

Accelerating the Adoption of Electric Mobility in Chile

Review CEO Endorsement and Make a recommendation

Basic project information

GEF ID

10277

Countries

Chile

Project Name

Accelerating the Adoption of Electric Mobility in Chile

Agencies

UNEP

Date received by PM

11/10/2020

Review completed by PM

1/20/2021

Program Manager

Milena Vasquez

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

12/11/2020: Yes, the project is aligned to CCM-1-2 Promote innovation and technology transfer for sustainable energy breakthroughs for electric drive technology and mobility.

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

12/11/2020: Table B is well structured. However, please fill out the row completely for M&E (financing type, expected outcomes, expected outputs).

1/20/2021: Confirmed that this discussion was held and it is ok to leave blank. Cleared.

1/27/2021: We note that the proportionality between the PMC covered by co-financing with the PMC covered by the GEF funding is lacking (i.e. GEF PMC is 10% of the subtotal, while PMC covered by co-financing is 3%). Please review PMC to ensure greater proportionality per GEF policy.

3/15/2021: Ok.

Agency Response

01/13/2021. We have kept as is based on further guidance from the GEF secretariat.

03/12/2021. Following discussions between the Chile GEF Operational Focal Point and the GEF secretariat it has been determined that no change is required.

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

12/11/2020: Co-financing of \$18.05 million has been confirmed and investment mobilized has been properly explained.

We note there is no co-financing listed from the regional/local governments (GOREs). Please clarify.

1/20/2021: Thank you for the explanation. Cleared.

1/27/2021: We note that the letter from ?Production Development Corporation (CORFO)?, does not specify the type (Grant) for the US\$7M co-financing. Please submit an amended letter specifying the type of co-financing.

3/15/2021: Ok.

Agency Response

01/13/2021. The Chilean governance and budgetary structure is highly centralized. In this sense, investments in transport in the regions are primarily financed through the Ministry of Transport and Telecommunications (MTT). This includes the national subsidy which each GORE uses to incentivize the uptake of electric and more efficient vehicles (called *Renueva tu Colectivo*). In the Chile GEF-6 project on sustainable transport, it was indicated through an MTT co-financing letter that this subsidy and its use by each GORE would be proportioned to the GEF-6 project. Thus the key source of co-financing at the regional/local level has been allocated to an existing GEF project. Notwithstanding this, the regional governments are committed to the GEF-7 project. As the Chilean governance structure is highly centralized, there are ministerial regional

secretaries (SEREMI) (of the ministries of transport, energy and environment) which are located in each of the regions and work closely with the GOREs. The SEREMIs, as extensions of the ministries, are fully supportive of the project and its interventions. Similarly, the GOREs, while not providing co-financing, have been consulted on the project (see stakeholder consultation report, now uploaded to the portal) and are fully supportive (and in fact welcome the additional investment).

03/12/2021. In the CEO document, the type of co-financing of the Production Development Corporation (CORFO) has been changed to ?other?. CORFO is facilitating the awarding of a research and development contribution on behalf Rockwood Lithium Limited (today Albemarle Limited) to a selected entity (the recipient) for the creation of a center for the development of electromobility in Chile. CORFO is organizing the selection process and administrating the transferring of funds between Rockwood Lithium Limited and the recipient. Thus, CORFO?s co-financing does not correspond to the other co-financing types available (i.e. it is not a grant, loan, equity investment, etc.). Text has been added to the investment mobilized section to clarify this.

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 12/11/2020: Yes.

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 12/11/2020: Yes, all of the PPG resources have been utilized.

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 12/11/2020: Core indicators are properly filled out and remain realistic.

Agency Response

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

12/11/2020: The global environmental problems, root causes and barriers are well elaborated to explain the focus of the project on fixed-route taxis in regions outside of the metropolitan area of Santiago.

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

12/11/2020: Yes, the baseline scenario is well presented at the national and local level in the three targeted project areas.

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

12/11/2020: Yes, the project will focus on facilitating the transformation to electric mobility in three regions outside of the capital region where already Chile has experience introducing electric buses in the public transportation system. The focus of the project is on fixed route taxis, of which there are more than 50,000 in the country. The project will enable the demonstration and scale up of electric vehicles as fixed-route taxis through 4 components:

- 1) Institutionalization of low-carbon electric mobility (Strengthening coordination, consultation, and capacity of key actors.)
- 2) Short-term barrier removal through low-carbon e-mobility energy demonstrations (Demonstrating technological, economic and social viability of EVs for fixed-route taxi application)

3) Preparing for scale-up and replication of low-carbon electric mobility (Facilitating sustained scale-up of pilots through financial instruments, private sector investment plans and business models)

4) Developing regulations on extended producer responsibility and building local capacity for reuse, recycle and end-of-life vehicle disposal.

