

# Support the Shift to Electric Mobility in Madagascar

Review CEO Endorsement and Make a recommendation

## Basic project information

**GEF ID**

10275

**Countries**

Madagascar

**Project Name**

Support the Shift to Electric Mobility in Madagascar

**Agencies**

UNEP

**Date received by PM**

1/30/2023

**Review completed by PM**

4/5/2023

**Program Manager**

Filippo Berardi

**Focal Area**

Climate Change

**Project Type**

MSP

## PIF

### CEO Endorsement

#### Part I ? Project Information

#### Focal area elements

1. Does the project remain aligned with the relevant GEF focal area elements as presented in PIF (as indicated in table A)?

Secretariat Comment at CEO Endorsement Request

\*\*\* Please make all changes in yellow color in the first round or review. \*\*\*

Please use blue in the second round and green in the third round (if relevant)

Cleared.

02/08/23, FB

Yes, this project is well aligned with the GEF CCM focal area (Objective 1, entry point 2: Promote innovation and technology transfer for sustainable energy breakthroughs for electric drive technology and electric mobility (CCM-1-2)).

#### Agency Response

**UNEP 12 April 2023**

The second round of changes are highlighted in blue in the PDF version of the CEO Endorsement Document uploaded in the Documents section of the Portal.

**UNEP 27 March 2023**

The first round of changes are highlighted in yellow in the PDF version of the CEO Endorsement Document uploaded in the Documents section of the Portal.

**Project description summary**

**2. Is the project structure/design appropriate to achieve the expected outcomes and outputs as in Table B and described in the project document?**

Secretariat Comment at CEO Endorsement Request  
**Cleared.**

**04/04/23, FB**

(i) cleared.

(ii) cleared.

On Budget:

1, 2, 3. cleared.

**02/08/23, FB**

The project includes changes from the original project concept note design which need to be further explained and justified, including:

(i) the inclusion of a strong focus on optimization of public transport systems in the two cities. While this is desirable, it need to be further explained and justified since it is a significant departure from the initial concept;

(ii) the shift of most of the cofinancing from the component on pilots to the component on enabling conditions.

On the **Project Budget**:

1. The budget includes \$32,000 for ?Venue catering and support for Local Advisory Group meetings?, however, in the CEO ER it is specified that each LEG would receive max 4,000 over the four years, please explain the inconsiste

The LAG will decide on a case-by-case basis the need to keep information private.

Resources: Each LAG receives resources for meeting logistics to a maximum amount of USD \$4,000 over the four years of the project (4 meetings). Additional resources may be requested and will be considered on a case-by-case basis by the PSC.

The UNEP Sustainable Mobility Unit (SMU) will provide technical support through the budget line "International E-mobility Technical Support (UNEP SMU), which

2. The Chief Tech Advisor, Junior Outreach and Junior Technical Specialists (listed under 11. Salary and benefits/Staff costs) are included in the PMU as per the institutional arrangements presented in Section 6. As such they need to be mapped to the PMC budget (both from GEF and from Co-financing). Currently the PMC costs do not include PMU staff (except 27k for the CTA and 18k for Admin support).

3. Row 40 of the budget includes \$8k for "catering costs, transport Allowances, and other support for PSC meetings". These are currently charged to M&E costs, while it should be charged to PMC. Please amend.

## Agency Response

UNEP 27 March 2023

Changes in the original concept note are now justified in more detail in Table 1 of the CEO Endorsement Document:

(i). The explanation of this change has been expanded. There are two main reasons: (1) the financial capacities of the private companies identified during the preparation of the concept note were too weak to procure and operate the envisaged EVs without requiring a disproportionate contribution from the project; (2) during the project design stage, interaction with the national government and with the two cities involved in the project showed that the current lack of planning of the PT systems in both cities is a major barrier for potential investors to enter the public transport sector and support the renewal (or electrification) of fleets.

(ii) Some of the co-financing initially identified in the Concept Note is no longer feasible, as SAS decided not to undertake such activities in Madagascar and the investments initially envisaged by MEDD have been cancelled. The contents of component 2 were revised accordingly. At the time of the Concept Note, MEH had not quantified its contribution. The quantification provided now has substantially increased the contribution to Component 3, which is consistent with the need to substantially improve the electric system in Madagascar as a precondition to transport electrification.

On the project budget:

1. There was a mistake in that sentence. Each LAG (1 in Antananarivo and 1 in Toamasina) will hold 8 meetings during the 4 years, with a budget of USD 2,000 for each meeting. The sentence has been corrected.

2. This was a mistake in the section 6. on institutional arrangements. Only the National Project Director (NPD), the Chief Technical Advisor (CTA) and the administrative support are to be considered part of the PMU. The Junior Outreach and Junior Technical Specialists have been removed from the PMU, as their role is to provide technical assistance to the CTA in the different project's substantive components. The part of the CTA worktime dedicated to project management and its administrative support are included in the PMC budget. Figure 10 and Annex K have been revised accordingly.

