

**CAF-GEF PIR for Fiscal Year: 2023
(Period: July 2022 to June 2023)**

PART A – Project Implementation Progress & Risk Management

1. PROJECT GENERAL INFORMATION

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| Project Title: | Supporting The Chilean Low Emissions Transport Strategy (CLETS) | | |
| Implementing Agency: | Development Bank of Latin America CAF | | |
| Executing Agency: | Ministry of Environment of Chile | | |
| Project partners: | <ul style="list-style-type: none"> • Chilean International Cooperation Agency for Development (AGCID). • Ministry of Transport and Telecommunications. • Ministry of Housing and Urban Planning. | | |
| Geographical Scope: | Initial Planning included the cities of Coquimbo, Temuco and Villarica that according to a minor changes plan were replaced by the cities of Santiago, Antofagasta, Gran Concepción, Lebu and Valdivia. | | |
| Participating Countries: | Chile | | |
| GEF project ID: | 9742 | CAF Project ID: | CAF/GEF 004 |
| Focal Area(s): | Climate Change | GEF OP #: | |
| GEF Strategic Priority/Objective: | CCM-2 Programme 3 | GEF approval date*: | November 11, 2019 |
| CAF approval date: | April 17, 2020 | Date of first disbursement*: | July 14, 2022 |
| Actual start date¹: | July 14, 2022 | Planned duration: | 60 months |
| Intended completion date*: | June 30, 2026 | Actual or Expected completion date: | June 30, 2026 |
| Project Type: | Full-sized Project | GEF Allocation*: | GEFTF |
| PPG GEF cost*: | USD \$ 2,900,000.00 | PPG co-financing*: | |
| Expected MSP/FSP Co-financing*: | USD \$ 58.222.300,00 | Total Cost*: | US\$ 61,122,300.00 |
| Mid-term review/eval. (planned date): | December, 2023 | Terminal Evaluation (actual date): | NA |
| Mid-term review/eval. (actual date): | NA | No. of revisions*: | NA |
| Date of last Steering Committee meeting: | NA | Date of last Revision*: | NA |
| Disbursement as of July 14, 2022 | USD \$95.000 | Date of financial closure*: | June 30, 2026 |
| Date of Completion: | June, 2026 | Actual expenditures reported as of: 30.06.2023 | USD \$ 18.446,03. |
| Total co-financing realized as of | NA | Actual expenditures to date: | USD \$ 18.446,03 |
| Leveraged financing: | | | |
| Project summary² | The project aims to demonstrate systemic impacts of integrated zero- or low-emission urban public mobility systems. | | |

¹ Only if different from first disbursement date, e.g., in cases were a long time elapsed between first disbursement and recruitment of project manager.

² As in project document

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| | <p>The CLETS project obtained GEFTF financing for US\$2,900,000. Counterpart funding from the Government of Chile is estimated at US\$58,222,300 for a total project cost of US\$61,122,300 and includes the following 3 components:</p> <p>Component 1. Promotion of policy, planning and regulatory frameworks that foster accelerated adoption of integrated low-emissions mobility systems (Outcome B) through Participation, Knowledge Management and Capacity Development in the framework of a Chilean Low Emissions Transport Strategy (CLETS) (US\$1.62M GEFTF, total US\$1.69M). This Component seeks to remove non-financial barriers to the penetration of low- or zero-emissions vehicles in fleets and to innovative smart mobility. It is measured by Indicator 5: Degree of support for low GHG development in the policy, planning and regulatory framework. The Component gathers activity in four main lines of action, directed towards the removal of non-financial barriers, the formalization and diffusion of the CLETS and facilitating the replication of project's pilot initiatives and demonstrative activities.</p> <p>Key outcomes of this component will include: Increased available information for planning, designing and implementing innovative sustainable urban mobility systems at national and subnational levels; An enhanced policy, technical and regulatory environment to promote sustainable urban mobility; Increased capacity for sustainable-transport innovation at national and subnational level and best practices shared nationally and internationally.</p> <p>Component 2. Demonstrative and Catalytic Actions that demonstrate and operationalise financial mechanisms to support integrated low-emissions mobility systems (Outcome C) (US\$1.04M GEFTF, total US\$59.04M). Within this Component, Financial mechanisms to support GHG reductions will be demonstrated and operationalised. It is measured by Indicator 6: Degree of strength of financial and market mechanisms for low GHG development. The Component supports up to four technically assisted investments in measures relevant to the CLETS, as well as the provision of capacity for a current CLETS demonstration (namely, that occurring in Transantiago) to act as knowledge source for replication and uptake.</p> <p>Key outcomes of this component will include: Technically assisted investments in sustainable urban mobility measures in representative, upscale-supportive urban areas and technically assisted investments in integrated urban planning measures in representative, upscale-supportive urban areas.</p> <p>Component 3. Monitoring and Evaluation (US\$102,000 GEFTF) for an adequate monitoring of all project indicators to ensure successful project implementation and evaluation.</p> |
| <p>Project status FY³</p> | <p>The Project Cooperation Agreement between CAF, the Ministry of Environment (MMA) and the Chilean International Cooperation Agency for Development (AGCID) was signed on June 7th, 2021.</p> <p>After signing the cooperation agreement between CAF-MMA-AGCID, it was necessary to fulfil an important milestone as a requirement of the beneficiary country Chile, in which the executing agency MMA and administrator AGCID signed an inter-institutional cooperation agreement. 6 months after the signature of the Cooperation Agreement, the Inter-institutional agreement between the prosecutor's offices of the MMA (executing agency) and AGCID (financial administrator) was signed on January 21st 2022.</p> <p>During the first year of the project there was a change of administration of the national government of Chile on March 11, 2022. As a result, a new challenge</p> |

³ Please add additional lines to keep prior year implementation status (if any)

