

GEF SECRETARIAT REVIEW FOR FULL/MEDIUM-SIZED PROJECTS¹

Country/Region: Russian Federation
 Project Title: Russian Federation: Reducing GHG Emissions from Road Transport in Russia's Medium-sized Cities
 GEFSEC Project ID: **4008**
 GEF Agency Project ID: 4304 (UNDP) GEF Agency: UNDP
 GEF Focal Area (s): Climate Change
 GEF-4 Strategic Program (s): CC-5;
 Anticipated Project Financing (\$): PPG:\$0 GEF Project Allocation:\$5,400,000 Co-financing:\$35,200,000 Total Project Cost:\$40,600,000
 PIF Approval Date: Anticipated Work Program Inclusion: March 31, 2010
 Program Manager: Osamu Mizuno GEF Agency Contact Person: John O'Brien

Review Criteria	Questions	Secretariat Comment at PIF/Work Program Inclusion ²	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
Eligibility	1. Is the participating country eligible?	Yes.	
	2. If there is a non-grant instrument in the project, check if project document includes a calendar of reflows and provide comments, if any.		
	3. Has the operational focal point endorsed the project?	Yes. A endorsement letter as of 4/2/09 attached. 12/28/09, The project was re-designed and a new endorsement letter as of 11/11/09 is attached.	
	4. Which GEF Strategic Objective/ Program does the project fit into?	CC-SP5 Transportation	
	5. Does the Agency have a comparative advantage for the project?	Yes. TA and Investment	
Resource Availability	6. Is the proposed GEF Grant (including the Agency fee) within the resources available for (if appropriate):		
	• The RAF allocation?	\$14,605,000 remains for CC RAF. Hence	

¹ Some questions here are to be answered only at PIF or CEO endorsement. Please do not answer if the field is blocked with gray.

² Work Program Inclusion (WPI) applies to FSPs only. Submission of PIF of FSPs will simultaneously be considered for WPI. For MSPs, once the PIF is approved by CEO, next step will be to continue project preparation until the project is ready for CEO approval.

		requested \$11,569,000 is within the limit. 12/28/09, Now \$6,576,700 remains for CC RAF. The new request of \$6,105,000 is within the limit.	
	• The focal areas?	N/A	
	• Strategic objectives?	N/A	
	• Strategic program?	N/A	
Project Design	7. Will the project deliver tangible global environmental benefits?	Likely. It is expected that more detailed analysis will be made at the PPG phase.	
	8. Is the global environmental benefit measurable?		
	9. Is the project design sound, its framework consistent & sufficiently clear (in particular for the outputs)?	<p>Generally yes. But a few clarifications are needed.</p> <p>1. Kazan and Sochi are selected as pilot cities because they are the host cities of international events, namely World Student Games and Winter Olympic Games. These events could be very good opportunities for, for example, public awareness campaign for sustainable transportation. However it may not be appropriate for pilots for sustainable transport systems and investments. Because;</p> <p>a. Replicability is questionable. These are very big events and it may change the whole structure of the cities. In other words, there are very unique situations. Therefore the lessons from these pilots may not be applicable to other cities. How is it possible to secure it?</p> <p>b. Difficulty may be high for appropriate design of the pilots. For example, although travel demand surveys are planned on those cities, how they will be useful are questionable in terms of accurate projections and design of the system as travel demands on these occasions are very unusual. Big part of the travel demand may come from outside of the country and the situation of the cities before and after the event may change</p>	

drastically. Similar reasoning applies for public transport management center, public transport system, traffic management model etc.

c. Are these targeting at the time of the events or after the events? If focus is on both periods, then it is necessary to explain how to accommodate the gap between them. For example, the system designed so as to address the peak travel demand at the time of the events may be too much for the travel demand after the event. How it is possible to secure the cost effectiveness in GHG emission reduction over the long period time need to be explained. And it is necessary to explain what will be done during and after the event separately.

d. Incremental reasoning needs further clarification in particular in Sochi. The PIF clearly says (and it seems very reasonable) that "The Russian Government is committed to demonstrate adherence to international environmental standards and state-of-the-art energy efficiency building and transport technologies in the course of the event." Then it seems sustainable transport will happen anyway regardless to the GEF's support. How can the incremental reasoning be justified from this aspect?

