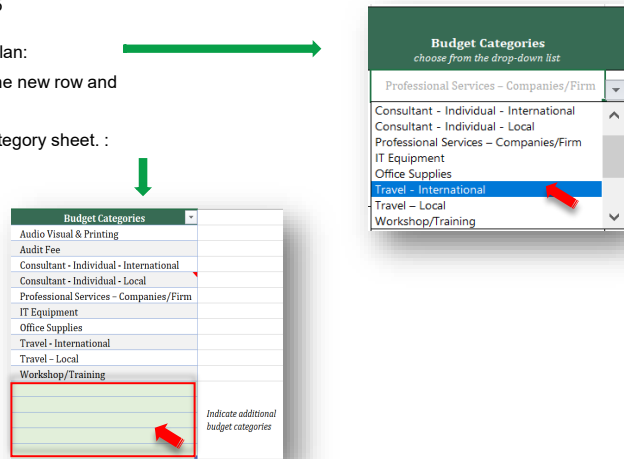
- Budget plan and accompany Budget notes
- Procurement plan
- Implementation plan

The following considerations are important when completing the budget:

1. Before preparing the Readiness and budget, procurement, and implementation plans, please read the full guidance contained in the Readiness Programme Guidebook, specifically Part III Section 5
2. You can select the appropriate budget categories from the dropdown list in the budget plan:
3. To insert additional rows, right click on the row number below where you wish to insert the new row and choose INSERT.
4. Additional budget categories may be added by manually typing them on the Budget Category sheet. :
5. The Budget Notes sheet should be used to record explanations, further details or cost breakdowns for individual lines

Project Management Cost:

Project management costs (PMC) are the direct administrative costs incurred to execute a project. They should cover only incremental costs incurred due to the GCF contribution. In most cases, these costs are directly related to the support of a dedicated project management unit which manages the day to day execution related activities of the project.

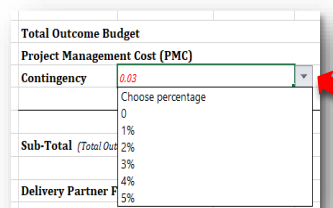


General Principles for PMC costs:

1. The percentage of PMC financed by GCF should not be more than the percentage share of the overall budget financed by GCF
2. PMC budget thresholds: Up to 7.5 per cent of total activity budget.
 - > PMC exceeding 7.5 per cent for the readiness (including NAPs) proposals, and PPF proposals, up to \$ 3 million will require detailed documentation and justification supporting the entire PMC budget.
 - > The PMC should be shown as a separate component in the project budget. A detailed breakdown of PMC should be provided by budget category.
 - > Indicative list of eligible project management costs:
 - > **Project staffing and consultants:** Project manager, Project Assistant, Procurement personnel, Finance personnel & Support/admin. Personnel
 - > **Other direct costs:** Office equipment, Mission related travel cost of the PMU, Project management systems and information technology, Office supplies, Audit cost

Contingency :

1. Select the appropriate % of Contingency Budget from the dropdown list :
2. Contingency budget for unforeseen costs arising during the project implementation should not be included in the outcome budget separately.
3. Contingency budget must be used for any unforeseen programme (output level) cost that is unrelated to implementation/service fee.
4. Any use of contingency must be reported to and agreed by the GCF Secretariat in writing in advance provided with justifications that are acceptable to the GCF
5. If by the end of the grant implementation period, you have not spent Contingency, you may not increase the scope of the project or make any other expenditures using the Contingency.



Budget Categories	
Audio Visual & Printing - Banners	1200
Audio Visual & Printing - Brochures	1200
Audit Fee	
Consultant - Individual - International	500
Consultant - Individual - Local	300
Professional Services – Companies/Firm	
IT Equipment	
Office Supplies	
Travel - International	1500
Travel – Local	350
Workshop/Training	6000

Indicate additional budget categories

5.1 Budget Plan

Please add rows for Outcomes, Outputs and Cost Categories as required. Additional budget categories may be added by manually typing them on the Budget Category sheet.

