



This action is funded by the European Union

ANNEX 2

of the Commission Implementing Decision on the Annual Action Programme 2015 part II in favour of the Republic of Lebanon

Action Document for "Technical Assistance for the Government of Lebanon"

1. Title/basic act/ CRIS number	"Technical Assistance for the Government of Lebanon" financed under European Neighbourhood Instrument. CRIS: ENI/2015/38-212			
2. Zone benefiting from the action/location	Lebanon			
3. Programming document	Single Support Framework for EU Support to Lebanon (2014-2016)			
4. Sector of concentration/ thematic area	Public sector policy and administrative management			
5. Amounts concerned	Total estimated cost: EUR 5,000,000 Total amount of EU Budget contribution EUR 5,000,000			
6. Aid modality(ies) and implementation modality(ies)	Project Modality Direct management – Procurement of services			
7. DAC code(s)	15110			
8. Markers (from CRIS DAC form)	General policy objective	Not targeted	Significant objective	Main objective
	Participation development/good governance	<input type="checkbox"/>		<input checked="" type="checkbox"/>
	Aid to environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality (including Women In Development)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade Development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, Maternal, New born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Main objective

	Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Global Public Goods and Challenges (GPGC) thematic flagships	N/A			

SUMMARY

In a tense regional environment the Government of Lebanon is challenged in a range of areas - from securing its borders, maintaining stability and peace in the face of the Syrian refugee crisis while keeping the economy healthy and infrastructure intact, to coping with an absent president and postponed elections. The EU has given considerable technical assistance to Lebanon over the past decades and further assistance to numerous areas is still needed. The aim of the programme is to contribute to improving good governance and strengthen the capacities for administrative and institutional reform within the Lebanese public administration, and contribute to achieving the objectives of the EU-Lebanon Partnership and Cooperation Action Plan 2013-2015. Due to the chronic institutional and political instability, this programme will be designed to be flexible to accommodate to a changing environment.

1 CONTEXT

1.1 Sector/Country/Regional context/Thematic area

Lebanon is a fragile state characterised by weak institutions that are prey to entrenched confessional divisions. This makes the adoption and implementation of key Government policies difficult. Furthermore, the political system is designed to cement multi-confessional co-existence through checks and balances that provide for short-term stability but restricts the scope for reform.

Since the 1990 armistice, Lebanon has been continuously subject to enormous internal and external pressures and shocks, including the ongoing presence of Palestinian refugee camps, outbreaks of conflict with Israel, politically-sponsored internal violence and terrorist attacks. The current regional political dynamics have added significantly to those pressures and shocks, with a refugee influx which has swollen the country's population (generating serious social and economic pressures), and the increasing displacement of the Syrian conflict – and its wider regional and global underpinnings – to Lebanon. These dynamics together threaten to stress Lebanon's fragile politico-social equilibrium to breaking point.

The most pervasive risks relate to the spill-over from the conflict in Syria, with mounting concern for its potentially destabilising effect on Lebanon. The Syrian crisis has led to further polarisation and weakening of governance, with the postponement of elections scheduled for November 2014 severely limiting the scope for legislative process or policy formulation and implementation, such as the vacuum of the office of President.

1.1.1 Public Policy Assessment and EU Policy Framework

Although major political and economic reforms remain stalled by the lack of political consensus, the stability and good governance of the country remain at the centre of the discourse of the national authorities, as reflected in the priorities agreed under the new Action Plan for EU-Lebanon Partnership and Co-operation (2013-2015) and also in the Single Support Framework (SSF) for the period 2014-2016: i) Justice and security systems reform, ii) Reinforcing social cohesion and protection of vulnerable groups, iii) Promotion of sustainable and transparent management of energy and natural resources.

1.1.2 Stakeholder analysis

The lack of political stability has slowed down major needed political and economic reforms, causing among others important lack of provision of basic services to the Lebanese population through efficient infrastructure. Other major consequences include the Lebanese Government and Parliament not adopting a budget in a decade, while most public institutions are understaffed, underfunded and their civil servants struggle with salaries that have not kept up with inflation. The lack of an approved budget has also led to the absence of a national development strategy, unclear or incomplete legislative and institutional frameworks that generate scattered responsibilities and multiple key stakeholders within a sector, lack of updated sector strategies and structured sector budget frameworks. The EU has given considerable technical assistance to Lebanon over the past decades. For instance, in recent years the EU has provided assistance to the Office of the Minister of State for Administrative Reform (OMSAR), the Council for Development and Reconstruction CDR, the Ministry of Agriculture, Ministry of Education and others public administration entities. In numerous areas the Government is in need of further support.

