

## TERMS OF REFERENCE (TOR)

### SODEL PROJECT COMPONENT II: ENABLING ENVIRONMENT FOR THE USE OF ALTERNATIVE FUELS IN THE ENERGY AND TRANSPORT SECTORS

**Project Name:** Sustainable Oil and Gas Development in Lebanon “SODEL”

**Reference Number:** 00083213

**Subject:** Legal Expert – Short term consultancy for the preparation of a legislative framework study for the transport and energy sectors in Lebanon.

## 1 DEFINITIONS

|                             |  |
|-----------------------------|--|
| CBA                         | Cost Benefit Analysis  |
| Consultant/Legal Consultant | The Expert that will be awarded this contract  |
| Consultancy Services        | The preparation of a legislative framework study related to the existing legislation governing the transport and energy sectors in Lebanon         |
| GoL                         | Government of Lebanon  |
| HSE                         | Health, Safety, and Environment  |
| LPA                         | Lebanese Petroleum Administration  |
| MoE                         | Ministry of Environment  |
| MoEW                        | Ministry of Energy and Water   |
| MoPWT                       | Ministry of Public Works and Transport   |
| Project Manager             | SODEL Project Manager  |
| Project Committee           | Committee formed by MoEW, LPA & UNDP that will review and validate the Consultant 's deliverables  |
| SEA                         | Strategic Environmental Assessment   |
| SODEL Project               | Sustainable Oil and Gas Development in Lebanon, is a UNDP Project being executed by the LPA and the MoEW   |
| Technical Consultants       | Consultants preparing Cost Benefit Analysis studies for the use of natural gas and low carbon fuels in the Energy and Transport sectors in Lebanon |
| ToRs                        | Terms of Reference   |
| UNDP                        | United Nations Development Programme   |

## 2 BACKGROUND INFORMATION

During the last decade, the Ministry of Energy and Water (MoEW) has recognized the offshore hydrocarbon potential in Lebanon and has commissioned several studies to further analyze this potential.

On the technical side, and in preparation for launching the first offshore licensing round, the MoEW and the Lebanese Petroleum Administration (LPA) assigned geophysical service companies to perform seismic surveys that covered the entire Lebanese offshore. The results of these surveys showed that there are prominent oil and gas reserves, with **gas being dominant**.

On the environmental side, the Government of Lebanon (GoL) represented by the MoEW commissioned, in collaboration with the Ministry of Environment (MoE), the preparation of a Strategic Environmental Assessment (SEA) of the offshore petroleum sector. This assessment identified several environmental recommendations that created the *first component* of the project entitled "**Sustainable Oil and Gas Development in Lebanon**" (SODEL).

In its *second component*, SODEL will look at the uses of the potential gas resources and other low carbon fuels in different sectors in Lebanon, namely the transport and energy sectors, in order to develop an upstream gas policy paper that would maximize economic benefits to Lebanon while safeguarding the environment.

Ultimately, this would ensure that all decisions taken in the upstream gas exploration and production sectors as well as in the downstream use of natural gas and other hydrocarbon fuels, if found, take environmental, economic and social considerations into account in order to protect both the environment and the local communities.

SODEL is being implemented by the United Nations Development Programme UNDP (Energy and Environment Portfolio) in partnership with LPA and the MoEW.

This document constitutes the Terms of Reference for the provision of consultancy services for the preparation of an updated legislative framework for the transport and energy sectors in Lebanon.

## 3 SCOPE OF WORK, RESPONSIBILITIES, AND DESCRIPTION OF THE PROPOSED ANALYTICAL WORK

### 3.1 SCOPE OF WORK

In preparation for the expected offshore oil and gas activities, the MoEW is developing a **National Hydrocarbon Strategy**. The Strategy would include the technical, environmental, safety, social, **legal**, as well as infrastructural aspects and impacts of the introduction of natural gas into the Lebanese energy market on the short, medium and long terms.

In this context, the SODEL project will support in undertaking some of the required technical and environmental studies that would help in setting policy recommendations for the uses of the potential natural gas resources and low carbon fuels, as alternative fuels, in Lebanon.

