

Support the Shift to Electric Mobility in Saint Lucia

Review CEO Endorsement and Make a recommendation

Basic project information

GEF ID

10283

Countries

St. Lucia

Project Name

Support the Shift to Electric Mobility in Saint Lucia

Agencies

UNEP

Date received by PM

7/20/2020

Review completed by PM

4/16/2021

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

8/14/2020: Yes, the project remains aligned with CCM 1-2 Promote innovation and technology transfer for sustainable energy breakthroughs for electric drive technology and electric mobility. Very slight changes to the titles of the components and a redistribution of the budget among components has been properly explained. Cleared.

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

8/14/2020: Yes, the project structure as described in Table is appropriate.

4/15/2021: This is noted.

Agency Response

03/28/2021. Note that M&E has now been indicated in a separate row.

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

Secretariat Comment at CEO Endorsement Request 8/14/2020: 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

8/14/2020: Co-financing of \$3,856,585 from the government from two departments, Department of Sustainable Development and Department of Infrastructure, Ports and Energy, is confirmed. Of this amount, \$3,524,400 has been identified as investment mobilized. Compared to the child project concept at PFD approval, the amount of co-financing has increased due to additional co-financing identified during project development from the Department of Sustainable Development.

Please comment on the co-financing expected for Component 2 for the demonstration of at least 20 EVs. According to the project, the GEF resources will only cover the incremental cost of the vehicle compared to an ICE vehicle, while the replacement cost will be covered by a combination of the government and private sector (the Massy Group, FedEx). It is unclear if this amount is included in the co-financing identified above. If it is not, please add an estimated amount to be confirmed during project implementation. Agencies may provide supporting evidence in the form of official project documentation with requirements that such Co-Financing be mobilized at a clearly expressed minimum level, over a pre-defined time frame.

4/15/2021: This update on co-financing is a very positive development, particularly considering the current context. Comment above cleared.

Agency Response

03/28/2021. In a positive development, and in spite of economic challenges due to the COVID-19 pandemic (which has heavily affected tourism, and hence government coffers), the Ministry of Finance, Economic Growth, Job Creation, External Affairs and Public Service, responsible for public procurement, has now committed direct co-financing for purchasing of at least 10 sedan vehicles for the project's demonstrations. Its total commitment is USD 340,278, for use specifically for the project. This co-financing letter has been added to the project document. This means that total co-financing for the project has almost doubled since the project concept stage. Based on the Ministry's committed amount, it is estimated that 12 electric vehicles will be able to be purchased with the the ministry's contribution and project funds covering the incremental cost difference. The private sector, particularly the Massy Group, has expressed interest to also participate in the project demonstrations through a similar modality of providing funds for purchasing vehicles, with project funds covering incremental costs. Due to the COVID-19 pandemic and its impact on St. Lucia's economy, particular tourism but also local consumer demand, the private sector is unable to commit co-financing letters at this stage. Instead, this investment will be

mobilized during project execution, with the government's initial public procurement of electric vehicles playing an important role in creating confidence and momentum among private sector actors. Furthermore, project work on developing incentives and business models (component 3) will also catalyze this private sector involvement. It is expected that the private sector will purchase at least three vehicles, ensuring a total vehicle demonstration of at least 15 vehicles. The total estimated amount to be confirmed during project implementation is approximately USD 430,000, to occur over the three years of the project. Progress to achieve this will be monitored through the project's M&E activities and also the MRV system created under output 2.1. It can be noted that this total of 15 vehicles is less than the previously indicated 20. Due to the aforementioned economic crisis affecting the country, the Ministry of Finance, Economic Growth, Job Creation, External Affairs and Public Service is unable to make a greater commitment at this time. However, as the economy opens up and tourism returns in 2022 and 2023, it is envisioned that project ambition may well be achieved as per initially intended. Finally, it may be noted that the Ministry's public procurement of these vehicles will contribute directly to a green recovery, as they will be vehicles purchased as the Government of Saint Lucia seeks to re-incentivize national economic activity. The project document has been updated to reflect these changes. Note that this does not affect estimates of GHG emission reductions as the demonstration vehicles play a minor role in the calculations (the duration of vehicle use has been adjusted slightly).