Outcomes / Outputs		Detailed Budget (in US\$)					Expenditure Plan						Budget notes											
		Budget Categories <small>choose from the drop-down list</small>	Unit	# of Unit	Unit Cost	Total Budget <small>(per budget category)</small>	Total Budget <small>(per sub-outcome)</small>	Total Budget <small>(per outcome)</small>	6m	12m	18m	24m		30m	36m									
Outcome 2.2: Lebanon has developed or enhanced strategic frameworks to address policy gaps, improve sectoral expertise, and enhance enabling environments for GCF programming in low-emission investment	Output 2.2.1 Policy mechanism to introduce and update MEPS, labels and its MV&E activities is incorporated in country legislation, effectively banning the sale of inefficient equipment.	Consultant - Individual - International	W/Day	50	500.00	25,000.00	52,250.00	478,850.00	220,950	185,350	72,550	-	-	-	A									
		Consultant - Individual - Local	W/Day	65	300.00	19,500.00									B									
		Workshop/Training	Workshop	1	4,000.00	4,000.00									C									
		Travel - Local	Trip	5	150.00	750.00									D									
		Travel - International	Trip	2	1,500.00	3,000.00									E									
	Output 2.2.2 MEPS and labeling policy for electric motors is established and related market MV&E and communication plans are developed	Consultant - Individual - International	W/Day	148	500.00	74,000.00	168,700.00								F									
		Consultant - Individual - Local	W/Day	250	300.00	75,000.00									G									
		Audio Visual & Printing - Banners	Banners	2	600.00	1,200.00									H									
		Audio Visual & Printing - Brochures	Test brochures	2	600.00	1,200.00									I									
		Travel - Local	Trip	12	150.00	1,800.00									J									
		Travel - International	Trip	5	1,500.00	7,500.00									K									
		Workshop/Training	Workshop	2	4,000.00	8,000.00									L									
	Output 2.2.3 MEPS and labeling policy for washing machines and TVs is established and related market MV&E and communication plans are developed	Consultant - Individual - International	W/Day	160	500.00	80,000.00	185,350.00								M									
		Consultant - Individual - Local	W/Day	280	300.00	84,000.00									N									
		Audio Visual & Printing - Banners	Banners	2	600.00	1,200.00									O									
		Audio Visual & Printing - Brochures	Test brochures	4	600.00	2,400.00									P									
		Travel - Local	Trip	15	150.00	2,250.00									Q									
		Travel - International	Trip	5	1,500.00	7,500.00									R									
		Workshop/Training	Workshop	2	4,000.00	8,000.00									S									
	Output 2.2.4 MEPS policy for electric transformers is established and related market MV&E plan is developed	Consultant - Individual - International	W/Day	60	500.00	30,000.00	72,550.00								T									
		Consultant - Individual - Local	W/Day	115	300.00	34,500.00									U									
		Audio Visual & Printing - Banners	Banners	1	600.00	600.00									V									
		Travel - Local	Trip	3	150.00	450.00									W									
		Travel - International	Trip	2	1,500.00	3,000.00									X									
		Workshop/Training	Workshop	1	4,000.00	4,000.00									Y									
	Total Outcome Budget														478,850.00									
	Project Management Cost (PMC) <small>Up to 7.5% of Total Activity Budget</small>	Consultant - Individual - International	W/Day	60	500.00	30,000.00	Actual amount and % of PMC requested: <small>do not change the formula</small>								Maximum PMC that can be requested: <small>do not change the formula</small>									
		Audit Fee	Lumpsum	1	2,500.00	2,500.00																		
Travel - International		Lumpsum	2	1,500.00	3,000.00																			
					-	35,500.00		35,913.75																
					-	7.41%		7.50%																

FOR GREEN CLIMATE FUND SECRETARIAT'S USE ONLY

Breakdown (per budget category)	Total (per budget category)
Audio Visual & Printing - Banners	3,000.00
Audit Fee	2,500.00
Consultant - Individual - International	239,000.00
Consultant - Individual - Local	213,000.00
Professional Services - Companies/Firm	-
IT Equipment	-
Office Supplies	-
Travel - International	24,000.00
Travel - Local	5,250.00
Workshop/Training	24,000.00
Audio Visual & Printing - Brochures	3,600.00
0	-
0	-
0	-
0	-
Total Outcome Budget + PMC	514,350.00

