

Livable Cities in India: Demonstrating Sustainable Urban Planning and Development through Integrated Approaches

Review CEO Endorsement and Make a recommendation

Basic project information

GEF ID

10484

Countries

India

Project Name

Livable Cities in India: Demonstrating Sustainable Urban Planning and
Development through Integrated Approaches

Agencies

UNEP, ADB

Date received by PM

10/11/2021

Review completed by PM

11/11/2021

Program Manager

Aloke Barnwal

Focal Area

Multi Focal Area

Project Type

FSP

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

Yes.

Agency Response

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

Overall, the project shows good integration, complementarity and involvement by local governments. The Technical Assistance under component 1, 3 and 4 are well linked to the Investments under component 2.

While the focus of all the activities at specific cities level is welcome, the project should have a dedicated activity to work with national government e.g. MoHUA and MoEFCC to offer TA support to influence national policies and programs towards greater urban sustainability outcomes.

The numbers of component 3 and 4 have cut off in the table B. Please revise.

Component 3 descriptions indicate that the support is more TA in nature than investment. Please clarify or revise.

November, 2021

Thanks for the revisions and clarification. The comment is cleared.

Agency Response

Component 4 of the project is led by National Ministry MoHUA and its institute NIUA and focused on scaling up the impact of project through several activities under Outputs 4.1 and 4. Output 4.1 focuses on curating the knowledge from the work undertaken in the cities and using them in preparing knowledge products and training modules for wider dissemination to other cities through national platform. Output 4.2 uses the work at cities in undertaking capacity building efforts of city planners as well as state urban development institutes. Under Output 4.1, the guidelines developed under the project, such as, Flood Resilience Index, Station Area TOD Plan, integrated low emission resilient coastal zone development, etc. will also be used to develop policy and regulatory recommendations for the information and uptake by states and cities. This has been clarified in the Output description and also added to the deliverable (4.1.2). Further, Output 4.1 now includes deliverable 4.1.4 on development of a policy framework to assess the impact of development plans and investment decisions on GHG emissions and climate resilience. Such a policy framework will enhance the integration of climate consideration in development planning and investments at city level. This work will also enable cities improve their performance on the Climate Smart Resilience index supported by Climate Centre for Cities, hosted by NIUA.

Component 3 indeed is a TA component. This has been corrected in the Portal.

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

Secretariat Comment at CEO Endorsement Request NA

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

Co-financing has increased from \$303,250,000 at PFD to \$499,881,950 at CEO Endorsement thanks to additional co-financing identified from the target cities Chennai, Pune and Surat, as well as from MoHUA and NIUA. While, it is extremely positive to see the high co-financing ratio of almost 1:30, please ensure that all co-finance provided

are relevant to the project. For, example, if some part of co-financing from one of the sources isn't relevant to the project, please include only that amount.

Supporting evidence in the form of co-financing letters has been uploaded in the portal and the amounts are consistent with the figures in the CEO Endorsement Request. Some details are still to be clarified:

- ? The co-financing from the Ministry of Housing and Urban Affairs is listed in the portal as \$2,200,000 in-kind, but in the co-financing letter it seems to be consisting of \$2,000,000 public investment and \$200,000 in-kind. **If this is the case, please separate these two types of co-financing in the portal.**
- ? Similarly, the co-financing from the National Institute of Urban Affairs seems to be split into \$750,000 public investment and \$250,000 in-kind. **Please split into these two categories the portal, as it is currently listed as \$1,000,000 in-kind.**
- ? For the ADB co-financing (loan) of \$251,000,000, a recommendation of the President to the Board of Directors has been provided, however the document is not signed. **Please submit a document confirming the approval of this loan once it is available.**
- ? The co-financing amount of \$ 219.5 million from the Government of Tamil Nadu (via GCC) is listed in the co-financing letter from ADB. **Please also provide a document signed by the Government of Tamil Nadu confirming their co-financing.**
- ? Regarding the co-financing from the greater Chennai Corporation, signed meeting minutes have been submitted confirming that 1% of the civil work will be co-financed. Attached presentation slides are specifying the total amount of Co-Financing from GCC up to US \$ 2.6. million (including \$0.89 million for civil works). **Please provide a signed document where the exact amount of \$2,611,950 is specified.**
- ? For the in-kind co-financing from Surat Municipal Corporation, **please classify Sources of Co-financing as Recipient Country Government in Table C.** It is currently missing a classification. Also, for part (ii) of the co-financing consisting of \$2,000,000, **please confirm if this is actually in-kind, or rather as investment.**
- ? For the co-financing from Pune Municipal Corporation, part (ii) of the co-financing consisting of \$2,000,000, **please confirm if this is actually in-kind, or rather as investment.**

November, 2021

Thanks for the revisions and clarification. The comment is technically cleared for further observation by the PPO.