Note that the amount of co-financing for PMC has also been increased. It is close to the overall ratio of GEF funds to co-financing. In light of the COVID pandemic and the economic crisis affecting the country, this increase is the maximum that such partners have been able to commit.

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

8/14/2020: Yes, the financing as presented in Table D is adequate. Nevertheless, per the newly approved guidelines on the project cycle, the Budget Template in Appendix A should be completed by the Agency and submitted at the time of CEO

Endorsement/Approval as an annex in the Portal. The indicative project budget should present a clear distinction between: i) PMC activities, ii) Monitoring and Evaluation activities and iii) project activities (?project budget?). The same Budget Template in excel format should be uploaded in the Portal - section ?Documents?.

4/15/2021: Comment cleared.

Agency Response

03/28/2021. The GEF budget has been added to the GEF portal and as part of annex I-1, M&E has been separated out in the project budget and also in table B.

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 8/14/2020: Yes, the status of the PPG has been reported. Cleared.

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 8/14/2020: Yes, the Core Indicator calculation for GHG mitigation has been explained and a consistent methodology is being used across the child projects of this program. The Core Indicator for direct beneficiaries is also explained. The amount recorded in Table E is realistic and corresponds to the targeted support that will be provided by the project. Cleared.

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 8/14/2020: This section summarizes the root causes and barriers in St. Lucia that are going to be addressed by the project. Please address the comment below:

1. We note that the GHG emissions from 2010 cited at 198 Gg CO₂e do not correspond with the information on St. Lucia's Third National Communication. The number is actually 647 Gg CO₂e, excluding LULUCF. Please correct.

4/15/2021: Thank you for updating to the latest data. Comment cleared.

Agency Response

03/28/2021. Saint Lucia has recently finalized a 2020 GHG inventory. The numbers in the CEO document have been updated in accordance with this inventory and referenced accordingly.

2. Is there an elaboration on how the baseline scenario or any associated baseline projects were derived?

Secretariat Comment at CEO Endorsement Request

8/14/2020: This section elaborates on the baseline scenario, but additional information is needed to properly understand the context of the project. Please address comments below:

1. Please provide additional information on the existing electric grid characteristics and expected changes as a result of the projects in the pipeline. Please also comment on existing access to electricity and demand loads. How will the renewable energy added to the grid change the supply-demand curves for St. Lucia? What kind of challenges may arise from increased loads from charging ports from key areas. What kind of weaknesses and barriers does the electric grid currently face, for example as it relates to potential natural hazards?
2. Please provide additional information on the existing regulations on fuel efficiency, import taxes, fossil fuel subsidies, etc as applicable. Please also provide additional information on existing practices and regulations for the disposal of ICE vehicles and e-waste.
3. Please comment on any existing examples in the Caribbean as it relates to the introduction of electric mobility (and/or other technologies) to address the issue of economies of scale (do countries in the region share essential market actors?) Please also provide additional information if possible on the issue of affordability (upfront costs vs. cost of ownership) when comparing EVs and ICE vehicles in St. Lucia.
4. Please clarify why the project and seemingly the national government are moving away from the existing public transport network, instead of potentially involving them in the transformation to electric mobility, considering there could be electric vans (an option smaller to the introduction of an electric bus, which was deemed unfeasible).
5. Several charging ports are in the process of being installed. Please clarify if any of these are being combined with the installation of RE to power them to further the mitigation impact of electric mobility.

4/15/2021: Additional baseline information has been provided. Comment cleared.

Agency Response

03/28/2021.

1. New subsection added, providing a detailed baseline for the energy sector, including vulnerability issues (also addressed now as part of the climate risk analysis in the risk section). Additional information on the status of the 12 MW wind farm project is also added.

2. Information on the current regulatory framework has been added. Also on the current regulations and practices for the disposal of derelict vehicles and e-waste.

