

# Enhancing Readiness for the Transition to Electric Vehicles in Indonesia (ENTREV)

Review CEO Endorsement and Make a recommendation

## Basic project information

**GEF ID**

10641

**Countries**

Indonesia

**Project Name**

Enhancing Readiness for the Transition to Electric Vehicles in Indonesia (ENTREV)

**Agencies**

UNDP

**Date received by PM**

12/24/2021

**Review completed by PM**

3/11/2022

**Program Manager**

Ming Yang

**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**

1/5/2021 MY:

Yes. It is aligned with CCM 1-2: Promote innovation and technology transfer for sustainable energy breakthroughs for electric drive technologies and electric mobility.

3/18/2022 MY:

Please continue addressing the comments made by the GEF PPO unit:

1. On co-financing:

a. UNDP \$50,000 cash contribution: change ?Recurrent expenditure? to ?Investment mobilized?.

b. Grab 10M investment plan: change ?Recurrent expenditure? to ?Investment mobilized?.

2. On core indicators: The target for Number of direct project beneficiaries (core indicator 11 portal?s table) is not aligned with the target in the Results Framework in the Annex 1. The Results Framework indicates 87,850 women while the core indicator table indicates 75,399. Please provide a justification (under core indicator table) on the balance between men and women for Core Indicator 11, and make the numbers consistent.

3. On PPG: Please provide detailed funding amounts of the PPG activities financed by GEF resources as requested

4. Responses to project reviews are not included in Portal ? please amend it.

5. On the Budget:

a. Financial Assistance, Admin Assistant and Project Manager have been charged to the components. Per Guidelines, the costs associated with the project's execution must be covered by the GEF portion and the co-financing portion allocated to PMC.

b. Expenses related to M&E should be charged to the M&E Budget

4/13/2022 MY:

Yes, comments were addressed and issues were cleared.

#### Agency Response

##### **Response to comment 3/18/2022 MY:**

1. Co-financing: Categories of investment mobilized related to Co-financiers UNDP and Grab were adjusted from ?Recurrent Expenditures? to ?Investment Mobilized?.  
(reference: CEO Endorsement Table C)

2. Core-indicators: the correct indicator of 87,851 women has been included in the portal and corrected in ProDoc: Chapter 5 Project Result Framework, Annex G.3; and CEO ER: Annex A (the previous number was inadvertently still portraying a previous calculation). The identification of the number of beneficiaries and shares of male and female is provided in Annex G.3.

(reference: GEF Portal table, ProDoc Chapter 5, ProDoc Annex G.3, CEO Endorsement Annex A)

3. On PPG: Detailed funding amounts of the PPG activities financed by GEF resources are provided in Annex C of the CEO Endorsement request.

(reference: CEO Endorsement Annex C)

4. Responses to project reviews have now been added in the Portal (please note no specific Council Comments were received for the Indonesia Child Project, thus responses are as provided by UNEP related to the E-Mobility Program review). (reference: GEF Portal Document section)

5. On the budget:

- a. Following from the highly aggregated budget notes in previous version (combining costs under components and PMC for management and component content related tasks in one budget note) in the current adjusted version, budget notes have been disaggregated in order to clearly distinguish the contribution of Project Manager and Technical Specialists to project Components in budget note 2 as well as a separate budget note 30 covering the contribution of Project Manager, Project Finance Assistant and Project Admin Assistant to the PMC budget. Contributions from Project Manager and Technical Specialists to the project components are described in Annex H. An incorrect attribution of Grab grant co-financing to PMC was corrected.
- b. Following from the highly aggregated budget notes in previous version (previously budget note 4 was combining all travel costs under different components in one budget note) in the current adjusted version, budget notes related to travel costs have been disaggregated. A separate budget note 29 is displaying travel costs related to M&E under the M&E component.

(reference: ProDoc Chapter 9 Total Budget and Workplan)

#### **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

1/5/2021 MY:

Not completed yet.

1. For "2.2 Demonstration of BEV charging stations and battery swap stations in pilot regions", please indicate the places (cities), the number of, and the kind of BEV charging stations and battery swap stations.

2. For M&E, please use some co-financing to proportionally match the GEF budget.

Monitoring and evaluation (M&E)	GEFTF	62,864	0
---------------------------------	-------	--------	---

3/11/2022 MY:

Yes, comments addressed and the project document was revised.

#### Agency Response

##### **Response to comment 1/5/2021 MY:**

1. A note was added to indicate the number and kind of BEV charging stations and battery swap stations as well as cities.