The main stakeholders and direct beneficiaries of the proposed action will be the Ministries, other Government structures and the public administration, thereby indirectly benefitting to the Lebanese citizens. The intention is that, to the extent possible, the interventions should be demand driven according to the needs of the Government of Lebanon and its public administration, and respond to the priorities identified in the EU-Lebanon Partnership and Cooperation Action Plan 2013-2015. The EU Delegation has identified a number of areas where support could be possible, some of them through demands initiated by the Government of Lebanon.

The Government recently requested renewed assistance in its effort to better coordinate aid in Lebanon and to improve its administrative system and information management system of ongoing donor activity in the country. Indeed, the majority of the coordination is currently performed by UN agencies and donors on a sector basis. However, the Government has recently showed renewed interest in aid coordination, both with regard to humanitarian support which falls under the mandate of the Ministry of Social Affairs, and development support, which is led by the Council for Development and Reconstruction (CDR). Actions could be implemented to provide the Government with the necessary capacity to perform aid coordination not only for bilateral assistance but also for the assistance provided in the context of the Syrian crisis.

Support could also be provided to complement the on-going EU project "Policy Planning & Governance", which gives short-term support to tackle the broader aspects of administrative reform, and the support provided to the Lebanese

Parliament to develop policies and tools for improved quality of regulations issued by parliamentarians. A possible intervention could be to pilot some of the short-term activities identified through the on-going support, such as application of regulatory development policies and tools, to the involved Ministries.

Indicatively, technical assistance can also be envisaged to support the implementation of policies or strategies within the rural tourism, electricity, trade, water and agriculture sectors.

1.1.3 Priority areas for support/problem analysis

Areas for support among the priorities for action in the 2013-15 EU-Lebanon Action Plan:

- A. Reforming the justice system (including the prisons segment) toward greater efficiency, effectiveness, and independence of the judiciary
- B. Election reform aiming to achieve international standards and enhancement of the effectiveness of the Lebanese Parliament
- C. Human rights and protection of vulnerable populations, including Palestinian refugees, by legislation or other adequate measures and targeted actions
- D. Enhancement of public finance management and effective allocation of public resources
- E. Improving efficiency, good governance and transparency of public administration
- F. Improved security sector management and law enforcement, including cooperation, accountability and oversight mechanisms, and advancing integrated border management
- G. Increasing trade competitiveness and further trade integration in EU and international markets, WTO accession
- H. Improvement of business environment, particularly for MSMEs, and development of domestic market conditions in key sectors
- I. Enhancing production and marketing of agricultural products in line with international standards, advancing liberalisation, raising competitiveness, and developing rural economy
- J. Enhancing environmental protection and advancing sustainable regional development through greater decentralisation and empowerment of municipalities and local authorities
- K. Implementation of the National Education Strategy, improving technical and vocational training
- L. Enhancing provision of social protection and health care
- M. Implementation of an energy strategy aimed at extending power supply, launching a structural reform and promoting renewable and low-carbon energy use and energy efficiency

The further objectives specified in the Annex of the EU-Lebanon Action Plan could also help identifying possible areas of support for the programme:

1. Political Reform and Dialogue

2. Reform and cooperation in the field of justice, freedom and security
3. Economic and social reform, sustainable development
 - a. Economic and financial reform
 - b. Social and migration issues, sustainable national and regional socio-economic development
4. Trade-related issues, market and regulatory reform
 - a. Industry, trade and services
 - b. Market, competition and business environment
 - c. Customs and taxation
5. Education and research, information society, civil society and culture
 - a. Education, science and technology, research and development, innovation and information society
 - b. Youth and sports, civil society, culture, and people-to-people contacts
6. Agriculture and fisheries
7. Transport, energy and environment

2 RISKS AND ASSUMPTIONS

Risks	Risk level (H/M/L)	Mitigating measures
Security environment deteriorates	H	Maintain vigilance, flexible design and alternative scenarios
Ministries won't make full use of the technical assistance	M	Reinforce dialogue with the Government, make sure that the activities remain in line with the needs throughout the political changes (hence the need for flexibility)
Foreign experts aren't issued necessary permits to enter Lebanon	M	Engage more with the Ministry of Labour and with General Security
Assumptions		
There is a minimum consistency in the different policies to allow our programme to remain relevant.		