Please address comments below:

- Output 1.2: Please clarify how a single multi-stakeholder consultation strategy will be tailored to the three different regions the project will target (and how it will be able to be tailored to other regions as needed during scale-up).

- Output 1.3: Please clarify whether any deliverables in this output will aim to develop and implement targets and/or implementation plans for the adoption of electric mobility in fixed-route taxis at level of each region targeted.

1/20/2021: Thank you for the clarifications. Comment cleared.

Agency Response

01/13/2021.

Output 1.2.

A single multi-stakeholder consultation strategy will be designed and implemented as an overarching strategy which will be applied to the three target cities and also nationally. The strategy will contain key elements including: consultation scope and objectives, identification of stakeholders, envisaged consultation activities, and their timing. While the overarching consultation scope and objectives will be national, the strategy will be tailored to each of the regions to ensure effective implementation in these jurisdictions. The strategy will be tailored by firstly analysing the different geographic, climatic and socio-economic conditions of each city (north, middle and south). Following this, key stakeholders in each region will be identified, building upon the consultations held during the project preparation grant phase (see PPG stakeholder engagement report). Based on this analysis and identification of stakeholders, consultation activities will be tailored to each of three target cities. The design of such activities will draw on inputs from the regional SEREMIs and GOREs. The activities will be implemented through various activities, including the consultation and capacity-building workshops and sessions held in the target cities through output 1.3.

The overarching national strategy will be refined and further tailored to other regions based on the experiences of implementing the consultation sub-strategies in each of the target cities. These experiences will be captured in recommendations (deliverable 1.2.3)

that strengthen the national consultation strategy and identify a long-term consultation mechanism.

Output 1.2 has been strengthened to make this clearer.

Output 1.3.

No deliverables in output 1.3 will aim to develop and implement targets/implementation plans, as this output focuses on capacity-building. The notion of targets and implementation plans is important and we have now captured this in output 3.2. Chile has set an ambitious national target of 100% electric public transport by 2040 (as part of its national electric-mobility strategy), thus the project will not work to develop new targets for the three targeted cities. However, in output 3.2 we have adjusted a deliverable so that each targeted city will develop a roadmap to achieve this national target in their city. Each roadmap will contain sub-targets and actions to achieve the overall one. Output 3.2 has been updated accordingly.

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

Secretariat Comment at CEO Endorsement Request

12/11/2020: Yes, the elaboration is concise, but as the project is part of the Global E-mobility program, a flagship program in the CCM focal area, it is determined to be well aligned.

Agency Response

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

Secretariat Comment at CEO Endorsement Request

12/11/2020: Yes, the incremental reasoning is elaborated throughout the document and well-summarized in this section.

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

12/11/2020: Yes. The same methodology is being applied across child projects in the program.

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

12/11/2020: Yes these are well elaborated. It is worth noting that the project may be scaled up through a Green Climate Fund project based on the outcomes and experience of this project.

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

12/11/2020: Yes, coordinates for the targeted pilot cities have been provided.

Agency Response

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

12/11/2020: The project will follow the program's monitoring framework.

It is assumed that it will also benefit from the regional platform for Latin America and the Caribbean, which is led by the Centro Mario Molina based in Chile, as well as the thematic working groups focused on batteries and charging infrastructure, and light-duty vehicles. Please confirm and clarify how this project's experiences will feed into the regional and global work of the Programme and how it will concretely benefit from the global thematic and regional support and investment platforms.

1/20/2021: Cleared.

Agency Response 01/13/2021. This section of the CEO document has been updated to clarify this.

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

12/11/2020: This section makes reference to a report "Summary of stakeholder consultation meetings and validation workshop" which could not be found in the project documents. Please upload.

1/20/2021: Cleared.

Agency Response 01/13/2021. Report has been uploaded to the portal.
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

12/11/2020: Yes a gender analysis has been completed and an action plan has been laid out.

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

12/11/2020: Yes, private sector will be engaged particularly through Component 3 to develop business models for deploying electric fixed-route taxis in Chilean regions. In addition, utility companies, car dealers, vehicle charging infrastructure, financial institutions, taxi owners, app developers, etc. will be engaged throughout the project's different components.

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

12/11/2020: Overall risks and measures have been further elaborated.

Thank you for providing a climate risks screening and assessment based on the key questions outlined by STAP; however, we found it to be lacking. Please revise it to ensure it is addressing the questions properly. See STAP guidance (<https://www.stapgef.org/sites/default/files/documents/GEF%20AGENCY%20RETREAT%20Mar-Apr%202020.pdf>) For example, the first question makes reference to climate risks projections for a specific period 2020-2050, which is not addressed.