(Reference: ProDoc: page 23, and CERDoc: page 2 (Table B))

2. Co-financing budget for M&E has been added

(Reference: CERDoc: page 2 (Table B))

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

#### Secretariat Comment at CEO Endorsement Request

1/5/2021 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

1/5/2021 MY:

Not at all.

1. Please request new co-financing letters with the following key points in mind:

1.1 The UNDP needs to put some cash co-financing.

1.2 For each of all other co-financing letters, please indicate exact amounts of "in-kind" and "cash".

2. Please double check the numbers in Table C against those in the new co-financing letters, to make them exactly match.

3. Please engage the private sector to finance the project. This is to effectively address the comments of Japan and Germany Council members.

3/11/2022 MY:

Yes, comments were addressed, the project document was revised, and the co-financing letters were added.

#### Agency Response

##### **Response to comment 1/5/2021 MY:**

1.1 UNDP cash co-financing was added.

1.2 Co-financing letters have been adjusted.

(Reference: ProDoc: p. 29, p. 52, Annex E)

2. Table C was adjusted.

(Reference: CERDoc (Table B))

3. A co-finance letter was obtained from ?Grab?, a Southeast Asian transportation company

(Reference: Co-financing letters)

#### **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

1/5/2021 MY:

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  
1/5/2021 MY:

Yes.

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  
1/5/2021 MY:

Not completed yet.

In the indicator targets, please add energy savings due to the use of solar pv powered BEVs to replace conventional vehicles.

3/11/2022 MY:

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

Agency Response  
**Response to comment 1/5/2021 MY:**

In Table E, the following information was added:

6.3	<b>Energy saved</b> o Pilot projects with EVCS and BSS (GEF and co-financed)  o Secondary direct (co-financed interventions)  - Indirect	311 TJ 9,963 TJ 132,788 TJ
-----	---	----------------------------------

*Savings arise as an electric vehicle use less energy (per km driven) than the equivalent conventional fuel vehicle. The direct emission reduction follows from the combination of less energy use per km, less emissions per unit of energy (in the case of EVCS, 20% of energy is generated by solar PV substituting for grid electricity; this is not a saving but an equivalent electricity substitution by a cleaner source).*

(Reference: ProDoc: Annex G.3, and CERDoc (Table B))

## 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

1/5/2021 MY:

Yes. It is elaborated in the section of Project Description of the project justification.

## 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

1/5/2021 MY:

Yes. It is elaborated in the section of *The baseline scenario and any associated baseline projects* of the project justification.

## 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



1/5/2021 MY:

Yes. It is elaborated in the section of *The proposed alternative scenario with a description of outcomes and components of the project* of the project justification.

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

1/5/2021 MY:

Yes. It is elaborated in the sub-section 4 of project justification.

Agency Response

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

Secretariat Comment at CEO Endorsement Request

1/5/2021 MY:

Yes. It is elaborated in the sub-section 5 of project justification.

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

1/5/2021 MY:

Yes. It is elaborated in the sub-section 6 of project justification.

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

1/5/2021 MY:

Yes. It is elaborated in the sub-section 7 of project justification.

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

1/5/2021 MY:

Yes. It is attached in Annex D.

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

1/5/2021 MY:

Yes. It is reflected in the CEO AR document.

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

1/5/2021 MY:

Not completed at this time.

In the following table :

1. For each of the stakeholders and/or organizations, please indicate clearly the exact amounts of its co-financing in both cash and in-kind for each of the project components.

Stakeholder group or organization	General role regarding energy and transport	Roles and responsibilities	Relative project outcomes
-----------------------------------	---	----------------------------	---------------------------

2. Please engage some private firms such as private taxi companies as stakeholders for the project. This is to take actions to address the comments of the Council members of Japan and Germany.

3/11/2022 MY:

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

#### Agency Response

##### **Response to comment 1/5/2021 MY:**

1. Additional details have been added in boldface and yellow highlight.

(Reference: CERDoc: pages 27-28)

2. The Southeast Asian transportation company ?Grab? has indicated its strong interest cooperating with the project, also evidenced by a co-finance letter.

(Reference: see co-financing letters)

#### **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

1/5/2021 MY:

Yes. It is shown in Annex H.

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  
1/5/2021 MY:

Not completed yet.

Please consider engaging some private firms as stakeholders and co-financiers such as private taxi companies for the project. This is to effectively address the comments of the Council members of Japan and Germany.

3/11/2022 MY:

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

Agency Response  
**Response to comment 1/5/2021 MY:**

The Southeast Asian transportation company ?Grab? has indicated its strong interest cooperating with the project, also evidenced by a co-finance letter.

(Reference: see Co-financing letters)

**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

1/5/2021 MY:

Not completed at this time.

More details for Risk number 14 are needed.

