



REQUEST FOR CEO APPROVAL

PROJECT TYPE: Full-sized Project

TYPE OF TRUST FUND: GEF Trust Fund

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PART I: PROJECT INFORMATION

Project Title: Mainstreaming climate change in the National Logistics Strategy and Roll-Out of Integrated Logistics Platforms			
Country(ies):	Morocco	GEF Project ID: ¹	5358
GEF Agency(ies):	UNDP (select) (select)	GEF Agency Project ID:	5181
Other Executing Partner(s):	Ministry of Equipment, Transport and Logistics (METL)	Submission Date:	April 20, 2015
		Resubmission Date:	April 30, 2015
GEF Focal Area (s):	Climate Change	Project Duration(Months)	48
Name of Parent Program (if applicable):		Project Agency Fee (\$):	216,071
<ul style="list-style-type: none"> ➤ For SFM/REDD+ <input type="checkbox"/> ➤ For SGP <input type="checkbox"/> ➤ For PPP <input type="checkbox"/> 			

A. FOCAL AREA STRATEGY FRAMEWORK²

Focal Area Objectives	Expected FA Outcomes	Expected FA Outputs	Trust Fund	Grant Amount (\$)	Cofinancing (\$)
CCM-3	Investment in renewable energy technologies increased	Renewable energy capacity installed	GEF TF	459,396	2,727,532
CCM-4	Favorable policies and measures created for low carbon development in the freight transport sector	Low carbon freight transport policies and measures in place	GEF TF	1,815,033	118,555,000
Total project costs				2,274,429	121,282,532

B. PROJECT FRAMEWORK

Project Objective: To operationalize the mitigation potential of the National Logistics Strategy through facilitation of the Government's roll-out of integrated logistics platforms in a NAMA framework.						
Project Component	Grant Type	Expected Outcomes	Expected Outputs	Trust Fund	Grant Amount (\$)	Confirmed Cofinancing (\$)
1. Strengthened national enabling environment for green logistics	TA	Institutions, public policies and regulations are enhanced regarding low-carbon development of the Moroccan transport sector	1.1 Institutional strengthening and capacity development for the Ministry of Equipment, Transport and Logistics and the newly-established Moroccan Agency for Logistics Development (AMDL) 1.2 Climate change mitigation dimension of the National Logistics Strategy	GEF TF	650,000	990,000

¹ Project ID number will be assigned by GEFSEC.

² Refer to the [Focal Area Results Framework and LDCF/SCCF Framework](#) when completing Table A.

			<p>specified and operationalized for the development of a low-carbon regulatory framework for the logistics sector</p> <p>1.3 Country-specific road fleet profile and emission factors developed for Moroccan transport modes (road and rail), and used for scenario development</p> <p>1.4 An interdepartmental committee is set up to promote emission mitigation policies in the transport sector</p> <p>1.5 Implementation of knowledge-sharing and communication activities related to transport GHG mitigation solutions</p>			
2. Comprehensive mitigation programme for Greater Casablanca integrated logistics platform developed as a NAMA	TA	The network of Multi-flux Logistics Zones of Greater Casablanca is developed as a nationally appropriate mitigation action ("NAMA") model project as part of the National Logistics Strategy	<p>2.1. GHG inventory and MRV systems designed and implemented for NAMA purposes</p> <p>2.2 NAMA designed for immediate implementation of 5 priority components (eco-driving training, awareness of operators, modal shift, compliance of vehicles with Euro 4 and a 1.5 MW rooftop PV installation).</p> <p>2.3 Standardized baseline for transport modal switch (from road to rail) developed as a mitigation tool to promote replication</p> <p>2.4. Replication strategy for 17 additional low-carbon Logistics Regional Plans developed, building on the Greater Casablanca model</p> <p>2.5 Innovative 'nested NAMA' framework developed to couple the Greater Casablanca Logistics Regional</p>	GEF TF	640,000	103,200,000