FOR GREEN CLIMATE FUND SECRETARIAT'S USE ONLY

Total Outcome Budget		478,850.00
Project Management Cost (PMC)	7.4% requested	35,500.00
Contingency	5% requested	23,942.50
<hr/>		
Sub-Total (Total Outcome Budget + Contingency + PMC)		538,292.50
Delivery Partner Fee (DP) - Up to 8.5% of the Sub-Total		45,754.86
<hr/>		
Total Project Budget (Total Activity Budget + Contingency + PMC + DP)		\$ 584,048.00

Budget Note	Detailed Description
A	Two international consultants, a project lead and an policy expert to participate in all PWG meetings remotely (ca. Half-day events), support the development of ToR, and perform a 5-day country mission, combining a kick-off workshop and bilateral stakeholder consultation. International consultants primarily responsible for policy development with the support of local consultant.
B	One local consultant - project coordinator - responsible for organizing PWG meetings, preparing minutes of meetings, coordinating stakeholder consultations, organizing workshop and collecting information from local stakeholders after the first consultation round.
C	Kick-off policy workshop with members of the PWG and relevant stakeholders (1-day event divided in public and private sessions). Workshop cost estimated as \$2000 for venue and catering/misc for 20 people plus \$2000 for guest policy expert
D	Local trips by local consultant to stakeholders, both in Beirut (with international experts and follow-up meetings) and outside capital
E	One week trip for each of the international experts to attend workshop and local stakeholder consultations. Cost estimated as USD180 p.day. allowance + USD600 international travel from Europe/MENA
F	Five international consultants: project lead 20 days, policy expert 10 days, technical expert el.motors 40 days, MV&E Expert 35 days, Communication & Awareness expert 30 days. Two workshops in this Output, one for the definition of the technical requirements of MEPS & labels, another to prepare communication and awareness raising activities
G	Six local experts: a local coordinator 20, local electric motors market expert 55, MV&E Expert 40, Software programmer 40, survey specialist 40, and local communication and website design expert 40
H	Design and print of two Banners for the promotion of electric motors and labels during workshops
I	Design and print of two sets of test brochures for the promotion of electrical motors
J	Local experts accompanying international experts in the meetings and additional trips outside Beirut for additional stakeholder consultations
K	Four sets of one-week visits: one for the preparation of the market analysis (technology expert), one for the MEPS and labels policy workshop and stakeholder consultations (team leader, policy expert), one for the Communication and awareness campaign (communications expert), one for the MV&E activities (MV&E expert).
L	One policy development workshop for electric motors, one MV&E workshop to align MV&E activities with the various stakeholders, particularly customs and manufacturers/importers. Workshop cost estimated as \$2000 for venue and catering/misc for 20 people plus \$2000 for guest policy expert
M	Five international consultants: project lead 20 days, policy expert 10 days, technical expert appliances 55 days, MV&E Expert 35 days, Communication & Awareness expert 30 days. Two workshops in this Output, one for the definition of the technical requirements of MEPS & labels, another to prepare communication and awareness raising activities
N	Six local experts: a local coordinator 20 days, local appliances market expert 50 days, MV&E Expert 70 days, Software programmer 40 days, survey specialist 60 days, and local communication and website design expert 40 days.
O	Design and print of two Banners for the promotion of appliances and labels during workshops
P	Design and print of four sets of test brochures (two per appliance) for the promotion of washing machines and TVs
Q	Local experts accompanying international experts in the meetings and additional trips outside Beirut for additional stakeholder consultations
R	Four sets of one-week visits: one for the preparation of the market analysis (technology expert), one for the MEPS and labels policy workshop and stakeholder consultations (team leader, policy expert), one for the Communication and awareness campaign (communications expert), one for the MV&E activities (MV&E expert).
S	One policy development workshop for appliances (washing machines & TVs), one MV&E workshop to align MV&E activities with the various stakeholders, particularly customs and manufacturers/importers. Workshop cost estimated as \$2000 for venue and catering/misc for 20 people plus \$2000 for guest policy expert