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| | <p>related to national context arose, which due to the corresponding period of transition of authorities, had an effect on the rescheduling of the activities of the initial phase.</p> <p>As of March 2022, the final version of the ToRs for hiring the Project Coordinator and approved by the CAF Task Manager were finalized. In accordance with the Execution Agreement, the MMA the MMA sent the evaluation and selection report of candidates in June 2022 to obtain CAF's no objection to process.</p> <p>The hiring process of the project coordinator was concluded in December 2022, and the professional started working with central and local technical public departments, in order to review the original pilot initiatives and adequate them to the current technical and institutional context.</p> <p>The Project Steering Committee (CDP) was established with designated persons from the MMA, the Ministry of Transport and Telecommunications (MTT) and the AGCID. (Annex 1)</p> <p>A minute of minor changes of the project was prepared together with local and central organisms and authorities to upgrade pilot initiatives according to new institutional and technical context, the minute was concluded and sent to CAF in February to obtain the non-objection (Annex 2 and Annex 3).</p> <p>Minor changes were necessary due to the delay in the start of the project and the lag of the initial pilot initiatives in the PRODOC. Today, the changes respond to new transportation policy priorities, new co-financing mechanisms, new incentive programs, and new geopolitical scenarios. Without additional financing to the original budget, the proposed changes consider the transversal principles of the project, and the co-financing commitment, which are perfectly coincide with the objectives, results, and products of the project.</p> <p>The initial project documents, such as the General Acquisition Plan, the General Operational Plan, and the Operational Manual, were prepared by the technical teams and will be approved by the Steering Committee (Annexes 4, 5 and 6).</p> |
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| <p>Planned contribution to strategic priorities/targets⁴</p> | <p>The objective and proposed activities of the project are aligned with the programming priorities, and specifically focused on Demonstrating systemic impacts of integrated low- emission urban mobility systems (CCM-2 P3). The project will produce the higher-level outcomes of promoting policy, planning and regulatory frameworks that foster accelerated adoption of integrated low-emissions mobility systems (Outcome B); and of demonstrating and operationalizing financial mechanisms to support integrated low-emissions mobility systems (Outcome C).</p> <p>Component 1. Promotion of policy, planning and regulatory frameworks that foster accelerated adoption of integrated low-emissions mobility systems through Participation, Knowledge Management and Capacity Development in the framework of a Chilean Low Emissions Transport Strategy (CLETS), is measured by <i>Indicator 5: Degree of support for low GHG development in the policy, planning and regulatory framework.</i></p> <p>Component 2. Demonstrative and Catalytic Actions that demonstrate and operationalize financial mechanisms to support integrated low-emissions mobility systems. Within this Component, Financial mechanisms to support GHG reductions will be demonstrated and operationalized. It is measured by <i>Indicator 6: Degree of strength of financial and market mechanisms for low GHG development.</i></p> |
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⁴ For Full Size Projects this information is found in the front page of the project Executive Summary; for Medium-Sized Projects the information appears in the MSP brief cover page.

2. PROJECT OBJECTIVE

State the global environmental objective(s) of the project⁵

The objective of the initiative "Supporting the Chilean Low Emissions Transport Strategy Project" ("CLETS") is to demonstrate systemic impacts of integrated zero- or low-emission urban public mobility systems.

Planned outcomes include:

- (i) Degree of support for low GHG development in the policy, planning and regulatory framework,
- (ii) Non-financial barriers are removed faster than in BAU scenario,
- (iii) A Chilean Low-Emission Transport Strategy is ready to formalize and counts with the support of diverse stakeholders,
- (iv) Replicas facilitated,
- (v) Degree of strength of financial and market mechanisms for low GHG development, and (vi) Investment mobilized.

Please provide a narrative of progress made towards meeting the project objective(s). **Describe any significant environmental or other changes (results) attributable to project implementation.** Also, please discuss any major challenges to meet the **objectives** or specific project **outcomes** (not more than 300 words)

Due to project reschedules on planning, no relevant progress was made during this reporting period, beginning its execution in December 2022, and focusing on the adaptation of PRODOC to a new technical and political context, as well as the preparation of the initial phase documentation (Operational Manual, the General Procurement Plan, the Operative Plan).

A minor changes plan was approved by the MMA, AGCID and CAF, which aims to align pilot initiatives to a new context. During the beginning of 2023 a series of meeting and discussions were conducted with different central and regional authorities to agree the best options for new pilot initiatives. As a result of these process, a Minute of Minor Changes was delivered containing technical fundaments. According with the "*Directrices acerca de la Política sobre el Ciclo de los Proyectos y Programas del FMAM*" (Upgrade 2020), in Annex 9, numeral 7, corresponding to minor amendment of major projects, second paragraph, says:

" If the changes occur after the CEO endorsement, and do not include a change in the GEF project financing, the Agencies act on the amendment at their discretion. However, it will be reported in the annual Project Implementation Review (PIR) submitted to the Secretariat after the Agency approves the project²

Please provide a narrative of progress towards the stated GEF Strategic Priorities and Targets if identified in project document ⁶(not more than 200 words)

There is no direct progress. Work has been focused on the elaboration of the General Procurement Plan, General Operative Plan, Operative Manual and adjustment of project's critical path for its initial phase.

As previously mentioned, minor respond to a delay of three years since initial pilot initiatives were defined in the PRODOC and the actual implementation of the project. Nowadays, changes respond to new transport politic priorities, new co financing mechanisms, new incentives programs, new geopolitical scenery, and election of new governors with budgetary autonomy. Without additional financing to the original budget, proposed changes consider transversal principles of the project, co-financing commitment and have perfect match with project objectives, outcomes and outputs.

⁵ Or immediate project objective

⁶ Projects that did not include these in original design are encouraged to the extent possible to retrofit specific targets.

3. RATING PROJECT PERFORMANCE AND RISK

Based on inputs by the Project Manager, the **CAF Task Manager**⁷ will make an overall assessment and provide ratings of:

- (i) Progress towards achieving the project objective(s)- see section 3.1
- (ii) Implementation progress – see section 3.2

Section 3.3 on Risk should be first completed by the Project Manager. The CAF Task Manager will subsequently enter his/her own ratings in the appropriate column.