			Plan NAMA to a broader Zenata Eco-city NAMA ('NAMA Ville'), initiative so as to promote mitigation synergies in a consistent and robust GHG inventory and MRV framework			
3. Emission reductions implemented in a NAMA framework through targeted investments	INV	The mitigation measure ("NAMA") is made operational by upgrade investments of the logistics zones provided for by the logistical regional plan of Greater Casablanca	3.1 Partial GEF investment financing for 3 specified mitigation interventions in the Logistics Regional Plan of Greater Casablanca (eco-driving training, awareness of operators, and a 1.5 MW rooftop PV installation), along with a support to the compliance of vehicles with the Euro 4 standard	GEF TF	876,123	16,060,782
Subtotal					2,166,123	120,250,782
Project management Cost (PMC) ³				GEF TF	108,306	1,031,750
Total project costs					2,274,429	121,282,532

C. SOURCES OF CONFIRMED COFINANCING FOR THE PROJECT BY SOURCE AND BY NAME (\$)

Please include letters confirming cofinancing for the project with this form

Sources of Co-financing	Name of Co-financier (source)	Type of Cofinancing	Cofinancing Amount (\$)
GEF Agency	UNDP	Cash	200,000
National Government	METL	Cash	7,955,000
		In-kind	100,000
National Government	AMDL	Cash	3,300,000
National Government	ONCF	Cash	6,800,000
National Government	CDG	Cash	94,300,000
National Government	SNTL	Cash	8,427,532
National Government	SNTL	In-kind	200,000
Total Co-financing			121,282,532

D. TRUST FUND RESOURCES REQUESTED BY AGENCY, FOCAL AREA AND COUNTRY¹

GEF Agency	Type of Trust Fund	Focal Area	Country Name/ Global	(in \$)		
				Grant Amount	Agency Fee	Total

³ PMC should be charged proportionately to focal areas based on focal area project grant amount in Table D below.

				(a)	(b) ²	c=a+b
UNDP	GEF TF	Climate Change	Morocco	2,274,429	216,071	2,490,500
Total Grant Resources				2,274,429	216,071	2,490,500

¹ In case of a single focal area, single country, single GEF Agency project, and single trust fund project, no need to provide information for this table. PMC amount from Table B should be included proportionately to the focal area amount in this table.

² Indicate fees related to this project.

F. CONSULTANTS WORKING FOR TECHNICAL ASSISTANCE COMPONENTS:

Component	Grant Amount (\$)	Cofinancing (\$)	Project Total (\$)
International Consultants	370,000	7,276,951	7,646,951
National/Local Consultants	385,000	4,851,301	5,236,301

G. DOES THE PROJECT INCLUDE A “NON-GRANT” INSTRUMENT? No

(If non-grant instruments are used, provide in Annex D an indicative calendar of expected reflows to your Agency and to the GEF/LDCF/SCCF/NPIF Trust Fund).

PART II: PROJECT JUSTIFICATION

A. DESCRIBE ANY CHANGES IN ALIGNMENT WITH THE PROJECT DESIGN OF THE ORIGINAL PIF⁴

A.1 National strategies and plans or reports and assessments under relevant conventions, if applicable, i.e. NAPAS, NBSAPs, national communications, TNAs, NCSA, NIPs, PRSPs, NPFE, Biennial Update Reports, etc.

No changes

A.2. GEF focal area and/or fund(s) strategies, eligibility criteria and priorities.

No changes have been made in this regard from the PIF.

A.3 The GEF Agency's comparative advantage:

The GEF Agency's comparative advantage remains as detailed in the PIF. Over the period of the PPG process, UNDP has further strengthened its ties and contacts with the relevant stakeholders.

A.4. The baseline project and the problem that it seeks to address:

The PIF provided a detailed description of the baseline situation and the problems to be addressed. These descriptions of the baseline projects largely remain valid. The project baseline is similar to the PIF (as regards the scope of activities) but is now more detailed and significantly expanded. Sections 1.1 and 1.2 of the Project Document provide a comprehensive review of the baseline situation in the sector and in respect of the project. No significant changes to that baseline situation have occurred during the PPG process.

