

Enhancing sustainability in e-mobility for low carbon urban transport and an Extended Producer Responsibility (EPR) approach in batteries and vehicle components

Review CEO Endorsement and Make a recommendation

Basic project information

GEF ID

10286

Countries

Peru

Project Name

Enhancing sustainability in e-mobility for low carbon urban transport and an Extended Producer Responsibility (EPR) approach in batteries and vehicle components

Agencies

UNDP

Date received by PM

12/11/2020

Review completed by PM

4/28/2021

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

4/6/2021: Please address comments below:

- Under taxonomy, please include climate change mitigation and sustainable urban systems and transport
- The Rio Marker for Climate Change Mitigation should be 2
- Implementation start date, end date and duration: We note that the project duration is 48 months, yet in the project reference is made to three years or 3.5 years. Further, the expected completion date is for 42 months in the future (as opposed to 48 months). Please clarify. Unfortunately, the expected implementation start date has already passed and must account for the finalization of the review process, including circulation to Council. Please change to 1 June 2021. Please address these comments and fix the dates/duration accordingly. //

5/3/2021: Thank you. Please change the project duration to 42 months.

Agency Response

Taxonomy and Rio Marker has been revised as requested

The project duration changed from 48 to 42 months during the project preparation, and it is now justified in CEO ER the section presenting the changes compared to the child project as follows (page 8) : "The project duration has been reduced from 48 months to 42 months. This duration is more consistent with the project budget and available resources as well as with the scope of the project activities".

Starting date changed to 1 July 2021. Closing date 31 Dec 2024.

05/03/2021: Project start date (07/01/2021) and completion date (12/31/2024) was adjusted in the portal in the previous resubmission. Apparently there is an issue with the automatic change in the portal.

Regarding the comment: Please address comment on project duration. Please submit a signed UNDP audit checklist. The one in the Portal documents is not signed off by authorized UNDP's representatives.

5/3/2021 Audit Checklist signed version uploaded to attachments in the GEF portal

Project description summary

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

Secretariat Comment at CEO Endorsement Request

4/6/2021: Please address comments below:

- Consider changing component 2's financing type to investment as this component will be focused on the demonstration pilots.

- There is no proportionality between the co-financing allocated to PMC (1.2% of subtotal co-financing) and the GEF resources for PMC (10% of subtotal GEF grant). Please address per GEF guidelines.

4/28/2021: Cleared.

Agency Response

The Component 2 financing type has been changed to "investment".

Co-financing has been revised, in accordance with the letters' contents and checks with the partners. As a result, part of MINAM and MINEM contributions are dedicated to PMC. Additional co-financing from the new partner Profonanpe is also dedicated to PMC. Total co-finance to PMC is now: 662,000

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

4/6/2021: Please address comments below:

- Please clarify why the co-financing from ADF and SDC was classified as in-kind when the letters identify them as grants. Please provide the exchange rate and date for the amounts listed in Table C compared to the amounts listed in the letters.
- Please also provide the exchange rate and date for the co-financing amount from SENATI.
- We note that the letter from WUITO lists \$88,500 in co-financing while Table C only listed \$88,000.
- The section under Table C is supposed to include information only of the co-financing that has been identified as investment mobilized. Please edit section to separate the sources of co-financing that are classified as recurrent expenditures from the investment mobilized and provide a full picture of the total investment mobilized and explanation for why they have been categorized as such.

4/28/2021: Cleared.

Agency Response

- ADF and SDC co-financing now identified as Grants. Exchange rates have been updated (resulting in changes in the amounts) to 20 April 2021 and are added as footnotes.
- The amount in the letter from SENATI refers to USD; the mistake in Table C has been corrected: USD 94,311 instead of USD 34,311.
- Co-financing of WUITO corrected.
- Section under table C now includes only the total investment mobilized.
- New in-kind contribution from PROFONAMPE included (USD 60,000)

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 4/6/2021: 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 4/6/2021: 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

4/6/2021: Please address comments below:

- Please fix data entry under Core Indicator 6. The amount of GHG mitigated is currently filled in under Sub-indicator 6.1 and 6.2, when it should only be under 6.2. This is causing the total at the top to appear as double the amount targeted.
- Below the Core Indicators table, please provide a summary explanation for how the targets for GHG emissions mitigated and number of direct beneficiaries were calculated.

4/28/2021: Cleared.

Agency Response

The correct indicator has been updated in the the portal (only 6.2) The table in the document only provides figures under the total (core indicator 6) and under indicator 6.2.

Summary explanation has been added in section F in page 6 (full explanation 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

4/6/2021: This section is well elaborated. Minor changes from PIF are well explained.