3.1 Progress towards achieving the project objective (s)

| Project objective and Outcomes | Description of indicator ⁸ | Baseline level ⁹ | Mid-term target ¹⁰ | End-of-project target | Level at 30 June 2023 | Progress rating ¹¹ |
|--|---|-----------------------------|-------------------------------|-----------------------|--|-------------------------------|
| Objective¹² To support Chile in a transformational shift towards low-emission urban mobility systems | Reduced growth in GHG emissions. Tonnes of CO2 equivalent avoided, both direct and indirect, over the impact period | | | | In previous chapters of this report delay was widely justified, which didn't permit progress on this indicator. At this moment, an Annual Working Plan is considering the development of a complete MRV System that will permit to define a baseline level in march of 2024. | MS |
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⁷ For joint projects and where applicable ratings should also be discussed with the Task Manager of co-implementing agency.

⁸ Add rows if your project has more that 3 key indicators per objective or outcome.

⁹ Depending on selected indicator, quantitative or qualitative baseline levels and targets could be used.

¹⁰ Many projects did not identify Mid-term targets at the design stage therefore this column should only be filled if relevant.

¹¹ Use GEF Secretariat required six-point scale system: Highly Satisfactory (HS), Satisfactory (S), Marginally Satisfactory (MS), Marginally Unsatisfactory (MU), Unsatisfactory (U), and Highly Unsatisfactory (HU).

¹² Add rows if your project has more than 4 objective-level indicators. Same applies for the number of outcome-level indicators.

| Project objective and Outcomes | Description of indicator ⁸ | Baseline level ⁹ | Mid-term target ¹⁰ | End-of-project target | Level at 30 June 2023 | Progress rating ¹¹ |
|--|--|-----------------------------|-------------------------------|-----------------------|-----------------------------|-------------------------------|
| Outcome 1: To promote policy, planning and regulatory frameworks that foster accelerated adoption of integrated low-emissions mobility systems (Outcome B) | Disaggregated degree of support for low GHG development in the policy, planning and regulatory framework | | | | Idem to previous indicator. | MS |
| | | | | | | |
| | | | | | | |
| Outcome 2: To demonstrate and operationalise financial mechanisms to support integrated low-emissions mobility systems (Outcome C) | Degree of strength of financial and market mechanisms for low GHG development | | | | Idem to previous indicator. | MS |
| | | | | | | |
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Overall rating of project progress towards meeting project objective(s) (To be provided by CAF-GEF Task Manager. Please add columns to reflect all prior year ratings)

| FY | Rating | Comments/narrative justifying the current FY rating and explaining reasons for change (positive or negative) since previous reporting periods |
|------|--------|---|
| 2023 | MS | The project has gone through a series of internal challenges related to the coordination between the MMA and AGCID, which have been affecting the start of the operational implementation of activities, taking more time than what was initially estimated to complete the documents of the initial phase of the project. Even with a project coordinator hired already for more than six months and with assigned representatives from the MMA and AGCID it has not been possible to have an adequate and timely work flow. |

Action plan to address MS, MU, U and HU rating (To be completed by CAF GEF Task Manager in consultation with Project Manager)

| Action(s) to be taken | By whom? | By when? |
|---|--|------------------------|
| Adjusted action plan for the initial phase with a limit date for the kick off workshop in October 2023. | Coordination: MMA, AGCID and CAF Final Responsible: AGCID | Ending on October 2023 |

| Action(s) to be taken | By whom? | By when? |
|--|----------|----------|
| It includes delivery of final versions of all documents of the initial phase until September 2023 by the administrative agency - AGCID. Additionally, a follow up of progress will be made on weekly meetings with the participation of the MMA, AGCID and CAF | | |
| | | |
| | | |

This section should be completed if project progress towards meeting **objectives** was rated MS, MU, U or HU during the previous Project Implementation Review (PIR) or by the Mid-term Review/Evaluation (*To be completed by Project Manager*).

| Problem(s) identified in previous PIR | Action(s) taken | By whom | When |
|---|---|-----------|------------------------|
| Last Project progress was rated as MS by CAF GEF Task Manager. Significant delay during initial phase influenced the rescheduling of the activities. Three main reasons have contributed to this delay. First, a requirement in which the executing agency MMA and administrator AGCID signed an inter-institutional cooperation agreement. Second, the change of national government, which due to a period of transition of authorities, had an effect on the rescheduling activities of the initial phase. Third, document management process took more time than estimated. | <p>A critical path was elaborated to monitor and control initial phase progress. This critical path developed as a Gantt Chart has five main activities: Minor project amendments plan, General and first year Operative Plan, General and first year Procurement plan, Project Operative Manual and. At this moment all of the mentioned documents are on final adjustments.</p> <p>A minute of minor changes of the project was prepared together with local and central organisms and authorities to upgrade pilot initiatives according to new political and technical context, the minute was concluded and sent to CAF in February to obtain the non-objection (Annex 2 and Annex 3).</p> <p>Minor changes were necessary because of the three years-delay since initial pilot initiatives were defined in the PRODOC and the actual beginning of project implementation. Nowadays, changes respond to new transport politic priorities, new co financing mechanisms, new incentives programs, new geopolitical scenery, and election of new governors with budgetary autonomy. Without additional financing to the original budget, proposed changes consider transversal principles of the project, co-financing commitment and have perfect match with project objectives, outcomes and outputs.</p> <p>Documents of Project Initial phase, such as the General Procurement Plan and the General Operative Plan, were prepared by the PMU and the AGCID and have the approval of the Supervision Team of CAF (Annex 4). Regarding the Operative Manual, the final version was delivered with the approval of AGCID and the MMA, which at this moment is on the final step to be approved by CAF (Annex 5 and Annex 6).</p> | AGCID/MMA | Ending on August 2023. |
| | | | |

| Problem(s) identified in previous PIR | Action(s) taken | By whom | When |
|---------------------------------------|-----------------|---------|------|
| | | | |