Table 1 below summarizes the changes in co-finance from the PIF stage to CEO Endorsement Request. Additional detail was reflected in the actual co-financing commitments, as can be seen in particular with the direct involvement and commitment of ONCF and SNTL. Most noteworthy has been the inclusion in the co-financing entities of the major contribution of the “Caisse de Dépôt et de Gestion” (CDG). CDG is a financial institution originally created as a public institution in 1959. Its primary mandate is to drive investment in strategic economic sectors. Through its role in the development of the new eco-city of Zenata through the “Société d'Aménagement de Zenata” (SAZ), its subsidiary, CDG will play a key role in this project, particularly in regards to the coupling of the Greater Casablanca NAMA to the

⁴ For questions A.1 –A.7 in Part II, if there are no changes since PIF and if not specifically requested in the review sheet at PIF stage, then no need to respond, please enter “NA” after the respective question.

new eco-city of Zenata NAMA. CDG will also be expected to play a leading role in the future development of logistics platforms in other parts of the country. The greater involvement of CDG in the project and its willingness to commit significant funds in relation to the replicability of the project across Morocco is the most significant (positive) change in relation to the PIF and testifies as to the strategic importance of this project.

Additional changes in co-finance stem from the clarification of the different commitments from operators in the Greater Casablanca logistics platform, namely SNTRL and ONCF, the main logistics operators in the area. The involvement of these partners is critical as they will be the longer-term operators of the platforms and these will become central to their operations.

Table 1 – Material changes in co-finance from PIF to CEO Endorsement Request (by donor/funding source)

Source of Co-Financing	PIF Amount (US \$)	Actual Amount at CEO ER (US \$)	Description
METL	600,000	8,055,000	This major increase results from the contribution of METL to the development of the northern stretch to link road RR 332 to the Zenata logistics area, within the framework of a partnership agreement signed on 13 th of May 2014 by various stakeholders. The overall budget of this road project is estimated to US \$70,000,000 and the contribution of METL is equivalent to US \$7,955,000. They will also provide an additional 100K in in-kind support for the project.
AMDL	10,000,000	3,300,000	AMDL reviewed its co-financing during the PPG phase according to their financial planning and on-going projects. The reviewed (confirmed) co-financing corresponds to budgets allocated for conducting feasibility studies for the structuring of logistic zones in various regions of Morocco.
MEMEE	100,000	-	This co-financing was not included given that activities originally considered with the promotion of the National Climate Change Committee were instead oriented towards the step-up of a transport sector-specific interdepartmental committee to promote emission mitigation policies.
UNDP	350,000	200,000	UNDP had to decrease its co-finance due to new budget constraints.
Greater Casablanca logistics platforms stakeholders (SNTRL, ONCF, FNTR, CDG, Casablanca Urban Agency)	6,500,000	-	This initial amount increased in total and is now reflected now in the different specific contributions outlined below.
ONCF	-	6,800,000	ONCF will contribute to the development of cross-modal structures at different logistics platforms and in the development of the standardized baseline on modal shift. The cross-modal structures concerns the development of rail transport of containers along the connections Casablanca-Marrakech/ Casablanca-Tangier/ Casablanca-Fes with Dry Ports in Marrakech, Tangier and Fes acting as integrated bimodal (rail/road) service terminals.

Source of Co-Financing	PIF Amount (US \$)	Actual Amount at CEO ER (US \$)	Description
SNTL	-	8,627,532	SNTL will contribute co-financing for the 1.5 MW PV panels at its Zenata installations as well as contributing to the development of the eco-driving activities through its network of operators.
CDG	-	94,300,000	<p>This co-financing corresponds to the capital expenditure budget planned for the Zenata eco-city mobility project development for the period 2015-2018. A budget equivalent to 7.7 million USD has been allocated for the period 2011-2014.</p> <p>The mobility project at the new Zenata eco-city seeks to reach the strategic objective of the Greater Casablanca Urban Travel Plan where the modal shares of vehicles should not exceed 30%. Accordingly, the project seeks the development of various interconnected transport modes and infrastructure: tramway, regional rapid transit, rail, stations, connecting roads and highways, etc.</p>
Total	17,550,000	121,282,532	Overall increase of 591% from PIF to CEO ER

In summary, overall the baseline co-finance investments for the project have increased significantly from the PIF stage from \$ **17,550,000** at the PIF stage to \$ **121,282,532**, **an overall increase of 591%**. This currently represents a co-financing ratio of over **53:1** (co-finance to the GEF grant).

