

Scientific and Technical Advisory Panel

The Scientific and Technical Advisory Panel, administered by UNEP, advises the Global Environment Facility
(Version 5)

STAP Scientific and Technical screening of the Project Identification Form (PIF)

Date of screening: September 30, 2015

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Panel member validation by: Ralph E. Sims
Consultant(s):

I. PIF Information *(Copied from the PIF)*

FULL SIZE PROJECT GEF TRUST FUND

GEF PROJECT ID: 9047

PROJECT DURATION : 3.5

COUNTRIES : Regional (Albania, Armenia, Azerbaijan, Bosnia-Herzegovina, Belarus, Egypt, Georgia, Jordan, Morocco, Moldova, Montenegro, Macedonia, Tunisia, Turkey, Ukraine, Serbia)

PROJECT TITLE: Green Logistics Program (non-grant)

GEF AGENCIES: EBRD

OTHER EXECUTING PARTNERS:

GEF FOCAL AREA: Climate Change

II. STAP Advisory Response *(see table below for explanation)*

Based on this PIF screening, STAP's advisory response to the GEF Secretariat and GEF Agency(ies):
Concur

III. Further guidance from STAP

1. STAP commends EBRD for submitting this timely and important program focused on reducing GHG emissions and other co-benefits of green logistics support in 16 countries of the SEMED, Western Balkans, and Black Sea regions. The program relates to the rapidly growing freight logistics across the region, but with widely differing circumstances and state of infrastructure between each country – ranging from Morocco to Ukraine. The range of possible interventions to reduce emissions is outlined with little investment in green logistics having been made to date in the target countries. Along with GHG emissions, the negative impacts of noise, accidents, vibration and air pollution are involved. The main areas being addressed are to improve capacity management of under-utilized freight facilities; invest in alternative and multi-modal connections to increase efficiency; adapt infrastructure to handle more and bigger vessels; and improve load factors and reduce idle times across supply chains. Rail and water transport are included, both with potential for comparatively low gCO₂-e/t km compared with road freight.

2. The barriers for successful green logistics including reducing GHG emissions in the sector are well outlined, with emphasis on these specific regions. The proposal addresses the range of barriers and investments in a holistic way, is well referenced and has strong MRV elements. Particularly, STAP is pleased to see support for the development of GHG accounting methodology for freight projects in coordination with other ongoing initiatives (pp.14-15 of the proposal) and coordination of program activities with other global, regional and national initiatives. This is also one of the few programs submitted in the non-grant window with the innovative approach of blending GEF and non-GEF financing. A few comments and recommendations follow that program proponents could consider in the development of child projects.

3. It is assumed that many of the logistics providers in the region are decentralized and often represent an "informal" sector of the economy. How will the child projects target these important private sector stakeholders to facilitate adoption of green logistics measures?

4. For road transport, battery vans and hybrid trucks are discussed, though these can only reduce overall GHG emissions where the grid has a low emissions factor which is not the case in many of the countries listed. It could be that where grids are largely based on thermal power stations, particularly coal-fired, emissions for an electric van or truck in terms of gCO₂-e/tonne km can be higher than for a similar vehicle powered by a diesel engine.

5. GEF funding is to provide low risk, concessional finance and loans (as non-grant instruments). Capacity building is a key component. Developing a methodology for assessing global environmental benefits of projects in the logistics sector is commendable. In paragraph 61 it states: "It is the intention that the result will form a contribution to the GEF's development of MRV methodologies and contact will be made with STAP with this in mind". So is the intention for STAP to review the work in some way? It is not currently in the STAP work programme to do so but STAP would be willing to assist where time and resources allow, such as for reviewing the proposed methodology and guidance documents.

6. Similar to all transport projects, projects in the logistics sector have multiple co-benefits in addition to GHG benefits that often drive investments in this sector. Proponents are encouraged to include an MRV of these co-benefits as stated, being an integral part of the program monitoring and evaluation processes. It would be desirable if GHG accounting methodology that is developed as a result of this program would include assessment of co-benefits (PM 2.5 and other pollution reduction indicators, reduced traffic congestion, improved safety and etc.). Note, a new STAP Advisory document Black Carbon Mitigation and the Role of the Global Environment Facility is forthcoming and may be of relevance since reducing diesel fuel combustion can also reduce black carbon emissions. Proponents are also advised to consider recommendations provided in the updated GEF GHG accounting guidelines available at: <https://www.thegef.org/gef/node/11187> and potentially using the TEEMP approach:

"Freight-switching projects. Guidance here could be developed further. It is recommended that a TEEMP model be built for this type of intervention. The Emissions Analysis of Freight Transport Comparing Land-Side and Water-Side Short-Sea Routes: Development and Demonstration of a Freight Routing and Emissions Analysis Tool (FREAT) may provide a basis for building a TEEMP. It could provide guidance with respect to the cost considerations driving behaviour. It should also be considered whether or not guidance on slow steaming is included.