3.2 (a) Project implementation progress

| Outputs ¹³ | Expected completion date ¹⁴ | Implementation status as of June 30 th 2023 (%) | Implementation status as of June 30 th 2023 (narrative description) | Comments if variance ¹⁵ . Describe any problems in delivering outputs | Progress rating ¹⁶ |
|---|--|--|---|--|-------------------------------|
| Output 1.1.1: Information campaigns | March, 2027 | 0% | This output is foreseen in the Annual Work Plan (AWP), for beginning immediately after first Project Steering Committee meeting approves the planning tools and procurement protocols. A contract is considered to support communicational plan and campaign. | | N/A |
| Output 1.1.2: Training | September, 2026 | 0% | Like previous output, this output is foreseen in the AWP, beginning immediately after the first Project Steering Committee meeting approves the planning tools and procurement protocols. A contract for training services in electromobility will be considered along with material and workshop production. All of this inside a holistic communicational strategy. | | NA |
| Output 1.1.3: MRV system | July, 2027 | 0% | Also considered as a part of AWP, and after the steering committee meeting approval of this planning. A consultancy is foreseen to prepare the Mitigation and Adaptation to Climate Change Plan, in coordination with the Ministry of Transport. | | NA |
| Output 1.2.1: Support to the formalization and diffusion of the Chilean Low Emissions Transport Strategy | March, 2025 | 0% | With TORs defined to contract technical support, this output, also included in the AWP, is foreseen to begin in July to September of 2023. Included in the TORs, a detailed program of objectives will be prepared by Ministry of Transport and Telecommunications, as owner of this strategy. | | NA |

¹³ Outputs and activities as described in the project log frame or in any updated project revision.

¹⁴ As per latest workplan (latest project revision)

¹⁵ Variance refers to the difference between the expected and actual progress at the time of reporting.

¹⁶ To be provided by the CAF Task Manager

| Outputs ¹³ | Expected completion date ¹⁴ | Implementation status as of June 30 th 2023 (%) | Implementation status as of June 30 th 2023 (narrative description) | Comments if variance ¹⁵ . Describe any problems in delivering outputs | Progress rating ¹⁶ |
|---|--|--|--|--|-------------------------------|
| Output 1.2.2: Experience exchange and dissemination, national level | July, 2027 | 0% | AWP considers the start of this output on middle of 2024, when experience enough is available in the project. of Exchange events and travels are considered under specific support and production services. | | NA |
| Output 1.3.1: Support to the interoperability of methods of payment | June, 2026 | 0% | AWP considers the start of this output in October 2024 and ending on June 2026. | | NA |
| Output 1.3.2: Energy certification of vehicles | September, 2026 | 0% | Not specific gaps have been detected regarding the Chilean regulation frame. However, a diagnostic study will permit to detect any obstacles. According to the AWP, this is contemplated to start at the end of 2025. | | NA |
| Output 1.3.3: Collective-taxi information crowdsourcing | March, 2027 | 0% | This output is in line with Division of Regional Public Transport interests of building tools that permit to digitalize shared taxis (Collective Taxis) system. AWP considers the start of this activity in middle 2025, preparing TORs aiming to contract consultancy that gives technical support to this. | | NA |
| Output 1.3.4: Open Data strategy | March, 2027 | 0% | Annual Operative Plan considers the start of this output on at the beginning of 2025 and finish on march 2027 | | NA |
| Output 1.4.1: Dissemination (international level) | July, 2027 | 0% | This output is foreseen in the AWP, to begin on January 2024 and finish on March 2027. | | NA |
| Output 1.4.2: Identification, systematization and promotion of best practices | July, 2027 | 0% | According to the AWP, this will begin on January 2024 and finish on June 2027, | | NA |
| Output 2.1.1. ZLE Transantiago (knowledge source) | June, 2024 | 0% | This output aims to make a meta-analysis of all available information and previous studies about electrification of Red fleet (Former Transantiago). Programmed to begin on October 2023 and ending on June 2024 in the AWP. | | NA |
| Output 2.1.2. ZLE Bus in Antofagasta and Valdivia | July, 2027 | 0% | Originally Concepción City, it was changed to Antofagasta according to the minor amendments plan. Coordination with regional and local authorities will be done for setting up of Local Committee until October 2023, | | NA |

| Outputs ¹³ | Expected completion date ¹⁴ | Implementation status as of June 30 th 2023 (%) | Implementation status as of June 30 th 2023 (narrative description) | Comments if variance ¹⁵ . Describe any problems in delivering outputs | Progress rating ¹⁶ |
|--|--|--|--|--|-------------------------------|
| Output 2.1.3. ZLE Collective taxi in Lebu | July, 2027 | 0% | Originally La Serena City, it was changed to Lebu City according to the minor amendments plan. Coordination with regional and local authorities will be done for setting up of Local Committee until October 2023, | | NA |
| Output 2.2.1: Integrated urban mobility intervention in Concepción | July, 2027 | 0% | Originally Villarrica town it was changed to Concepción City according to the minor amendments plan. Coordination with regional and local authorities will be done for setting up of Local Committee until October 2023, | | NA |
| Output 3.1.1.- Periodic reviews and independent terminal evaluation conducted | July, 2027 | 0% | It will be a periodic output reviewing starting with the first Steering Committee considered for the third quarter of 2023 according to the AWP. | | NA |

Overall project implementation progress ¹⁷ (To be completed by CAF- GEF Task Manager. Please add columns to reflect prior years' ratings):

| FY | Rating | Comments/narrative justifying the rating for this FY and any changes (positive or negative) in the rating since the previous reporting period |
|------|--------|--|
| 2022 | MS | <p>The first year of implementation of the CLETS project has been very challenging. After signing the cooperation agreement between CAF-MMA-AGCID, it was necessary to fulfil an important milestone as a requirement of the beneficiary country Chile, in which the executing agency MMA and administrator AGCID signed an inter-institutional cooperation agreement. Once the inter-institutional agreement was fulfilled, a new challenge related to the context arose with the change of national government, which due to the corresponding period of transition of authorities, had an effect on the rescheduling of the activities of the initial phase.</p> <p>Even in the face of all the factors that influenced this first stage, the MMA and AGCID personnel now in charge of the project have made the necessary efforts to make the request for the first disbursement, which is about to become effective, and have directed the contracting process for the project coordinator.</p> |
| 2023 | MS | <p>The start of the operational phase continues to be postponed because necessary documents for the kick off workshop, such as the Operational Manual, Operational Plan, and Procurement Plan, have taken longer than expected to be prepared by AGCID and the MMA. These documents are on final adjustments to be submitted for approval to the Steering Committee, also formally established during this year of implementation. However, it is necessary that the mentioned agencies AGCID and MMA must fulfil the agreed deadlines for activities to maintain an adequate work flow.</p> |