This increase in co-finance is reflective of the envisioned government investment that was mentioned in the PIF to support the implementation of then recently developed (2013) National Logistics Strategy but could not be confirmed at that time (the PIF correctly predicted the government co-finance for the underlying project would be “likely significantly increased during the PPG phase”⁵). At the time of the PIF (2013) a new agency under the supervision of the METL, the Moroccan Agency for Logistics Development (AMD), had just been established to implement the Strategy; that agency is now fully operationalized and has assumed the mandate as the State's chief monitor and coordinator of the National Logistics Strategy (which is no longer just a document but a series of investments). The investments in the Multi-flux Logistics Zones of Greater Casablanca are now confirmed as the first of what are expected to be 18 regional plans to be developed and implemented under a nationally appropriate mitigation action ("NAMA") model for the National Logistics Strategy. The MFLZ of Casablanca is the largest planned zone in the national MFLZ program, with a surface area of 323 ha. The increase in co-finance for Component #2 reflect a realization of the Government counterparts' stated commitment to fund the key underlying infrastructure activities related to the GEF project (including the eco-mobility project for the new city of Zenata) and begin the national transition towards the concept of low-carbon development for the freight transport sector. This increased co-finance is a massive boost to the envisioned transformative impact and potential for scale-up to be supported by the GEF project; with this funding now in place for the underlying investments (leveraged by GEF support) the project's near term objective of “operationalizing” the mitigation potential of the Logistics Strategy is now almost assured while the more medium-term GEF aim of supporting the replication potential of this approach across the entire country has now been significantly strengthened. For both these reasons the higher level of co-finance is a major positive influence on the realization of the direct and indirect emission reduction benefits targeted by the project.

⁵ See footnote 5 of the PIF in regards to envisioned Government co-finance

A. 5. [Incremental /Additional cost reasoning](#): describe the incremental (GEF Trust Fund/NPIF) or additional (LDCF/SCCF) activities requested for GEF/LDCF/SCCF/NPIF financing and the associated [global environmental benefits](#) (GEF Trust Fund) or associated adaptation benefits (LDCF/SCCF) to be delivered by the project:

The incremental reasoning relating to the baseline projects is detailed in Section 2.6 of the Project Document. In brief, the baseline projects are expected to be implemented only partially in the absence of the GEF-financed project and with known deficiencies. The principal deficiencies have been identified as the lack of a legal and institutional framework to underpin the transition to a low carbon freight transport system; the lack of substantial incentives for both behavioral change (e.g. eco-driving) and equipment turnover; as well as significant fragmentation of the road sector and lack of awareness of operators, especially in the informal sector.

The project is structured in three components. The first component aims to strengthen institutions and public policies in relation to low carbon development. This outcome focuses on the main barriers to the national development of low-carbon freight transport. These barriers include improving the integration of the concept of low carbon cargo in the implementation of the National Logistics Strategy. Although the institutional framework has been strengthened by the creation of the AMDL and OMCL, the lack of specific policy instruments to the strategy, the lack of financial resources, and lack of expertise in developing low carbon, among others, limits the expected impact related to GHG reductions through the implementation of the axes of the logistics strategy.

The main changes from the PIF stage within this component has been the increased focus on the development of a systematic approach to data collection and to emission factor calculations versus a more ad hoc statistical analysis of road surveys, as well as the identified need for a set of guidelines on NAMA development given the dispersed nature of current efforts. Also included in the design is much closer cooperation between these activities and those related to the climate change policy of the Moroccan government in the context of the preparation of crucial reporting documents such as the Biennial Update Reports and the National Communication.

Outcome 2 focuses on the development of the Greater Casablanca Multi-Flux Logistics Platforms as a model NAMA embedded in the National Logistics Platforms. The first output to be achieved as part of this outcome is the creation of the GHG inventory and its associated MRV system, designed and implemented for NAMA purposes. To achieve this, several activities must take place, namely the creation of a benchmark based on international NAMA experiences in the urban freight sector and the design and implementation of GHG emissions inventories and MRV systems, etc. This benchmark will lead to the development of the specific terms of reference for the preparation of the GC NAMA design document (NAMA-DD).