3. The PSC meetings are usually an opportunity to monitor and evaluate the project's progress and delivery of expected outputs and results with the members of the project steering committee members. It has been the practice and approach to budget PSC costs under the M&E component for our past projects submitted to the GEF (including the previous e-mobility projects). We therefore prefer to keep that budget under the M&E component for consistency.

**3. If this is a non-grant instrument, has a reflow calendar been presented in Annex D?**

Secretariat Comment at CEO Endorsement Request N/A

## Agency Response

### Co-financing

**4. Are the confirmed expected amounts, sources and types of co-financing adequately documented, with supporting evidence and a description on how the breakdown of co-financing was identified and meets the definition of investment mobilized, and a description of any major changes from PIF, consistent with the requirements of the Co-Financing Policy and Guidelines?**

Secretariat Comment at CEO Endorsement Request

**Cleared.**

**04/04/23, FB**

---

**02/08/23, FB**

The project has provided signed cofinancing letters for the stated amounts of co-financing.

1. The letter of co-financing from the Ministry of Energy states the following: "It is estimated that at least 40% of the planned investments will be made in the period 2023-2027 and that the contribution of these projects to the transition to electric mobility can be estimated at 0.7% of the total costs, or 3,080,000 US dollars." Please indicate how the share of 0.7% of financing that was relevant as co-financing was determined and please provide any additional element useful to further substantiate this estimate.

## Agency Response

**UNEP 27 March 2023**

1. The new Sahofika Hydroelectric Power Station will have an installed capacity of 205 MW and generate annually 1,570 GWh. The estimated fleet of electric vehicles at the end of the project (2027) will annually consume 26.38 GWh. It was assumed that 11 GWh would be provided by Sahofika (0.7% of its annual generation) and the rest from other sources. A footnote has been added in the PDF version of the CEO Endorsement Document, page 4.

### GEF Resource Availability

**5. Is the financing presented in Table D adequate and does the project demonstrate a cost-effective approach to meet the project objectives?**

Secretariat Comment at CEO Endorsement Request

**Cleared,**

**02/08/23, FB**

Yes, resources included in Table D are adequate for the implementation of the project activities.

Agency Response

**Project Preparation Grant**

**6. Is the status and utilization of the PPG reported in Annex C in the document?**

Secretariat Comment at CEO Endorsement Request  
**Cleared.**

**04/18/23, FB**

---

**04/08/23, PPO**

Status of utilization of PPG: The Agency explained that *There was a mistake in the table. The status of PPG funds table has now been updated with the correct activity labelling and amounts.* The PPG reported activities budgeted at \$41,387.66, with a spent amount of \$41,397.07. However, the approved PPG amount was \$50,000. As they are not reported neither committed, the Agency needs then to return the unused funds to the Trustee (\$8,602.93). This has to be reflected in the Table.

---

**02/08/23, FB**

A status table of the PPG utilization is provided, however the table is not detailed enough and it includes acronyms that are not explained elsewhere. Agency is requested to provide more detailed information, including:

1. A clarification and additional information on row 1 and 2: Currently it looks like it was for SMU personnel. As per guidelines, costs associated with the work in regular activities of a GEF Agency is an ineligible expenditure under the PPG.

ANNEX C: Status of Utilization of Project Preparation Grant (PPG). (Provide detailed funding amount of the PPG activities financing status in the table below:

PPG Grant Approved at PIF: US\$ 50,000			
Project Preparation Activities Implemented	GETF/LDCF/SCCF Amount (US\$)		
	Budgeted Amount	Amount Spent to date	Amount Committed
SMU personnel	8,612.34	8,612.34	0
SMU consultant	4,571.95	4,571.95	0
SSFA with SMU partners	36,815.71	36,815.71	0
Total	50,000	50,000	0

Table 2. Ineligible expenditures under Project Preparation Grants (PPGs)

- Costs associated with the work of government staff or regular project/program activities of a GEF Agency or a Project Executing Entity (EA).
- Non-project preparation costs including: project start-up costs (i.e. costs covered by Agency Fee such as pipeline management, operationalization of the project, internal appraisal, or covered by the project budget); demonstration and pilot projects; implementation of large-scale enabling activities, including detailed country-wide inventories and country studies, training activities other than where they are directly related to project and/or country preparation and major research.
- Capital goods (e.g. computers and engineering equipment) other than those directly required for project preparation.
- Purchase of motorized vehicles (such purchase, if required, should instead be covered by co-financing amounts, not PPG).

The UNEP Sustainable Mobility Unit (SMU) will provide technical support through the budget line "International E-mobility Technical Support (UNEP SMU), which foresees a total budget of USD 14,000 for technical assistance and USD 11,000 for 4 visits to Madagascar, associated to outputs 1.1, 1.2, 2.5, 2.6, 3.1, 3.2, 4.1 and 4.2. The responsible staff in the UNEP Sustainable Mobility Unit (SMU) providing executing support to the MEDD will have different reporting lines to the staff assigned to deliver GEF IA functions (UNEP's Climate Change Mitigation Unit). The budget breakdown is presented in the table below and will cover the following actions:

2. A breakdown of row 3, with explanation of acronyms and definitions used.

## Agency Response

### UNEP 12 April 2023

The unspent PPG amount of US\$ 8,620.93 will be returned to the Trustee, in accordance with the GEF policies on the matter. This is now explicitly mentioned in Annex C of the Portal.

