

GEF SECRETARIAT REVIEW FOR FULL/MEDIUM-SIZED PROJECTS¹

Country/Region: Kazakhstan
 Project Title: Kazakhstan: Sustainable Transport in the City Of Almaty
 GEFSEC Project ID: **4013**
 GEF Agency Project ID: GEF Agency: UNDP
 GEF Focal Area (s): Climate Change
 GEF-4 Strategic Program (s):
 Anticipated Project Financing (\$): PPG:\$0 GEF Project Allocation:\$4,995,000 Co-financing:\$29,350,000 Total Project Cost:\$34,345,000
 PIF Approval Date: Anticipated Work Program Inclusion: August 01, 2009
 Program Manager: Osamu Mizuno GEF Agency Contact Person: Marina Olshanskaya

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. Has the operational focal point endorsed the project?	An endorsement letter as of 01/04/09 from the Minister of Environmental Protection is attached. However it is not clear whether he/she is the OPF of Kazakhstan. Please clarify the status of it.	
	3. Which GEF Strategic Objective/ Program does the project fit into?	CC-SP5: Promoting Sustainable Innovative Systems for Urban Transport	
	4. Does the Agency have a comparative advantage for the project?	Yes. Technical assistance and investments.	
Resource Availability	5. Is the proposed GEF Grant (including the Agency fee) within the resources available for (if appropriate):		
	• The RAF allocation?	Yes. The budget requested is within the limit of RAF CC allocation to Kazakhstan.	
	• The focal areas?	N/A	
	• Strategic objectives?	N/A	
	• Strategic program?	N/A	

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.

Project Design	6. Will the project deliver tangible global environmental benefits?	<p>Likely.</p> <p>It is estimated that this project will deliver 7 million t CO₂eq reduction.(directly and indirectly)</p> <p>However the basis of the estimation is not clear;</p> <ol style="list-style-type: none"> 1. it says both total reduction and indirect emission reduction are the same as 7 million t CO₂eq. With direct reduction effects, the difference of them needs to be clarified. 2. Table 2 looks indirect emission reduction will reach to 6.8 million t CO₂ reduction at 2018. Is it an estimation of year 2018 only? If so, what would be the cumulative effects of emission reduction? 	
	7. Is the global environmental benefit measurable?		
	8. Is the project design sound, its framework consistent & sufficiently clear (in particular for the outputs)?	<p>Generally yes.</p> <p>But there are few points need to be clarified.</p> <ol style="list-style-type: none"> 1. Component 1 includes introduction of NGV (natural gas vehicles) and its re-fueling infrastructure. NGV is not necessarily considered as low-GHG vehicles mainly because of CH₄ leakage. The justification needs to be given. Otherwise introduction of energy efficient vehicles instead of NGV should be considered. 2. Component3: please clarify specifically on which elements the GEF funding will be used. The fuel standards/testing may link only to local air pollution problem and if it is the case, the GEF funding cannot be used for it. 3. Component3: please clarify what type of monitoring system for CO₂ is envisaged. Usually the overall emission of CO₂ can be calculated by the amount of fuel used and it is not necessary to monitor it on site. In addition, if NGV will be introduced, it is necessary to monitor CH₄ emission 	

	(including leakage) as well. 4. Generally speaking, the GEF supports BRT systems. However in this project no reason is provided why BRT demonstration is essential in the situation of Almaty city. It looks more focus on the other components are more appropriate interventions to address the issue identified in the PIF in Almaty city. Or, for example, more urgent necessity may be the introduction of buses of larger capacity to substitute minibuses and marshrutkas etc as the PIF identified its needs. As the introduction of LRT and improvements of electric transport services have started already, additional value of BRT is not clear. Please explain why BRT demonstration is essential in those contexts. In addition, please explain how the result of BRT will be used. Is there sufficient possibility for replication?	
9. Is the project consistent with the recipient country's national priorities and policies?	It is explained. But please elaborate how the national priorities in the area of climate change mitigation and promotion of sustainable mobility are described in National Transport Strategy, Master Development Plan of the City of Almaty etc. Otherwise it is hard to assess the consistency.	
10. Is the project consistent and properly coordinated with other related initiatives in the country or in the region?	Yes. It will be coordinated with ongoing EBRD/Singapore project and EBRD/TA project.	
11. Is the proposed project likely to be cost-effective?	See comments on item 6 and 8.	
12. Has the cost-effectiveness sufficiently been demonstrated in project design?		
13. Is the project structure sufficiently close to what was presented at PIF?		
14. Does the project take into account potential major risks, including the	It is explained.	

	consequences of climate change and includes sufficient risk mitigation measures?		
Justification for GEF Grant	15. Is the value-added of GEF involvement in the project clearly demonstrated through incremental reasoning?	Yes. But further justifications are needed on Component 3 and Component 4(BRT).	
	16. How would the proposed project outcomes and global environmental benefits be affected if GEF does not invest?		
	17. Is the GEF funding level of project management budget appropriate?	\$445k out of \$4995k is requested. That is acceptable.	
	18. Is the GEF funding level of other cost items (consultants, travel, etc.) appropriate?		
	19. Is the indicative co-financing adequate for the project?	\$29.3 M co-financing is suggested together with \$5M request to the GEF. The co-financing ratio is 1: 5.8. It is appropriate.	
	20. Are the confirmed co-financing amounts adequate for each project component?		
	21. 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			
Recommendations at PIF	22. Is PIF clearance being recommended?	PM does not recommend CEO PIF approval at this stage. All the issues raised in this review need to be fully addressed before re-submission.	
	23. Items worth noting at CEO Endorsement.		

Recommendation at CEO Endorsement	24. Is CEO Endorsement being recommended?		
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REQUEST FOR PPG APPROVAL

Review Criteria	Decision Points	Program Manager Comments
PPG Budget	1. Are the proposed activities for project preparation appropriate?	It is appropriate given the activities of the project are justifiable. It needs to be revised as appropriate depending on the responses to the issues raised in item 8.
	2. Is itemized budget justified?	Yes. \$136k is requested for the PPG. The PPG budget is justified and reasonable compared with the size of the budget of \$5M for the project. It also has co-financing of \$209k.
	3. Is the consultant cost reasonable?	Yes. Local consultants are \$1.5- 1.8K per month and international consultants are \$10.8-13k per month. that is acceptable.
Recommendation	4. Is PPG being recommended?	It needs to be assessed upon the responses to the comments to the project.
Other comments		