12/28/09,
 Clear explanations are provided for the points raised above. The project was re-designed by taking into account these points and Sochi Olympics pilot was removed from the proposal. Consequently the budget was reduced to \$5,400,000 for the project and to \$150,000. Now it is appropriate.
 But the clarification on the technology of "Green Bus," which was officially requested

		on 12/09/09 was not yet provided. By the time of CEO endorsement, the technology needs to be clarified and it needs to be made certain that GEF resources will be used only for the items which contribute to GHG emission reduction.(If "Green Bus" will not contribute to it, that component needs to be funded only by co-financing.)	
	10.Is the project consistent with the recipient country's national priorities and policies?	Yes.	
	11.Is the project consistent and properly coordinated with other related initiatives in the country or in the region?	Yes. The project will exchange information, lessons and best practices with the GEF/UNDP/EBRD/UNIDO Umbrella Programme "Energy efficiency in the Russian Federation"	
	12.Is the proposed project likely to be cost-effective?	Further clarifications are needed. See item 8. 12/28/09, Clear explanations are provided.	
	13.Has the cost-effectiveness sufficiently been demonstrated in project design?		
	14.Is the project structure sufficiently close to what was presented at PIF?		
	15.Does the project take into account potential major risks, including the consequences of climate change and includes sufficient risk mitigation measures?	Yes. Explained.	
Justification for GEF Grant	16.Is the value-added of GEF involvement in the project clearly demonstrated through incremental reasoning?	Further clarifications are needed. See item 8. 12/28/09, Clear explanations are provided.	
	17.Is the type of financing provided by GEF, as well as its level of concessionality, appropriate?		
	18.How would the proposed project outcomes and global environmental benefits be affected if GEF does not		

	invest?		
	19. Is the GEF funding level of project management budget appropriate?	Yes. It requests \$830k out of \$10,330K. It is acceptable. 12/28/09, Now it requests \$500k out of \$5,400K. It is acceptable.	
	20. Is the GEF funding level of other cost items (consultants, travel, etc.) appropriate?		
	21. Is the indicative co-financing adequate for the project?	Yes. Indicative co-financing is \$87.3M compared to \$10.33M of the GEF financing. That is appropriate. 12/28/09, Now indicative co-financing is \$35.2M compared to \$5.4M of the GEF financing. That is appropriate.	
	22. Are the confirmed co-financing amounts adequate for each project component?		
	23. Has the Tracking Tool ³ been included with information for all relevant indicators?		
	24. Does the proposal include a budgeted M&E Plan that monitors and measures results with indicators and targets?		
Secretariat's Response to various comments from:	STAP		
	Convention Secretariat		
	Agencies' response to GEFSEC comments		
	Agencies' response to Council comments		
Secretariat Decisions			
	25. Is PIF clearance being recommended?	Not at this moment. Further clarifications are needed.	

³ At present, Tracking Tools apply to Biodiversity projects only. Tracking Tools for other focal areas are currently being developed.

Recommendations at PIF		12/28/09, The project has been recommended by PM for CEO clearance.	
	26. Items worth noting at CEO Endorsement.	By the time of CEO endorsement, the technology of "Green Bus" needs to be clarified and it needs to be made certain that GEF resources will be used only for the items which contribute to GHG emission reduction. (If "Green Bus" will not contribute to it, that component needs to be funded only by co-financing.)	
Recommendation at CEO Endorsement	27. Is CEO Endorsement being recommended?		
Review Date	1 st review		
	2 nd review		
	3 rd review		

REQUEST FOR PPG APPROVAL

Review Criteria	Decision Points	Program Manager Comments
PPG Budget	1. Are the proposed activities for project preparation appropriate?	It consists of four components, 1. Policy, planning, institutional and stakeholder analysis, 2. GHG analysis: baseline analysis, GHG modeling and feasibility of GHG monitoring system, 3. Design of pilot/demonstration projects, and 4. Project strategy and scoping, M&E plan. It looks appropriate.
	2. Is itemized budget justified?	Yes.
	3. Is the proposed GEF PPG Grant (including the Agency fee) within the resources available under the RAF/Focal Area allocation?	
	4. Is the consultant cost reasonable?	Per person charge per week for local consultants and international consultants are \$700-800 and \$3000 respectively, which is acceptable.
Recommendation	5. Is PPG being recommended?	On the clearance of PIF, PPG could follow. 12/28/09,

		No. Now the timetable becomes invalid. That needs to be revised.
Other comments		
Review Date	1 st review	
	2 nd review	
	3 rd review	

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