Agency Response

The observations on co-finance from MOHUA, NIUA, Pune and Surat have been addressed, both, in the portal and in the CEO ER package.

We believe the full amount of the ADB co-finance is relevant for this project.

The ADB loan has been approved. Please refer to this link:

<https://www.adb.org/news/adb-india-sign-251-million-loan-integrated-urban-flood-management-chennai>

It will not be possible to secure a dedicated document signed by the Government of Tamil Nadu to confirm their co-financing solely for GEF purposes. The final loan documentation, however, does confirm this explicitly. Kindly refer to this link, and refer to narrative on page 22, and Table 2.

<https://www.adb.org/sites/default/files/project-documents/49107/49107-009-rrp-en.pdf>.

As a supporting document signed Minutes of Meeting of 09 September 2021, which specify the GCC co-financing amounts for Lake Kadapakkam restoration has been uploaded on the portal.

Regarding the 1% - there is a misunderstanding that GCC will fund 1% of civil works. Actually, GCC would undertake all the costs incurred for Goods and Services Tax (GST), Contingencies, Balance of Civil Work and Labour Welfare Fund. The statutory cost of Labour welfare fund (LWF) is computed as 1% of civil works cost. The 1% refers to how GCC computes LWF.

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

Yes. The financing is consistent with what was presented in the PFD and seems adequate and cost-effective.

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

No. Please clarify why no PPG amount has been spent even if the project has been fully prepared and submitted. What resources were used to prepare the project. If resources were available and the project has been developed with those, it is better that the UNEP portion of PPG amount also be cancelled just like the ADB portion.

November, 2021

Thanks for the clarification. The agency is requested to show the expenditure at the earliest after CEO Endorsement is cleared.

November 2, 2021

Thanks. Comment cleared.

Agency Response

The PPG amount has been spent but not recorded as consumed because of technical accounting reasons. PPG funds were used to hire experts and undertake project development work. As per the practice of UNEP an expenditure is considered consumed once the expenditure report has been received and approved. In absence of such an approval, the expenditure is shown as committed. A sum of USD 115,500 was disbursed to the experts and the balance will be disbursed on approval of the final expenditure report. The expenditure reports are being reviewed and finalized. The reported expenditures are included in Annex C. As soon as they are approved, we shall update the table.

ADB waived its PPG option given the administrative challenges in processing relatively small amounts of funding. Instead of using the PPG ADB: i) used the resources of its ADB/GEF coordination team full time Senior Environment Specialist, ii) used resources from its loan project preparation technical assistance to engage a team of specialists which included a lead ADB/GEF urban development specialist, biodiversity, safeguards, gender and other specialists.

1st November 2021

The request is well noted and UNEP will ensure that the expenditure report is approved and expenditures recorded at the earliest.

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

Yes, with some clarifications requested. Some slight adjustments are done, increasing the targets, and detailed methodology and explanations on GHG estimations are provided in Annex M.

Some specific comments below:

Core Indicator 3 - Area of land restored: Has been increased from 700 to 1,020.6 hectares, which consists of 48.6 hectares of Lake Kadappakam rejuvenated and another 20 lakes covering a total area of 972 hectares.

In Surat coastal zone, it is stated that "The development plan will integrate the protection and enhancement of coastal ecosystems (mangroves, forests, water bodies, etc.) using NbS in defining the land use pattern for the area". Has this area been included under any Core Indicator? If not, please explore how this could be added under e.g. Core Indicator 4.

The tables in Annex M refer to targets for Core Indicators 4 (Landscapes under improved practices) for the 48.6 Hectares of lake rejuvenation in Chennai. However, this may fit better under Core Indicator 3 (Landscapes restored) that is targeted by the project. Please revise or clarify.

Core Indicator 6 - Greenhouse Gas Emissions Mitigated: Has been increased from 29,679,379 metric tons of CO₂e in PDF to 35,903,942 metric tons of CO₂e in CEO ER.

It is positive to see that additional mitigation from coastal zone integrated planning in Surat and indirect impacts of NbS in Chennai will also be added in the PIRs.

We note that there is a slight difference in numbers between the CEO ER and what is entered in the portal, please revise to make this consistent.

Please also share the spreadsheets with calculations on estimated GHG to be mitigated. Two spreadsheets called Direct-Impact.xls and Indirect-Impact.xls are references in Annex M, but not found among the documents submitted.