### UNEP 27 March 2023

1. There was a mistake in the table. The status of PPG funds table has now been updated with the correct activity labelling and amounts.

2. The breakdown of row 3 has been provided. It corresponded to (1) a contract with the project development consultant and (2) a legal agreement with the government of Madagascar to undertake local PPG activities (i.e. organize stakeholder consultation workshops, etc.).

## Core indicators

7. Are there changes/adjustments made in the core indicator targets indicated in Table E? Do they remain realistic?

Secretariat Comment at CEO Endorsement Request  
Cleared.

04/04/23, FB

02/08/23, FB

The summary of expected Core Indicator 6 results is included in the CEO ER, and Annex M of the Agency PRODOC includes a more detailed explanation on the estimates, however the calculation sheet is not provided. Please provide it by uploading it in the portal's document section.

#### Agency Response

UNEP 27 March 2023

An additional paragraph has been added to Annex M, describing the excel files used for the estimates, one respectively for buses, light duty vehicles (LDVs, i.e. cars and vans) and 3Ws. These calculation sheets have been uploaded in the Portal's document section.

#### Part II ? Project Justification

**1. Is there a sufficient elaboration on how the global environmental/adaptation problems, including the root causes and barriers, are going to be addressed?**

Secretariat Comment at CEO Endorsement Request  
**Cleared,**

**02/08/23, FB**

Yes, the CEO ER document provides a detailed and complete explanation of the key environmental problems that need to be addressed, including with their root causes and barriers.

#### Agency Response

**2. Is there an elaboration on how the baseline scenario or any associated baseline projects were derived?**

Secretariat Comment at CEO Endorsement Request  
**Cleared.**

**04/04/23, FB**

---

**02/08/23, FB**

A baseline scenario is detailed with respect to the transport and energy sectors and the climate change policies.



However, while in the energy sector the CEO ER presents information about the future plans, it is unclear whether any development plans/policies already exist for the transport sector (beside presenting the current problems and vehicle breakdown). The Agency is requested to please clarify what national policy exist (if any) in this sector and if any roadmap/targets for its (climate-compatible) development exist.

#### Agency Response

UNEP 27 March 2023

Additional information has been provided in pages 17 and 18 of the PDF version of the CEO Endorsement Document. This refers to recent developments in national transport planning (which is focusing on interurban roads) and to the Inland Transport Policy Document under preparation, which could represent a policy turn making the national government more active in urban mobility. The few references to urban mobility in climate change mitigation documents and plans are also presented here, while stating that these measures have not been implemented thus far.

**3. Is the proposed alternative scenario as described in PIF/PFD sound and adequate? Is there sufficient clarity on the expected outcomes and components of the project and a description on the project is aiming to achieve them?**

Secretariat Comment at PIF/Work Program Inclusion

**Cleared.**

**04/18/2023, FB**

---

**04/04/23, FB**

1. cleared.

2. cleared.

3. cleared.

**4. The issue of the support provided to the private partner for the purchase and technical support of the privately owned 2W fleet should be better outlined and explained. For instance: have synergies been explored to look for price optimization through bulk purchase of the e-motos together with the police fleet?**

**In addition, the Agency is requested to further outline any consultation that was carried out during PPG stage on this specific aspect and to identify demand for this component. Who could/would be potential private sector partners? have they been consulted? Is there sufficient confidence that there will be a private sector operator that is interested in this? What exactly**

will the project offer as a package to go with the request for expression of interest? What would the technical support consist in? This area needs strengthening since there is a specific deliverable expected (2.5.4).

5. cleared.

6. cleared.

---

**02/08/23, FB**

Please address the following comments:

1. Output 1.3: this output includes as deliverables 2 training modules, one each for only 10 people. It is indicated that these will be ?key? decision makers in public and private sector. Given the very small number of the audience, there is a risk here that if either the right people are not selected, or for any reasons the selected right people do not manage to participate to the actual sessions, these two modules may fail. Please articulate how this risk is deal with and elaborate on whether and why a larger participant group should not be preferable.

•2. Outputs 2.3 and 2.4 both refers to plans in both cities to either procure new buses or reintroduce buses for public transportation. Has there been discussion regarding the possibility of using the opportunity to start testing some e-buses as part of the new fleets being procured? If this possibility was assessed, please outline the outcomes and reasons why the project design is not including this (excessive cost? Too soon? Makes more sense in terms of learning curve to start with 2&3W?)

•

•3. Output 2.5: the project will purchase a fleet of 25 e-2Ws for the local police, but only 2 years of maintenance/support will be covered. What arrangements will be in place to ensure longer than 2-year sustainability of the pilot after the GEF funded support runs out? How is the risk that the 2Ws will no longer be used after 2 years assessed and mitigated?