T	Four international consultants: project lead 5 days, policy expert 5 days, technical expert transformers 20 days, MV&E Expert 5 days. Once workshop in this Output to obtain market feedback on the technical requirements of MEPS & labels for transformers
U	Four local experts: a local coordinator 15 days, MV&E Expert 25 days, software programmer 30 days and local electric transformer market expert 45 days.
V	Design and print of one Banner for the promotion of electric transformers MEPS and labels during workshop
W	Local experts accompanying international experts in the meetings and additional trips outside Beirut for additional stakeholder consultations
X	Two sets of one-week visits: one for the MEPS and labels policy workshop and stakeholder consultations (technology expert), one for the MV&E activities (stakeholder engagement).
Y	One policy development workshop for appliances (washing machines & TVs), one MV&E workshop to align MV&E activities with the various stakeholders, particularly customs and manufacturers/importers. Workshop cost estimated as \$2000 for venue and catering/misc for 20 people plus \$2000 for guest policy expert

5.2 Procurement Plan

For goods, services, and consultancies to be procured, please list the items, descriptions in relation to the activities in Section 3, estimated cost, procurement method, relevant threshold, and the estimated dates. Please include the procurement plan for at least the first tranche of disbursement requested below and provide a full procurement plan for the entire duration of the implementation period if available at this stage.

Item	Item Description	Estimated Cost (US\$)	Procurement Method	Thresholds (Min-Max monetary value for which indicated procurement method must be used)	Estimated Start Date	Projected Contracting Date
Goods and Non-Consulting Services						
Sub-Total (US\$)		\$	-			
Consultancy Services						
Contract of services to implement the technical assistance	Technical Assistance 'Development of Minimum Energy Performance Standards and Labeling in Lebanon.	481,350.00	* see notes	\$481,350.00	01.09.2020	15.10.2020
Sub-Total (US\$)		\$	481,350.00			

Estimated cost equivalent to total outcome budget + audit fee

481,350.00

Overall financial management and procurement of goods and services under this readiness and preparatory support proposal will be guided by UN regulations, rules, policies and procedures.

UNEP will be responsible for the implementation of the readiness activities and for procurement and contractual services, as well as reporting on the progress of this implementation in close coordination and strategic guidance from the NDA/FP. The procurement actions and the operational services will be carried forward in accordance with UN policies and procurement guidelines.

CTCN procedure for procurement: For a request that is eligible and prioritized, the Climate Technology Managers in charge of the respective request sources the appropriate expertise to develop the Terms of Reference of the assistance (called 'Response Plan' as per CTCN procedures). The response plan provides specific information on the technical assistance to be delivered, including activities, outputs, expected outcomes and impacts, timeline, indicators or measuring assistance progress and success, stakeholders to be involved, etc. The response plan, once finalized, is signed by the national focal point of the CTCN in the concerned country (National Designated Entity), the institution which originated the CTCN request for technical assistance and the CTCN Director and constitutes the basis of the assistance to be implemented and monitored upon the approval and in cooperation with the NDA. Based on the needs and expertise required in the response plan, a CTCN Network Member will be selected to implement it.

The selection of the institution from the Network of CTCN for the execution of the technical assistance is conducted through a competitive procurement process as per UN Rules and Regulations, in line with CTCN procedures and with UN Rules and Regulations. The CTCN nurtures a Network of more than 550 expert organizations in the field of low-carbon and climate resilient technologies. The required expertise to carry out the activities that define this intervention will be sourced from the Network. For this, the following four principles shall be given due consideration when undertaking the procurement functions of UNEP:

- i. Best value for money principle;
- ii. Fairness, accountability, integrity and transparency of the procurement process;
- iii. Effective competition;
- iv. The best interest of the UNEP.