Core Indicator 11 - Number of beneficiaries: Has been increased from 4,033,000 in PDF to 12,659,301 in CEO ER, with the following explanation:

Estimate of project beneficiaries (direct and indirect): Considering that project activities in the target areas include integrated planning, investment pilots and testing of innovative financing, it is estimated that a percentage of the population of each target area can be considered project beneficiaries receiving direct targeted support. It is estimated that project activities have a 50% causality factor on the target populations in primary target cities and 10% in the replication cities. Project beneficiaries were thus calculated by applying the causality factor to the combined population of the target urban areas. Project beneficiaries by gender was calculated by applying the proportionate gender balance index to the number of total direct project beneficiaries.

We suggest to remove the target beneficiaries in the replication cities as the impacts will be quite indirect.

November 1, 2021

Thanks for the clarification and for pointing out the error in our comment. The table in Annex M in prodoc still refers to core indicator 4. Please also refer to additional comments under the incremental reasoning question.

November 2, 2021

Thanks. Comment cleared.

Agency Response

The GEB suitably modified (48.6 hectares of lake Kadapakkam and another 40 lakes covering 1944 acres, a total of 1992.6 hectares). The updated GHG emission reductions calculations have also been attached.

The Core 4 indicators don't include the potential for rejuvenation and protection of coastal ecosystems in Surat. The project will support the planning of the area and based on the plans potential investments projects will be identified. These will be captured through the PIR reports as when these gains materialize.

In Annex M, the Core Indicator used for Rejuvenation of lakes is changed from 4 to 3.

Core Indicator 6:

The two referenced files, that present the model used for estimating of GHG benefits from restoration of lakes, have now been included in the portal. For rest of the GHG mitigation reductions, the details are explained in the Annex M and there are no separate spreadsheets.

The discrepancy in numbers between CEO ER and Portal has been rectified.

Core Indicator 11: As per our records of approved PFD document the total beneficiaries is 13,445,000. As advised the estimates consider only the beneficiaries from target cities.

1st November 2021

The revised CEO ER document is uploaded with the changes in Annex M.

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

Yes. Environmental problems of urban sprawl, increasing GHG emissions, climate vulnerability, land and biodiversity degradation in the Indian context are well described, as well as barriers of siloed planning and lack of coordination, insufficient finance, and lack of mechanisms to replicate experiences.

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

Yes, with suggestions. The baseline scenarios for the target cities are well described. The entire section is quite long (47 pages) and overlaps with the section on global environmental problems, root causes and barriers. Please make sure to only include baseline information that is of relevance to the project.

In the Indian country context, please include a specific reference to the GEF-6 IAP program investment and how that will be leveraged for the proposed approach nationally.

1 November, 2021

Thanks for the revisions and clarification. The comment is cleared.

Agency Response

The Baseline section has been revised. Duplications between the Global Env Prob section and Baseline have been removed and presented in GEP section only. Issues that are challenges for city but are not addressed by the project too are removed (e.g., for Chennai Sections on Waste generation & management removed, Sections within ?Rising Energy Demand? deleted). The section length is decreased to 39 pages.

The reference for GEF-6 IAP program was included in the ?Institutional Arrangements and Coordination? section. This has now been moved to the baseline section. Further information is added explaining how the present project will built upon the GEF-6 IAP

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

The updates with more detailed and re-arranged outputs in each of the target cities are clear, and we appreciate that all three target cities cover multiple aspects of the urban sustainability in an integrated manner.

With Guwahati removed from participation, the addition of three replication/secondary cities is clear and well described. The twinning of the three target cities with replication cities facing similar problems shows good potential for scale up. The interventions, involvement and benefits of Component 4 to the three replication cities Agra, Madurai and Puducherry could be made clearer, please provide some more information on that.

Component 4 has been revised with reference to UrbanShift rather than GPSC. Please go through the document to make this consistent, as there are still many references made to GPSC where we believe it should refer to the SCIP/UrbanShift global component under GEF-7.

The shift in Surat from industrial development zone to focus on integrated coastal zone is not affecting the overall GEBs from the projects. Please clarify this as it is intuitive that this may lead to reduction in GHG emissions and increase in core indicators 3 or 4 from this shift.

Please refer to comment earlier regarding working with national government on national urban policies and programs.

November 1, 2021

Thanks. Comment cleared.

Agency Response

Replication City Engagement with Component 4:

The replication cities will participate in trainings organized in the cities to which they are twined with. Further, the replication cities will also benefit from the activities under output 4.3 conducted by the UrbanShift global programme. This has been made clear in the description of Component 4.

Further, details and specificity of deliverable that the replication cities will benefit from have been added to the replication cities in Output 3.1.

Reference to GPSC: The GPSC reference has been changed to UrbanShift except in two places: The Change table where the reference is made to language used in the PIF stage; and STAP comments tables where the GPSC is referred to by the STAP.