•

•4. Output 2.5: for the 2Ws that will not provided to the local police, how will they be assigned and what will happen to them after the lifetime of the project (transfer of ownership to whom?)

•

5. Output 2.6: Same question as above for the 3Ws in Taomasina regarding the risk of the vehicles becoming obsolete after the pilot concludes.

•

•6. Output 2.6: Regarding the demonstration of the electric 3Ws, (1) include a brief explanation of the exit strategy for the EVs after the demonstration, (2) specify if an insurance will be considered; if so, who will be responsible for paying it?

•Deliverable 2.6.4: will one charging station for 25 e-3Ws be sufficient?

## Agency Response

### UNEP 12 April 2023

4. Thank you for your comment. The text under Output 2.5 has been revised, in order to provide a clearer justification of the feasibility of this deliverable and more details regarding its scope and contents.

The consultations carried out during PPG stage included the main importer for scooters in Madagascar. This importer was very interested in entering the e-scooter and battery swapping market and considered that some companies in the private sector could be dynamic partners for electrification of their motorcycle or scooter fleets. A few multinational telecom and logistics companies (the importer is already providing conventional vehicles to some of them) were mentioned as examples of likely frontrunners, as they already have fleets of motorcycles or scooters for errands / documents or for urban delivery, but the local branches of other multinational companies would be in a similar situation.

Private partners with such profile can procure the electric 2Ws with their own resources or with the support of their headquarters on the basis of their environmentally responsible policies. However, they need technical support to select the appropriate vehicles, to build up the case to get the authorization and support from their headquarters, and to assess the operational and economic advantages of starting the electrification of their fleets. Furthermore, they may need support to adapt their fleet management systems to the new vehicles.

At this stage, it cannot be guaranteed whether the vehicles selected for the police (to be procured with GEF funds) will also meet the requirements of the private sector partner ? this will be defined during the pilot feasibility study. Depending on its recommendations, the procurement of the electric 2Ws for the police could include a suggestion to the selected contractor to import an equal number of electric 2Ws (of similar or slightly different characteristics depending on the results of the feasibility study and the selection of the private partner), which would be bought by the private partner. In this way, the importer could be in a position allowing better prices both to the project and to the private partner.

The project's technical assistance to the selected private partner will (1) support the assessment of its fleet composition and management, (2) identify the technical characteristics of the more adequate electric 2Ws and the available importers in Madagascar, (3) allow the private partner to piggyback on the project's procurement process for the police fleet, if the electric 2Ws for both fleets are similar or if the same importer is able to provide both models; and (4) allow the private partner to integrate its electric 2Ws in the project's fleet monitoring system, obtaining detailed reports on operations and performance, and recommendations for fleet management improvement.

### UNEP 27 March 2023

1. Output 1.3: The limited number of participants will allow closer and focused interaction as well as better tailored training dynamics. It is also adequate to attract senior officers with a high decisional level in the public and private sectors and to increase their interaction with the project. Finally, it is also consistent with the number of directorates in the Malagasy government and the limited number of major corporations directly related to e-mobility. In the event that there is not sufficient participation in the 2 first trainings, the project could consider

organizing a third one with the missing participants. This is now explained in Output 1.3 description.

2. Output 2.3 and 2.4: Testing of e-buses has indeed been discussed with the local partners. Apart from the difficulties to finance the implementation of a meaningful number of e-buses with the limited budget available in this project, and the current absence of e-bus manufacturers' representatives or importers in Madagascar, more substantial difficulties (described in different parts of the CEO Endorsement Document) were identified to consider such approach as premature, mainly related to the current regulatory framework for public transport, which makes this activity hardly profitable. With fares kept low by the government, there are no prospects for operators to recover their investment if they renew their fleet, and they concentrate in keeping their old vehicles operational at minimum costs. This has resulted in the proliferation of very old vehicles in Antananarivo and in the disappearance of bus services in Toamasina. This challenging environment has to be addressed first, before modern e-buses can be introduced.

3. Output 2.5: It was considered that the beneficiary (local police) should start taking responsibility of fleet maintenance during the project lifetime, as a bridging stage to subsequently expand its e2W fleet. The project can assist the local police during this transition and identify and address eventual challenges in their taking more responsibility of fleet maintenance and ultimately, make their future fleet expansion plan. This justification has been now added to output 2.5 description.

4. Output 2.5: It is stated in output 2.5 description that *'The selected partner will need to purchase the electric motorcycles (a fleet of 20 units has been estimated) using own funds, but will receive technical support of the Madagascar project'*. It is envisaged that the partner has the necessary funds to already purchase the vehicles but is interested in partnering with the project to get technical assistance and advice, regular monitoring and assessment of the fleet performance. So the private partner will own its vehicles from the very beginning.

5. Output 2.6: Regarding the risk of the vehicles becoming obsolete after the pilot concludes: the assessment of this risk is included in the feasibility study (deliverable 2.6.1), so that the e3W operators choose technically adequate vehicles. This has been explicitly added to the description of the feasibility study.