3. More details on the availability of EVs in SLU and in the region has been added, as well as information on affordability.

4. Due to the early stage of e-mobility in Saint Lucia, and lack of market options for EVs for current taxi and buses (EV car types which are globally market competitive don't match with SLU requirements of combi vans of 12-16 seats), the project is focusing on early stage technology adoption by public sector, where usage and visibility will be guaranteed. With the absence of any significant EV presence in SLU at this time, there is a need firstly to initiate presence through the public sector, then move to public transport once this presence is established. It is estimated that 12-16 seater electric vans, which currently serve the Saint Lucian public transport network, are approximately 5 times more expensive than conventional vans. Text has been added to clarify this.

5. Additional text included to clarify this: ?All these charging ports will be grid connected, including those installed together with solar carports; therefore, the energy use will be at least partially net-zeroed from renewable energy supply. Through the NETS and NDCs, the Government is also working assiduously to increase RE penetration in the grid?. This option is more efficient and cheaper than powering the charging points directly with RE.

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

8/14/2020: The proposed alternative scenario is well described and clearly organized. Additional clarity based on the comments raised under the baseline scenario will strengthen this section. Please also address comments below:

Component 1

- Please clarify how this component will coordinate with the ongoing preparation of the *Integrated, Sustainable Road Transport Policy and Strategic Roadmap for Implementation*. What departments and other stakeholders are involved in that work and how will the inter-sectorial coordination body work in tandem? Will the project be able to inform the development of that policy and roadmap (for example on fuel efficiency and taxes)?

- Considering that existing policies and strategies that this project will build upon have a vision up to 2030, please comment how the project may inform St. Lucia's longer-term

vision. Does St. Lucia have any plans to prepare a long-term strategy/mid-century strategy in the context of its NDC? Is there an opportunity for the e-mobility strategy that will be prepared under Output 1.3 to inform longer-term planning as well (beyond 2030).

- Please comment on how the project will aim to build sustainable data collection systems to improve the availability of information to inform policy-making in the transport and energy sectors.

- Please comment on the process for the e-mobility strategy to be adopted by the government and the challenges for it to happen and how the project will address them.

- Please clarify which types of support the Component expects from the Global Platform under Output 1.4, including which technical working group(s) this project will be linked to and whether subregional training will be explored considering the participation of Jamaica, Antigua and Barbuda in the global program.

Component 2

- Please comment on whether renewable energy powered charging points are being considered in Output 2.2 and clarify the co-financing expected to support the cost not covered by the GEF project of the EVs.

Component 3

- Please comment on whether the project will also look into incentives for the promotion of EV whether through the regulatory proposals under Output 3.1 (eg. tax credits and rebates) or through the business models in Output 3.2, and how the project is informed by experiences in other countries in this regard.

- Please comment on how this component will directly support the scale up of component 2 beyond the initial 20 demonstration vehicles.

4/15/2021: Comments have been addressed.

Agency Response

03/28/2021:

Component 1

1. - On transport policy, clarifications were added in 1.b (baseline scenario), output 1.2 in component 1 description and section 7 "Consistency with national policies?". The "Integrated, Sustainable Road Transport Policy and Strategic Roadmap for Implementation" is focusing on the identification of the infrastructure needs to develop a multi-modal, integrated, sustainable transport policy, as well as a strategic roadmap, which makes provision for future road transport demands for Saint Lucia. That policy do not include the non-infrastructure actions and reforms necessary to make public transport (and eventually taxi) services more convenient for citizens, and better aligned with

the GoSL's energy-efficiency and climate-mitigation objectives; these additional dimensions will be covered by the GEF project. The development of the *Integrated, Sustainable Road Transport Policy and Strategic Roadmap for Implementation* was intended to occur in 2021 prior to the commencement of the GEF project. Due to the COVID pandemic, work to develop this policy has slowed. Consequently, the two policies will be developed in parallel, with the inter-sectorial coordination body (output 1.1) ensuring cohesion, complementarity and the building of synergies between the two policies. Both policies will support the reforming of incentives and the development of business models under component 3.

