**EU**

**THIS ACTION IS FUNDED BY THE EUROPEAN UNION**

**ANNEX VIII**

to the Commission Implementing Decision on the financing of the Multiannual Action Plan in favour of Lebanon 2024 and 2025

**Action Document for EU support to renewable energy for security forces**

**MULTIYEAR ACTION PLAN**

This document constitutes the multiannual work programme in the sense of Article 110(2) of the Financial Regulation, and action plan in the sense of Article 23(2) of NDICI-Global Europe Regulation.

1 **SYNOPSIS**

1.1. **Action Summary Table**

<table>
<thead>
<tr>
<th>1. Title</th>
<th>EU support to renewable energy for security forces</th>
</tr>
</thead>
<tbody>
<tr>
<td>OPSYS Basic Act</td>
<td>Multiannual Action Plan in favour of Lebanon 2024 and 2025</td>
</tr>
<tr>
<td></td>
<td>OPSYS business reference: ACT-62749</td>
</tr>
<tr>
<td></td>
<td>ABAC Commitment level 1 number: JAD.1486932</td>
</tr>
<tr>
<td></td>
<td>Financed under the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe).</td>
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<table>
<thead>
<tr>
<th>2. Economic and Investment Plan (EIP)</th>
<th>Yes</th>
</tr>
</thead>
<tbody>
<tr>
<td>EIP Flagship</td>
<td>EIP Flagship 10 – Energy transition and energy security</td>
</tr>
</tbody>
</table>

| 3. Team Europe Initiative | No |

| 4. Beneficiary of the action | The action shall be carried out in Lebanon |

| 5. Programming document | Multiannual Indicative Programme 2021-2027¹ |

| 6. Link with relevant MIP(s) objectives/expected results | Priority Area 3 - Green and sustainable recovery |

**PRIORITY AREAS AND SECTOR INFORMATION**

| 7. Priority Area(s), sectors | Contributing to building a shockproof and climate-resilient economy, |

¹ C(2022)8363 final of 24/11/2022
| 8. Sustainable Development Goals (SDGs) | Main SDG: 7. Affordable and Clean Energy  
Other significant SDGs and where appropriate, targets:  
9. Industry, Innovation and Infrastructures  
13. Climate Action  
16. Peace, Justice and Strong Institutions |
|-----------------------------------|-----------------------------------------------------------------------------------|
| 9. DAC code(s) | 23210 – Energy generation, renewable sources – multiple technologies-50%  
23183 – Energy conservation and demand-side efficiency-50% |
| 10. Main Delivery Channel | 40000 Multilateral organisations |
| 11. Targets | ☐ Migration  
☒ Climate  
☐ Social inclusion and Human Development  
☐ Gender  
☐ Biodiversity  
☐ Human Rights, Democracy and Governance |
| 12. Markers (from DAC form) | **General policy objective @**  
Participation development/good governance | Not targeted | Significant objective | Principal objective |
<p>| | ☐ | ☒ | ☐ |
| | Aid to environment @ | ☐ | ☐ | ☒ |
| | Gender equality and women’s and girl’s empowerment | ☒ | ☐ | ☐ |
| | Reproductive, maternal, new-born and child health | ☒ | ☐ | ☐ |
| | Disaster Risk Reduction @ | ☒ | ☐ | ☐ |
| | Inclusion of persons with Disabilities | ☒ | ☐ | ☐ |
| | Nutrition @ | ☒ | ☐ | ☐ |
| | <strong>RIO Convention markers @</strong> | Not targeted | Significant objective | Principal objective |
| | Biological diversity @ | ☒ | ☐ | ☐ |
| | Combat desertification @ | ☒ | ☐ | ☐ |
| | Climate change mitigation @ | ☐ | ☐ | ☒ |
| | Climate change adaptation @ | ☒ | ☐ | ☐ |</p>
<table>
<thead>
<tr>
<th>Policy objectives</th>
<th>Not targeted</th>
<th>Significant objective</th>
<th>Principal objective</th>
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<tr>
<td>EIP</td>
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<tr>
<td>EIP Flagship</td>
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<td></td>
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<td>Tags</td>
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<td>Energy</td>
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<tr>
<td>environment, climate resilience</td>
<td>☒</td>
<td></td>
<td>☒</td>
</tr>
<tr>
<td>Digital</td>
<td></td>
<td></td>
<td>☒</td>
</tr>
<tr>
<td>economic development (incl. private sector, trade and macroeconomic support)</td>
<td></td>
<td></td>
<td>☒</td>
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<tr>
<td>human development (incl. human capital and youth)</td>
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<td>☒</td>
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<tr>
<td>health resilience</td>
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<tr>
<td>migration and mobility</td>
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<tr>
<td>agriculture, food security and rural development</td>
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<tr>
<td>rule of law, governance and public administration reform</td>
<td></td>
<td></td>
<td>☒</td>
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<tr>
<td>Other</td>
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<td>Digitalisation @</td>
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<td></td>
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<tr>
<td>digital governance</td>
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<td>☒</td>
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<tr>
<td>digital entrepreneurship</td>
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<td></td>
<td>☒</td>
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<tr>
<td>digital skills/literacy</td>
<td></td>
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<tr>
<td>digital services</td>
<td></td>
<td></td>
<td>☒</td>
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<tr>
<td>Connectivity @</td>
<td>☒</td>
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<td>education and research</td>
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</tr>
<tr>
<td>Migration @</td>
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<td></td>
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</tr>
</tbody>
</table>
Reduction of Inequalities ☒ ☐ ☐ ☐
COVID-19 ☒ ☐ ☐ ☐

