

Low Carbon Solutions through Nature Based Urban Development for Kutaisi City

Review CEO Endorsement and Make a recommendation

Basic project information

GEF ID

10643

Countries

Georgia

Project Name

Low Carbon Solutions through Nature Based Urban Development for Kutaisi City

Agencies

UNEP

Date received by PM

10/14/2021

Review completed by PM

11/30/2021

Program Manager

Ming Yang

Focal Area

Multi Focal Area

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

10/19/2021 MY:

Yes, the project remains aligned with the relevant GEF CCM focal area elements as presented in the PIF.

12/10/2021 MY:

Not completed yet. Please address the following comments from the GEF PPO Unit:

1. The requested funding at CEO endorsement stage (\$1,504,591.90) increased by 30% from PIF stage (\$1,050,230). With that, this project must be processed with a major amendment with all the required steps including the submission of a new Letter of Endorsement and a Notification for Major amendment. Only when the above documents are submitted to the GEF Portal, the project can be processed. After that, the GEF will provide further comments if applicable. When the new OFP letter and the Notification are ready, please send them to the PM by email in addition to uploading them in the GEF Portal, the PM needs these documents to proceed the project internally with a prompt action.

D. Trust Fund Resources Requested by Agency(ies), Country(ies), Focal Area and the Programming of Funds

Agency	Trust Fund	Country	Focal Area	Programming of Funds	Amount(\$)	Fee(\$)
UNEP	GET	Georgia	Climate Change	CC STAR Allocation	1,326,550.51	126,022
UNEP	GET	Georgia	Land Degradation	LD STAR Allocation	178,041.39	16,913
Total Grant Resources(\$)					1,504,591.90	142,935.00

D. Indicative Trust Fund Resources Requested by Agency(ies), Country(ies), Focal Area and the Programming of Funds

Agency	Trust Fund	Country	Focal Area	Programming of Funds	Amount(\$)	Fee(\$)	Total(\$)
UNEP	GET	Georgia	Climate Change	CC STAR Allocation	875,191	83,142	958,333.00
UNEP	GET	Georgia	Land Degradation	LD STAR Allocation	175,039	16,628	191,667.00
Total GEF Resources(\$)					1,050,230.00	99,770.00	1,150,000.00

2. Please exclude decimals in the numbers provided for the project in all table

A. FOCAL/NON-FOCAL AREA ELEMENTS

Objectives/Programs	Focal Area Outcomes	Trust Fund	GEF Amount(\$)	Co-Fin Amount(\$)
CCM-1-2	Quantifiable and verifiable tons of CO2e mitigated through actions for development of low-carbon transport options to cover investments from alternative fuel vehicles and fuel-efficient vehicles to bus-rapid-transit and bicycle sharing programs and to reduce barriers for adoption of electric mobility and significant reduction of local air pollution through electric drive technologies.	GET	1,326,550.51	8,623,800.00
LD-1-4	Pressures are reduced on natural resources from competing land uses and increase resilience in the wider landscape; Integrated landscape management and restoration addresses the physical, biological and socio-economic aspects of the processes of land degradation, with specific attention to deforestation to maximize the delivery of multiple benefits to invest in the management of landscape across sectors and across administrative boundaries in the context of sustainable development and to scale up SLM practices and the restoration of landscapes on quantifiable and verifiable hectares of landscapes (excluding protected areas).	GET	178,041.39	6,850,000.00
Total Project Cost(\$)			1,504,591.90	15,473,800.00

2. Facilitating investment in low emission electric public transportation and green city development Technical Assistance (40%) Investment (60%)	Investment	2. Economic and technical feasibility of integrated municipal projects (green public transport and green urban development)	2.1 Ne2.1 Needs assessment and resource mobilization strategy/plan for Kutaisi Low emission electric urban transportation	GET	629,550.90	7,718,729.00
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3. Component 2 of In Table B, there has been some kind of format issue. Please amend it.

251,820.36 (TA) - 40%

377,730.54 (INV) - 60%

by Outputs:

61,820.36 (Output 2.1)

of which

by Financing Type:

61,820.36 (TA)

0.00 (INV)

50,000.00 (Output 2.2)

of which

by Financing Type:

4. Section 9 (M&E) of the Portal is missing the M&E Budget. In addition point 6 in Section 9 stipulates that the total resources allocated for M&E are 70,000. Nonetheless the overall project budget stipulated only 50,000. Please harmonize the budget.