3 LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES

3.1 Lessons learnt

This action is a response to the need for support to public administration capacity building expressed by the Government of Lebanon. A range of projects on supporting the Government have been completed in recent years, benefitting the Council for Development and Reconstruction and the Office of the Minister of State

for Administrative Reform. The EU Delegation has learned that for successful reform a political will is necessary. Given the entrenched confessional divisions in the country, this can be a challenge. This action will offer technical assistance in those areas where reform faces negligible political hurdles.

As for regulatory development, positive results were obtained from past experience in improving draft regulations by making them available for public consultation. A SIGMA (Support for Improvement in Governance and Management in Central and Eastern European Countries) mission has demonstrated the high relevance of the analysis of regulatory development policy, quality of regulations and consultation with civil society to the needs of various stakeholders and beneficiaries. EU and other donors' support showed that regulatory development operates within a relatively liberal framework. It has also shown that stakeholders can play a key role as catalyst for change. Support has enabled an empowered civil society to work more efficiently.

Lebanese authorities often change policy. The Ministry of Education is a case in point. In June 2014, the Government laudably launched its "Reaching All Children with Education" (RACE) policy to respond to the crisis. But despite ambitious goals for enrolment of refugee children into public schools the number of enrolled children was reduced, mainly due to lack of implementation modalities.

3.2 Complementarity, synergy and donor coordination

The action is in line with the ENP Action Plan and with Priorities of the Single Support Framework (SSF) for the period 2014-2016 which foresees an envelope for technical assistance and twinning to support ENP Action Plan objectives.

Coordination will be ensured with other technical assistance programme to the Government, such as the Support programme for the infrastructure sector strategies and alternative financing (SISSAF) programme¹, which aims to improve the efficiency and effectiveness of service delivery and financial sustainability in three Lebanese infrastructure sectors i.e. water, energy and land transport.

Coordination and synergies will also be ensured with SIGMA which has been giving short-term support to public administration reform efforts in Lebanon. The SIGMA programme can also be beneficial in supporting the Government in Lebanon in identifying and formulating interventions to be financed through the Technical Assistance Facility.

3.3 Cross-cutting issues

The action will enhance good governance in Government structures. There is furthermore an opportunity for increasing women's participation in Government by ensuring their access to the programme's capacity building measures for public service as well as gender mainstreaming in public sector strategies and policies.

4 DESCRIPTION OF THE ACTION

4.1 Objectives/results

The overall objective is to contribute to the modernisation, stabilisation and good governance of public administration in Lebanon. The specific objective is to respond

¹ C(2010)7440.

to needs for Technical Assistance expressed by the Government of Lebanon in line with the priorities of the EU-Lebanon Action Plan. A Project Steering Committee (composed of the Council for Development and Reconstruction, the European Commission and any other appropriate Lebanese public institution) will specify the projects to be financed and implemented under this Decision.

The expected results will depend on the nature of the interventions, but will always correspond to the main objective of improving governance of the Lebanese public administration. The already identified results are:

- Efficient and well-informed decision and policy-making processes have been improved;
- Accountability and transparency towards the Lebanese citizens through a strengthened management and administrative system has increased;
- The capacity of the Government of Lebanon for performing aid coordination has been enhanced.

4.2 Main activities

Activities can include but are not limited to:

- High-level expertise on legal, administrative and financial matters.
- Institutional and organisational assessments and studies.
- Exchange with counterparts from the EU and/or Arab countries in the region.
- Providing training facilities, workshops, seminars and conferences.

4.3 Intervention logic

The intention is to establish and implement a Technical Assistance Facility to provide standing, demand driven training, technical and legal assistance on public administration related issues.

The assistance provided would cover a wide range of issues depending on need and context, in line with the EU-Lebanon Action Plan priorities and in complementarity with EU's on-going support and the three sectors of intervention in the SSF.

The programme will define the modalities for the deployment of the assistance during its inception phase.

Interventions will be flexible and the methodology will be proposed in more details based on the results of inclusive needs assessments which will involve all stakeholders and in complementarity with the interventions of other donors.

5 IMPLEMENTATION

5.1 Financing agreement

In order to implement this action, it is foreseen to conclude a financing agreement with the partner country, referred to in Article 184(2)(b) of Regulation (EU, Euratom) No 966/2012.

5.2 Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in section 4.1 will be carried out and the corresponding contracts

and agreements implemented, is 48 months from the date of entry into force of the Financing Agreement.