This NAMA and associated emissions reductions will be designed from the immediate implementation of 5 priority components (that are part of the Logistics Regional Plan of GC). These are: 1) eco-driving training; 2) awareness of operators on a set of measures aimed at reducing fuel consumption; 3) modal shift (road to rail); 4) the installation of a PV system with a 1.5 MW capacity; and 5) support for the renewal of the fleet, including making operational the introduction of the Euro 4 standard now mandatory in Morocco since January 2015 on all locally assembled vehicles. Allocated GEF investment in Outcome 3 will ensure the implementation of these activities.

Compared to the PIF stage a much more detailed program in relation to the Training of Trainers (ToT) component on eco-driving has been developed. This initiative will be based on national ongoing eco-driving initiatives, including those of the SNTL, ADEREE and Office of Vocational Training and Employment Promotion (OFPPT) and also from expertise of European countries that have implemented similar programs. The beneficiaries will be trainers of the OFPPT providing continuing education for obtaining category C of driving license related to trucks dedicated to road freight. The project targets the training of 100 trainers in the field. In this context, the identification of a list of beneficiary trainers will be the first activity to be undertaken followed by the definition of the terms of the training of trainers in eco-driving with the support of SNTL, ADEREE and OFPPT. Considering the continuous training program being implemented by OFPPT in regard to professional driving, the 100 trainers that will follow the specific eco-driving ToT would likely be selected among the 160 trainers of this on-going program.

Other changes from the PIF stage, mainly from Outcome 3, concern the removal of the mandatory vehicle testing and energy efficiency activities. For vehicle testing, the investigations conducted during the PPG phase indicated that a mandatory vehicle testing scheme already exists in Morocco across the established network of Centers of Vehicle Testing. Moreover, the introduction of a new set of mandatory testing of vehicles at the logistics platforms was considered by some stakeholders (METL and AMDL) as a potentially limiting factor of the attractiveness of the future logistics zones. Instead, improvements of vehicle maintenance and testing were considered as more practical for support via outreach activities. Regarding the energy efficiency activities, the proposed PIF activities (i.e., energy audits of the GC logistics buildings and establishment of a green buildings labelling scheme) were not included since these activities are not closely related to the transport sector and moreover are already under development by the national energy efficiency strategy and other projects. All of these modifications to the project design were done after extensive consultation with the key stakeholders, including the FT-CGEM, METL, AMDL and ADEREE.

Outcome 3 focuses on the operationalization of some of the components of the proposed NAMA. These include in particular:

- Eco-driving: the GEF project will contribute to the implementation of an eco-driving training program for trainers providing continuing education in the OFPPT for obtaining category C of driving licenses, related to trucks dedicated to road freight. The project aims to provide training on eco-driving to 100 trainers. The GEF support will take the form of a partial financing of the costs dedicated to training.
- Installation of a 1.5 MW PV plant: Following completion of SNTL's technical and economic feasibility study on the implementation of roof-top photovoltaic panels with a capacity of 1.5 MW, the GEF project will support SNTL by co-funding the purchase of the materials needed for installation⁶. In the same context, the project and ADEREE will provide technical assistance to the SNTL on connection of the system to the electrical grid and net-metering.
- Awareness of operators: a broad education campaign will be implemented for road freight operators registered at the METL Registry to encourage them to implement a set of measures including: eco-driving; acquisition of new vehicles benefiting from the measures initiated by the State to promote the Euro 4 standard; and regular maintenance and testing of vehicles. The outreach effort will provide the necessary information to the operators on the benefits of these measures, as well their impact on the energy bill and fuel savings. It should be noted that the promotion of these measures is in agreement with the study launched by the METL concerning the calculation and updating of reference costs of road freight transport. Awareness activities will be implemented in partnership with the FT-CGEM targeting the GC region and other regions of the Kingdom.

Part of this outcome will also be support for the renewal of the fleet. This refers to support for the initiative started in 2008 by METL, which aimed to improve the efficiency of vehicles through subsidies for drivers of older vehicles to purchase up to half the cost of a new vehicle. The project will provide technical and administrative support to the owners of older freight transport vehicles in order to help them benefit from the fleet renewal scheme that will be designed as part of the policy instruments to be developed in Outcome 1. The recent introduction of Euro IV standard in Morocco has sharpened the need for increased support for fleet renewal.

