



GEF SECRETARIAT REVIEW FOR FULL/MEDIUM-SIZED PROJECTS* THE GEF/LDCF/SCCF/NPIF TRUST FUNDS

GEF ID:	5468		
Country/Region:	Georgia		
Project Title:	Green Cities : Integrated Sustainable Transport in the City of Batumi and the Ajara Region		
GEF Agency:	UNDP	GEF Agency Project ID:	4980 (UNDP)
Type of Trust Fund:	GEF Trust Fund	GEF Focal Area (s):	Climate Change
GEF-5 Focal Area/ LDCF/SCCF Objective (s):	CCM-4;		
Anticipated Financing PPG:	\$0	Project Grant:	\$813,400
Co-financing:	\$10,364,000	Total Project Cost:	\$11,177,400
PIF Approval:	September 10, 2013	Council Approval/Expected:	
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	Xiaomei Tan	Agency Contact Person:	John O'Brien

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
Eligibility	1. Is the participating country eligible ?	HT, July 3, 2013: Yes.	XT, Oct. 23, 2014: Yes
	2. Has the operational focal point endorsed the project?	HT, July 3, 2013: Yes. The endorsement letter of Ms. Nino TKHILAVA, Operational Focal Point for Georgia, has been submitted.	
Resource Availability	3. Is the proposed Grant (including the Agency fee) within the resources available from (mark all that apply):		
	• the STAR allocation?	HT, July 3, 2013: Yes.	XT, Oct. 23, 2014: Yes
	• the focal area allocation?	HT, July 3, 2013: Yes.	XT, Oct. 23, 2014: Yes
	• the LDCF under the principle of equitable access	N/A	N/A

*Some questions here are to be answered only at PIF or CEO endorsement. No need to provide response in gray cells.

¹ Work Program Inclusion (WPI) applies to FSPs only. Submission of FSP PIFs will simultaneously be considered for WPI.

FSP/MSP review template: updated January 2013

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	<ul style="list-style-type: none"> the SCCF (Adaptation or Technology Transfer)? 	N/A	N/A
	<ul style="list-style-type: none"> the Nagoya Protocol Investment Fund 	N/A	N/A
	<ul style="list-style-type: none"> focal area set-aside? 	N/A	N/A
Strategic Alignment	<p>4. Is the project aligned with the focal area/multifocal areas/ LDCF/SCCF/NPIF results framework and strategic objectives?</p> <p><i>For BD projects: Has the project explicitly articulated which Aichi Target(s) the project will help achieve and are SMART indicators identified, that will be used to track progress toward achieving the Aichi target(s).</i></p>	<p>HT, July 3, 2013: Yes, it is in line with CCM-4 (sustainable transport and urban systems).</p>	<p>XT, Oct. 23, 2014: Yes</p>
	<p>5. Is the project consistent with the recipient country's national strategies and plans or reports and assessments under relevant conventions, including NPFE, NAPA, NCSA, NBSAP or NAP?</p>	<p>HT, July 3, 2013: On the second National Communications of Georgia, please add the date when it was submitted to the UNFCCC Secretariat (para 5, page 5).</p> <p>HT, August 14, 2013: The year of the submission has been added. Comment cleared.</p>	<p>XT, Oct. 23, 2014: Yes</p>
	<p>6. Is (are) the baseline project(s), including problem(s) that the baseline project(s) seek/s to address, sufficiently described and based on sound data and assumptions?</p>	<p>HT, July 3, 2013: Baseline projects are not clear while paragraph 23 seems to suggest a couple of baseline activities. Please articulate baseline projects.</p> <p>HT, August 14, 2013: Baseline projects have been articulated. Comment cleared. Given the description that the Enhancing Capacity-Low Emission Development Strategy project is one of the baseline projects, please</p>	<p>XT, Oct. 23, 2014: 1) Please briefly explain what the Batumi Urban Development Strategy (BUSD) financed by USAID covers. Are there any overlaps between this proposed project and BUSD?</p> <p>2) Items 27 &28 on page 17 & 18 listed a number of efforts that are under way to improve Batumi's traffic condition. However, item 29 on page 19 concluded that none of these efforts has</p>