Change in focus in Surat and impact on GHG emissions benefits of project: The focus was shifted from Industrial zone to coastal zone management for two primary reasons: (i) the industrial zone development is managed completely by Gujarat Industrial Development Corporation (GIDC), a state parastatal. It has no overlap of mandate and responsibility with the SMC or any other body within SMC area. Thus, the potential for coordinated development planning was very low; and, (ii) The SMC boundaries have been expanded into the coastal areas of Surat. SMC is initiating planning of these areas which would have impact on the vulnerability of built infrastructure, both, from current vulnerabilities as well as climatic impacts. The different resources within the SMC planning zone are managed by multiple agencies, SUDA for overall planning, SMC for town planning, different transport authorities for major transport infrastructure such as metro and bus system, Gujarat Coastal Zone Management Authority (GCZMA), etc. with overlapping mandates in the area. Thus, the potential for integrated and coordinated planning and development was high as well as the impact of project was seen as high on GHG emissions reductions, protection of biodiversity and resilience to climate change.

In terms of GHG emissions reductions, the main GHG emissions reductions reported are from integrated transport in the coastal zone to reduce the impact of private vehicles use on coastal ecosystems. Further, the development of NMT infrastructure to increase public transport use will be replicated across the cities. In Indian cities the share of transport related GHG emissions is double (See Table 1 in CEO ER) than the emissions from industries. The impact of intervention in Surat Industrial zone would have been limited to existing industrial zones as no new zones are planned within the SMC boundary. Hence, the total impact of intervention in Industrial zone would have been limited to smaller land area and also impacted a smaller share of City GHG emissions, whereas NMT and Public transport integrated approach in Dumas areas combined with its replication potential across city results influences larger area and large share of City GHG emissions. Thus the reduction impacts of the two are of similar order.

This explanation is added to the Section of Changes to PIF.

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

Secretariat Comment at CEO Endorsement Request

Yes.

Agency Response

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

Secretariat Comment at CEO Endorsement Request

Yes, with specific emphasis on developing the business case for NbS (Chennai). Despite of strong focus on nature based solutions across the target cities, the GEBS (e.g. 4 and 3) are very low. Please clarify.

November 1, 2021

Thanks for the clarification. Well noted that there will be potential benefits related to CI 4 and 3 which will be captured in PIR reports. While it is good to take a conservative approach and not include as CI, please elaborate on these benefits in the GEB section to reflect that the planning and identification of areas will eventually lead to GEBs related to BD and LD. We also noted that the lake restoration intervention in Chennai will complement biodiversity in primary wetlands in Chennai. Please highlight this under the GEB section as part of enhancing urban biodiversity objective of the cities program.

Agency Response

For Chennai, the scaling up actions have been improved. The area now covers 1,977 hectares (across 40 water bodies), which roughly doubles the core indicator estimate for the city.

The GEBs from intervention in Surat are not captured as the intervention supports development of plan to integrate the protection and enhancement of coastal ecosystems (mangroves, forests, water bodies, etc.) using NbS in defining the land use. The output of the plan process will be identification of areas to be protected including the NbS measures to enhance the conservation effort. The areas will not be developed within the project duration and, hence were not reported in Core Indicator 4. During the implementation of the project city will be supported in mobilizing investment for implementing NbS based measures. This will be captured through the PIR reports at that stage, as mentioned in the CEO ER.

Similarly the indirect impacts of replicating the approach in Madurai and potential for replication through Component 4 activities to build awareness and capacities in other cities and states has not been captured.

1st November 2021

The GEF section is updated with the benefits that will be gain through plan development in Surat as well as its influence on the State of Gujarat, and in replication city of Madurai. In Gujarat, the influence in Gujarat will be through the capacity building under Component 4, where coastal zone cities will be invited to share the experience and develop capacity on applying the approach used in Surat.

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

As stated above, the project includes many interventions to promote biodiversity, avoid land degradation, and enhance climate change adaptation and resilience. Please expand a bit more on these benefits under this section, as they are generally well described throughout the document. Currently, the section on GEBs and adaptation benefits is quite limited to GHG avoided and the Chennai lake restoration.

1 November, 2021

Thanks for the revisions and clarification. The comment is cleared.

Agency Response

Adaptation benefits for Chennai (aligned with the GEF adaptation guidelines) have already been captured. Furthermore, the GEBs specific to the Chennai intervention have been adjusted upwards. The GCC has plans to restore up to 181 waterbodies. Our initial estimate of 20 was conservative, because we want to make sure that the NbS approach demonstrated in Lake Kadapakkam is adopted and internalized sufficiently well in the scaling up. We are, however, confident that the approach will be taken up for at least 40 water bodies. The tables on GEBs/ benefits along with GHG emissions reductions estimates, have been modified accordingly.