The comparison of outputs between the PIF and the CEO endorsement request stages are detailed in the table below.

Table 2 - Comparison in Outputs (disaggregated by Component) from PIF to CEO Endorsement Request

Component	Outputs at PIF stage	Outputs at CEO ER	Comments
Outcome 1	1.1 Institutional strengthening and capacity development for the Ministry of Equipment and Transport and the newly-established	1.1 Institutional strengthening and capacity development for the Ministry of Equipment, Transport and Logistics and the newly-	The main change has been the new focus (for reasons already mentioned) on setting up an interdepartmental

	<p>Moroccan Agency for Logistics Development (AMDL)</p> <p>1.2 Climate change mitigation dimension of the National Logistics Strategy specified and operationalized for the development of a low-carbon regulatory framework for the logistics sector</p> <p>1.3 Country-specific road fleet profile and emission factors developed for Moroccan transport modes (road and rail), and used for scenario development</p> <p>1.4 Replication strategy for 17 additional low-carbon logistics platforms developed, building on the Greater Casablanca model</p> <p>1.5 National Climate Change Committee strengthened and its role established as NAMA Focal Point</p> <p>1.6 Implementation of knowledge-sharing and communication activities related to transport GHG mitigation solutions</p>	<p>established Moroccan Agency for Logistics Development (AMDL)</p> <p>1.2 Climate change mitigation dimension of the National Logistics Strategy specified and operationalized for the development of a low-carbon regulatory framework for the logistics sector</p> <p>1.3 Country-specific road fleet profile and emission factors developed for Moroccan transport modes (road and rail), and used for scenario development</p> <p>1.4 An interdepartmental committee is set up to promote emission mitigation policies in the transport sector</p> <p>1.5 Implementation of knowledge-sharing and communication activities related to transport GHG mitigation solutions</p>	<p>committee specific to transport emission policies (Output 1.4) compared to the previous focus on the strengthening of the National Climate Change Committee (previous output 1.5 of the PIF)</p> <p>The replication strategy for the low carbon logistics platforms (previously Output 1.4 in the PIF) has now been moved to Outcome 2 and is included as Output 2.4</p>
Outcome 2	<p>2.1 GHG inventory and MRV systems designed and implemented for NAMA purposes</p> <p>2.2 NAMA designed for immediate implementation of 3 selected components (mandatory road vehicle testing, mandatory eco-driving training, and a 1.5 MW rooftop PV installation) and follow-up implementation of fleet renewal</p> <p>2.3 Standardized baseline for transport modal switch (from road to rail) developed as a mitigation tool to promote replication</p> <p>2.4 Innovative 'nested NAMA' framework developed to couple the Greater Casablanca logistical platform NAMA to a broader New Town urban NAMA ('NAMA Ville') initiative so as to promote</p>	<p>2.1. GHG inventory and MRV systems designed and implemented for NAMA purposes</p> <p>2.2 NAMA designed for immediate implementation of 5 priority components (eco-driving training, awareness of operators, modal shift, compliance of vehicles with Euro 4 and a 1.5 MW rooftop PV installation).</p> <p>2.3 Standardized baseline for transport modal switch (from road to rail) developed as a mitigation tool to promote replication</p> <p>2.4. Replication strategy for 17 additional low-carbon Logistics Regional Plans developed, building on the Greater Casablanca model</p> <p>2.5 Innovative 'nested NAMA' framework developed to couple the Greater Casablanca Logistics</p>	<p>The only changes have been the revision of the priority implementation components for the NAMA design (Output 2.2) and the inclusion of Output 2.4 (originally included in Outcome 1 of the PIF as mentioned above).</p>