The COVID risk analysis does not provide information on the current impact of the COVID pandemic in Chile in the targeted areas as well as current measures in place that would affect the project's implementation. Please clarify.

In addition, the COVID opportunity analysis does not mention plans for Chile's green recovery and how this project may support that. Please clarify.

1/20/2021: Comments cleared.

Agency Response

01/13/2021

1. Climate risks screening and assessment has been updated.
2. COVID risk analysis updated.
3. COVID opportunity analysis updated.

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

12/11/2020: Yes, in particular there are plans for coordination with the GEF-6 project "Supporting the Chilean Low Emissions Transport Strategy" implemented by CAF.

There is also information for synergies among the other relevant e-mobility initiatives in the country.

Institutional arrangements are properly explained. UNEP is the implementing agency and the Agency for Sustainable Energy (ASE) is the executing agency. The Ministries of Energy, Environment, and Transports and Telecommunication will be part of the Project Management Unit.

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

12/11/2020: The project is particularly aligned with the country's National Strategy for Electric Mobility. However, please update the reference to Chile's iNDC (2015) to its first NDC (2020).

1/20/2021: Comment cleared.

Agency Response 01/13/2021. Reference to the 2020 NDC included in the baseline section and the section on national priorities.

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

12/11/2020: Yes, the project will use already established open data strategy under the GEF-6 transport project implemented by CAF. In addition, as child project of the Global program, the project will actively participate in global and regional knowledge exchange activities.

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

12/11/2020: Yes, however per comment above please complete M&E entry in Table B.

1/27/2021: Please include the budgeted Monitoring and Evaluation plan in the Portal section. Please also correct the sentence at the end of this section that currently reads: "The GEF contribution for this project's M&E activities (**including audits** and evaluations) is US\$ 66,800." to remove the reference to audits.

3/15/2021: Ok.

Agency Response 03/12/2021: Budgeted M&E plan included in the portal. Sentence corrected.

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

12/11/2020: Yes, additional benefits including from air pollution reduction and employment will be estimated.

Agency Response

Annexes

Are all the required annexes attached and adequately responded to?

Secretariat Comment at CEO Endorsement Request

12/11/2020: We note that the project budget uploaded as Annex F does not match the GEF project budget template. The amount in the Table for Components 1, 2, and 3 do not match with what is presented in Table B. Please address.

1/27/2021: Comment above cleared. Please make sure the budget as attached in Annex F on the Portal submission is also included in the Annexes of the Project Document (additionally to the other versions they already included) for consistency.

In addition, please add a clarifying note to the \$400,000 allocated to a ?Grant fund seed and operating costs? to clearly explain that this is a contractual service that will be operated by ASE and that there is no overlap of roles with respect to UNEP as implementing agency and ASE as executing agency, and no overlap in the execution activities (to be covered by the PMC) and project activities (to be covered by the project budget). This should be clarified both in the Portal submission and in the Project Document.

3/15/2021: Ok

1.

Agency Response

01/13/2021. GEF project budget uploaded to annex F. Amounts in the table for components 1, 2 and 3 now match with table B.

03/12/2021: GEF budget included in annex I-1 of the project document. Clarification on the 400k added in both the portal and the project document (in the final column of the GEF budget).

Project Results Framework

Secretariat Comment at CEO Endorsement Request 12/11/2020: Yes.

Agency Response

GEF Secretariat comments

Secretariat Comment at CEO Endorsement Request 12/11/2020: Yes.

Agency Response

Council comments

Secretariat Comment at CEO Endorsement Request 12/11/2020: Yes.

Agency Response 01/15/2021. Responses uploaded to the portal.

STAP comments

Secretariat Comment at CEO Endorsement Request 12/11/2020: Yes.

Agency Response 01/15/2021. Responses uploaded to the portal.

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 12/11/2020: Yes.

Agency Response

Project maps and coordinates

Secretariat Comment at CEO Endorsement Request 12/11/2020: Yes.

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?

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.

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?

Secretariat Comment at CEO Endorsement Request

Agency Response

GEFSEC DECISION

RECOMMENDATION

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

Secretariat Comment at CEO Endorsement Request

12/11/2020: Please address comments above.

1/27/2021: Please address remaining comments.

3/15/2021: Remaining comments have been addressed.

Review Dates

	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
First Review	12/14/2020	
Additional Review (as necessary)	1/27/2021	
Additional Review (as necessary)	3/15/2021	
Additional Review (as necessary)		
Additional Review (as necessary)		

CEO Recommendation

Brief reasoning for CEO Recommendations