2. - Text added to 1.3 on strategic relevance as an input for the long-term climate change strategy and other long-term planning. Information also added on the status of St. Lucia's work to develop a long-term UNFCCC strategy.
3. - On data collection: Additional text added in output 1.2 and deliverables 1.2.2 and 1.2.4.
4. - On the approval process of the e-mobility strategy. While achieving adoption is outside the control of the project due to internal political processes, the project will provide technical assistance to ensure that the adoption process is as effective as possible. The project will provide technical assistance during the adoption process (i.e. to respond to technical questions that come from cabinet reviews), to facilitate adoption. Text has been added to the description of output 1.3 and deliverable 1.3.5 to explain the approval process and technical assistance to be provided.
5. - On the Global Platform support, text added to output 1.4 and 1D (Child project).

Component 2

On renewable charging stations, in the case of Saint Lucia renewable energy powered charging points would be economically inefficient and leads to the creation of parallel energy systems. The project focuses on connecting the charging stations to the grid, to ensure the most economic and efficient use of renewable energy incorporated into the grid, as per projects described in the baseline. The focus is on ensuring the grid can integrate charging stations and then greening the grid through solar arrays installed in the most technically, politically and economically viable locations (as per the baseline projects). Text has been added to D.2.2.3: "In accordance with the government's strategy on renewable energy, charging points will be connected to the grid".

On financing the demonstration vehicle cost not covered by the project, text has been added in output 2.2. See the response above under section 4 ? co-financing, for further information.

Component 3

1. - On EV incentives: Additional text added to the component description and output 3.1.
2. - On experiences from other countries. Text added to the description on component 3. Work under outputs 3.1 and 3.2 will draw on international good practices (see also deliverables D.3.1.1 and D.3.2.1).
3. - On scaling-up, text added to the description of component 3.

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

Secretariat Comment at CEO Endorsement Request

8/14/2020: Yes, the project is clearly aligned. Cleared.

Agency Response

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

Secretariat Comment at CEO Endorsement Request

8/14/2020: Yes, the project comments on the incremental reasoning of the GEF resources. Cleared.

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

8/14/2020: Yes, this is further expanded. Cleared.

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

8/14/2020: Yes, this section is well elaborated. Cleared.

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

8/14/2020: Yes. The project will take place in St. Lucia at island level. Cleared.

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

8/14/2020: There is some adequate reflection. Please explain further the expected linkages between this child project and others in the region and the global program, considering the implementation timelines.

4/15/2021: Comment cleared.

Agency Response

03/28/2021. Explanation added to this section.

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

8/14/2020: Yes, a stakeholder consultation report and stakeholder engagement plan has been provided. Cleared.

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

8/14/2020: Yes, a gender analysis and action plan have been provided. Cleared.

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

8/14/2020: Yes, the project will engage with private sector, particularly owners of private fleets, car dealers, technology providers, and the financial sector. Cleared.

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

8/14/2020: We are a little surprised by the number of risks that have been rated as medium and high and the corresponding responses. Please take a second look and consider differentiating between risk probability and impact.

Regarding climate risk assessment, please provide additional information in line with the guidelines developed by STAP which seek to answer the following:

- (i) How will the project's objectives or outputs be affected by climate risks over the period 2020 to 2050, and have the impact of these risks been addressed adequately?
- (ii) Has the sensitivity to climate change, and its impacts, been assessed?
- (iii) Have resilience practices and measures to address projected climate risks and impacts been considered? How will these be dealt with?
- (iv) What technical and institutional capacity, and information, will be needed to address climate risks and resilience enhancement measures?

4/15/2021: Comments cleared.

Agency Response

03/28/2021.

On risks: the risks have been revised, incorporating consideration of probability and impact.

On climate risk assessment, additional information has been added to the CEO document to respond to the questions.

A COVID-19 risk assessment has also been added.