6. Output 2.6:

(1) In the case of Toamasina, the scrappage scheme will be implemented through a competitive process to select the project's partners that, as responsible parties, will implement the procurement and operation of e3Ws in the public transport system. The following text has been added to output 2.6 description: *'Based on the feasibility study, the project will launch a call for proposals to select the 3W operators that will participate in the scrappage scheme. These operators will act as project's responsible parties for deliverable 2.6.4. They will receive a project's contribution (the amount of the contribution requested will be used during the selection process to choose the operators) in exchanging of scrapping ICE 3W and procuring and registering under their names an equal quantity of e3W to replace it and regularly reporting to the project on the operating performance of the 3W while providing public transport services in Toamasina. The project's contribution requested by the selected operators is a lump sum to cover the incremental expenditures estimated by the operator for purchasing and operating the e3W, inclusive of all maintenance, insurance and operating costs foreseen, and will be disbursed in two tranches: the first one at the time of signature of the agreement with each responsible party and the second one at the time at least two months or 2,000 km of operation have been completed and reported. Due to the lower operating costs of e3Ws, their owners are expected to be interested in continuing their operation until the end of their lifespan, and even continuing electrifying their fleets, without requiring further project's support'*.

(2) Vehicle insurance will be required from the responsible party, as stated in the paragraph above.

(3) The provision of the public charging station in Toamasina is foreseen as backup for those e3Ws needing a partial charge during the day to complete operations; main charging is expected to occur at night at the respective e3W owners' premises, as this will be cheaper and more convenient for them.

**4. Is there further elaboration on how the project is aligned with focal area/impact program strategies?**

Secretariat Comment at CEO Endorsement Request  
**Cleared,**

**02/08/23, FB**

The project remains aligned with the focal area objectives, noting the comments already provided above in this review sheet.

Agency Response

**5. Is the incremental reasoning, contribution from the baseline, and co-financing clearly elaborated?**

Secretariat Comment at CEO Endorsement Request  
**Cleared.**

**04/04/23, FB**

---

**02/17/2023, FB**

On incremental cost: this is cleared. there is a concise reasoning is provided. It outlines the expected project's contribution to the reduction of existing the cost gap between ICE vehicles and electric ones. in addition, the project addresses additional issues which even precede incremental costs considerations, relative to the availability itself of the EV technology in the country.

On co-financing: please clarify how the listed contributions from the central and municipal governments that are considered and listed as in-kind co-financing for this project will be tracked and reported on during project implementation.

Agency Response

**UNEP 27 March 2023**

On co-financing: the different co-finance contributors will be required to report on their contributions on an annual basis, at the time of the PIRs, using the standard co-finance template UNEP applies on its GEF-funded projects. In addition to reporting on the figures, the central and municipal governments will be required to provide a qualitative description of their in-kind contributions in the report.

**6. Is there further and better elaboration on the project's expected contribution to global environmental benefits or adaptation benefits?**

Secretariat Comment at CEO Endorsement Request  
Cleared.

04/04/23, FB

---

02/17/2023, FB

As indicated above, Annex M is missing, please provide it.

Also, Table 30 includes information that are not aligned in the two columns, so it's not clear which data refers to which category. Please amend:

Total project energy savings, MJ	31,363,304,648
Total direct energy savings from demonstration projects, MJ	9,412,662,675
Primary direct energy savings from demonstration	9,661,264
Buses, with a lifespan of 15 years	-
LCVs, with a lifespan of 15 years	9,661,264
2&3Ws, with a lifespan of 5 years	9,403,001,411
Secondary direct energy savings (policy measures)	7,285,386,493
Buses, with a lifespan of 15 years	868,123,583
LCVs, with a lifespan of 15 years	1,249,491,335
2&3Ws, with a lifespan of 5 years	

Agency Response  
UNEP 27 March 2023

Table 30 has been reformatted. There were errors in the reported indirect energy saving figures, which have been corrected now (highlighted in yellow). A similar table in Annex M already presented the right figures and did not need any corrections.

As for the previous comment, the calculation worksheets providing the GHG and energy saving estimates are now uploaded on the portal. An additional paragraph in Annex M has been added to briefly describe the 3 excel files providing such estimates.

**7. Is there further and better elaboration to show that the project is innovative and sustainable including the potential for scaling up?**

Secretariat Comment at CEO Endorsement Request  
**Cleared.**

**02/17/2023, FB**

Yes, there is a good articulation of Innovation, sustainability and the potential for scale up is clear.

Agency Response  
**Project Map and Coordinates**

**Is there an accurate and confirmed geo-referenced information where the project intervention will take place?**

Secretariat Comment at CEO Endorsement Request  
**Cleared.**

**04/04/23, FB**

---

**02/08/23, FB**

The map that has been included in the document has a very low resolution and cannot be read.

Please use a map with higher resolution.