In addition the section includes description of adaptation benefits and biodiversity preservation and land rejuvenation benefits through interventions in Surat as well as Pune. In Pune the increased integration of green cover with the NMT infrastructure will contribute to reducing the heat island affect thus increasing resilience of the city to increase temperature due to climate change.

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

Innovation ? Yes.

The outstanding features of innovation are standards and business models for NbS, the data-based management and planning through geospatial data mapping platforms, and its financial and governance innovations.

Sustainability - Some clarifications requested.

Please indicate how the digital platforms be resourced after GEF funding finishes, and how they will be funded operated within city departments. On the GEF investments in component 2, please elaborate on how new collaborations and governance structures ensure that these investments remain operational after the project conclusion.

Scale-up: Yes.

This aspect is well described through collaboration with national platforms, twinning of cities and collaboration with the UrbanShift global project.

1 November, 2021

Thanks for the revisions and clarification. The comment is cleared.

Agency Response

Further elaboration is now provided in Sustainability section addressing the two specific issues raised.

Two aspects that are highlighted and important to note are: the digitalization supported by the GEF fund will be part of the existing digital platform of the cities that is developed and operationalized through the Smart City Mission. The maintenance and operation of these digital platforms (ICCC) is funded through the City budget. The value of the data integrated in the digital platform in better management and providing better services too ensures its sustainability. Further, such data collection mechanism will also use the wider stakeholders in providing information. Thus, broad basing the efforts of

data collection ensures sustainability; and, the GEF funding for pilots is complemented by the City funding. Thus, the sustainability of specific pilots is ensured as they are fully owned by the city authorities through their investments and are part of their approved plans.

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

Yes, but clarification requested.

Maps and coordinates are provided, but it looks like the coordinates for Surat are pointing to a place quite far from the city. **Please double check the coordinates provided for Surat.**

1 November, 2021

Thanks for the revisions and clarification. The comment is cleared.

Agency Response

The Surat Coordinates have been corrected.

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

Yes.

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

Significant revisions required:

Given that absence of participation with stakeholders from civil society and academia is identified as a barrier to sustainable urban development in India, please provide some more details on how these two groups will be engaged in the project (especially for Surat and Pune).

We strongly object to the term "crowd" used for these stakeholder as it not only goes against our policies of stakeholder engagement, but also it's far from reality of Indian context, where NGOs, academics and environmental groups have a significant influence on urban growth and sustainability. This needs to be removed and revised. It also goes against UNEP and any other UN agency's approach also to engage such institutions/organizations. In the above context, the term "subjects" also doesn't justify the stakeholders listed. Citizens and private sector are not just subjects but also decision makers/influencers.

The project should rather provide a clear plan on how to engage them constructively to ensure that the project outcomes are inclusive for vulnerable communities and ecosystems.

1 November, 2021

Please remove "**subjects**" also and revise the stakeholder mapping and engagement approaches diagram.

November 2, 2021

Thanks. Comment cleared.

Agency Response

As requested the engagement of civil society and academia has been further elaborated in the CEO ER.

The term crowds has been deleted.

1st November 2021

The stakeholder mapping has been suitably modified as suggested.

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

Yes. A Gender Analysis and Gender Action Plan are submitted as part of the CEO ER, describing activities, indicators and expected results well given the challenging context. The project focus on data and digitalization have potential to address the current gender data gap in Indian cities.

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
Yes. Engagement of the private sector is present throughout all four components of the projects.

Agency Response
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
Yes. Potential risks, including risk related to COVID-19 and climate change, are well elaborated.

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
Yes, with some clarifications requested.

Overall, it is positive to see that urban authorities from the three cities will take the lead in implementing the activities in the three target cities.

As the project is implemented in different cities by the two different Implementing Agencies UNEP and ADB, please elaborate a bit on how the components led by ADB and UNEP will inform and ensure learning from each other?

1 November, 2021

Thanks for the clarification. The comment is cleared.

Agency Response

ADB and UNEP have a history of collaboration, including three GEF-supported projects in India. At the corporate level, ADB and UNEP urban, water, energy and GEF coordination teams will be engaged throughout project implementation.

The project has established a Project Execution Committee which will include MoHUA, NIUA, City representatives, UNEP and ADB. PEC will meet quarterly to take stock of the project progress and project outcomes. This mechanism will ensure the capture the progress and learning from the different cities.

Further the City coordinators will work closely with the Project Implementation lead on a very regular basis. The work under component 4 to collage the knowledge and learning from city work, which will be led by the Project Implementation Lead, to allow the flow of information across the cities.

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

Yes, with suggestions. The project seems well aligned with national strategies, including the National Smart Cities Mission. Can you please articulate a bit on the alignment with India's NDC?

1 November, 2021

Thanks for the revision. The comment is cleared.

Agency Response

This has been further elaborated in the section on 'Consistency with National Policies?'