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

4/6/2021: This section is well elaborated. Please update information related to NDC.

4/28/2021: Cleared.

Agency Response

Information about emissions updates according to new NDC: BaU scenario retained in its Nationally Determined Contributions (NDC-2020)[1]. GHG emissions are expected to grow, reaching 298,300 Gg by 2030 (including LULUCF) or 139,300 Gg, excluding LULUCF). The NDC-2020 envisages to reduce the 2030 emissions (including LULUCF) to 208,800 Gg, or to 179,000 Gg in case international cooperation materializes.

[1] Approved in December 2020. See final report at <https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/Peru%20First/Reporte%20de%20Actualizacio%CC%81n%20de%20las%20NDC%20del%20Peru%CC%81.pdf>

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

4/6/2021: Overall the alternative scenario is sound and adequate and clearly presented.

Please address minor comments below:

Overall we note in the description of the components and activities there is little reference to the Global Programme and linkages to the thematic working groups and regional investment and support platforms. Please provide stronger linkages in this section.

Component 1

- Budget for travel under this component is \$50,000 - please clarify how this was estimated (i.e. number of people and workshops/meetings expected to be supported). Please also clarify under which activity this falls.

Component 2

- Activity 2.2.1 - How will this activity make use of any best practices and/or guidelines developed at the global platform level?

Component 3

- Please clarify if there is any expected socialization or training of financial institutions/intermediaries on supporting EVs through the business models developed in this component (beyond COFIDE).

- Output 3.4 - please clarify how this output may have linkages to Component 1 as it relates to the development of procurement guidelines and minimum efficiency/maximum GHG emissions requirements. Please also clarify the geographic scope of this output - When it mentions Peruvian cities, would this be beyond Lima and Arequipa?

4/28/2021: Cleared.

Agency Response

References to the Global Programme and its thematic working groups and regional platforms added in activities 1.1.2, 2.1.1, 2.2.3, 2.3.3, 2.5.2, 3.3.1, 3.3.2, 4.2.1, 4.3.1 and 4.5.1.

Component 1.

Travel budget: clarified in activity 1.1.2: "This activity also includes the coordination of the liaison with the Global E-mob Programme, in particular in what refers to the participation in the various working groups and LAC regional platform activities, and the travel expenses required".

Detailed travel estimates included as a note to activity 1.1.2 description and to the budget: "The travel budget (USD 50,000) includes 12 international trips to participate (one participant each) at 3 meetings of each of the four Working Groups @ USD 1,900, 18 regional trips to participate (2 participants each) at: the kick-off meeting, 3 regional group meetings, 2 capacitation workshops, 2 market place events and 1 replication

event, @USD 1,400 and USD 2,000 for travel contingencies". All travel is subject to COVID restrictions

Component 2

Cooperation with Global Platform added to activity 2.2.1 and 2.2.3: these activities will benefit from technical assistance and guidance of the Global Program LAC platform (through the service line of continuous technical support). This activity will benefit of assistance support from the regional (LAC) platform and present and discuss results at the LAC regional platform group and at the WG on HDV and e-buses of the Global E-mob Programme.

Component 3.

Dissemination of output 3.2 business models also targets the financial sector. This is now stated in the description of activities 3.3.1 and 3.3.2: The preparation of the business models will benefit from the exchanges and materials developed by the marketplace of the LAC regional platform. Business models will be disseminated to the financial sector and other interested stakeholders through the communication activities of the e-mobility platform.

Output 3.4: New text added to describe linkages with component 1: "The guidelines will take into consideration the existing national regulatory framework and its likely changes in the future (integrating the changes proposed by the project in Component 1 and those under consideration by the national government), showing their impact on the above-mentioned parameters and the comparative advantage EVs offer to urban public transport operators and authorities under the most likely regulatory scenarios". Geographic scope: the text now makes it clear that this output intends to reach all interested cities in Peru, beyond Lima and Arequipa.

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

Secretariat Comment at CEO Endorsement Request

4/6/2021: This section is well elaborated.

Agency Response

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

Secretariat Comment at CEO Endorsement Request

4/6/2021: This section is well elaborated.

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

4/6/2021: Yes.

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

4/6/2021: Yes.

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

4/6/2021: Yes.

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

4/6/2021: Please address comments below:

- Please add information as to the specific global thematic working groups this project will exchange information and best practices with and to the potential benefits it will get from the regional support and investment platforms.

4/28/2021: Cleared.