Agency Response

**UNEP 27 March 2023**

**An updated version of the map has been uploaded on the GEF Portal.**

**Child Project**

**If this is a child project, is there an adequate reflection of how it contributes to the overall program impact?**

Secretariat Comment at CEO Endorsement Request  
**Cleared.**

**02/17/2023, FB**

Yes, the project is a child project, and it follows closely the structure of the Global Program. The relationship between Parent Program and Child Project is outlined, and it follows the existing structure used in all other child project approved to date.

Agency Response  
**Stakeholders**

**Does the project include detailed report on stakeholders engaged during the design phase? Is there an adequate stakeholder engagement plan or equivalent documentation for the implementation phase, with information on Stakeholders who will be engaged, the means of engagement, and dissemination of information?**

Secretariat Comment at CEO Endorsement Request  
**Cleared.**

**04/04/23, FB**

---

**02/08/23, FB**

Three stakeholder consultation meetings were conducted during project design to gather inputs and validate the project design. The relative meeting/workshop reports are included in the portal. An initial stakeholders engagement plan is presented in Section "2. Stakeholders" of the CEO ER. It is also noted that deliverable 1.1.3. will support the National e-Mobility subcommittee to develop their own stakeholder engagement plan. The expected role of/contribution from each stakeholder group are listed in table 32.

---



**PPO Comments on stakeholder engagement:**

1. The project elaborates on stakeholder consultations during project development and a schematic stakeholder engagement plan (SEP has been provided with some indication of roles and responsibilities of the various project stakeholders. However, the SEP lacks details on for example means of engagement, dissemination of information, resources as well as timing of engagement. It is mentioned that local CSO will be identified to participate in the Local Advisory Groups. Further details on the SEP as well as description on CSOs to be engaged should be provided including means of engagement as well as timing of engagement etc.

**Agency Response**

UNEP 27 March 2023

1. A table (Table 33) including means of engagement, communication resources as well as timing of engagement is now provided. The description of the CSOs to be engaged has been expanded.

**Gender Equality and Women's Empowerment**

**Has the gender analysis been completed? Did the gender analysis identify any gender differences, gaps or opportunities linked to project/program objectives and activities? If so, does the project/program include gender-responsive activities, gender-sensitive indicators and expected results?**

**Secretariat Comment at CEO Endorsement Request  
Cleared.**

**02/08/23, FB**

The project includes a detailed gender analysis, which also lists potential risks and opportunities of the project. The project's Gender Action Plan also includes gender specific indicators, which are listed in table 34.

**Agency Response**

**Private Sector Engagement**

**If there is a private sector engagement, is there an elaboration of its role as a financier and/or as a stakeholder?**

Secretariat Comment at CEO Endorsement Request  
Cleared.

04/04/23, FB

---

02/08/23, FB

there is a description of the relevance and importance of engaging with the private sector, however there is no indication of (i) which PS stakeholders have been consulted during the project design (rather than just identified for future engagement) and (ii) how their inputs may have used to inform the project design.

Please provide this information in the CEO ER.

#### Agency Response

UNEP 27 March 2023

Information has been added on the main private sector stakeholders consulted during project design and their contributions, as well as how these have influenced the final project design. In the case of Soci?t? Sakaiza and SAS- Electric Motor, their input served to better understand the financial barriers of local public transport operators, and to redesign the project?s pilots in a more realistic way, looking for the mobilization of a wider array of local operators through a scrappage scheme. In the case of UCTU, its input served to redesign the project and putting the recovery and modernization of the public transport system in Antananarivo (and also in Toamasina) at the center of the project?s approach. Finally, in the case of Madauto, its input was useful to design replication activities in component 3 and to include the operation of a private fleet within the demonstration in Antananarivo.

#### Risks to Achieving Project Objectives

**Has the project elaborated on indicated risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved? Were there proposed measures that address these risks at the time of project implementation?**

Secretariat Comment at CEO Endorsement Request  
Cleared.

02/08/23, FB

The project includes a well presented risk analysis to the project objectives, summarized in Table35. In addition, the project document also includes a good climate risk screening as well as an analysis of challenges and opportunities from COVID-19.

Agency Response  
**Coordination**

**Is the institutional arrangement for project implementation fully described? Is there an elaboration on possible coordination with relevant GEF-financed projects and other bilateral/multilateral initiatives in the project area?**

Secretariat Comment at CEO Endorsement Request  
**Cleared.**

**02/08/23, FB**

The Institutional and coordination arrangements which have been presented are clear. Information on the components to be directly executed by UNEP SMU is also included, and is consistent with the relative and limited approval by the GEFSEC (approval email is uploaded in the document section).

Agency Response  
**Consistency with National Priorities**

**Has the project described the alignment of the project with identified national strategies and plans or reports and assessments under the relevant conventions?**

Secretariat Comment at CEO Endorsement Request  
**Cleared.**

**02/08/23, FB**

Yes, the project is consistent with national priorities.

Agency Response  
**Knowledge Management**

**Is the proposed Knowledge Management Approach for the project adequately elaborated with a timeline and a set of deliverables?**

Secretariat Comment at CEO Endorsement Request

**Cleared.**

**02/08/23, FB**

The KM approach is described in detail, as completed by a table which lists all the knowledge related outputs, with their respective timeline and budget.