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

Yes. The activities and approach under outcome 4 on Knowledge Management are clear, including participation in capacity building and awareness raising activities under the global coordination project of UrbanShift.

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

Yes.

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

Yes, with suggestions. The project's socioeconomic benefits and their linkages with GEBs are described, but considering the strong focus on NbS especially in Surat and Chennai the socioeconomic benefits of greening and integration of nature can be emphasized further. E.g. in Surat, where NbS and green corridors are described as 'lung spaces and sponge spaces?', this can have many benefits for human health and wellbeing, and job creation, which can be linked to a green and resilient recovery from COVID19. Overall, the project will likely have a significant climate resilience and adaptation benefits for communities, which could be further elaborated and linked with e.g. the interventions on green transport and NbS.

1 November, 2021

Thanks for the revisions and clarification. The comment is cleared.

Agency Response

The description of benefits to adaptation, air pollution, biodiversity and heat island effect reduction from the interventions are further augmented in the relevant sections.

Annexes

Are all the required annexes attached and adequately responded to?

Secretariat Comment at CEO Endorsement Request

Yes. See separate comments on some of the Annexes below.

Agency Response
Project Results Framework

Secretariat Comment at CEO Endorsement Request

This is included as Annex A, but it seems like some numbers are not up to date. Please revise based on latest project design and targets.

Thanks. Comment cleared.

Agency Response

The numbers have been revised and aligned with the latest project design and target.

GEF Secretariat comments

Secretariat Comment at CEO Endorsement Request

The Agency is requested to address the following additional comments from PP and resubmit the project:

1. The agency fee (\$1,549,409) is missing, please add this in the project information
2. In Table A: please ask the agency to include the focal area outcomes. " Transforming cities through integrated urban planning and investments in innovative sustainability solutions"
3. On the Budget: The budget table is off margins and will no be able to be read once converted to pdf. Please change the format so it will fit. While we will be able to provide more definitive comments on the budget per the resubmission, by now please see the following comments: (i) budget in Annex E in Portal is presented per component, but these are not matching the components in Table B); (ii) ?administrative and support costs? seem to be overhead costs, which cannot be covered by GEF funds ? please charge these to the co-financing portion of the PMC.
4. On the PPG: As per the utilization table, as ADB did not request neither use PPG, please request the agency to delete the information regarding ADB?s PPG from Table F.
5. Please include expected outputs and outcomes for the M&E Component in Table B.
6. On PMC: there is no proportionality in the co-financing contribution to PMC. If the GEF contribution is kept at 4.99%, for a co-financing of \$492,561,950 the expected contribution to PMC must be around \$24,578,841 instead of \$7,320,000 (which is 1.4%). As the costs associated with the project management have to be covered by the

GEF portion and the co-financing portion allocated to the PMC, the GEF contribution and the co-financing contribution must be proportional, which means that the GEF contribution to PMC might be decreased and the co-financing contribution to PMC might be increased to reach a similar level. Please ask the Agency to amend either by increasing the co-financing portion and/or by reducing the GEF portion.

GEFSEC Nov 10

Thanks for addressing the comments. Cleared.

GEFSEC Nov 10,

Please address the following additional comments:

- Miscellaneous expenses cannot be charged to GEF funding ? please charge this to the co-financing
- There are a couple of items that can't be funded by GEF as these are part of the items to be covered by the Agency Fee: Travel for Agency staff ? UNEP for \$139,520 and Travel for Agency staff ? ADB for \$48,000. Please clarify.
- Still ADB is shown in PPG - Table F
- In the review sheet the Agency explained that ?The M&E components has been discussed extensively with the GEF PPO office and agreed that as this component is for monitoring costs, specific outputs or outcomes are not required.?. PPO has not engaged with the Agency on this or any other project. The only place in Portal where the reader can find a summarized presentation of outputs and outcomes per component is Table B ? whenever monitoring and evaluation are embedded within another project component, the correspondent outcome(s) and output(s) are described in Table B. Based on the above, it is reasonable to request outcome(s) and output(s) in Table B whenever monitoring and evaluation are in a stand-alone component.

November 11, 2021

All comments have been addressed except the one on M&E. Please consider the following and resubmit the project:

- It is important that in the Table B, the M&E component has clearly defined outputs just like other components for ease of review by Council members. In section 9 (M&E) of the CEO ER, the outputs are already clearly defined. We suggest to include the key outputs listed in the table in section 9 in Table B also. The Agency can also include a make a clear reference to Section 9 in the output column of Table B. This will enable reviewers to easily refer to right section for detailed information.

November 12, 2021

Comment cleared.