UNEP Budget Line	1	2	3	Total Components without PM and M&E	Monitoring and Evaluation (M&E)	Project Management Cost (PMC)	Total
99 GRAND TOTAL	442,660	629,550.90	245,600	1,317,810.90	50,000	136,781.00	1,504,591.90

5. On the budget:

5.1 GEF resources should not cover banking costs

i02 Banking costs	250	500	250	1,000	0	675	1,675	558	558	558	1,675
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5.2 Project Director, Project Technical Advisor, Project Local Coordinator, Financial and procurement officer as well as Project assistant and director have been charged across the components. Per GEF Policy Guidelines, costs associated with the execution of the project (including project's staff) have to be covered by the GEF and co-financing portion allocated to PMC.

	1	2	3	Total Components without P MC and M&E	Monitoring and Evaluation (M&E)	Project Management Cost (P MC)	Total
REL COMPONENT							
Project personnel							
01 Project Director	14,000	1,000	13,000	28,000	0	21,500	49,500
02 Project Technical Advisor	23,000	1,000	48,000	72,000	0	0	72,000
03 Project Assistant	12,000	1,000	7,000	20,000	0	0	20,000
04 Project local coordinator (stationed in Kutaisi)	15,000	1,000	20,000	36,000	0	0	36,000
1301 Financial Officer	10,000	1,000	9,000	20,000	0	20,000	40,000
1302 Administration/Procurement Officer	10,000	1,000	9,000	20,000	0	20,000	40,000

6. Co-financing: UNEP 2.8M Grant ? The co-financing letter is not clear whether this amount will be in the form of grant. As this is categorized as Investment Mobilized, please provide more info in the Investment Mobilized description section.

12/22/2021 MY:

Yes, all comments were addressed and the CEO AR package was revised accordingly.

Agency Response

12/20/2021

1. The new OFP letter, justification letter of the Ministry and UNEP's notification have been uploaded on the portal and these documents are shared with the PM by email as well.

2. Please exclude decimals in the numbers provided for the project in all table

3. We corrected the format of the 'Component Type' column of the Component 2 of the Table B.

4. We added the M&E budget on the Portal and corrected the text. The total GEF resources allocated for M&E are 50,000.

5. On the budget:

5.1 We removed the banking costs.

5.2 We adjusted the budget. Project Director, Project Assistant, Project local coordinator (stationed in Kutaisi), Financial Officer and Administration/Procurement Officer are all charged to PMC only.

6. On UNEP's co-financing, We added the following paragraph in the Investment Mobilized description section:

UNEP will provide \$2.8million grant co-finance. The investment mobilized by UNEP will be from UNEP's "EU4Environment: Sustainable Public Procurement in Georgia"

and ?Building capacity to advance the National Adaptation Plan Process in Georgia? Projects. These Projects are expected to start in 2022. Sustainable Procurement Project will enhance the municipality?s capacity in adopting sustainability criteria in public tenders. National Adaptation capacity project will support Component 2. The project will strengthen the technical and institutional capacity of public institutions in the pilot region, vulnerable groups and relevant stakeholders to implement adaptation process. The project will enhance the management, acquisition and dissemination of climate change data and information.

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

10/19/2021 MY:

Not completed yet.

1. Please elaborate if any GEF grant will be used for output 2.4. In the two demonstration projects. Will any GEF grant be used for building tangible or concrete assets? Please split the 60% of investment in Component 2 and put the numbers of investment at the outputs of Component 2. This is for the purpose of evaluation and future verification.

2. Please revise the ratios of PMC over the subtotal plus M&E costs, making the two ratios highlighted in below identical or similar.

	GEF TF	Co-financing
Subtotal	1,317,810.90	12,278,800
Monitoring and Evaluation	50,000	25,000
Subtotal plus M&E	1,367,811	12,303,800
Project Management Cost (PMC)	136,781	400,000
Ratio of PMC over subtotal plus M&E	10.0%	3.3%

11/24/2021 MY:

Yes, comments were addressed and the project document was revised.