¹⁷ Use GEF Secretariat required six-point scale system: Highly Satisfactory (HS), Satisfactory (S), Marginally Satisfactory (MS), Marginally Unsatisfactory (MU), Unsatisfactory (U), and Highly Unsatisfactory (HU)

| | | |
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| | | Nevertheless, with the development and approval of the Minute of Minor Amendments of the Project, an important milestone was achieved as the project was able to adapt to the reality of the country to maintain the relevance of its interventions. . |
| | | |

Action plan to address MS, MU, U and HU rating. *(To be completed by CAF Task Manager in consultation with Project Manager)*

| Action(s) to be taken | By whom? | By when? |
|---|--|--|
| 2022 | | |
| To elaborate a critical path for progress monitoring | CAF and the Beneficiary | From September 2022 to June 2023 |
| 2023 | | |
| Present an adjusted action plan and final versions of the initial phase documents until the end of September and hold the First Steering Committee Meeting until October. | Coordination: MMA, AGCID and CAF Final Responsible: AGCID | October 2023 |
| Weekly follow-up meetings will be scheduled | CAF, Coordination, MMA and AGCID | Every week until the start of the operational phase, starting on end-August 2023 |

This section should be completed if project **progress** was rated MS, MU, U or HU during the previous Project Implementation Review (PIR) or by the Mid-term Review/Evaluation *(To be completed by Project Manager)*.

| Problem(s) identified in previous PIR | Action(s) taken | By whom | When |
|--|--|--|----------------------------------|
| 2022 | | | |
| Delay on the initial phase of the project | To elaborate a critical path for progress monitoring and coordination with stakeholders | CAF and the Beneficiary | From September 2022 to June 2023 |
| 2023 | | | |
| Coordination between the MMA and AGCID its bureaucratic. Internal work flow at AGCID considers too many review advisors. | Commitment of AGCID to present the initial phase documents with adjustments on the established deadlines until September 2023. Additionally, a follow up of progress will be made on weekly meetings with the participation of the MMA, AGCID and CAF | AGCID, Project Coordination, MMA and CAF | From August 2023 to October 2023 |

3.3. Risk

There are two tables to assess and address risk: the first “risk factor table” to describe and rate risk factors; the second “top risk mitigation plan” should indicate what measures/action will be taken with respect to risks rated **Substantial** or **High** and who is responsible to for it.

RISK FACTOR TABLE

*Project Managers will use this table to summarize risks identified in the **Project Document** and reflect also **any new risks** identified in the course of project implementation. The **Notes** column should be used to provide additional details concerning manifestation of the risk in your specific project, **as relevant**. The “Notes” column has one section for the Project Manager (**PM**) and one for the CAF Task Manager (**TM**). If the generic risk factors and indicators in the table are not relevant to the project rows should be added. The CAF **Task Manager** should provide ratings in the right hand column reflecting his/her own assessment of project risks.*

| Risk Factor | Indicator of Low Risk | Indicator of Medium Risk | Indicator of High Risk | Project Manager Rating | | | | | | Notes | Task Manager Rating | | | | | | |
|---------------------------|---|--|---|------------------------|--------|-------------|------|----------------|-------|-------|--|--------|-------------|------|----------------|-------|--|
| | | | | Low | Medium | Substantial | High | Not Applicable | To be | | Low | Medium | Substantial | High | Not Applicable | To be | |
| INTERNAL RISK | | | | | | | | | | | | | | | | | |
| Project management | | | | | | | | | | | | | | | | | |
| Management structure | Stable with roles and responsibilities clearly defined and understood | Individuals understand their own role but are unsure of responsibilities of others | Unclear responsibilities or overlapping functions which lead to management problems | X | | | | | | | PM : | | X | | | | |
| | | | | | | | | | | | TM: Roles are defined, but there is a delay in the response of some stakeholders | | | | | | |
| Governance structure | Steering Committee and/or other project bodies meet periodically and provide effective direction/inputs | Body(ies) meets periodically but guidance/input provided to project is inadequate. TOR unclear | Members lack commitment Committee/body does not fulfil its TOR | | | | | | X | | PM : | | X | | | | |
| | | | | | | | | | | | TM: The first committee has not been held yet. | | | | | | |

| Risk Factor | Indicator of Low Risk | Indicator of Medium Risk | Indicator of High Risk | Project Manager Rating | | | | | | Notes | Task Manager Rating | | | | | |
|---------------------------|---|--|--|------------------------|--------|-------------|------|----------------|-------|---|---------------------|--|-------------|------|----------------|-------|
| | | | | Low | Medium | Substantial | High | Not Applicable | To be | | Low | Medium | Substantial | High | Not Applicable | To be |
| INTERNAL RISK | | | | | | | | | | | | | | | | |
| Project management | | | | | | | | | | | | | | | | |
| Internal communications | Fluid and cordial | Communication process deficient although relationships between team members are good | Lack of adequate communication between team members leading to deterioration of relationships and resentment | X | | | | | | PM: | | X | | | | |
| | | | | | | | | | | TM: It is identified that there is not always timely internal response | | | | | | |
| Work flow | Project progressing according to work plan | Some changes in project work plan but without major effect on overall timetable | Major delays or changes in work plan or method of implementation | | X | | | | | PM: A new political and technical context has conducted to minor adjustments on the pilot projects. | | | X | | | |
| | | | | | | | | | | TM: The project has not achieved the start of operational activities yet | | | | | | |
| Co-financing | Co-financing is secured and payments are received on time | Is secured but payments are slow and bureaucratic | A substantial part of pledged co-financing may not materialize | | | | | | X | PM: | | | | | X | |
| | | | | | | | | | | | | | | | | |
| Budget | Activities are progressing within planned budget | Minor budget reallocation needed | Reallocation between budget lines exceeding 30% of original budget | | | | | | X | PM: | | X | | | | |
| | | | | | | | | | | | | TM: The approval of the Operational Plan and Procurement Plan is pending | | | | |