BUDGET INFORMATION

14. Amounts concerned

- Budget line(s) (article, item): 14.020110 – Southern Neighbourhood
- Total estimated cost: EUR 15 000 000.00
- The contribution is for an amount of EUR 15 000 000.00 from the general budget of the European Union for 2025, subject to the availability of appropriations for the respective financial years following the adoption of the relevant annual budget, or as provided for in the system of provisional twelfths.

MANAGEMENT AND IMPLEMENTATION

15. Implementation modalities (management mode and delivery methods)

- Indirect management with the entity to be selected in accordance with the criteria set out in section 4.3.1

1.2. Summary of the Action

Lebanon is passing through a critical phase since the beginning of the economic meltdown that began in 2019 and continues to date. The lack of reforms, including those required in the energy sector, is exacerbating tensions and fuelling endemic corruption. The deteriorating socio-economic conditions have not only impacted Lebanese citizens and companies, but they have also impacted institutions and in particular the ability of the key sector of the state to function, in particular security, military and law enforcement forces. The unavailability of state-provided affordable, reliable and sustainable electricity (current average supply is 3-4 hours a day) places significant burden on public institutions, which are forced to resort to costly and environmentally problematic fuel-based generators to ensure a sufficient energy supply. Lots of public institutions lack resources to purchase fuel and can therefore not operate properly and deliver quality services.

The action will support the security forces, in particular the Lebanese Armed Forces (LAF) and Internal Security Forces (ISF), to transition to sustainable energy, sustainable production and resource efficiency to improve Lebanon’s energy security, and ensure the good functioning of the Lebanese security forces.

The action will support the uptake of renewable energy and energy efficiency equipment in security forces’ buildings, hence contributing to both energy transition and a more efficient provision of public services.

The Action is aligned with the Sustainable Development Goal (SDG) 7 “Affordable and Clean Energy”. It also relates to SDG 9 “Industry, innovation and infrastructure”, SDG 13 “Climate Action” and SDG 16 “Peace, Justice and Strong Institutions”. This action falls under the European Commission Priority for external cooperation “Green alliances and partnerships”, accompanying Lebanon to transition towards more sustainable development pathways.

The intervention is in line with the Green Deal², the Strategic framework to support security sector reform³ and the Renewed partnership with the Southern Neighbourhood “A New Agenda for the Mediterranean” and its Economic and Investment Plan, contributing to: Flagship 10 – energy transition.⁴

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It supports priority Area 3 “Green and sustainable recovery” of the EU-Lebanon Multiannual Indicative Programme 2021-2027 and in particular the following expected result: “Increased quality and access to sustainable energy solutions for public buildings”.

1.3. Beneficiary of the action

The action shall be carried out in Lebanon, which is included in the list of ODA recipients.

2 RATIONALE

2.1. Context

Since late 2019, Lebanon has been facing an unprecedented crisis, which has led to a dramatic economic contraction, a large increase in poverty, unemployment and brain drain. In March 2020, Lebanon defaulted on its Eurobonds which was followed by a deep recession, a dramatic fall in the value of the Lebanese currency and triple digit inflation. The deteriorating economic situation has hit the public sector to an extent that it is visibly disintegrating. Public authorities lack the necessary funds to maintain operations and to pay their staff more than symbolic salaries. The COVID-19 pandemic and the August 2020 port of Beirut explosion have compounded the crisis.

The crisis has had devastating effects on the country's economy and its people, resulting in a massive impoverishment of the middle classes. The public sector has been particularly hard hit with the bulk of the labour force still paid in Lebanese lira, suffering from plummeting purchasing power. Thousands of highly qualified civil servants are leaving for better paid jobs in the private sector or migrating in search of better opportunities.

The current economic crisis in Lebanon is a result of a complex set of factors, including political instability, corruption, and mismanagement of public finances. The economic contraction has resulted in a sharp increase in unemployment, poverty, and inflation, making it difficult for the government to deliver essential services and for the people to access basic necessities. In addition, the 2020 default on public debt cut Lebanon’s access to financial markets. In 2021, the devaluation of the national currency against the US dollar accelerated, affecting dramatically an economy highly dependent on imports. The Central Bank and the banking sector severely restricted access to people’s savings and limited cash withdrawals. Subsidies (food, gasoline, medications) were lifted abruptly. Inflation, which reached 230.4% in 2023, exacerbated by currency depreciation and rapid dollarisation, is expected to decrease in the coming years. Although, the World Bank has refrained from a 2024 forecast, citing high uncertainty, the economy is nonetheless expected to recover modestly, amidst a global economic slowdown and protracted regional conflict. Essential reforms, including those agreed upon with the IMF in the April 2022 Staff-Level Agreement (aimed to address inter alia banking sector restructuring and fiscal deficits), have largely not been implemented. The banking system is dysfunctional, and the economy relies on cash.