Please make multiple plans to deal with COVID-19. Please also elaborate any opportunities which COVID-19 may bring to this project.

3/11/2022 MY:

Yes, comments were addressed. Information on COVID -19 is available on page 34 of the ProDoc.

#### Agency Response

##### **Response to comment 1/5/2021 MY:**

Additional explanation on COVID-19 has been added as a note to Risk 13.

(Reference: ProDoc: Box 10, and CERDoc: Section 5)

#### **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

1/5/2021 MY:

Yes. It is elaborated in the section of Institutional Arrangement and Coordination.

#### 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

1/5/2021 MY:

Yes. The project is consistent with the national priority of Indonesia in climate change mitigation.

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

1/5/2021 MY:

Not completed yet.

In the section of Knowledge Management, please elaborate deliverables of knowledge management with a timeline.

3/11/2022 MY:

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

Agency Response

**Response to comment 1/5/2021 MY:**

A column ?Timeframe? has been added to the Table in CERDoc page 38.

(Reference: CERDoc: Section 8, page 38)

**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

1/5/2021 MY:

Yes. It is shown in the section of Monitoring Plan.

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

1/5/2021 MY:

Not completed.

In the section of Benefits, please elaborate social and economic benefits at the local and national levels. Then, please justify how these local and national benefits will contribute to global environment benefits.

3/11/2022 MY:

Yes, comments were addressed, the project document was revised??

Agency Response

**Response to comment 1/5/2021 MY:**

Text has been added, clarifying how socioeconomic development and climate change are interlinked and how climate change mitigation can result in socioeconomic benefits.

(Reference: CERDoc: Section 10, page 41)

**Annexes**

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

Secretariat Comment at CEO Endorsement Request

1/5/2021 MY:

Yes. All Annexes are attached to the CEO AR document or saved as attachments in the GEF Portal.

Agency Response

**Project Results Framework**

Secretariat Comment at CEO Endorsement Request

1/5/2021 MY:

Yes. It is in Annex A.

Agency Response

**GEF Secretariat comments**

Secretariat Comment at CEO Endorsement Request

1/5/2021 MY:

The following comments on the project at the PIF stage has not been effectively addressed in the CEO AR. Please address it now.

FB: 3/28:

With regards to Table C, please address the following comments:

1. Indonesia: we noted a large amount of resources (\$14mil) which are listed as in-kind contribution from different ministries / local governments. Considering the significant amount, we are requesting more details on what will in-kind / recurrent expenditures will consist of to be able to reach such amounts. Please provide additional details.

3/11/2022 MY:

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

Agency Response

**Response to comment 1/5/2021 MY:**



Please note that in-kind co-financing from Ministries/local governments was adjusted from the amount stated in the PIF (\$14 mln) to about half this amount during the Project Development. Details of in-kind co-financing are provided in Annex E of the Project Document.

(Reference: ProDoc: Annex E, page 73)

#### **Council comments**

##### **Secretariat Comment at CEO Endorsement Request**

1/5/2021 MY:

Not completed yet.

The Japanese and German council members requested the project to engage private investments. Please consider mobilize some private investors to co-finance or contribute to the project.

3/11/2022 MY:

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

##### **Agency Response**

###### **Response to comment 1/5/2021 MY:**

The Southeast Asian transportation company ?Grab? has indicated its strong interest cooperating with the project, also evidenced by a co-finance letter.

(Reference: Co-financing letters)

#### **STAP comments**

##### **Secretariat Comment at CEO Endorsement Request**

1/5/2021 MY:

Yes.

Agency Response

**Convention Secretariat comments**

Secretariat Comment at CEO Endorsement Request

1/5/2021 MY:

N/A

Agency Response

**Other Agencies comments**

Secretariat Comment at CEO Endorsement Request

1/5/2021 MY:

N/A

Agency Response

**CSOs comments**

Secretariat Comment at CEO Endorsement Request

1/5/2021 MY:

N/A

Agency Response

**Status of PPG utilization**

Secretariat Comment at CEO Endorsement Request

1/5/2021 MY:

It is shown in Annex C.

Agency Response

**Project maps and coordinates**

Secretariat Comment at CEO Endorsement Request

1/5/2021 MY:

Yes. It is shown in Annex D.

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

1/5/2021 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

1/5/2021 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

1/5/2021 MY:

N/A

Agency Response

**GEFSEC DECISION**

**RECOMMENDATION**

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

## Secretariat Comment at CEO Endorsement Request

1/5/2021 MY:

No.

Please address the above comments.

3/18/2022 MY:

Please continue addressing the comments made by the GEF PPO unit:

1. On co-financing:

a. UNDP \$50,000 cash contribution: change ?Recurrent expenditure? to ?Investment mobilized?.

b. Grab 10M investment plan: change ?Recurrent expenditure? to ?Investment mobilized?.