| Risk Factor | Indicator of Low Risk | Indicator of Medium Risk | Indicator of High Risk | Project Manager Rating | | | | | | Notes | Task Manager Rating | | | | | | |
|---------------------------|---|---|--|------------------------|--------|-------------|------|----------------|-------|---|---------------------|--------|-------------|------|----------------|-------|---|
| | | | | Low | Medium | Substantial | High | Not Applicable | To be | | Low | Medium | Substantial | High | Not Applicable | To be | |
| INTERNAL RISK | | | | | | | | | | | | | | | | | |
| Project management | | | | | | | | | | | | | | | | | |
| Financial management | Funds are correctly managed and transparently accounted for | Financial reporting slow or deficient | Serious financial reporting problems or indication of mismanagement of funds | | | | | | X | PM: | | | | | | | X |
| | | | | | | | | | | TM: | | | | | | | |
| Reporting | Substantive reports are presented in a timely manner and are complete and accurate with a good analysis of project progress and implementation issues | Reports are complete and accurate but often delayed or lack critical analysis of progress and implementation issues | Serious concerns about quality and timeliness of project reporting | X | | | | | | PM: | | X | | | | | |
| | | | | | | | | | | TM: The reports have been submitted after the deadlines | | | | | | | |
| Stakeholder involvement | Stakeholder analysis done and positive feedback from critical stakeholders and partners | Consultation and participation process seems strong but misses some groups or relevant partners | Symptoms of conflict with critical stakeholders or evidence of apathy and lack of interest from partners or other stakeholders | X | | | | | | PM: | X | | | | | | |
| | | | | | | | | | | TM: | | | | | | | |

| Risk Factor | Indicator of Low Risk | Indicator of Medium Risk | Indicator of High Risk | Project Manager Rating | | | | | | Notes | Task Manager Rating | | | | | | |
|----------------------------------|--|---|---|------------------------|--------|-------------|------|----------------|-------|-------|---------------------|--------|-------------|------|----------------|-------|---|
| | | | | Low | Medium | Substantial | High | Not Applicable | To be | | Low | Medium | Substantial | High | Not Applicable | To be | |
| INTERNAL RISK | | | | | | | | | | | | | | | | | |
| Project management | | | | | | | | | | | | | | | | | |
| External communications | Evidence that stakeholders, practitioners and/or the general public understand project and are regularly updated on progress | Communications efforts are taking place but not yet evidence that message is successfully transmitted | Project existence is not known beyond implementation partners or misunderstandings concerning objectives and activities evident | | | | | | X | PM: | | | | | | | X |
| | | | | | | | | | | TM: | | | | | | | |
| Short term/long term balance | Project is addressing short term needs and achieving results with a long term perspective, particularly sustainability and replicability | Project is interested in the short term with little understanding of or interest in the long term | Longer term issues are deliberately ignored or neglected | | | | | | X | PM: | | | | | | | X |
| | | | | | | | | | | TM: | | | | | | | |
| Science and technological issues | Project based on sound science and well established technologies | Project testing approaches, methods or technologies but based on sound analysis of options and risks | Many scientific and /or technological uncertainties | X | | | | | | PM: | X | | | | | | |
| | | | | | | | | | | TM: | | | | | | | |

| Risk Factor | Indicator of Low Risk | Indicator of Medium Risk | Indicator of High Risk | Project Manager Rating | | | | | | Notes | Task Manager Rating | | | | | | | |
|--|---|--|---|------------------------|--------|-------------|------|----------------|-------|--|---------------------|--------|-------------|------|----------------|-------|--|--|
| | | | | Low | Medium | Substantial | High | Not Applicable | To be | | Low | Medium | Substantial | High | Not Applicable | To be | | |
| INTERNAL RISK | | | | | | | | | | | | | | | | | | |
| Project management | | | | | | | | | | | | | | | | | | |
| Political influences | Project decisions and choices are not particularly politically driven | Signs that some project decisions are politically motivated | Project is subject to a variety of political influences that may jeopardize project objectives | X | | | | | | PM: | X | | | | | | | |
| | | | | | | | | | | TM: | | | | | | | | |
| Other, please specify. Add rows as necessary | | | | | | | | | | PM: | | | | | | | | |
| | | | | | | | | | | TM: | | | | | | | | |
| Document management process | Document management process permits to attend necessary project control, efficiently and effectively, without affect committed deadlines of projects. | Document management process doesn't permit to attend adequate project control and/or it is excessive time consuming. | Document management process presents substantial gaps and/or it is affecting projects deadlines and objectives. | | | | X | | | PM: Document management process is being high time consuming. It is necessary to consider the effects on project schedule and objectives in order to improve this process. | | | | X | | | | |
| | | | | | | | | | | TM: The project is delayed in the submission of the initial documents | | | | | | | | |

| Risk Factor | Indicator of Low Risk | Indicator of Medium Risk | Indicator of High Risk | Project Manager Rating | | | | | | Notes | Task Manager Rating | | | | | |
|---------------------------|---|--|---|------------------------|--------|-------------|------|----------------|-------|--|---------------------|--------|-------------|------|----------------|-------|
| | | | | Low | Medium | Substantial | High | Not Applicable | To be | | Low | Medium | Substantial | High | Not Applicable | To be |
| INTERNAL RISK | | | | | | | | | | | | | | | | |
| Project management | | | | | | | | | | | | | | | | |
| Initial phase time | Initial phase time is optimal and permit to start activities and run budget in a reasonable date after project beginning. | Initial phase is delayed obstructing activities and budget kick-off. | Initial phase delay is risking the global performance of project. | | | | X | | | PM: Three reasons have contributed to a significant delay to conclude the initial phase of the project. First, a requirement in which the executing agency MMA and administrator AGCID signed an inter-institutional cooperation agreement. Second, the change of national government, which due to the period of transition of authorities, had an effect on the rescheduling of the activities of the initial phase. Third, document management process is being high time consuming as mentioned in a previous line of this table. TM: Timely internal response is required among institutions | | | | X | | |