Lebanon's leadership has inadequately addressed the crises due to a lack of consensus. The Council of Ministers operates in a caretaker capacity since May 2022, with no consensus on a presidential candidate since November 2022. The absence of a Head of State hinders government formation, causing a political vacuum. It also hinders legislative process. Some of the political parties consider that until a President is appointed, the Parliament is only an electoral body and can only legislate in emergency cases. Since November 2022, there have been only five legislative sessions with twelve unsuccessful electoral sessions to elect a President.

Lebanon has already started to feel the impact of the Israel-Hamas war in terms of hostilities at the southern border. The World Bank assesses that Lebanon is the hardest hit among the neighbouring countries by the conflict. It is estimated that the real GDP growth will contract by 0.6 percent to 0.9 percent in 2023, depending on the extent of the tourism contraction, reversing the positive pre-conflict baseline. Military operations
unfolding along Lebanon’s southern border have already caused the internal displacement of 93,040 persons as of May 2024.

The post-war heavily subsidised electricity system has never provided full-time electricity. The Lebanese power stations owned by the state’s company Electricité du Liban (EDL) run on imported polluting fuel and rely on an outdated transmission and distribution system where only 60% of electricity produced is actually delivered, billed and collected, as the remainder is lost for technical (13%) and non-technical (27%) reasons. The electricity sector is at the heart of a financially unsustainable post-war power-sharing system and has contributed to around 46% of the Lebanese public debt.

Since the summer of 2021, EDL has only produced up to 2-4 hours of electricity per day, forcing households and businesses to increase their reliance on privately owned, expensive and polluting diesel generators.

EDL’s unsustainable model suffers from high production cost, artificially cheap tariffs, low tariff collection rates, poor governance and lack of transparency.

These power supply shortages have led to a massive installation of decentralised renewable energy (mostly photovoltaic panels) from households and private companies who could afford it (from an average of 100 MW installed capacity in 2020 to an estimated 1000 MW installed by 2023).

To accompany this movement, a Distributed Renewable Energy law was adopted by the Parliament in December 2023 to support the development of distributed renewable energy through private purchase agreement and net metering. However, the Electricity Regulatory Authority at the heart of the permitting and licensing system has still not yet been established.

In line with the European Commission’s policy priorities, this action will support the external dimension of the European Green Deal and in particular the uptake of sustainable energy solutions, circular economy and green recovery in both the public and private sector.

The action is also aligned with the Lebanese unconditional National Determined Contribution (NDC) under the Paris Agreement to reduce by 20% the Greenhouse gas emissions (GHG) by 2030, increase the renewable energy to reach 18% of the electricity produced by 2030 and a 3% energy efficiency target by 2030.

This action will notably build on the success of EU-funded “Renewable Energy for the Lebanese Armed Forces project” (ended in 2022), the “Sustainable Energy for public service entities” programme (AAP 2022), and other EU projects related to the support of renewable energy and energy efficiency, notably “CEDRO V” supporting innovation and sustainable energy demonstration projects in the industry, and relevant regional programmes such as Switchmed II, MeetMed or CLIMA MED. The role of the EU is to promote best practices for the integration of sustainable energy and energy efficiency notably in buildings. This approach is based on existing and successful programmes in Lebanon to accelerate the green energy transition while supporting the good functioning and access to citizens of basic public service delivery.

This action is complemented by the Actions under the AAP 2024–2025 “Promote safety, security and stability in Lebanon” and “Enhanced border security in Lebanon” and aligned to the Action “EU support to improve resilience for vulnerable Lebanese and refugees in Lebanon” under the Special Measure on EU support for vulnerable Lebanese and Refugees from Syria and for durable solutions for refugees from Syria 2024 and 2025.

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6 https://www.lcps-lebanon.org/articles/details/4853/regulating-the-energy-transition-lebanon%E2%80%99s-new-law-on-distributed-renewable-energy
2.2. Problem Analysis

Short problem analysis

Public service entities, whether at national or local levels, are struggling to operate due to the low level of electricity supply from the public electricity company Electricité du Liban (EDL) (2-4 hours per day on average). This is affecting the proper operation of schools, hospitals, Ministries, municipalities and all other public service providers all over the country, and therefore impacting the quality and continuity of public service delivery. The increased reliance on fuel generators has caused additional costs that the concerned institutions are unable to cover or pass on to final users, hence leading to major disruptions in the proper functioning of the State and local administrations.

The sharp deterioration in the provision of basic public services due to the electricity crisis have concrete implications for the functioning of key state function including the security and law enforcement forces in a particularly tense context.