Agency Response

Explanatory text added at the end of section 1.c. Child project: At the global level, a steering committee led by the United Nations Environment Programme will coordinate and monitor the implementation and the outputs of the GEF 7 Electric Mobility Programme. On technical gaps, four thematic working groups at the global level will support the rapid introduction of electric mobility in GEF recipient countries. These working groups will generate universal knowledge products that contain best practices, factsheets, interactive tools and guidance, as well as experiences from countries that

have advanced their e-mobility market. The working groups will be integrated by representatives from the global programme regional platforms, GEF-7 countries, IEA, vehicle manufacturers, utilities, researchers and the civil society. The governance structure is presented in the figure below.

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

4/6/2021: Please address comments below:

- As Fundacion Transitamos has been identified in Table C (co-financing) as a CSO, perhaps the selection for "Co-financier" under "role civil society will play" should also be chosen (in addition to member of advisory body; contractor).

- Please include a table that outlines the key stakeholders and means of engagement, providing the specific names. We noted that the Stakeholder Engagement Plan did not provide a summary of the consultations that took place during PPG nor did it provide any specific references to stakeholders. Please clarify.

4/28/2021: Cleared.

Agency Response

"Cofinancier" selection added for Fundaci?n Transitamos.

Table of stakeholders and means of engagement has been included in section 2 (page 34).

Summary of the consultations during PPG have been included in section 2 (Stakeholders) in page 35 of the document.

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

4/6/2021: Yes, a comprehensive gender analysis and plan has been provided in the Project Document.

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

4/6/2021: This section clearly elaborates on key private sector stakeholders and engagement with the project. The only role that we found missing was that of financial institutions. Please add.

4/28/2021: Cleared.

Agency Response

Text added: "Private financial institutions did not participate in project preparation, as in the initial contacts undertaken with them they expressed not to be considering the development of financial instruments focusing on electro mobility in the short term. However, they expressed their interest in getting information about the project progress, particularly in what referred to the possible financial instruments and models that the project could develop with COFIDE. Accordingly, they will be approached at a later stage during project implementation."

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

4/6/2021: Yes, risks including climate change risks and COVID-related risks, have been detailed, assessed and measures proposed.

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

4/6/2021: Please update this section with the findings on the chosen third-party that will support the country with execution (as explained in the checklist).

4/28/2021: Cleared.

Agency Response

Text edited (page 42):

The Ministry of Environment has requested execution support services from a third party. MINAM has opened a call for proposals during PPG to select a responsible party to support in administrative and fiduciary activities during the execution period. PROFONAMPE was the responsible party selected through a procurement process undertaken by the same IP (according to its regulations and policies).

The Peruvian Trust Fund for National Parks and Protected Areas (PROFONANPE), a private sector environment fund not for profit, has been selected to provide execution support. PROFONANPE will develop support activities in the execution of the project, providing operational assistance including administrative and procurement functions for the entire project (Please see detailed activities in the ToR of project administration services in annex H)

PROFONANPE is the most important environmental management fund at the national level, and as such it will participate in the technical committees of the project in order to identify possibilities to accelerate processes or mobilize additional co-financing resources - particularly from the private sector - that could enhance project interventions.

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

4/6/2021: The project is aligned with relevant climate change, energy and transport strategies and plans. Please correct reference to latest NDC for Peru which was submitted December 2020.

4/28/2021: Cleared.

Agency Response

References to NDC have been updated in the document. The information provided in the previous document was already based on the 2018 report of the group of experts which served as the basis for NDC-2020 and therefore remains valid. This is now clarified throughout the document.

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

4/6/2021: Please provide a more detailed KM plan including timeline, set of deliverables and associated budget.

4/28/2021: Cleared.

Agency Response

The section on KM has been expanded, including a table with activities, timelines, deliverables and budget:

The project's knowledge management approach builds upon previous UNDP projects in the GHG mitigation sector, and particularly from the recently completed project to support the implementation of NAMA in the energy sector. The approach considers four steps in the knowledge management of project's activities:

1. Identification and collection of project's reports, results, lessons learnt and other experience. The focal point at the PMU for this task is the Project Technical Assistant, which participates in all the project activities with a potential to generate such materials and will actively engage with project participants to get them involved in this effort.

2. Analysis and formatting of the collected material, to be integrated in the knowledge management system. The Project Technical Assistant will prepare the relevant templates at the beginning of the project and complete them for each relevant output on a quarterly basis.

3. Accessibility and dissemination of knowledge materials. This is mainly provided through the project website and the project's e-mobility network (output 3.2). Some stakeholders with networking experience and capacity to reach out to a wider audience (e.g. AEDIVE, Profonanpe) are expected to actively contribute to the dissemination of the project's knowledge materials.