| Risk Factor | Indicator of Low Risk | Indicator of Medium Risk | Indicator of High Risk | Project Manager Rating | | | | | | Notes | Task Manager Rating | | | | | | |
|---------------------------------------|--|--|---|------------------------|--------|-------------|------|----------------|-------|--|---------------------|--------|-------------|------|----------------|-------|--|
| | | | | Low | Medium | Substantial | High | Not Applicable | To be | | Low | Medium | Substantial | High | Not Applicable | To be | |
| EXTERNAL RISK | | | | | | | | | | | | | | | | | |
| Project context | | | | | | | | | | | | | | | | | |
| Political stability | Political context is stable and safe | Political context is unstable but predictable and not a threat to project implementation | Very disruptive and volatile | X | | | | | | PM: | X | | | | | | |
| | | | | | | | | | | TM: | | | | | | | |
| Environmental conditions | Project area is not affected by severe weather events or major environmental stress factors | Project area is subject to more or less predictable disasters or changes | Project area has very harsh environmental conditions | X | | | | | | PM: | X | | | | | | |
| | | | | | | | | | | TM: | | | | | | | |
| Social, cultural and economic factors | There are no evident social, cultural and/or economic issues that may affect project performance and results | Social or economic issues or changes pose challenges to project implementation but mitigation strategies have been developed | Project is highly sensitive to economic fluctuations, to social issues or cultural barriers | X | | | | | | PM: | X | | | | | | |
| | | | | | | | | | | TM: | | | | | | | |
| Capacity issues | Sound technical and managerial capacity of institutions and other project partners | Weaknesses exist but have been identified and actions is taken to build the necessary capacity | Capacity is very low at all levels and partners require constant support and technical assistance | X | | | | | | PM: | | X | | | | | |
| | | | | | | | | | | TM: initial phase activities have taken longer than expected | | | | | | | |

| Risk Factor | Indicator of Low Risk | Indicator of Medium Risk | Indicator of High Risk | Project Manager Rating | | | | | | Notes | Task Manager Rating | | | | | |
|------------------------|-----------------------|--------------------------|------------------------|------------------------|--------|-------------|------|----------------|-------|-------|---------------------|--------|-------------|------|----------------|-------|
| | | | | Low | Medium | Substantial | High | Not Applicable | To be | | Low | Medium | Substantial | High | Not Applicable | To be |
| EXTERNAL RISK | | | | | | | | | | | | | | | | |
| Project context | | | | | | | | | | | | | | | | |
| Others, please specify | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | |

If there is a significant (over 50% of risk factors) discrepancy between Project Manager and Task Manager rating, an explanation by the Task Manager should be provided below

N/A

| TOP RISK MITIGATION PLAN |
|---|
| Rank – importance of risk Risk Statement – potential problem (condition and consequence) Action to take – action planned/taken to handle the risk Who – person(s) responsible for the action Date – date by which action needs to be or was completed |

| Rank | Risk Statement ¹⁸ | | Action to Take | Who | Date |
|---|--|---|---|--|--|
| | Condition | Consequence | | | |
| Initial phase delay puts at risk the global performance of the project. | Three reasons have contributed to a significant delay to conclude the initial phase of the project. First, a requirement in which the executing agency MMA and administrator AGCID | Project alignment to the national agenda in sustainable mobility depends on its timely performance to guarantee relevance of project, benefits and co-financing commitments. Legal deadlines, from the Climatic | a) A mitigation plan will be prepared with AGCID an MMA in order to improve all administrative and operational process in order to avoid future delays. | a) AGCID coordinator/ Project Coordinator | a) 28/08/2023 b) 28/08/2023 |

¹⁸ Only for Substantial to High risk.

| Rank | Risk Statement ¹⁸ | | Action to Take | Who | Date |
|---|--|--|---|---|------------------|
| | Condition | Consequence | | | |
| | signed an inter-institutional cooperation agreement. Second, change of national government, which due to the corresponding period of transition of authorities, had an effect on the rescheduling of the activities of the initial phase. Third, document management process is being high time consuming as mentioned before. | Change Law must be matched with project times. | b) A detailed critical path will be upgraded for progress monitoring and coordination with stakeholders. | b) Project Coordinator/ CAF Supervision Team | |
| Document management process presents substantial gaps and/ is affecting project deadlines and objectives. | Document management process is being high time consuming. This project has several protocols and instances aiming to contribute to the development of follow up of operational and financial activities. | Excessive controls during this process of document development and review may affect project timing not allowing to meet the national agenda of sustainable transport or even project objectives | a) A mitigation plan will be prepared with AGCID an MMA in order to improve all administrative and operational process in order to avoid future delays. | a) AGCID coordinator/ Project Coordinator | a) 28/08/2023 |
| | | | | | |

Project overall risk rating (Low, Medium, Substantial or High) (Please include PIR risk ratings for all prior periods, add columns as necessary):

| FY | Rating | Comments/narrative justifying the current FY rating and any changes (positive or negative) in the rating since the previous reporting period |
|------|--------|--|
| 2022 | Medium | Some risks inherent to the initial phase and the context of change of authorities in the beneficiary country were materialized, however, the teamwork between the agencies involved CAF-MMA-AGCID has allowed the actions to be redirected |
| 2023 | Medium | The risks considered substantial are internal to the executing agencies AGCID and MMA, so by improving team management, communication and establishing clear processes, substantial risks can be mitigated and led to a better performance on the following operational phase. |
| | | |

If a risk mitigation plan had been presented for a previous period or as a result of the Mid-Term Review/Evaluation please report on progress or results of its implementation