Indeed, the limited electricity supply has obliged the Army and police forces to rely on expensive diesel generators and dedicate them a large part of their already limited budget (around USD 5.6 million for the ISF and some USD 5 million per year for the LAF). This considerable and inefficient energy expenses are diverting financial resources that could be allocated to much underfinanced posts underpinning core missions (salaries, housing, equipment and vehicles…) at a time where crimes and insecurity are increasing.7

The lack of electricity supply is also an issue for the basic comfort and working condition of personnel that is affecting their moral, health and presence. In many barracks electricity is scarce, there is no hot water or heating/cooling system.

According to the World Bank, the collapse of public service provision and is expected to have serious and long-term consequences in terms of human capital loss for the country.8

Providing the security services with a more reliable and cleaner source of electricity is therefore crucial to improve the security of Lebanon.

Identification of main stakeholders and corresponding institutional and/or organisational issues (mandates, potential roles, and capacities) to be covered by the action.

Lebanese Armed Forces (LAF)

The LAF is one of the largest institutions in Lebanon with approximately around 80,000 active personnel and operates as a conventional military force, although it also plays a significant role in internal security. LAF is a key institution in Lebanon to guarantee the stability of the country and to ensure security in a difficult political, economic and security climate. The LAF is the most sizable public institution that has earned national status of being both trustworthy and an emblem of Lebanese pride. Due to the difficult economic context, the LAF is under considerable operational pressure and strain to continue providing the essential security services to Lebanese citizens.

8 World Bank, Spring 2021.
Initially LAF spearheaded the sustainable energy transition within its services, and the investment made is now of utmost usefulness to keep the facilities operational. Energy is a critical component for the LAF’s ability to continue their mandate.

The LAF is also the first public institution in Lebanon to have prepared its own Sustainable Energy Strategy. This strategy was launched in 2017, aiming to increase energy efficiency and renewable energy in its built environment so that the LAF achieves, as an institution, the same Climate Change targets as set by the Government of Lebanon (GoL) under the Paris Agreement through its Nationally Determined Contributions (NDCs). These measures not only lower greenhouse gas emissions (GHGs), but they also provide the LAF with savings on operating costs in a budget-constrained environment. The LAF has provided an energy reprioritisation report to the donor community due to the current energy crisis.

In addition to the military buildings, the LAF manage healthcare service facilities, in the form of hospitals and clinics spread across all the regions of Lebanon, supporting approximately 400,000 Lebanese citizens, consisting of all the military staff requiring medical care and their direct family members. Reliable energy provision is essential to many critical LAF facilities that play a key role in the LAF’s mission to protect and serve Lebanon, especially since inadequate energy supply undermines the capacity of these facilities and personnel to effectively carry out their responsibilities.

**Internal Security Force (ISF)**

Another security force requiring support in moving to sustainable energy sources is the ISF. Given the ISF’s critical role in maintaining urban and rural security amongst citizens, particularly now given the increased tensions because of the financial crisis, the ISF force needs support to maintain its service provision across the country. Providing sustainable energy solutions to the priority facilities of the ISF for their operation is needed and will be based on the ISF’s Solar Study completed in 2022 by ISF engineers. This project will verify the data and prioritise the installations and technical needs accordingly.

Currently, the ISF sites consume yearly more than 7 million litres of diesel to provide proper power supply in their barracks, prison and detention centres and at a cost of more than USD 5.6 million.

### 2.3. Lessons Learned

The highly unpredictable political and economic context in the country has proven the need to enable flexibility in the project modalities and implementation. Political instability, frequent government turnover and lack of transparency as regards the utilisation of public finances are also at the roots of the strategy to focus on small-scale interventions rather than on large-scale investments. The authorities will be closely associated to the project, in order to facilitate implementation, showcase results, as well as providing useful inputs for further policy formulation.

Implementing partners will be requested to devise strategies to ensure the long-term sustainability of the equipment that the project will provide to the public sector, especially when it comes to operation and maintenance (O&M) beyond the project’s life. The environmental sustainability of new equipment (e.g. future disposal of solar panels and their batteries, etc.) will also be considered through the project.

Complementarity with existing and future EU and other donor-funded programmes will be ensured to avoid any duplication and build on successful programmes.

This programme will be notably based on the successful completion of the EU-funded “Renewable Energy for the Lebanese Armed Forces project” and its concrete impacts on the security and military staff comfort and ability to perform their tasks.
Indeed, as indicated in its final evaluation, the programme has had a significant impact beyond its direct support to the Lebanese Armed Forces (LAF), benefiting the larger population of Lebanon in various aspects, including security, safety, environmental impacts, and more.

- **Security and safety**: The project has played a crucial role in strengthening security and safety in Lebanon. By supporting the LAF, the project has helped improve their capacity to maintain law and order and respond to security threats effectively in the North-Eastern borders. This has resulted in a safer environment for the people of Lebanon, reducing the risks posed by various security challenges.