Agency Response

1. Yes, the GEF grant will be used for output 2.4 for building tangible concrete assets in the two demonstration projects that are described in Clauses 61-63 of the Proposed alternative scenario (1a. Project Description, Part II) and the Annex H1. Namely, for Implementation of 1 operational demonstration project on integrated low carbon transport to increased share of urban trips performed by e-busses, cycling and walking, connecting Kutaisi city center to Sataplia Nature Reserve and integrating the purchase of 2 electric EU-5 buses with this demonstration (*with the total estimated cost will be around US\$350,000 inclusive of the capital cost of the vehicle body, battery, fast charging station, low-power charging station*) and 1 operational demonstration project on SLM demonstration at the urban forest areas in Kutaisi city covering at least 220 ha of urban forest (*with an estimated total capital cost of around US\$27,000 for putting in place of infrastructure for physical protection /e.g. fencing / of demonstration sites*). In total, the estimated capital cost for both operational demonstration projects will be around US\$377,000 - 60% of investment in Component 2.

2. Completed. The ratios of PMC over the subtotal plus M&E costs have been revised - making the two ratios identical/similar.

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

Secretariat Comment at CEO Endorsement Request

10/19/2021 MY:

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

10/19/2021 MY:

Not completed at this time.

1. UNEP's co-financing letter is missing. In addition, as an implementing agency, UNEP should contribute some grant co-financing to the project.

2. The ratio of "investment mobilized over the GEF grant" is less than 1:5. Please consider adding more grant co-financing to raise the ratio to 1:5.

11/24/2021 MY:

Not at this time.

1. The co-financing letter of UNEP is not found in the project document.

2. The amounts of co-financing from REC Caucasus in the project document are not identical with those in the co-financing letter.

3. When these numbers are revised, please double check the ratios of 1:5, and revise the numbers in Tables A, B, C and other tables and places as well.

11/30/2021 MY:

Yes, all comments were addressed.

Agency Response

1. UNEP's co-financing letter is Attached.

2. The ratio of "investment mobilized over the GEF grant" which was less than 1:5 has been increased by adding more grant co-financing to raise it over the ratio of 1:5.

Consequently, co-financing figures have been changed in Tables A, B and C of Part I, in Annex H2 (*Detailed Co-finance Project Budget*) and in the Co-financing Commitment Letter from CSO - REC Caucasus (*Annex R*).

11/30/2021

As discussed and agreed through email the last submission addresses your comments.

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

10/19/2021 MY:

Yes, the GEF funding resources presented in Table D are adequate and cost-effective to meet the project objectives.

The total STAR allocation of Georgia in GEF 7 is less than \$7 million. The country can flexibly use its STAR resources in any one of the GEF focal areas.

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
10/19/2021 MY:

Yes, the status and utilization of the PPG is reported in Annex C.

Agency Response
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
10/19/2021 MY:

Not completed at this time.

Please check the GHG accounting data and methodology to make sure that the calculation of GEBs is correct. From PIF to CEO AR, direct emission reduction of CO₂ increased more than 30 fold while the indirect emission reduction became zero. This might not be correct.

11/24/2021 MY:

Yes, comments were addressed and the project document was revised.

Agency Response

Completed. Both, the GHG accounting data and methodology have been checked. We used the GEF's "Manual for Calculating Greenhouse Gas Benefits of Global Environment Facility Transportation Projects"

The emission reductions have changed due to EU-5 buses which are confirmed to be funded by EBRD's Initiative Green Cities Georgia, a portion of which is allocated to Kutaisi. These were not detailed in the CEO ER. As a consequence, edits have been provided throughout the CEO ER to include the EU-5 buses in the low carbon transport plans and implementation for Kutaisi in addition to the electric transport. The emission reductions of the EU-5 buses will be enhanced with conveyance efficiencies to the proposed EU-5 bus corridors such as dedicated bus lanes, synchronized transit priority signaling, enhanced cycling and pedestrian infrastructure and parking policies. As a result, the total direct GHG emissions is 163,800 tCO_{2eq} (compared to 100,000 tCO_{2eq} in the PIF) and total consequential emissions (indirect) is 1,508,868 tCO_{2eq} (compared to 2,396,695 tCO_{2eq} in the PIF).

Subsequent changes have been made in Project Core Indicators (Table E, Part I), section 6 (*Global environmental benefits (GEFTF) and/or adaptation benefits (LDCF/SCCF)*) of Part II and in Annex F (GEF 7 Core Indicator Worksheet).