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Project Design		consider to add the funding for the project as co-finance at the CEO approval stage.	<p>resulted in any improvement of urban traffic flows in Batumi. Please briefly explain the fundamental causes behind this.</p> <p>XT, Feb. 12, 2015: 1) Explanation is provided. There is no overlap between BUSD and the proposed project. 2) The fundamental cause is a piecemeal approach to urban mobility. Explanation is helpful.</p> <p>Comments cleared.</p>
	7. Are the components, outcomes and outputs in the project framework (Table B) clear, sound and appropriately detailed?	<p>HT, July 3, 2013: Please address the following comments:</p> <p>a) The PIF explains that the city of Batumi is a seaside tourist city. Does the concept of sustainable transport in the PIF include maritime transport? Or does it focus on land transport? Please clarify. b) Please explain how each component interacts with others. For example, will the park and ride system (Component 2) be discussed in the development of the Sustainable Transport Plan for Batumi (Component 3)?</p> <p>Component 1: c) While the city of Batumi is located in the Ajara region, the PIF proposes to develop two sustainable transport plans (i.e. one for Batumi and the other for the Ajara region). Please justify the two plans.</p> <p>Component 2:</p>	<p>Component 2: 1) Outputs 2.3 and 2.6. Please explain why CNG is chosen for buses, while hybrid electric or electric technologies are chosen for taxi fleet. Will this further complicate the charging station issues? From the technology deployment perspective, the biggest barrier to the deployment of clean vehicle technologies has been infrastructure, especially a lack of charging stations. With limited investment amount proposed by this project, it is advisable to focus on one specific technology. 2) Output 2.5. Please consider parking pricing policy as a component of overall parking strategy.</p> <p>Component 3: 1) Output 3.1. Please clarify if the three sets of synchronized traffic signals include sensor technology that will detect traffic flows.</p>

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		<p>d) Please justify why the CNG bus is the best option in comparison with other articulated buses (e.g. hybrid bus, battery-electric bus, etc.).</p> <p>e) Will the conversion of 130 buses to use CNG be carried out in the project? If that is the case, what about the conversion cost per bus? Please explain.</p> <p>f) Please be more specific about the park and ride system to understand how the systems work. Usually park and ride systems are connected with mass transport modes.</p> <p>Component 3: g) The PIF proposes to put 10 new cycle pathways in place. Please estimate how long the pathways will be in total.</p> <p>HT, August 14, 2013: a) Explanation has been provided. Comment cleared. b) Explanation has been provided. Comment cleared. Please elaborate the interaction among components by the CEO approval stage to have a greater impact of the project. c) Justification has been provided. Comment cleared. d) e) f) g) Explanation has been provided. Comment cleared.</p>	<p>2) Output 3.2. Is there any policy mechanism in place to ensure that the created bus priority lanes will be dedicated exclusively to buses?</p> <p>Component 4: 1) Outputs 4.1 and 4.3. Both outputs serve same functions. Please consider combining them. 2) Output 4.4. Please consider synergize the National Sustainable Urban Transport policies with USAID's initiative of Good Governance in Georgia.</p> <p>XT, Feb. 12, 2015: Component 2: Parking pricing will be considered. The reason for CNG buses is justified.</p> <p>Component 3: Clarification is provided. Sensor technology is included in the synchronized traffic signals. Further, the creation of bus priority lanes is being considered by an ADB project.</p> <p>Component 4: Both suggestions are taken.</p> <p>Comments cleared.</p>
	<p>8. (a) Are global environmental/adaptation benefits identified? (b) Is the description of the incremental/additional reasoning sound and appropriate?</p>	<p>HT, July 3, 2013: Please address the following comments: a) In paragraph 7 (page 6), please add the unit of GHG emissions reduction. b) In Table 2 (page 7), the energy consumption of transport is described in the unit of GWh. Is this true? Please</p>	<p>XT, Oct. 23, 2014: Yes</p>