4. Experiences in adaptive management during the implementation of the project are also targeted within project management. This includes the materials produced and

lessons learned during the various participatory, deliberating and training activities envisaged in the project, as well as in along the internal administrative procedures. The Project Manager, with the support of the project administration team provided by Profonanpe, will act as focal point for this.

A summary of the knowledge management activities, timeline and budget is presented in the table below.

| Activity | Timeline | Budget | Deliverables |
|---|--|---------------|---|
| Project Technical Assistant (PTA) collection of knowledge materials from outputs 1.1, 1.3, 1.4 and liaise with the global programme KM system | Quarterly, from M6 to M34 | 8,300 | Content management system (templates for storing information and tracking tools for changes). |
| Project Technical Assistant (PTA) collection of knowledge materials from outputs 2.1, 2.2, 2.3, 2.4, 2.5 | Quarterly, from M7 to M28 | 9,200 | Databases. Analytical tools. Video or virtual conferencing. Content management system (templates for storing information and tracking tools for changes). Storytelling. |
| Project Technical Assistant (PTA) collection of knowledge materials from outputs 3.1, 3.2, 3.3, 3.4 | Quarterly, from M18 to M29 | 9,000 | Knowledge platform. Video or virtual conferencing. |
| Project Technical Assistant (PTA) collection of knowledge materials from outputs 4.1, 4.2, 4.3, 4.4 | Quarterly, from M19 to M33 | 7,500 | Content management system (templates for storing information and tracking tools for changes). |
| Project Technical Assistant (PTA) monitoring of KM (outputs 5.1, 5.2) | Quarterly, from M6 to M36 | 2,000 | Database. Knowledge platform. |
| Profonanpe (project administration team) | Quarterly, from M6 to M42 | 10,500 | Content management system (templates for storing information and tracking tools for changes). |
| Management of publications and website (outputs 1.4, 2.5, 3.2) | Ongoing, from M6 until project closure | 20,400 | Knowledge platform. Content management system (templates for storing information and tracking tools for changes). |
| | Total | 66,900 | |

Table 4: Knowledge Management Plan

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

4/6/2021: Please copy in this section the table with the M&E budget (p. 37 in ProDoc).

4/28/2021: Cleared.

Agency Response

Table added in page 48.

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

4/6/2021: Yes.

Agency Response

Annexes

Are all the required annexes attached and adequately responded to?

Secretariat Comment at CEO Endorsement Request

4/6/2021: The ESS screening and managements plan has been provided. The project has been categorized to have moderate risk. We also note that the management measures have been well integrated into the description of the project activities.

Agency Response

Project Results Framework

Secretariat Comment at CEO Endorsement Request 4/6/2021: Yes

Agency Response

GEF Secretariat comments

Secretariat Comment at CEO Endorsement Request N/A

Agency Response

Council comments

Secretariat Comment at CEO Endorsement Request

4/6/2021: Please add relevant Council comments on the PFD and responses to this section on the Portal (check with Global Program).

4/28/2021: OK.

Agency Response **There are no relevant council comments on the PFD referring to the child project in Peru**

STAP comments

Secretariat Comment at CEO Endorsement Request

4/6/2021: Please add relevant STAP comments on the PFD and responses to this section on the Portal (check with Global Program).

4/28/2021: OK.

Agency Response

There are no relevant STAP comments on the PFD referring to the child project in Peru.

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 4/6/2021: Yes.

Agency Response

Project maps and coordinates

Secretariat Comment at CEO Endorsement Request 4/6/2021: 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? (For NGI Only)

Secretariat Comment at CEO Endorsement Request

N/A

Agency Response

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

Secretariat Comment at CEO Endorsement Request N/A

Agency Response

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

Secretariat Comment at CEO Endorsement Request N/A

Agency Response

GEFSEC DECISION

RECOMMENDATION

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

Secretariat Comment at CEO Endorsement Request

12/23/2021: Please resubmit and include the Checklist for CEO Endorsement Template duly filled out for this.

4/6/2021: Please address comments.

5/3/2021: Please address comment on project duration. Please submit a signed UNDP audit checklist. The one in the Portal documents is not signed off by authorized UNDP's representatives.

5/4/2021: Signed checklist has been submitted. ITS had to make the change on project duration.

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

| | | |
|---|-------------------|--|
| First Review | 12/23/2020 | |
| Additional Review (as necessary) | 4/6/2021 | |
| Additional Review (as necessary) | 4/28/2021 | |
| Additional Review (as necessary) | 5/3/2021 | |
| Additional Review (as necessary) | 5/4/2021 | |

CEO Recommendation**Brief reasoning for CEO Recommendations**