4. RATING MONITORING AND EVALUATION

Based on the answers provided to the questions in 4.1, 4.2 and 4.3 below, the CAF **Task Manager** will provide ratings for the following aspects of project monitoring and evaluation:

(i) Overall **quality** of the Monitoring & Evaluation plan - preparation of the monitoring plan is pending

(ii) Performance in the **implementation** of the M&E plan - preparation of the monitoring plan is pending

4.1. Does the project M&E plan contain the following:

- Baseline information for each outcome-level indicator Yes
No X
- SMART indicators to track project outcomes Yes x
No
- A clear distribution of responsibilities for monitoring project progress. Yes x
No

4.2. Has the project budgeted for the following M&E activities:

- Mid-term review/evaluation Yes x
No
- Terminal evaluation Yes x
No
- Any costs associated with collecting and analyzing indicators' related information Yes x
No

Please rate the **quality** of the project M&E plan (use HS, S, MS, MU, U, HU):

4.3 Has the project:

- Utilized the indicators identified in the M&E plan to track progress in meeting the project objectives; Yes
No x
- Fulfilled the specified reporting requirements (financial, including on co-financing and auditing, and substantive reports) Yes x
No
- Completed any scheduled MTR or MTE before or at project implementation mid-point; Yes
No x
- Applied adaptive management in response to M&E activities Yes
No x
- Implemented any existing risk mitigation plan (see previous section) Yes
No x

Please rate the performance in **implementing** the M&E plan (use HS, S, MS, MU, U, HU): S

4.4. Please describe activities for monitoring and evaluation carried out during the reporting period¹⁹

Periodic operational and financial reports like QES and PIR have been delivered. Delay in the initial phase doesn't permit to have more detailed rating of monitoring and evaluation system. The first steering committee meeting will be held during the next quarter.

4.5. Provide information on the quality of baseline information and any effects (positive or negative) on the selection of indicators and the design of other project monitoring activities

At this moment, Baseline information provided during the definition of the project is available on the PRODOC, and upgraded information will be provided by consultancy as a part of MRV output. Regarding to project monitoring activities a first assessment will be done once the initial phase will be concluded.

¹⁹ Do not include routine project reporting. Examples of M&E activities include stakeholder surveys, field surveys, steering committee meetings to assess project progress, peer review of documentation to ensure quality, etc.

4.6. Provide comments on the usefulness and relevance of selected indicators and experiences in the application of the same.

First comments will be given once the initial phase is concluded.

4.7. Describe any challenges in obtaining data relevant to the selected indicators; has the project experienced problems to cover costs associated with the tracking of indicators?

First challenges will be described once the initial phase is concluded and operational activities have begun.

4.8. Describe any changes in the indicators or in the project intervention logic, including an explanation of whether key assumptions²⁰ are still valid

A minute of minor changes of the project was prepared together with local and central organisms and authorities to upgrade pilot initiatives according to new political and technical context, the minute was concluded and sent to CAF in February to obtain the non-objection (Annex 2 and Annex 3).

Minor changes were necessary because of the three years-delay since initial pilot initiatives were defined in the PRODOC and the actual beginning of project implementation. Nowadays, changes respond to new transport politic priorities, new co financing mechanisms, new incentives programs, new geopolitical scenery, and election of new governors with budgetary autonomy. Without additional financing to the original budget, proposed changes consider transversal principles of the project, co-financing commitment and have perfect match with project objectives, outcomes and outputs,

4.9. Describe how potential social or environmental negative effects are monitored

This section will be completed once the initial phase is concluded and operational activities have begun.

4.10. Please provide any other experiences or lessons relevant to the design and implementation of project monitoring and evaluation plans.

As previously mentioned, minor respond to a delay of three years since initial pilot initiatives were defined in the PRODOC and the actual implementation of the project. Nowadays, changes respond to new transport politic priorities, new co financing mechanisms, new incentives programs, new geopolitical scenery, and election of new governors with budgetary autonomy. Without additional financing to the original budget, proposed changes consider transversal principles of the project, co-financing commitment and have perfect match with project objectives, outcomes and outputs.

Amendments were made in accordance with the guidelines on the policy on the cycle of projects and programs of the GEF of July/2020, in Annex 9, numeral 7 corresponding to minor amendments of major projects.

5. PROJECT IMPLEMENTATION EXPERIENCES AND LESSONS

5.1. Please summarize any experiences and/or lessons related to project design. Please select relevant areas from the list below:

- Conditions necessary to achieve global environmental benefits such as (i) institutional, social and financial sustainability; (ii) country ownership; and (iii) stakeholder involvement, including gender issues.
- Institutional arrangements, including project governance;
- Engagement of the private sector;
- Capacity building;
- Scientific and technological issues;
- Interpretation and application of GEF guidelines;
- Factors that improve likelihood of outcome sustainability;
- Factors that encourage replication, including outreach and communications strategies;

²⁰ Assumptions refer to elements of the “theory of change” or “intervention logic” (i.e, the problem is a result of A, therefore, if we change B, this will lead to C) and not to pre-conditions for project implementation. It is a common mistake to include statements such as “political will” as an assumption. This is rather a necessary condition to implement the project.

- Financial management and co-financing.

Institutional arrangements, including project governance:

Although the initial phase of the project is a relevant, because all interinstitutional arrangements for adequate governance and all necessary protocols and planning tools are developed during this phase of the project, it is itself is not included as an activity, outcome or result of the project, as a result it is excluded from progress report and monitoring indicators. As a consequence, it does not permit to show progress or delay in this phase or consider the impacts it may have on the total project schedule.

Additionally, there is not a mechanism to execute the budget before the initial phase is concluded, use of budget requires supplies which are result of the initial phase and approved by the Steering Committee (Operational Manual, Procurement Plan, etc.). All of these obstructs a good development of this relevant phase of the project.

5.2. Please highlight a few major achievements resulting so far from the project implementation, including but not limited to:

- Concrete results, both on-the-ground and normative
- Gender
- indigenous peoples
- Private Sector
- Sustainability
- Innovation
- Upscaling