Agency Response

1. Agency fee has been added to appropriate box.
2. The Outcome language has been added to the Table A.
3. Budget Table
 - (ii) The budget tables have been aligned.
 - (iii) The Administrative and support costs are costs covering ? equipment, communication, small meeting costs for stakeholder consultation, PSC, etc., support for procurement, etc. These have been further broken down and reflected under appropriate budgets. The other operating costs covers communication and miscellaneous costs.
4. Table F in the portal can't be edited as it is prefilled based on the approved PIF on the portal. Therefore, the ADB co-finance couldn't be removed.
5. The M&E components as been discussed extensively with the GEF PPO office and agreed that as this component is for monitoring costs, specific outputs or outcomes are not required.
6. The PMC cost has been increased and is now 3.75 percentage. We would like to not that PMC doesn't increase in the same ratio as the level of co-finance. There are economies of scale as PMC is largely a fixed cost with a small fraction of variable costs that is proportional to size of the funds managed.

11 November 2021

Misc Exp - The issues is addressed

Reference to ADB and UNEP in Travel Cost - This is addressed

Table F: As mentioned in previous response the portal prefills the PPG once the PPG box is clicked. Agency is unable to remove the ADB PPG lines in the Table F.

M&E in Table B - the GEFSEC raised this issue on 12/21/2020 in the review sheet for the project 10284: Accelerating the transition to electric public transport in the Greater Metropolitan Area of Costa Rica. Upon receiving the comment, UNEP and the GEFSEC held a virtual meeting on 7 January 2021 where it was agreed that it was acceptable to have M&E separated as displayed in that project (and this project), i.e. without component number, financing type, outcome description and outputs. This structure was used for UNEP GEF projects that the GEF CEO has endorsed since then, including:

- ? 10189 ? Thailand Energy Efficiency Homes
- ? 10276 ? India Electric Mobility project
- ? 10301 ? Maldives Electric Mobility project
- ? 10449 ? CBIT Fiji

Based on this previous guidance, table B has been kept as is.

November 12th 2021

M&E in Table B: Comment addressed as Asked.

Council comments

Secretariat Comment at CEO Endorsement Request

Agency Response

STAP comments

Secretariat Comment at CEO Endorsement Request

Yes. STAP general comments on the need for clarification of methods used to calculate carbon savings are relevant for this project, and the project's used methodology is included in Annex M.

Agency Response

Convention Secretariat comments

Secretariat Comment at CEO Endorsement Request

Agency Response

Other Agencies comments

Secretariat Comment at CEO Endorsement Request

Agency Response

CSOs comments

Secretariat Comment at CEO Endorsement Request

Agency Response

Status of PPG utilization

Secretariat Comment at CEO Endorsement Request

Agency Response

Project maps and coordinates

Secretariat Comment at CEO Endorsement Request

The maps are not clear. Please provide one country map, with states highlighted and cities located for each state. Please also include the location of the replication cities.

November 1, 2021

Thanks. We see the maps in Annex D. Please revise the Annex number in the CEO ER document where it says Annex E (budget). Also, please update the supporting Prodoc's Annex E which doesn't include proper maps in consistent with the CEO portal entry.

November 2, 2021

Thanks. Comment cleared.

Agency Response

ADB Response: ADB would like to limit map presentations to the project cities and surrounding areas.

The city map of 3 replication cities too has been included. Due to challenges faced in putting all 6 cities maps in one window, the Primary Target City Maps are including in the main body of the document and the replication city maps are included in Annex E.

1st November 2021

The revised CEO ER (Prodoc) has been uploaded with the adjustments to the Maps aligning it with the maps included in the CEO ER document. In CEO ER all the city maps are included in, both, the main body and Annex D. The reference in previous response inadvertently referred to Annex E, whereas, it was meant to be Annex D.

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

NA

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 NA

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 NA

Agency Response

GEFSEC DECISION

RECOMMENDATION

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

Secretariat Comment at CEO Endorsement Request

The Agency is requested to address all the comments in the review sheet and resubmit the project.

The project is returned to the Agency again to address additional comments in the review sheet.

The Agencies have addressed the comments. The project is technically cleared for CEO Endorsement.

November 8, 2021: The Agency is requested to address additional comments from PPO and resubmit the project. The comments are provided in the GEF Secretariat Comments box in the review sheet.

November 10: Additional comments from PPO has been addressed well and therefore the project is recommended for endorsement.

November 10: Please address the additional comments made under GEF Secretariat comments box.

November 11: Please address the final comment on M&E and resubmit the project.

November 12, 2021: All outstanding comments are addressed. The project is technically cleared for CEO Endorsement.