7. The ASI approach is taken, but although behavioral change is mentioned in relation to improved vehicle maintenance, eco-driving is not included in this section. STAP welcomes the application of the ASI approach and the intention to tailor application of this framework to the individual conditions of each country. However, it is not clear how child project interventions focused on freight will be integrated/mainstreamed into the existing national and sub-national policies, strategies and plans supporting low-carbon sustainable transport. In this respect, proponents could explore coordination between program activities and projects focused on low carbon transport and city development in the targeted countries.

8. It is not clear whether vocational training will include the trainers learning to teach the truck drivers about eco-driving habits as a part of this programme. Component 3 includes technical support for training in vehicle maintenance etc. and states it "could include" eco-driving. This is a key part of the means of reducing emissions so should be encouraged. Various projects have been conducted in past decades and others have been recently begun (such as in the USA linked with vehicle fuel economy standards) and these should be reviewed. (<http://www.edmunds.com/autoobserver-archive/2011/10/eco-driving-may-boost-truck-fuel-economy-by-22.html>; <http://www.edmunds.com/autoobserver-archive/2011/08/obama-announces-fuel-economy-rules-for-trucks.html>; http://www.iru.org/en_training_eco_driving; <http://www.malaysia.ahk.de/en/sustainability/road-safety-eco-driving/> They may incorporate some form of driver incentives. It is assumed for road transport, truck designs to minimize drag will be encouraged.

9. The uncertainty over which countries will be chosen, and indeed, how much freight might be transferred from road to rail or watercraft, and how large an impact eco-driving can make, makes potential emission reductions difficult to calculate. The 2.6 Mt CO₂-eq avoided directly, and the 6.9 Mt CO₂-eq of consequential (indirect) emissions can only be taken as indicative. It is not clear why eco-driving and improved vehicle maintenance were not included under direct emissions in paragraph 87. Project proponents may wish to refer to IPCC, 2014, 5th Assessment Report- Mitigation, Chapter 8- Transport <http://www.ipcc-wg3.de/> where detailed analyses of freight options out to 2030 have been undertaken based on a wide literature review. The range of current emissions (g CO₂-eq/t km) from stock fleets, new vehicles (in 2010), and anticipated new vehicles in 2030 for all modes are provided that could be a useful tool to assist with the calculations.

10. Consultants are to be engaged to encourage and support businesses to include green logistics in their daily operations (paragraph 71). It is not clear how this will be achieved, for example through tendering to find one consultant who can work across countries (which may involve language barriers), or to identify, select and contract a different consultant for each country. If the latter, is there a risk of not finding enough suitably experienced consultants?

<i>STAP advisory response</i>	<i>Brief explanation of advisory response and action proposed</i>
1. Concur	In cases where STAP is satisfied with the scientific and technical quality of the proposal, a simple “Concur” response will be provided; the STAP may flag specific issues that should be pursued rigorously as the proposal is developed into a full project document. At any time during the development of the project, the proponent is invited to approach STAP to consult on the design prior to submission for CEO endorsement.
2. Minor issues to be considered during project design	<p>STAP has identified specific scientific /technical suggestions or opportunities that should be discussed with the project proponent as early as possible during development of the project brief. The proponent may wish to:</p> <p>(i) Open a dialogue with STAP regarding the technical and/or scientific issues raised. (ii) Set a review point at an early stage during project development, and possibly agreeing to terms of reference for an independent expert to be appointed to conduct this review.</p> <p>The proponent should provide a report of the action agreed and taken, at the time of submission of the full project brief for CEO endorsement.</p>
3. Major issues to be considered during project design	<p>STAP proposes significant improvements or has concerns on the grounds of specified major scientific/technical methodological issues, barriers, or omissions in the project concept. If STAP provides this advisory response, a full explanation would also be provided. The proponent is strongly encouraged to:</p> <p>(i) Open a dialogue with STAP regarding the technical and/or scientific issues raised; (ii) Set a review point at an early stage during project development including an independent expert as required.</p> <p>The GEF Secretariat may, based on this screening outcome, delay the proposal and refer the proposal back to the proponents with STAP’s concerns.</p> <p>The proponent should provide a report of the action agreed and taken, at the time of submission of the full project brief for CEO endorsement.</p>