Additionally, Annex U (Estimates of Direct and Indirect Greenhouse Gas Emissions Reduction) has been amended to make sure that the calculation of GEBs is correct.

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

10/19/2021 MY:

Yes, it was elaborated at the PIF stage and elaborated again in the CEO AR document in Part II.

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

10/19/2021 MY:

Yes, it is elaborated at the section of "The baseline scenario and any associated baseline projects".

Agency Response

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

10/19/2021 MY:

Yes, it is elaborated at the section of "The proposed alternative scenario with a brief description of expected outcomes and components of the project".

Agency Response

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

Secretariat Comment at CEO Endorsement Request

10/19/2021 MY:

Yes, the project is indeed aligned with the CCM focal area.

Agency Response

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

Secretariat Comment at CEO Endorsement Request

10/19/2021 MY:

Yes, it is elaborated at the section of "Incremental/additional cost reasoning and expected contributions from the baseline, the GEFTF, LDCF, SCCF, and co-financing".

Agency Response

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

.10/19/2021 MY:

Yes, it is further elaborated at the section of "Global environmental benefits (GEFTF) and/or adaptation benefits (LDCF/SCCF)"

Agency Response

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

10/19/2021 MY:

Yes, it is further elaborated in the section of "Innovativeness, sustainability and potential for scaling up".

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

10/19/2021 MY:

Not completed at this time.

The map shown in Figure 9 is too general. Please copy the map in the Annex to show the exact spots of the selected cities in Georgia. Please elaborate more details of the demonstration projects on the map.

11/24/2021 MY:

Yes, comments were addressed.

Agency Response

Completed. The map in Figure 9 has been copied from the Annex with exact spots of selected sites. More details have been elaborated on demonstration projects ? showing now locations for both 2 demonstration projects: (i) Operational demonstration project of integrated low carbon electric transport connecting Kutaisi city center to Sataplia Nature Reserve (expected *Green Transport Route*) and (ii) Operational demonstration project of SLM in urban forest areas of Kutasi City (targeted urban forest area for SLM demonstration ? *Saghoria Forest*).

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

10/19/2021 MY:

N/A

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

10/19/2021 MY:

Yes, the Stakeholder engagement report and future engagement plan are presented in the section of "**2. Stakeholders**" starting from paragraph 80 of the CEO AR document.

Agency Response

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

10/19/2021 MY:

Yes, the gender analysis is completed and the results are presented in the section of " **3. Gender Equality and Women's Empowerment** " .

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

10/19/2021 MY:

Yes, a private company will co-finance the GEF project. The role of the private sector is elaborated in the section of " **4. Private Sector Engagement.**"

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

10/19/2021 MY:

Not completed at this time.

In the Section of "**5. Risks**" (starting on Para 93), please add the risk of climate change on the project. Please consider:

1. Outlining the key aspects of the climate change projections/scenarios at the project locations, which are relevant for the type of intervention being financed (e.g. changes in

temperatures, rainfalls, increased flooding, sea level rise, saltwater acquirer contamination, increased soil erosion, etc.).

1.1 including time horizon if feasible/data available (e.g. up to 2050).

1.2 looking at list of examples from STAP guidance.

2. Listing key potential hazards for the project that are related to the aspects of the climate scenarios listed above. This means elaborating a narrative that describes how the climate scenarios indicated above are likely to affect the project, during 2021-2050.

3. Describing plans for climate change risk assessment and climate risk mitigation measures. Please see the STAP guidance on this issue.

11/24/2021 MY:

Yes, comments were addressed.

Agency Response

The climate change part in Section "5. *Risks*" has been modified. Key aspects of the climate change projections/scenarios at the project locations, relevant for the type of intervention being financed (e.g. changes in temperatures, rainfalls, increased flooding, saltwater acquirer contamination, increased soil erosion, etc.) have been outlined and assessment has been integrated including time horizon (up to 2050) according to the STAP guidance - linking key potential hazards and describing plans for climate change risk assessment and climate risk mitigation measures.

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

10/19/2021 MY:

Yes, it is elaborated in the section of "" 6. Institutional Arrangement and Coordination "" starting from paragraph 94.

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

10/19/2021 MY:

Yes, it is elaborated in the section of "" 7. Consistency with National Priorities"" starting from paragraph 101.

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

10/19/2021 MY:

Yes, it is elaborated in the section of " **8. Knowledge Management**" starting from paragraph 113.