Review Dates

**Secretariat Comment at
CEO Endorsement**

**Response to
Secretariat
comments**

First Review

10/25/2021

**Secretariat Comment at
CEO Endorsement****Response to
Secretariat
comments**

Additional Review (as necessary)	11/1/2021
Additional Review (as necessary)	11/2/2021
Additional Review (as necessary)	11/8/2021
Additional Review (as necessary)	11/10/2021

CEO Recommendation**Brief reasoning for CEO Recommendations**

The project "Livable Cities in India: Demonstrating Sustainable Urban Planning and Development through Integrated Approaches" is a child project of the Sustainable Cities Impact Program. It aims to demonstrate low emissions, resilient, nature-based inclusive sustainable urban development in selected cities and support scale-up nationally. Through a GEF grant of \$17.2 million and significant co-finance of \$499 million (1:29 ratio), the project will result in 1,992 hectares of land restored and lead to GHG mitigation of 35.9 million tCO₂e. It will directly benefit over 12 million people. The project will directly contribute to the flagship Smart Cities Mission of India and will influence national urban policies to systematically integrate climate and nature in urban policies, planning and investments. With the recent net-zero target announced by India, this project is strategically placed to contribute to India's climate goals.

The urban population of India is the second largest in the world, only behind China, and continues to grow rapidly. Most of this urban growth is in peri-urban areas, where new developments with low density have led to land degradation, biodiversity loss, resource depletion and high levels of GHG emissions. Climate change also poses huge risks to Indian cities, with water stress and extreme weather events. Lack of a holistic and integrated approach to urban planning is resulting in lost opportunities to optimize urban investments and spatial planning, and as a response the project will strengthen coordination between governance levels, promote integrated approaches, help mobilize finance for sustainable solutions and support three strategic cities Pune, Surat and Chennai in achieving their urban sustainability goals.

In Chennai, pressing issues of nature degradation, extreme weather, floods and water scarcity will be addressed through nature-based solutions (NbS) including restoration of the Kadapakkam Lake, a major water body within its basin. In Pune, where the key urban sprawl is a big challenge, the project will promote compact urban development and low emission resilient green transit corridors. In Surat, competition for land has led to substantial developments in coastal areas which increases climate vulnerability and threatens biodiversity. Here, resilient coastal zones and low emission mobility will be developed. In addition, the project will also support replication in three strategically selected twinning cities, to scale up impact.

The project is organized around four components to ensure these achievements and impacts:

1. **Evidence-based sustainable and integrated planning** ? providing key urban stakeholders with knowledge, tools, and systems for data collection to undertake integrated spatial planning.
2. **Investments in low emission, resilient and nature-based solutions** ? supporting target cities to develop sustainable pilot projects for low-emission resilient urban development.
3. **Innovative financing solutions for cities** ? including land value capture, innovative financing solutions for managing climatic hazards, and business models for engaging private sector in the development of low emissions transport infrastructure.
4. **Knowledge Exchange and Capacity Building** ? making knowledge, tools and best practice examples available on a National Urban Learning Platform (NULP), and linking it to the global project of the Sustainable Cities Impact Program/UrbanShift.

The GEF Agencies for the project are UNEP and ADB, with UNEP as the lead. The Executing Agency is the Ministry of Housing and Urban Affairs (MoHUA), with the National Institute of Urban Affairs (NIUA) as Co-executing Agency. The Urban Authorities from the three cities Chennai, Pune, and Surat will take the lead in implementing the activities in the three target cities respectively. The project has established a Project Steering Committee (PSC) which includes MoHUA, NIUA, representatives of different relevant ministries (incl. Environment, Finance and Women welfare), and City Authorities. UNEP, ADB and GEF Official Focal Point as well as non-government actors such as civil society, academia/research entities, and the private sector will also be invited to participate in the PSC.

The project is a first of its kind urban development project in India with dedicated focus on integrated approach and nature based solutions. New business models to engage the private sector in NbS investments and new NBS standards will support a sustainable balance of green and grey infrastructure in cities with investment designed at the outset to internalize this into city planning and processes. Data-driven management and

planning through geospatial mapping platforms will help in evidence based planning and enhanced participation of civil society. The array of fiscal and governance innovations will help speeding up adoption and implementation of sustainable urban development concepts and develop innovative new revenue sources, such as fees for provision of ecosystem services, land value capture and PPP models.

COVID-19 has severely affected Indian economy with particular effect on its cities. At the same time, COVID-19 restrictions have highlighted the importance of urban green spaces and integrated planning such as India's command and control centers which helped in tackling the pandemic. The project will factor in all the risks and constraints associates with the pandemic in its operations by following the protocols of cities and national government related to social distancing, travel, and vaccination. The project is suitably placed to support building back better by strengthening non-motorized transport infrastructure, creating green spaces and other nature based solutions which will deliver various co-benefits in terms of reduced pollution, improved health, new jobs and new investments which will support local economic growth.