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

8/14/2020: Yes, the institutional arrangement is well described. Please add coordination with the Global platform as well as with the new project from GIZ that will be providing co-financing.

4/15/2021: Comment cleared.

Agency Response

03/28/2021. Text on coordination with the global program and with new GIZ project added.

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

8/14/2020: Yes, the project is aligned with national priorities. Cleared.

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

8/14/2020: Yes, the project has a knowledge management approach that is embedded throughout the components of the project. Cleared.

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

8/14/2020: Yes, the M&E plan is adequate. Cleared.

4/15/2021: This is noted, thank you.

Agency Response

03/28/2021. M&E separated in table B and M&E uploaded to the portal.

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

8/14/2020: Considering the benefits on reduced air contamination and therefore reduction in mortality due to air pollution, please comment on whether this project will aim to quantify these additional benefits.

4/15/2021: Comment cleared.

Agency Response

03/28/2021. New paragraph add to section 10 and new text added to deliverable D.2.1.2.

Annexes

Are all the required annexes attached and adequately responded to?

Secretariat Comment at CEO Endorsement Request

8/14/2020: See below.

Agency Response 03/28/2021. On the project duration, we will request the GEF

Secretariat IT team to update the portal to say 36 months instead of 48 months.

Project Results Framework

Secretariat Comment at CEO Endorsement Request

8/14/2020: The project results framework provided does not seem to address all the important elements of the project. Under Component 1 there are no indicators to track the development and adoption of the policies and strategies proposed. Under Component 3 and 4, using "discussions held" as the target does not seem appropriate to determine if the activities were successful in their aims. Please consider revising accordingly.

4/15/2021: Comment cleared.

Agency Response

03/28/2021. Component indicators revised.

GEF Secretariat comments

Secretariat Comment at CEO Endorsement Request 8/14/2020: Cleared.

Agency Response

Council comments

Secretariat Comment at CEO Endorsement Request

8/14/2020: No, please also provide summary of responses to Council comments at the program level. For now, there are no additional comments specific to St. Lucia.

4/15/2021: Comment cleared.

Agency Response

03/28/2021. Summary of responses added in relevant section and PDF files uploaded in the portal..

STAP comments

Secretariat Comment at CEO Endorsement Request

8/14/2020: No, please provide summary of responses to the STAP comments at the program level.

4/15/2021: Comment cleared.

Agency Response

03/28/2021. Summary of responses added in relevant section and PDF files uploaded in the portal..

Convention Secretariat comments

Secretariat Comment at CEO Endorsement Request 8/14/2020: N/A

Agency Response
Other Agencies comments

Secretariat Comment at CEO Endorsement Request 8/14/2020: N/A

Agency Response
CSOs comments

Secretariat Comment at CEO Endorsement Request 8/14/2020: N/A

Agency Response
Status of PPG utilization

Secretariat Comment at CEO Endorsement Request 8/14/2020: Yes, cleared.

Agency Response
Project maps and coordinates

Secretariat Comment at CEO Endorsement Request 8/14/2020: Yes, cleared.

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
8/14/2020: 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 8/14/2020: 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

Agency Response

GEFSEC DECISION

RECOMMENDATION

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

Secretariat Comment at CEO Endorsement Request

8/14/2020: Not yet, please address comments. Please also note that the project duration (48 months) does not match the project duration from the dates provided for implementation start date and expected completion date. Please fix.

4/22/2021: All comments above have been addressed. However, the budget pasted on the Portal is poorly formatted. Please paste again so that it is legible when printed/downloaded.

PM will ask ITS to fix project duration.

4/23/2021: Budget formatting has been addressed. All comments cleared.

Review Dates

	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
First Review	8/14/2020	
Additional Review (as necessary)	4/15/2021	
Additional Review (as necessary)	4/22/2021	
Additional Review (as necessary)	4/23/2021	

**Secretariat Comment at
CEO Endorsement**

**Response to
Secretariat
comments**

**Additional Review
(as necessary)**

CEO Recommendation

Brief reasoning for CEO Recommendations