Agency Response

Environmental and Social Safeguard (ESS)

Are environmental and social risks, impacts and management measures adequately documented at this stage and consistent with requirements set out in SD/PL/03?

Secretariat Comment at CEO Endorsement Request

10/19/2021 MY:

Yes, it is elaborated in the section of " Safeguard Risk Identification Form (SRIF)" before Annex N.

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
10/19/2021 MY:

Yes, it is elaborated in the section of "**9. Monitoring and Evaluation**" starting from paragraph 135.

Agency Response

12/20/2021

We have re-entered the section and added the added the M&E budget.

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
10/19/2021 MY:

Yes, it is elaborated in the section of "**10. Benefits**" starting from paragraph 141.

Agency Response

Annexes

Are all the required annexes attached and adequately responded to?

Secretariat Comment at CEO Endorsement Request
10/19/2021 MY:

Not completed at this time.

Please fill information for Annex B.

Annex E shows a good map. Please use the map to replace the map in the main body of the CEO AR document.

Numbers in Annex F may need to be checked and revised.

The TOC is attached to Annex A. Thanks.

11/24/2021 MY:

Not completed at this time.

Please double check all Annexes carefully. For example, the co-financing letter from UNEP is not in Annex R.

In addition, after revising the project co-financing and budget (see comments in the box that is related to co-financing), please update the numbers in relevant Annexes.

11/30/2021 MY:

Yes, all comments were addressed and issues were cleared.

Agency Response

Information for Annex B has been included.

Annex E. Completed. The map has been copied in the main body of the CEO AR document (see Figure 9). In addition, more details have been elaborated on demonstration projects ? showing now locations for both 2 demonstration projects: Operational demonstration project of integrated low carbon electric transport connecting Kutaisi city center to Sataplia Nature Reserve (expected *Green Transport Route*) and Operational demonstration project of SLM in urban forest areas of Kutasi City (targeted urban forest area for SLM demonstration ? *Saghoria Forest*).

Numbers in Annex F. Numbers in Annex F have been checked and modified to make sure that the calculation of GEBs is correct. Modifications have been done in accordance with already checked numbers provided in Project Core Indicators (Table E, Part I) and Annex F (GEF 7 Core Indicator Worksheet).

Project Results Framework

Secretariat Comment at CEO Endorsement Request

10/19/2021 MY:

Yes, it is Annex A.

Agency Response

GEF Secretariat comments

Secretariat Comment at CEO Endorsement Request
10/19/2021 MY:

At the PIF stage, the GEF SEC made the following comments:

11/28/2020 MY:

In the PPG stage, please identify and increase co-financing from the private sector.

Please address the above comment and consider mobilizing a bit more co-financing from the private sector to make the ratio of "investment-mobilized" reach 1:5. Thanks.

11/24/2021 MY:

Not addressed yet. Please address the above comments

11/30/2021 MY:

Yes, all comments were addressed and issues were cleared.

Agency Response

Council comments

Secretariat Comment at CEO Endorsement Request
10/19/2021 MY:

N/A

Agency Response

STAP comments

Secretariat Comment at CEO Endorsement Request
10/19/2021 MY:

N/A

Agency Response

Convention Secretariat comments

Secretariat Comment at CEO Endorsement Request
10/19/2021 MY:

N/A

Agency Response
Other Agencies comments

Secretariat Comment at CEO Endorsement Request
10/19/2021 MY:

N/A

Agency Response
CSOs comments

Secretariat Comment at CEO Endorsement Request
10/19/2021 MY:

N/A

Agency Response
Status of PPG utilization

Secretariat Comment at CEO Endorsement Request
10/19/2021 MY:

Yes, the PPG utilization is attached in Annex C.

Agency Response
Project maps and coordinates

Secretariat Comment at CEO Endorsement Request
10/19/2021 MY:

Yes, the Map is attached in an Annex.

Agency Response

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

10/19/2021 MY:

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

10/19/2021 MY:

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

10/19/2021 MY:

N/A

Agency Response

12/20/2021

Responding to the last comment below: The comments on Box 1 of the review sheet have been addressed in the resubmitted CEO Approval accordingly. The word version is also attached under the documents section.

GEFSEC DECISION

RECOMMENDATION

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

Secretariat Comment at CEO Endorsement Request

10/19/2021 MY:

Not at this time.