Agency Response

**Monitoring and Evaluation**

**Does the project include a budgeted M&E Plan that monitors and measures results with indicators and targets?**

Secretariat Comment at CEO Endorsement Request

**Cleared.**

**02/08/23, FB**

Yes, a budgeted M&E plan is provided.

Agency Response

**Benefits**

**Are the socioeconomic benefits at the national and local levels sufficiently described resulting from the project? Is there an elaboration on how these benefits translate in supporting the achievement of GEBs or adaptation benefits?**

Secretariat Comment at CEO Endorsement Request

**Cleared.**

**02/08/23, FB**

The key socio-economic benefits are outlined.

Agency Response

**Annexes**

**Are all the required annexes attached and adequately responded to?**

Secretariat Comment at CEO Endorsement Request  
**Cleared.**

**02/08/23, FB**

Yes, annexes have been provided, including the Annex M (GHG emission reductions) which is attached to the submitted Agency PRODOC.

Agency Response  
**Project Results Framework**

Secretariat Comment at CEO Endorsement Request  
**Cleared.**

**04/04/23, FB**

---

**02/08/23, FB**

The following comments should be addressed regarding the Project Results Framework:

1. A mid-term target should be added, in between the baseline and the End of Project Target columns
2. PIR, MTR and TEs should be added as means of verification where appropriate
3. An additional column should be added indicating the "responsible party" for the M&E activities
4. Please insert the table as table and text instead of as image, so to have a higher resolution/quality
5. Output 1.3 is missing a reference to the KM + capacity building plan
6. Component 2: Currently only 2 indicators are listed in the PRF for component 2: Please include at least one indicator per output.
7. Component 3: please add indicators for outputs 3.3 and 3.4.

8. Component 4: same as above, please include at least one relevant indicators for each output/activity.

### Agency Response

UNEP 27 March 2023

1. A mid-term target has been added to the Results Framework (Annex A), whenever relevant and possible.
  2. PIR, MTR and TE have been added as means of verification where appropriate.
  3. A responsible party column has been added.
  4. The table has been uploaded as a table instead of an image.
- 5, 6, 7 & 8. Please note that the Project Results Framework (Annex A) only provides outcome-level indicators ? not output-level indicators. The output-level indicators correspond to the different deliverables under each output, which can be found in the project workplan, in Annex L of the CEO Endorsement Document. It is against the production of these deliverables that the achievement of the different outputs will be measured and monitored during the project implementation.

### GEF Secretariat comments

Secretariat Comment at CEO Endorsement Request  
**Cleared.**

**04/04/23, FB**

---

**2/08/23, FB**

All GEFSEC comments provided at PDF and PFD Addendum stage were previously addressed by the Agency, a record is uploaded in the document section. However, since this is a child project and it will have to be circulated for a 4 week Council review we kindly request the agency to include, in the Portal, the responses to Council comments.

**ANNEX B: RESPONSES TO PROJECT REVIEWS (from GEF Secretariat and GEF Agencies, and Responses to Comments from Council at work program inclusion and the Convention Secretariat and STAP at PIF).**

Please refer to the separate pdf files in the "Documents" section of the GEF Portal which includes all responses to the GEF Secretariat, STAP and Council comments to the PFD.

Annex B.1 – Responses to GEF Sec reviews (on the PFD)

Annex B.2 – Responses to GEF Sec reviews (on the PFD addendum)

Annex B.3 – Responses to STAP comments

Annex B.4 – Responses to Council comments

## Agency Response

UNEP 27 March 2023

The responses to Council comments have been uploaded on the Portal.

## Council comments

Secretariat Comment at CEO Endorsement Request  
**Cleared.**

**02/08/23, FB**

All comments provided at PDF and PFD Addendum stage by the Council were previously addressed by the Agency, a record is uploaded in the document section. No comment was received regarding the Madagascar child project concept.

## Agency Response

**STAP comments**

Secretariat Comment at CEO Endorsement Request  
**Cleared.**

**02/08/23, FB**

All comments provided at PDF and PFD Addendum stage by the STAP were previously addressed by the Agency, a record is uploaded in the document section. No comment was received regarding the Madagascar child project concept.

Agency Response  
**Convention Secretariat comments**

Secretariat Comment at CEO Endorsement Request N/A

Agency Response  
**Other Agencies comments**

Secretariat Comment at CEO Endorsement Request N/A

Agency Response  
**CSOs comments**

Secretariat Comment at CEO Endorsement Request N/A

Agency Response  
**Status of PPG utilization**

Secretariat Comment at CEO Endorsement Request  
**Cleared.**

**02/08/23, FB**

Comments on the status of utilization of the PPG are provided above on this review sheet.

Agency Response

**UNEP 27 March 2023**

**The comments on the status of utilization of PPG have been addressed earlier.**

**Project maps and coordinates**

Secretariat Comment at CEO Endorsement Request  
**Cleared.**

**02/08/23, FB**

Comments on the maps are provided above on this review sheet.