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		<p>check it. c) Incremental cost reasoning will be reviewed after other comments are addressed.</p> <p>HT, August 14, 2013: a) The unit has been added. Comment cleared. b) Explanation has been provided. Comment cleared. c) Yes, the incremental cost reasoning is sound and appropriate.</p>	
	<p>9. Is there a clear description of: a) the socio-economic benefits, including gender dimensions, to be delivered by the project, and b) how will the delivery of such benefits support the achievement of incremental/ additional benefits?</p>		<p>XT, Oct. 23, 2014: Yes</p>
	<p>10. Is the role of public participation, including CSOs, and indigenous peoples where relevant, identified and explicit means for their engagement explained?</p>	<p>HT, July 3, 2013: Some of the activities in the PIF (e.g. development of a parking strategy) will be likely unpopular among the public. Please explain how to overcome such challenge.</p> <p>HT, August 14, 2013: Explanation has been provided. Comment cleared.</p>	<p>XT, Oct. 23, 2014: Yes</p>
	<p>11. Does the project take into account potential major risks, including the consequences of climate change, and describes sufficient risk mitigation measures? (e.g., measures to enhance climate resilience)</p>	<p>HT, July 3, 2013: Please address the comment in box 10.</p> <p>HT, August 14, 2013: Comment cleared.</p>	<p>XT, Oct. 23, 2014: Yes</p>

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	12. Is the project consistent and properly coordinated with other related initiatives in the country or in the region?	HT, July 3, 2013: Yes, at the PIF stage. Please be more specific about how to coordinate with other initiatives at the CEO approval stage.	XT, Oct. 23, 2014: Not yet Please address comments in box 6.
	13. Comment on the project's innovative aspects, sustainability, and potential for scaling up. <ul style="list-style-type: none"> • Assess whether the project is innovative and if so, how, and if not, why not. • Assess the project's strategy for sustainability, and the likelihood of achieving this based on GEF and Agency experience. • Assess the potential for scaling up the project's intervention. 	HT, July 3, 2013: Please explain how to ensure the systemic impacts of the project. For example, how will the sustainable transport plans (Component 1) be certainly carried out after the GEF intervention? By regulations or standards? HT, August 14, 2013: Explanation has been provided. Comment cleared.	XT, Oct. 23, 2014: 1) Traffic sensing technology is offering a big opportunity to improve urban mobility through traffic surveillance, incident detection, emergency response and fleet management. The project should consider application of more sensing technologies in Georgia's National Sustainable Transport design. 2) The project's intention for scaling up is obvious. The proposal needs to better spell out how the lessons-learned will be taken by other cities. XT, Feb. 12, 2015: Comments cleared.
	14. Is the project structure/design sufficiently close to what was presented at PIF, with clear justifications for changes?		XT, Oct. 23, 2014: Yes
	15. Has the cost-effectiveness of the project been sufficiently demonstrated, including the cost-effectiveness of the project design as compared to alternative approaches to achieve similar benefits?		XT, Oct. 23, 2014: Yes
	16. Is the GEF funding and co-financing as indicated in Table B appropriate and adequate to achieve the expected outcomes	HT, July 3, 2013: Please address the following comments: a) In Table B, the amounts in the column "Grant Type" are at odds with the	XT, Oct. 23, 2014: Yes

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Project Financing	and outputs?	<p>indicative grant amount and co-financing. Please correct them. Please delineate TA and INV in separate rows for both GEF grant and co-financing.</p> <p>b) In Table B, please fill in the amounts of "Subtotal".</p> <p>c) Please estimate the cost of development/upgrade of cable car systems (Component 2).</p> <p>HT, August 14, 2013:</p> <p>a) Table B has been fixed. Comment cleared.</p> <p>b) The subtotal has been added. Comment cleared.</p> <p>c) The cost estimation has been provided. Comment cleared.</p>	
	<p>17. <u>At PIF</u>: Is the indicated amount and composition of co-financing as indicated in Table C adequate? Is the amount that the Agency bringing to the project in line with its role?</p> <p><u>At CEO endorsement</u>: Has co-financing been confirmed?</p>	<p>HT, July 3, 2013:</p> <p>In addition to the "in-kind" contribution (\$200,000), is it possible for the UNDP to provide "cash" for the project? Please explain.</p> <p>HT, August 14, 2013:</p> <p>Co-financing (cash) from UNDP has been added. However, the co-financing in Tables A and B does not reflect this change. Please reflect it.</p> <p>HT, September 9, 2013:</p> <p>Tables A and B have been corrected. Comment cleared.</p>	<p>XT, Oct. 23, 2014:</p> <p>1) The co-financing letter from Mayor of Batumi provided two specific numbers. One is \$10,280,000, named as "total estimated cost of the projects to be carried out in 2015 in accordance with UNDP-GEF Project goals. The other is \$3,100,000, which is named as "directly related to UNDP-GEF Project goals". Both numbers are not consistent with the one in table C, \$9,811,000. Please clarify.</p> <p>2) Co-financing numbers in table B don't match numbers in table C. Please clarify.</p> <p>XT, Feb. 12, 2015:</p> <p>Co-financing numbers have been corrected. Comments cleared.</p>