Please address the above comments.

11/24/2021 MY:

Not at this time.

12/22/2021 MY:

Yes, all comments were addressed and the CEO AR package was revised accordingly.

The PM recommends the CEO to approve the project.

Please address the above comments.

12/10/2021 MY:

Please address the comments of the GEF PPO as shown in Box 1 of the review sheet.

Review Dates

	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
First Review	10/19/2021	
Additional Review (as necessary)	11/24/2021	

**Secretariat Comment at
CEO Endorsement**

**Response to
Secretariat
comments**

Additional Review (as necessary)	11/30/2021
Additional Review (as necessary)	12/10/2021
Additional Review (as necessary)	12/22/2021

CEO Recommendation

Brief reasoning for CEO Recommendations

CEO cover memo for GEFID 10643

The objective of the project is to enable a transformative shift towards sustainable urban development within and outside of Kutaisi City of Georgia. The approaches of the project include strengthening planning and institutional frameworks, demonstrating and scaling-up investment in integrated low-carbon electric solutions in transport and sustainable land management practices. The project consists of three components: (1) strengthening planning and institutional frameworks enabling sustainable development in the City of Kutaisi; (2) facilitating investment in low emission electric public transportation and green city development; and (3) building and developing capacity, knowledge management and M&E for integrated low carbon city development.

This project is innovative in Georgia at the city level to design an Integrated Green City Development Strategy for the City of Kutaisi. The project integrates concept of sustainable green city with sustainable transport and sustainable land management practices. There is no other ongoing or planned initiatives or projects in Georgia with such an innovative approach on the sub-national level.

The project is sustainable because it is based on the commitment of the municipal government to reduce GHG emissions by 23% by 2030 in Kutaisi. In particular, the project was developed on the Action Plan of Kutaisi under the agreement signed between Kutaisi City and European Commission, as part of the City Administration-approved Covenant of Mayors. Therefore, there is a high level of political support for the project, which is important for the sustainability of the results. Successful completion of the project will demonstrate the full process of implementing a green city development project and the GHG reduction and environmental benefits of lower carbon

urban transport in Georgia. The project outputs include strategic documents and bankable projects which will play a crucial role to accelerate full scale implementation of the green urban development concept. Furthermore, improved awareness raising and capacity building efforts of sustainable urban transportation in Kutaisi will increase demand for less carbon intensive modes of urban transport amongst residents and tourists.

The project has a great potential to scale up. Other municipalities of Imereti region (the region of Kutaisi), including Chiatura, Tkibuli, Tskaltubo, Baghdati, Vani, Zestafoni, Terjola, Samtredia, Sachkhere, Kharagauli and Khoni, are also seeking to implement a green urban development plan as well as undertaking sustainable transport measures. Therefore, there is already a demand for scaling up. Kutaisi City will serve as a pilot city prior to the scaling-up of its integrated low carbon plans. The project will ensure inclusion of the stakeholders of these municipalities in the capacity development and knowledge management activities.

With \$1.5 million GEF grant, this project will mobilize \$15.47 million co-financing. In addition to improving management for 700 ha of land, this project aims at mitigating a total of 1.69 million tonnes of CO₂ including 163,800 tonnes directly and 1,506,868 tonnes indirectly.

Impact of COVID-19:

During the COVID-19 pandemic period, there is a tendency to shift away from shared mobility and public transit to reduce the risk of infection. The Project team will need to work with public health experts to ensure that the offered new low carbon transportation options consider public health and ready for the new normal. The Project will need national and international expertise during project development and implementation. Due to travel restrictions, priority will be given to national expertise for the activities on the ground and stakeholder engagements. The international expertise will be still utilized, but the implementation modality will be remote support and supervision.

Project activities will include stakeholder engagement at the implementation phases. In case in-person meetings are allowed, public health requirements are followed. In cases when in-person meetings are not possible, online tools will be used to organize meetings. To reduce data transfer traffic, documents and presentations will be shared with participants before the meetings.

Opportunity analysis of the COVID-19:

The COVID-19 crisis can provide opportunities to showcase the project's successes if its impact is successfully bundled with public health benefits. New and low carbon public transportation designs will consider reducing the risk of emerging infectious diseases in

the future. The project's component on connecting a national park with the city center will provide an opportunity to highlight the positive role of forest and wildlife on human health.