	mitigation	Regional Plan NAMA to a broader Zenata Eco-city NAMA ('NAMA Ville'), initiative so as to promote mitigation synergies in a consistent and robust GHG inventory and MRV framework	
Outcome 3	<ul style="list-style-type: none"> Partial GEF investment financing for 3 specified mitigation interventions in the Greater Casablanca logistics platform (mandatory road vehicle testing, mandatory eco-driving training, and a 1.5 MW rooftop PV installation) accompanied by design support for a supplementary mitigation initiative (fleet renewal) 	3.1 Partial GEF investment financing for 3 specified mitigation interventions in the Logistics Regional Plan of Greater Casablanca (eco-driving training, awareness of operators, and a 1.5 MW rooftop PV installation), along with a support to the compliance of vehicles with the Euro 4 standard	No change except the removal of the mandatory vehicle testing and energy efficiency activities (originally outlined in the PIF) and replacement with support for the compliance of vehicles with the Euro 4 standard s

Additional cost reasoning

Of the GEF financing for outcome 1 (US\$ 650,000) – “Institutions, public policies and regulations are enhanced regarding low carbon development of the Moroccan transport sector” - a significant portion will go towards meeting the costs of technical assistance by both international and national consultants engaged in the development of capacity on the legal and technical aspects of both transport regulation and freight inventory. Much of this expertise is not currently available in the country and institutional capacity will benefit from the prescribed consulting work. Morocco has a well-established institutional framework alongside ambitious targets for the development of climate policy. Nevertheless, these targets require better capacity in the fields of sector policy coordination and policy monitoring, in particular in the production of greenhouse emission data.

GEF financing for outcome 2 (US\$640,000) – “The network of Multi-flux Logistics Zones of Greater Casablanca is developed as a nationally appropriate mitigation action ("NAMA") will mostly consist of grants for technical assistance for the development of a set of workshops and related technical work. The development of this NAMA is a significant and innovative contribution from Morocco to the development of transport sector emission reduction policies. There are few initiatives in the logistics field related to GHG emission reductions and some of the outputs of these activities will result in tools that may be immediately replicable in other countries (e.g. standardized baselines).

Outcome 3 – the operationalization of a NAMA through investment upgrades in logistics zone of Greater Casablanca – will be targeted at development of a number of practical low-carbon measures in the context of the logistics platforms, namely the deployment of large-scale rooftop PV, eco-driving training of trainers programme, outreach activities to promote a set of low carbon measures in the road freight sector (e.g., vehicle maintenance, eco-driving, fleet renewal, etc.) along with an assistance programme of fleet renewal to accommodate the adoption of the Euro IV emission

standard in lorries. The development of these activities will lead to considerable environmental benefits beyond the immediate GHG reductions, including fuel savings, improved local air quality and fewer road accidents.

In summary, the activities of the UNDP-implemented, GEF-financed project combine to mobilize and leverage considerable co-financing and enable future investments that would be very difficult to achieve through a less comprehensive programme. The project builds on ambitious but sub-optimal baseline initiatives, augmenting them with GEF funds to provide enabling support and expertise and thereby making the use of GEF funds very cost-effective with regard to the reduction of greenhouse gas emissions.

Global Environmental Benefits

The direct greenhouse gas (GHG) reduction benefits of the project will consist of the combination of the following emission reduction streams