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	<p>18. Is the funding level for project management cost appropriate?</p>	<p>HT, July 3, 2013: Yes. The percentage of the Project management Cost (PMC) before PMC (4.9% = \$40,000/\$813,000) is less than the threshold (10% for projects requesting up to \$2 million).</p> <p>HT, August 14, 2013: It is unclear that the revised PIF included direct project cost in PMC. If the grant is used for project components, it should be included in relevant components, not in PMC.</p> <p>HT, September 9, 2013: It has been clarified that the direct project cost is part of PMC. Comment cleared.</p>	<p>XT, Oct. 23, 2014: Yes</p>
	<p>19. <u>At PIF</u>, is PPG requested? If the requested amount deviates from the norm, has the Agency provided adequate justification that the level requested is in line with project design needs? <u>At CEO endorsement/ approval</u>, if PPG is completed, did Agency report on the activities using the PPG fund?</p>	<p>HT, July 3, 2013: The requested amount (\$60,000) deviates from the norm (\$50,000 for projects up to \$1 million) without adequate justification. Please bring down the PPG amount to the norm as well as the Agency Fee for PPG.</p> <p>HT, August 14, 2013: Please address the comment in box 18. If UNDP can justify the PPG deviation (\$60,000) from the norm, please do so.</p> <p>HT, September 9, 2013: It has been clarified that the direct project cost is part of PMC. Comment cleared.</p>	<p>XT, Oct. 23, 2014: Yes</p>
	<p>20. If there is a non-grant instrument in the project, is there a reasonable calendar of reflows included?</p>	<p>HT, July 3, 2013: There is no non-grant instrument.</p>	<p>XT, Oct. 23, 2014: No non-grant instrument</p>

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Project Monitoring and Evaluation	21. Have the appropriate Tracking Tools been included with information for all relevant indicators, as applicable?		XT, Oct. 23, 2014: Yes
	22. Does the proposal include a budgeted M&E Plan that monitors and measures results with indicators and targets?		XT, Oct. 23, 2014: Yes
Agency Responses	23. Has the Agency adequately responded to comments from:		
	• STAP?		XT, Oct. 23, 2014: NA
	• Convention Secretariat?		XT, Oct. 23, 2014: NA
	• The Council?		XT, Oct. 23, 2014: NA
	• Other GEF Agencies?		XT, Oct. 23, 2014: NA
Secretariat Recommendation			
Recommendation at PIF Stage	24. Is PIF clearance/approval being recommended?	HT, July 3, 2013: Not at this stage. Please address the above comments. HT, August 14, 2013: Please address the comments in box 17, 18 and 19. HT, September 9, 2013: All comments are cleared. The PIF has been technically cleared and may be processed for CEO approval.	
	25. Items to consider at CEO endorsement/approval.	HT, September 9, 2013: Please address the following items by the CEO approval stage. a) To consider adding the funding for the Enhancing Capacity-Low Emission Development Strategy project as co-finance. b) To elaborate the interaction among components to have a greater impact of the project.	

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		c) To be more specific about how to coordinate with other initiatives.	
Recommendation at CEO Endorsement/ Approval	26. Is CEO endorsement/approval being recommended?		Oct 24, 2014 Not at this time. Please address comments in boxes 6, 7, 12, 13, 17. XT, Feb. 12, 2015: All the comments have been cleared. Therefore, CEO endorsement is recommended.
	First review*	July 03, 2013	
Review Date (s)	Additional review (as necessary)	August 14, 2013	
	Additional review (as necessary)	September 09, 2013	

* **This is the first time the Program Manager provides full comments for the project. Subsequent follow-up reviews should be recorded. For specific comments for each section, please insert a date after comments. Greyed areas in each section do not need comments.**