Extensions of the implementation period may be agreed by the Commission's authorising officer responsible by amending this decision and the relevant contracts and agreements; such amendments to this decision constitute technical amendments in the sense of point (i) of Article 2(3)(c) of Regulation (EU) No 236/2014.

5.3 Implementation modalities

5.3.1 Procurement (direct management)

Subject	Type	Indicative number of contracts	Indicative trimester of launch of the procedure
Technical assistance	service	1	Q2 - 2016

5.4 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply, subject to the following provisions.

The Commission's authorising officer responsible may extend the geographical eligibility in accordance with Article 9(2)(b) of Regulation (EU) No 236/2014] on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

5.5 Indicative budget

	EU contribution (amount in EUR)	Indicative third party contribution
5.3.1 Procurement (services)	4,925, 000	
Monitoring, Evaluation & external audit	75,000	
Totals	5,000,000	

5.6 Organisational set-up and responsibilities

The Commission will be the contracting authority. The EU Delegation will be responsible for the management of the programme and will monitor its overall implementation. The Delegation will be the focal point for any communication issuing from the Contractor or the Beneficiary Institutions.

A Project Steering Committee (composed of the Council for Development and Reconstruction, the European Commission and any other appropriate Lebanese public institution) will specify the projects to be financed and implemented under this Decision.

5.7 Performance monitoring and reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the Contractor's responsibilities. To this end, the Contractor shall establish a technical and financial monitoring system and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the log frame matrix (for project modality). The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of implementation.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

5.8 Evaluation

Having regard to the importance of the action, a final evaluation will be carried out for this action or its components via independent consultants contracted by the Commission. It will be carried out for accountability and learning purposes at various levels (including for policy revision).

The Commission shall inform the Contractor at least one month in advance of the dates foreseen for the evaluation missions. The Contractor shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the partner country and other key stakeholders. The Contractor and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

The financing of the evaluation shall be covered by the Financing Agreement.

5.9 Audit

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

The financing of the audit shall be covered by the Financing Agreement.

5.10 Communication and visibility

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation and by the Contractor.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Contractor with the support, where necessary, of the Commission and the partner country. Appropriate contractual obligations shall be included in the service contract and procurement contract.

The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

APPENDIX - INDICATIVE LOGFRAME MATRIX (FOR PROJECT MODALITY)² TO BE REVISED ACCORDING TO 4.1 AND 4.2

The activities, the expected outputs and all the indicators, targets and baselines included in the logframe matrix are indicative and may be updated during the implementation of the action without an amendment to the financing decision. The indicative logframe matrix will evolve during the lifetime of the action: new lines will be added for listing the activities as well as new columns for intermediary targets (milestones) when it is relevant and for reporting purpose on the achievement of results as measured by indicators.

[logframe will be revised at the end of the inception phase and if needed in the course of implementation]

	Intervention logic	Indicators	Baselines (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
Overall objective: Impact	To establish an effective, efficient and transparent public administration in Lebanon that constructively engages in socio-economic development.	Strategic Planning in various ministries is developed and implemented Level of Government implication/investment in the socio-economic reform process	Studies/analysis is drawn from the Ministries' strategies over the past 3 years	Indicators are achieved during course of implementation	To be drawn from the partner's institutions.	Government shows commitment to the reform process

² Mark indicators aligned with the relevant programming document mark with '*' and indicators aligned to the EU Results Framework with '**'.

<p>Specific objective(s): Outcome(s)</p>	<p>To strengthen institutional, technical and administrative capacity of the Lebanese administrations in line with the priorities of the EU-Lebanon Action plan</p> <p>Efficient and well-informed decision and policy-making processes have been improved.</p> <p>Accountability and transparency towards the Lebanese citizens through a strengthened management and administrative system has increased.</p> <p>The capacity of the Government of Lebanon for performing aid coordination has been enhanced.</p>	<p>Number of institutional and legal frameworks adopted in relation to Government reform strategies</p> <p>Number of Government processes re-engineered to facilitate business using upgraded level of Information and Communication Technologies (ICT)</p> <p>Number of reform initiatives undertaken by Lebanese Governmental institutions</p>	<p>Policies and mechanisms developed and adopted by the Government.</p>	<p>Lebanese public administration launches reform within duration of this project</p>	<p>ENP Progress Reports on Lebanon</p> <p>Contractor's regular reports</p>	<p>Government allocates sufficient human resources for institutional and technical capacity building</p>
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