- **Environmental impact**: while the primary focus of the project may not have been on environmental issues, its overall impact on security and stability has indirectly contributed to environmental well-being. A stable and secure environment allows for better management of natural resources, protection of ecosystems, and the implementation of sustainable development practices. This indirectly benefits the larger population of Lebanon by preserving their natural heritage and promoting a healthier environment.

- **Public trust and confidence**: by supporting the LAF and improving security conditions, the project has helped restore public trust and confidence in the government's ability to protect its citizens. When people feel secure, they are more likely to engage in social, economic, and political activities, leading to increased democratic processes, and social cohesion.

3 **DESCRIPTION OF THE ACTION**

3.1. **Objectives and Expected Outputs**

**The Overall Objective (Impact)** of this action is improved safety, security and stability in Lebanon through the development of renewable energy and energy efficiency

**The Specific Objective (Outcome)** of this action is to:

1. Improve the functioning of Security Forces through sustainable energy solutions

The Outputs to be delivered by this action contributing to the corresponding Specific Objectives (Outcomes) are:

**Outputs Contributing to Outcome 1**

1.1 Increased energy savings and access to electricity from small scale renewable energy installations in security force facilities

1.2 Increased awareness of security forces on sustainable energy management

1.3 Increased capacity of security forces on sustainable energy management

3.2. **Indicative Activities**

Activity Output 1.1

- Energy audit reports of selected security forces facilities
- Energy lighting retrofits and control interventions
- Heating, ventilation and cooling interventions
- Computerised maintenance and monitoring systems intervention
- Biomass stoves and boilers interventions
- Biomass raw material supply interventions
- Solar thermal systems interventions
- Solar photovoltaic systems interventions
- Building management systems interventions
- Building envelops insulation interventions

Activity Output 1.2
- Workshops on design, installation, and commissioning of interventions
- Workshops on operation and maintenance of project interventions
- Workshop on sustainable procurement
- Technical and vocational training on sustainable energy

Activity Output 1.3
- Interactive workshop on sustainable energy
- Sustainable energy and climate change course development

3.3. Mainstreaming

Environmental Protection, Climate Change and Biodiversity

Outcomes of the Strategic Environmental Assessment (SEA) screening (relevant for budget support and strategic-level interventions)
The SEA screening concluded that no further action was required.

Outcomes of the Environmental Impact Assessment (EIA) screening (relevant for projects and/or specific interventions within a project).
The EIA screening classified the action as Category C (no need for further assessment).

Outcome of the Climate Risk Assessment (CRA) screening (relevant for projects and/or specific interventions within a project).
The CRA screening concluded that this action is no or low risk (no need for further assessment).

Gender equality and empowerment of women and girls

This action is labelled as G0. This implies that gender equality and empowerment of women will not be specifically addressed by the action.

Human Rights

The proposed Action is fully aligned to the existing EU human rights strategies and action plans. Human rights concerns are mainstreamed throughout the action and will be taken into consideration in all activities to be drawn up during implementation stage. The Action has been designed following a “rights-based “and “leave-no-one behind” approach.

Disability

This Action is labelled as D0. This implies that the proposed intervention does not have a specific focus on persons with disability.
Democracy

Respect of democracy in Lebanon are underlined under the objectives of the Action. In line with EU commitment to promote legally binding international standards to the fundamental rights and the rule of law, the action will promote Lebanon commitment to international conventions.

Conflict sensitivity, peace and resilience

This action applies conflict-sensitivity and a do-no harm approach throughout the planning and implementation of the action, and addresses related priorities and recommendations.

Disaster Risk Reduction

Not applicable.