In fulfillment of the above, the SODEL project has awarded 2 separate consultancy services for the preparation of the below technical studies:

- Cost Benefit Analysis for the use of natural gas and other low carbon fuels in the **transport sector** in Lebanon (ToRs attached – Annex 1). This Consultancy service was awarded to a local transport expert.
- Cost Benefit Analysis for the use of natural gas and low carbon fuels in the **energy sector** in Lebanon (ToRs attached – Annex 2). This Consultancy service was awarded to an international consultancy firm.

The above 2 Consultancies are working in parallel and coordinating on many common issues. Based on their findings and analysis, these 2 consultancies shall prepare policy recommendations and draft a policy paper that would guide decision makers on the optimal use of natural gas and low carbon fuels in the energy and transport sectors.

Accordingly, the **Legal Consultant** that will be awarded this Consultancy Service will be provided with all technical information and analysis needed to analyze the existing legislative framework and recommend the development of new or updated legislation.

## **3.2 METHODOLOGY OF WORK**

### **3.2.1 General Issues**

The methodology of work will consist of desk review, in addition to meetings and coordination with the Technical Consultants responsible for preparing the Energy and Transport CBA studies. In addition, consultations might be needed with the stakeholders involved directly or indirectly with the energy and transport sectors in Lebanon, particularly the MoEW, LPA, MoE, CDR, MoPWT.

The main challenge that will encounter the Consultant will be completing the required tasks within the timeframe available. Although technical information will be provided to complement the work that will be undertaken within this assignment, this assignment remains distinct in its nature and should rely to the maximum extent possible on independently acquired legal information as needed. Any delays or outstanding issues that may pertain to the other assignment would not justify delaying or discontinuing this assignment.

### **3.2.2 Reports Validation Modalities**

Provisional approval of submitted deliverables shall take place at each of the defined milestones shown in the delivery schedule (to be agreed with the Consultant at the start of the project). It is expected that the Project Committee comments shall not exceed Ten (10) Working days from the receipt of the deliverable of a specific milestone.

On submittal of the deliverable, the Project Committee shall respond and its decision may either be:

- a) Approval, or
- b) Approval with reservations upon which the Consultant shall reply **within ten working days** under penalty of rejection
- c) Rejection with clear justifications.

### **3.3 TASKS**

The following sections detail the expected outputs from the Consultant for each required activity. They are intended as general guidelines only. The Consultant is expected to provide further input based on their own knowledge and experience.

The assignment requires deskwork, research, meetings, as well as coordination between the Technical Consultants and different related entities.

Under the direct supervision of the SODEL Project Manager, the Consultant's responsibilities are, but not limited to, the following:

- **Task 1: Coordinate with the Technical Consultants conducting the Cost Benefit Analysis studies in the Energy and Transport Sectors in Lebanon:**
  - The Legal Consultant shall meet with the technical consultants performing the CBA studies for the use of natural gas and low carbon fuels in the energy and transport sectors in Lebanon on a regular basis to understand and discuss their work proceedings, legal needs, requirements, findings and outputs.
- **Task 2: Perform a legislative framework analysis of the existing Lebanese legislation related to the Transport and Energy Sectors in Lebanon:**
  - The Legal Consultant shall accordingly prepare:
    - A detailed study of the existing (including proposed/draft) legal framework: policies, legal texts and studies, as well as national and international regulations and standards related to the import, storage, use, distribution, and consumption of fuel products in the energy and transport sectors in Lebanon,
    - An analysis of the gaps in the above identified legal framework.
  - The Legal Consultant shall meet with related Governmental bodies, when needed, to discuss, interpret, and validate the findings.
  - The Legal Consultant shall present this study (in addition to the narrative form) in a matrix that clearly describes the findings as per the above described categories.

- **Task 3: Conduct a benchmarking analysis of the available legal framework with international frameworks:**
  - After a thorough understanding of the legal framework in Lebanon governing the energy and transport sectors, the Legal Consultant, based on their experience and professional knowledge, shall study and compare several international legal systems for these sectors and give advice on their applicability to the Lebanese case.
  
- **Task 4: Develop a new legal framework:**
  - Based on the outputs and findings of the Technical Consultants, the analysis of the existing legal framework, and the international benchmarking exercise, the Legal Consultant shall, based on sector and priority:
    - provide recommendations on the existing legislation that needs to be revised or updated **and draft the required updated** legal texts
    - provide recommendations on new legislation that needs to be developed and **draft the required legislation,**
  - The consultant shall advise on what Governmental, academic, or research institutions should be involved in the required update of the legal framework together with their respective roles and responsibilities and accordingly consult with them in coordination with the SODEL team.
  