2. On core indicators: The target for Number of direct project beneficiaries (core indicator 11 portal?s table) is not aligned with the target in the Results Framework in the Annex 1. The Results Framework indicates 87,850 women while the core indicator table indicates 75,399. Please provide a justification (under core indicator table) on the balance between men and women for Core Indicator 11, and make the numbers consistent.

3. On PPG: Please provide detailed funding amounts of the PPG activities financed by GEF resources as requested

4. Responses to project reviews are not included in Portal ? please amend it.

5. On the Budget:

a. Financial Assistance, Admin Assistant and Project Manager have been charged to the components. Per Guidelines, the costs associated with the project?s execution must be covered by the GEF portion and the co-financing portion allocated to PMC.

b. Expenses related to M&E should be charged to the M&E Budget

Please put responses to the above comments in Box 1 of this review sheet.

4/13/2022 MY:

Yes, comments were addressed and issues were cleared.

The PM recommends the CEO to endorse the project.

#### Review Dates

	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
<b>First Review</b>	<b>1/5/2022</b>	
<b>Additional Review (as necessary)</b>	<b>3/18/2022</b>	
<b>Additional Review (as necessary)</b>	<b>4/13/2022</b>	
<b>Additional Review (as necessary)</b>		
<b>Additional Review (as necessary)</b>		

#### CEO Recommendation

#### Brief reasoning for CEO Recommendations

Indonesia is among the world's top ten emitters of GHG emissions. Indonesia's GHG emissions in 2016 were estimated at 1.45 gigatons of CO<sub>2</sub> (including LULUCF and peat-fire). Approximately 34% of Indonesia's GHG emissions come from the energy sector (0.54 GtCO<sub>2</sub>), of which 0.14 GtCO<sub>2</sub> from transport (0.12 GtCO<sub>2</sub> from road transport), about 25% of total GHG emissions in the energy sector. The road transport system is the main emitter within land transport, comprising cars (11%), motorcycles (82%), buses (1.7%), and freight transport (5.3%). Energy consumption in the transport

sector in Indonesia grew by 7.6% annually from 2008-2019. Almost all the energy consumed in the transport sector is in the form of petroleum products, mainly diesel and gasoline, only about 6% comes from other sources (biofuel, natural gas, electricity). About 90% of the consumption is in land transportation, reflecting the 90% modal share of road transport in overall transport. Given the growth of the transport sector, there is an opportunity to build cleaner and more sustainable road transport systems to avoid a significant amount of future GHG emissions. This will help Indonesia to meet its targets of the NDC. The Government seeks to promote the use of low-carbon vehicles, including fuel-efficient gasoline and diesel vehicles (LCGC, low-cost green car) and a range of electric vehicles .

The objective of the project is to support Government of Indonesia and key stakeholders in policy, institutional & technical readiness to transition towards electric mobility and to demonstrate innovative business models in the transport sector that will lead to GHGs emissions reduction (p15 ProDoc). There are three components in the project: 1. Institutional framework and strategy for battery electric vehicle industry and charging infrastructure, 2. Demonstration of early BEV market development, and 3. Knowledge products and capacity building for scaling up and environmental-friendly battery use. The development solution promoted in this project is a transition towards electric mobility by the increased use of electric vehicles (EV), in particular, the production, significant use of 2-wheel and 4-wheel battery electricity vehicles (BEV) with appropriate EV ecosystem support.

With \$1,816,500 of GEF grant, this project will mobilize \$31,473,747 of co-financing, build 2 charging stations for Battery powered electric vehicles and 36 battery swap stations for technology demonstration. This project aims at mitigating about 7 million tonnes of CO<sub>2</sub> in its lifetime operation.

#### Impact of COVI-19:

The impact of COVID -10 on the project would not be significant. By the time the project activities start with the inception, the COVID pandemic may have well passed its peak both in Indonesia as worldwide with the largest part of the population vaccinated. In case new variants may come up leading to more waves of COVID-19 infections, a contingency plan will be made by bringing some activities forward as possible and with meetings held online, where possible. The COVID-19 situation will be taken into account in the Project Inception Report and closely monitored. This assessment will

both evaluate the possible negative effects of COVID-19 as well as any 'green' opportunities raising.

Over the past couple of years, COVID-19 has been changing human's working and living behaviors. This change provides an opportunity of the project to meet people's transport demand with e-mobility, and hence enabling post-COVID green recovery. It is right time for residents to consider using e-mobility rather than fossil energy powered mobility when they shift from a public transport mode to a private transport mode.