3.4. Risks and Assumptions

<table>
<thead>
<tr>
<th>Category</th>
<th>Risk</th>
<th>Likelihood (High/Medium / Low)</th>
<th>Impact (High/Medium/ Low)</th>
<th>Mitigating measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Risks related to the External Environment</td>
<td>The escalation of hostilities along the Southern Border of Lebanon intensifies and extends to a nationwide scale</td>
<td>Medium</td>
<td>Medium</td>
<td>Activities will be adjusted to identified needs through ongoing monitoring and maintain on stand-by the components that cannot be implemented until adequate conditions are in place.</td>
</tr>
<tr>
<td></td>
<td>Damage to installed equipment and material</td>
<td>Medium</td>
<td>High</td>
<td>Memorandums of understanding will be signed with beneficiaries to ensure the protection, operation and maintenance of the equipment installed.</td>
</tr>
<tr>
<td></td>
<td>Natural disasters and environmental degradation</td>
<td>Low</td>
<td>High</td>
<td>Ensure all outdoor equipment can withstand severe weather conditions expected in Lebanon. Ensure that an environmental statement is undertaken for all projects with significant installations.</td>
</tr>
<tr>
<td>2. Risks related to planning, processes and systems</td>
<td>Battery disposal</td>
<td>High</td>
<td>Medium</td>
<td>All installation that have battery storage systems integration with them will be followed by assessments and guidelines on future sustainable disposal options.</td>
</tr>
<tr>
<td>Category</td>
<td>Risk</td>
<td>Likelihood (High/Medium/Low)</td>
<td>Impact (High/Medium/Low)</td>
<td>Mitigating measures</td>
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<tr>
<td></td>
<td>The security services lack resources and efficient and effective</td>
<td>Medium</td>
<td>Medium</td>
<td>The Action will provide the needed technical assistance and expertise as well as operational support to compensate the existing deficits.</td>
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<tr>
<td></td>
<td>structures, including for coordination with other relevant entities</td>
<td></td>
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<tr>
<td></td>
<td>Ability to effectively operate and maintain installed systems</td>
<td>Medium</td>
<td>High</td>
<td>The public sector’s ability to operate and maintain systems is currently low due to budget and human resource constraints. As an interim mitigation measure, a minimum of two-years performance guarantee for all systems installed will be required. The possibility of including O&amp;M contract will also be assessed.</td>
</tr>
<tr>
<td></td>
<td>Delays in import clearance will cause delays to the project</td>
<td>Medium</td>
<td>Medium</td>
<td>Sufficient time will be given for project implementation to account for expected delays in clearance imported system components.</td>
</tr>
<tr>
<td></td>
<td>Non-adherence to human rights standards by the forces supported, as</td>
<td>Medium</td>
<td>Medium</td>
<td>Isolated security incidences may occur. Appropriate measures will be taken accordingly. These could include the postponement of some of the works on site. The intervention will also cooperate with other partners supporting the accountability of security forces including with the Internal Security Forces and UN Department of Security as needed.</td>
</tr>
<tr>
<td></td>
<td>well as overall conflict sensitivity risks</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

3. Risks related to people and the organisation

External Assumptions
• The effective implementation of the Action depends on a stable political and security environment in the country. In the absence of stability, the implementation of reforms may be hampered, and progress may be slow or ineffective;
• Political stalemate and social tensions do not result in an overall deterioration of the situation, including security jeopardising the success of the project;
• The current multidimensional crisis does not cause civil unrest that requires security agencies to focus on other priority tasks;
• The economic collapse and inflation do not lead to full disintegration of the Lebanese government and security stakeholders;
• LAF and ISF ensure a high-level commitment in implementing structural enabling reforms, inter alia ensuring the rationalisation of resources and the coordination of funding from international donors;
• The Lebanese institutions commit to approve and implement key strategic documents for the set-up of an efficient counter-terrorism framework, and consensus is reached on key critical infrastructure to be protected;
• Operational capacity of the security agencies does not deteriorate further as a consequence of the economic crisis;
• Security stakeholders are not reluctant to stronger collaboration and interaction with civil society

3.5. Intervention Logic

The underlying intervention logic for this action is that the activities and outputs foreseen will support the Lebanese Security Forces to operate better, save costs, reduce air pollution, be more efficient, contribute to Lebanon’s needed sustainable energy transition while improving the safety and security of the country. With only 3–4 hours of daily electricity, security forces mainly rely on expensive and heavy polluting diesel generators when they can afford.

IF the security forces increase energy savings and electricity supply from small scale renewable energy and energy efficiency installations THEN they will improve their functioning, comfort of staff and overall capacity to deliver on their core duties to secure the country and enforce the law BECAUSE it will reduce their dependency on expensive and polluting diesel generators, thus reducing air pollution and greenhouse gases emissions and eventually reduce the share of their limited budget spent on fuel.
3.6. Indicative Logical Framework Matrix
<table>
<thead>
<tr>
<th>Results</th>
<th>Results chain: Main expected results</th>
<th>Indicators</th>
<th>Baselines (values and years)</th>
<th>Targets (values and years)</th>
<th>Sources of data</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impact</td>
<td>Improved safety, security and stability in Lebanon through the development of renewable energy and energy efficiency</td>
<td>1. Amount of fossil fuel import (Tons/year) 2. Greenhouse Gas (GHG) emissions avoided (tonnes CO2eq/year) with EU support 3. Fragility State Index 4. Country score in the Global Terrorism Index</td>
<td>All baselines to be defined at inception phase</td>
<td>1. Reduction of annual Fossil Fuel import by at least 4,900 Tons 2. Reduction of GHG by at least 16,000 Tons/year 3. Ranking improvement of at least 2 4. Ranking improvement of at least 2</td>
<td>Baseline and endline surveys conducted and budgeted by the EU-funded intervention</td>
<td>Not applicable</td>
</tr>
<tr>
<td>Outcome 1</td>
<td>Improve the functioning of Security Forces through sustainable energy solutions</td>
<td>1.1 fuel consumption for electricity generation in security forces’ facilities</td>
<td>1. All baseline values to be defined at inception phase</td>
<td>1.1. 30% reduction of fuel consumption in selected facilities</td>
<td>1.1. Experience and data from previously implemented projects</td>
<td>1.2. Min. 5 Hours per working day</td>
</tr>
</tbody>
</table>
| Output 1 related to Outcome 1 | 1.1 Increased energy savings and access to electricity from small scale renewable energy installations in security forces facilities | 1.1.1 Tons of CO2 emissions saved per year with EU support  
1.1.2 Energy saved per year (MWh) with EU Support  
1.1.3 Renewable energy power generated per year (MWh) with EU Support | To be defined at inception phase | 1.1.1 6000 Tons per year  
1.1.2 4250 MWh energy per year saved  
1.1.3 4250 MWh per year RE generated | 1.1.1 Report EU-funded intervention's M&E system, Progress reports, ROM reviews, evaluations | Energy generated and energy saved is the combination of heat and electricity saved or generated from RE sources. At inception phase a separation of heat from electricity would be done |
<table>
<thead>
<tr>
<th>Output 2 related to Outcome 1</th>
<th>1.2 Increased awareness on Sustainable energy management in particular among women</th>
<th>1.2.1 Number of trainers trained (sex-disaggregated)</th>
<th>To be defined at inception phase</th>
<th>1.2.1 Min. thirty (30) workshops</th>
<th>1.2.1 Report EU-funded intervention's M&amp;E system, Progress reports, ROM reviews, evaluations</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.2.2 Number of trained/educated beneficiaries on sustainable solutions and climate change (sex-disaggregated)</td>
<td></td>
<td>1.2.2 Min. two thousand (2,000) beneficiaries</td>
<td></td>
<td>1.2.2 Based on awareness raising activities of Project within selected beneficiaries</td>
</tr>
<tr>
<td>Output 3 related to Outcome 1</td>
<td>1.3 Increased capacity on Sustainable energy management in particular among women</td>
<td>1.3.1 Number of beneficiaries with knowledge in sustainable solution and climate change (sex-disaggregated)</td>
<td>To be defined at inception phase</td>
<td>1.3.1 Min. thirty (30)</td>
<td>1.3.1 Report EU-funded intervention's M&amp;E system, Progress reports, ROM reviews, evaluations</td>
</tr>
</tbody>
</table>
4 IMPLEMENTATION ARRANGEMENTS