- **Task 5: Advice on proposed policy paper:**
  - The technical consultants performing the CBA studies for the use of natural gas and low carbon fuels in the energy and transport sectors in Lebanon shall, as one of their analytical outputs, prepare policy recommendations and draft a policy paper that would guide decision makers on the optimal use of natural gas and low carbon fuels in the energy and transport sector in Lebanon.
  - The Legal consultant shall review the suggested policy recommendations and policy paper and provide documented legal analysis and advice to the Consultants.
  - The Legal consultant shall also briefly describe current and future envisaged legal challenges related to the implementations of the proposed policy paper and recommend how to overcome them.

## 4 DELIVERABLES:

### 4.1 DELIVERABLES AND REPORTING

All deliverables should be handed out in 3 hard copies as well as one soft copy (word and PDF format).

The deliverables are to be submitted and reviewed according to section 3.2.2. All deliverables are to be submitted in the English language, Arabic texts can be used and referred to when needed. Legal texts that need to be updated or developed should be drafted in the Arabic language.

During the fulfilment of the assignment, the Consultant will ensure regular communication with the project team, and will ensure a timely delivery of the expected outputs and will regularly inform the project team of the progress as well as any obstacles that might occur.

The required deliverables under the terms of reference are:

| Number | Deliverable  | Date           |
|--------|--|----------------|
| 1      | Minutes of Kick off meeting  | Week 1         |
| 2      | Work Plan  | Week 1         |
| 3      | Existing Legal Framework Analysis Report   | End of Month 1 |
| 4      | International Benchmarking Analysis Report   | End of Month 2 |
| 5      | New Legal Framework Report   | End of Month 3 |
| 6      | Final Results and Recommendations Report<br>(including recommendations on proposed policy paper) | End of Month 4 |

### 4.2 DELIVERY SCHEDULE

The Consultant is expected to complete and submit the deliverables specified in the above section based on the following time schedule. Expected overall duration for project completion is **4 months** from date of contract signature with an assigned **60 working days**.

Each deliverable shall include all the required supporting documentation.

The deliverables and payments include the following:

| <b>Milestones</b> | <b>Deliverables</b>   | <b>Expected Duration</b> | <b>Payment Amount</b> |
|-------------------|---|--------------------------|-----------------------|
| 1                 | 1- Minutes of Kick off meeting  | Week 1                   | 10 %                  |
|                   | 2- Work Plan  |                          |                       |
| 2                 | 3- Existing Legal Framework Analysis Report   | End of month 1           | 20 %                  |
|                   | 4- International Benchmarking Analysis Report   | End of Month 2           |                       |
| 3                 | 5- New Legal Framework Report   | End of Month 3           | 20 %                  |
| 4                 | 6- Final Results and Recommendations Report<br>(including recommendations on proposed policy paper) | End of Month 4           | 50 %                  |

## **5 QUALIFICATIONS OF CONSULTANT:**

### **5.1 ACADEMIC QUALIFICATIONS**

- a. University degree in Legal Studies.

### **5.2 PROFESSIONAL EXPERIENCE:**

- a. At least 10-15 years of relevant experience in the field of legal public administration in Lebanon.
- b. Knowledge of the oil and gas sector is an asset.
- c. Previous experience in preparation of similar studies and tasks is an asset.

### **5.3 COMPETENCIES:**

- a. High proficiency in English and Arabic languages,
- b. Demonstrable analytical skills,
- c. Excellent interpersonal and communication skills,
- d. Excellent facilitation skills, and
- e. Ability to meet deadlines and prioritize multiple tasks.

## **6 ATTACHMENTS**

- Annex A: ToR for a short term consultancy for the preparation of a Cost Benefit Analysis (CBA) for the use of natural gas and other low carbon fuels in the transport sector in Lebanon.
- Annex B: ToR for the provision of consultancy services for the preparation of a Cost Benefit Analysis (CBA) for the use of natural gas and low carbon fuels in the energy sector in Lebanon.