Agency Response

UNEP 27 March 2023

The comments on the maps have been addressed earlier.

**Does the termsheet in Annex F provide finalized financial terms and conditions? Does the termsheet and financial structure address concerns raised at PIF stage and that were pending to be resolved ahead of CEO endorsement? (For NGI Only)**

Secretariat Comment at CEO Endorsement Request

N/A

Agency Response

**Do the Reflow Table Annex G and the Trustee Excel Sheet for reflows provide accurate reflow expectations of the project submitted? Assumptions for Reflows can be submitted to explain expected reflows. (For NGI Only)**

Secretariat Comment at CEO Endorsement Request N/A

Agency Response

**Did the agency Annex H provided with information to assess the Agency Capacity to generate and manage reflows? (For NGI Only)**

Secretariat Comment at CEO Endorsement Request N/A

Agency Response

**GEFSEC DECISION**

**RECOMMENDATION**

**Is CEO endorsement recommended? (applies only to projects and child projects)**

Secretariat Comment at CEO Endorsement Request

04/18/23, FB: the CEO Endorsement is recommended.

CEO MEMO

Without any intervention, transport energy demand and CO2 emissions in Madagascar are projected to grow at rates similar to those observed over the past decades, leading to increased emissions, air pollution and increased import

expenditure in petroleum fuel. The transport sector is a key enabler to sustained economic growth but lack of infrastructure, influx of large amounts of old and polluting vehicles and an underdeveloped public transport sector are hampering the sustainable movement of people and goods in Madagascar, with a disproportionate carbon footprint compared to the low motorized mobility levels in the country.

The objective of this project is to support Madagascar with the shift to electric vehicles and improvement of public transportation through (1) institutionalization of e-mobility and capacity building; (2) development of a supportive e-mobility policy and financing framework; (3) generation of on-the-ground experience with e-mobility starting with electric 2&3 wheelers in Antananarivo and Toamasina; and (4) preparation for long term sustainability of electric mobility through development of proposals for battery end-of-life management and renewable power integration.

These actions are coupled with a strategy to improve sustainable urban mobility in both cities, decoupling increasing transport demand from energy use and CO2 emissions. Additionally, the potential of electrification in the facilitation of rural mobility will be explored, as part of the long-term sustainability studies carried out with the help of this project to better integrate e-mobility with the deployment of renewables, including off-grid renewables in rural areas which could be associated in the future with the provision of electric bicycles and taxi 3 wheelers. The project is expected to generate 751,063 and 1,751,370 tons of CO2e in direct and indirect emission reductions respectively, over 20 years.

---

04/04/2023, FB: please address the two **remaining comments**, including under Part II-Section 3 and re: PPG status.

---

02/17/2023, FB: Please address the comments above.

\*\* Please highlight in **yellow** the changes made on the portal version of the CEO approval document for ease of reference. \*\*

#### **Review Dates**

	<b>Secretariat Comment at CEO Endorsement</b>	<b>Response to Secretariat comments</b>
<b>First Review</b>	<b>2/17/2023</b>	<b>3/27/2023</b>
<b>Additional Review (as necessary)</b>	<b>4/8/2023</b>	<b>4/12/2023</b>
<b>Additional Review (as necessary)</b>	<b>4/18/2023</b>	
<b>Additional Review (as necessary)</b>		
<b>Additional Review (as necessary)</b>		

**CEO Recommendation**

**Brief reasoning for CEO Recommendations**

CEO MEMO

Without any intervention, transport energy demand and CO2 emissions in Madagascar are projected to grow at rates similar to those observed over the past decades, leading to increased emissions, air pollution and increased import expenditure in petroleum fuel. The transport sector is a key enabler to sustained economic growth but lack of infrastructure, influx of large amounts of old and polluting vehicles and an underdeveloped public transport sector are hampering the sustainable movement of people and goods in Madagascar, with a disproportionate carbon footprint compared to the low motorized mobility levels in the country.

The objective of this project is to support Madagascar with the shift to electric vehicles and improvement of public transportation through (1) institutionalization of e-mobility and capacity building; (2) development of a supportive e-mobility policy and financing framework; (3) generation of on-the-ground experience with e-mobility starting with electric 2&3 wheelers in Antananarivo and Toamasina; and (4) preparation for long term sustainability of electric mobility through development of proposals for battery end-of-life management and renewable power integration.

These actions are coupled with a strategy to improve sustainable urban mobility in both cities, decoupling increasing transport demand from energy use and CO2

emissions. Additionally, the potential of electrification in the facilitation of rural mobility will be explored, as part of the long-term sustainability studies carried out with the help of this project to better integrate e-mobility with the deployment of renewables, including off-grid renewables in rural areas which could be associated in the future with the provision of electric bicycles and taxi 3 wheelers. The project is expected to generate 751,063 and 1,751,370 tons of CO<sub>2</sub>e in direct and indirect emission reductions respectively, over 20 years.