4.1. Financing Agreement

In order to implement this action, it is envisaged to conclude a financing agreement with the Government of Lebanon.

4.2. Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is 60 months from the date of the entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission’s responsible authorising officer by amending this financing Decision and the relevant contracts and agreements.

4.3. Implementation Modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures.9

4.3.1 Indirect Management with a pillar-assessed entity

This action may be implemented in indirect management with a pillar-assessed entity, which will be selected by the Commission’s services using the following criteria:

- sound track record of successfully implementing large cooperation projects (similar amounts) in Lebanon;
- sound track record in implementing projects relating to renewable energy and energy efficiency;
- sound knowledge of the sector’s challenges and the security sector stakeholders;
- neutrality and capacity to work with governmental and non-governmental actors in all areas of Lebanon;
- continuation of an existing and successful programme in the same areas;
- transparent, and recognised successful implementing partners by all stakeholders.

The implementation by this entity entails the activities leading to all Outputs and Outcome of this Action Document.

4.4 Changes from indirect to direct management (and vice versa) mode due to exceptional circumstances

If the implementation modality under indirect management as defined in section 4.3.1 cannot be implemented due to circumstances beyond the control of the Commission, the modality of implementation by grants under direct management would be used according to the following criteria:

a) Purpose of the grant: increase the functioning and comfort of Security Forces through sustainable energy solutions
b) Type of applicants: legal entities, natural persons, international organisations, NGOs or SMEs

9 www.sanctionsmap.eu Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.
4.5 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 on the basis of urgency or of unavailability of services in the markets of the countries or territories concerned, or in other duly substantiated cases where application of the eligibility rules would make the realisation of this action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

4.6 Indicative Budget

<table>
<thead>
<tr>
<th>Indicative Budget components</th>
<th>EU contribution in 2025 (amount in EUR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Implementation modalities – cf. section 4.3</td>
<td></td>
</tr>
<tr>
<td><strong>Outcome</strong> 1. Improve the functioning of Security Forces through sustainable energy solutions</td>
<td>14 800 000.00</td>
</tr>
<tr>
<td>Indirect management– cf. section 4.3</td>
<td>14 800 000.00</td>
</tr>
<tr>
<td><strong>Evaluation</strong> – cf. section 5.2</td>
<td></td>
</tr>
<tr>
<td><strong>Audit</strong> – cf. section 5.3</td>
<td></td>
</tr>
<tr>
<td>Strategic communication and Public diplomacy – cf. section 6</td>
<td>will be covered by another Decision</td>
</tr>
<tr>
<td>Contingencies</td>
<td>N.A.</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td>15 000 000.00</td>
</tr>
</tbody>
</table>

4.7 Organisational Set-up and Responsibilities

A project steering committee (PSC) shall be set up to oversee and validate the overall direction and policy of the projects. It will also provide guidance for the programme activities and oversight of implementation, provide co-ordination to ensure overall coherency. The PSC shall meet minimum twice a year.

The implementing partners will assist the PSC by fulfilling a technical secretariat functioning jointly and ensuring an active and meaningful participation of right holders as applicable (i.e. representatives of the relevant Ministries, beneficiaries…) in each of the programme activities and in the decision making.

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission may participate in the above governance structures set up for governing the implementation of the action.

5 PERFORMANCE MEASUREMENT

5.1 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 implementing partner’s responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action 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, as well as the degree of achievement of its Outputs and contribution to the achievement of its Outcomes, and if possible at the time of reporting, contribution to the achievement of its Impacts, as measured by corresponding indicators, using as reference the logframe matrix.

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).

Arrangements for monitoring and reporting, including roles and responsibilities for data collection, analysis and monitoring:

- The implementing partner will be requested to identify clear baselines setting and targets and specify whether additional surveys are needed in case data are not yet available and/or should be refined during the inception phase. If needed, additional survey can be funded at contract level and budget lines to this aim to be clearly identified in the contract.
- The implementing partner will set in place a robust system to monitor the impact of the actions (in terms of energy savings, GHG emissions reduction…).
- Collection of data will be the responsibility of the implementing partners and baselines data must be available at the latest at the end of the inception phase while results data must be collected on time for the submission of the final report.
- Analysis of sex-disaggregated data will be encouraged whenever relevant and possible.
- The implementing partner will be requested to identify yearly milestones/targets to ensure a proper monitoring of the achievements at the time of the submission of the annual report. Grants contracts (or relevant agreements with final beneficiaries) logical framework will be developed based on the logical framework for each of the Outcomes to promote coherent data collection and reporting.
- To promote the measurement of the impact of the action, the programme will make use of and possible participate in surveys done by others (i.e. national authorities or other donors).
- Peer review mechanisms will be favoured, alongside with the engagement of relevant national stakeholders in order to promote stronger national M&E capacities.

Monitoring and reporting shall assess how the action is considering the principle of gender equality, human rights-based approach, and rights of persons with disabilities including inclusion and diversity. Indicators shall be disaggregated at least by sex and, where possible, by disability.

5.2 Evaluation

Having regard to the importance of the action, a mid-term evaluation will be carried out for this action or its components via independent consultants contracted by the Commission.

It will be carried out for problem solving, learning purposes, in particular with respect to other donors support and future programmes in the same sector.

The Commission shall form a Reference Group (RG) composed by representatives from the main stakeholders at both EU and national (representatives from the government, from civil society organisations (private sector, NGOs, etc.), etc.) levels. If deemed necessary, other donors will be invited to join. The Commission shall inform the implementing partner at least 15 of days in advance of the dates envisaged for the evaluation exercise and missions. The implementing partner 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 following the best practice of evaluation dissemination. The implementing partner 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.

Evaluation services may be contracted under a framework contract.

Evaluations shall assess to what extent the action is taking into account the human rights-based approach, conflict sensitivity, as well as how it contributes to gender equality and women’s empowerment and disability inclusion. Expertise on human rights, disability and gender equality will be ensured in the evaluation teams.

5.3 Audit and Verifications

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 audit or verification assignments for one or several contracts or agreements.

6 STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

All entities implementing EU-funded external actions have the contractual obligation to inform the relevant audiences of the Union’s support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. To that end they must comply with the instructions given in the 2022 guidance document Communicating and raising EU visibility: Guidance for external actions (or any successor document).

This obligation will apply equally, regardless of whether the actions concerned are implemented by the Commission, the partner country, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU Member States. In each case, a reference to the relevant contractual obligations must be included in the respective financing agreement, procurement and grant contracts, and contribution agreements.

For the purpose of enhancing the visibility of the EU and its contribution to this action, the Commission may sign or enter into joint declarations or statements, as part of its prerogative of budget implementation and to safeguard the financial interests of the Union. Visibility and communication measures should also promote transparency and accountability on the use of funds. Effectiveness of communication activities on awareness about the action and its objectives as well as on EU funding of the action should be measured.

Implementing partners shall keep the Commission and the EU Delegation fully informed of the planning and implementation of specific visibility and communication activities before the implementation. Implementing partners will ensure adequate visibility of EU financing and will report on visibility and communication actions as well as the results of the overall action to the relevant monitoring committees.
Appendix 1: IDENTIFICATION OF THE PRIMARY INTERVENTION LEVEL FOR REPORTING IN OPSYS

A Primary intervention (project/programme) is a coherent set of results structured in a logical framework aiming at delivering development change or progress. Identifying the level of the primary intervention will allow for:

✓ Differentiating these Actions or Contracts from those that do not produce direct reportable development results, defined as support entities (i.e. audits, evaluations);
✓ Articulating Actions and/or Contracts according to an expected common chain of results and therefore allowing them to ensure a more efficient and aggregated monitoring and reporting of performance;
✓ Having a complete and exhaustive mapping of all results-bearing Actions and Contracts.

The present Action identifies as

| **Contract level** (i.e. Grants, Contribution Agreements, any case in which foreseen individual legal commitments identified in the budget will have different log frames, even if part of the same Action Document) |
|---|---|
| ☒ PC-41108 | Contribution Agreement |