- Eco-driving training for truck drivers associated with the regional logistical plan of Greater Casablanca. The METL and SNTL experiences with eco-driving training produced indicative vehicle emissions reductions of 10%. Based on certain assumptions (i.e., 16,000 vehicles will be driven ecologically annually), emissions reductions are estimated to be approximately **87,321 tCO₂ cumulative total** by the end of the project
- SNTL's 1.5 MW rooftop solar photovoltaic installation. Assuming annual electricity saved/generated of 3,700 MWh, a 0.59 tCO₂/MWh emission factor for the national electricity grid and a (conservative) 15-year lifetime for the solar panels, total direct lifetime emission reductions will be approximately **32,745 tCO₂ (15 year lifetime)**. It is anticipated that as Morocco's first large rooftop PV installation this investment will have significant replication effects.
- Fleet renewal through establishment of a dedicated credit line in conjunction with the National Transport Fund. According to the approach considered by the PPG preparation team, and assuming 5,000 vehicles participate in the renewal scheme during the project period (2016-2019) and that the new vehicles are 5% more efficient than the vehicles to be replaced, a direct emissions reduction of approximately **18,322 tCO₂ (cumulative total)** would be achieved by the end of project. This is considered as a highly conservative estimate.
- Road to rail modal shift. Major emission reductions are expected from this measure. In fact, taking into account the "tons/km" approach and assuming that 5% of the tons/kilometers transported by road will switch to the rail transport mode by the end of the project (2019), the emission reductions expected from the modal shift are around **872,756 tCO₂ (cumulative total)** by the end of project, representing about 9% of the total emissions of the reference year 2009. This measure is the most efficient as it reduces emissions on a large scale.
- Improvement of road freight vehicle maintenance and inspection that will be deployed through the outreach efforts of the sector. The European Union (EU), through its experience in technical inspection of road vehicles, suggests the realization of a 5-10% reduction in emissions. This measure mainly targets the formal sector by reaching 20% project's fleet in 2019. The potential for emission reduction remains conservative and it is estimated of the order of **491,373 tCO₂ (cumulative total)** by the end of the project.
- Beyond the above described measures, there are several policy instruments supported by the GEF such as introduction of a national fuel efficiency standard or the differentiation of vehicle annual registration fees according to fuel efficiency features that are expected to be subsequently adopted by the Government. The GEF project will analyze these actions as part of Outcome 1 and provide the necessary technical support to the authorities in charge of road transport to present these measures to decision-makers for prioritization and implementation. At this stage of the project, due to a lack of data,

it is extremely difficult to predict what actions will be taken by the government as regards these potential policy measures and so they are not factored into the direct emission reduction calculations.

The total direct emissions from the various activities and investments supported under the project and noted above will be **1,502,517 tCO₂**. More detailed information on calculations and assumptions are presented in Section 2.3 and Annex 8.2 of the Project Document.

Indirect emission reductions:

The indirect emission reductions that will result from the implementation of the GEF project have been calculated using the top down and the bottom-up approaches on a disaggregated approach for each measure (and then combined to reach and aggregate figure):

- Bottom-up approach

According to this approach, the calculation of the indirect emissions reductions for each measure (i.e., PV, eco-driving, fleet renewal, improvement of vehicle maintenance & testing and road to rail modal-shift) is based on the direct emissions reductions reference above and the application of a replication factor (RF) for each measure related to the project's indirect impact ten years after project closure (i.e., during the period 2020-2029). The choice of replication factors is given in Annex 8.2 of the Project Document. The bottom-up approach gives a total (aggregate for all measures) indirect emissions reduction target equal to 3,364,318 tCO₂.

- Top-down approach

Calculation of indirect emissions reductions via the top-down approach has also been calculated for each measure to reach an aggregate figure. This approach takes into account the technical and economic potential GHG savings with the perspective application within 10 years after the project (P10); multiplied by an assumed GEF causality factor (specific to each measure) which indicates to what degree the GEF intervention can claim causality for the reduction. The top-down indirect impact calculation generally constitutes the high extent of the range of the potential of indirect impacts. The 10-year (aggregate) total emissions reductions potential has been calculated as 11,115,550 tCO₂.

The table below summarizes the indirect emissions reduction calculations using both approaches and for each measure:

Table 3 - Targeted CO₂ emissions avoided from project interventions

GHG reduction measure	Approach	
	Bottom-up (tCO₂)	Top-down (tCO₂)
Eco-driving	349,286	3,405,538
PV (1,5MW)	130,980	222,666
Fleet renewal	45,805	282,157
Modal shift	872,756	625,194
Improvement of vehicle maintenance & testing	1,965,490	5,580,000
Total (tCO₂)	3,364,317	11,115,550

A.6 Risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved, and measures that address these risks

Despite Morocco's well-established vulnerability to climate change, the particular location of investments to be supported as part of the logistics strategy is not expected to be significantly affected by climate change-related impacts. Nevertheless, other non-climate and non-environment related risks can be significant. The table below, extracted from the Project Document summarizes these other risks to the project.

Table 4 – Summary of project risks

§	Description	Date identified	Type	Impact & Probability	Countermeasures / Mgt response	Owner	Submitted, updated by	Last Update	Status
1	Regulatory risks or delays in the development and implementation of the National Logistics Strategy low carbon policy options	PIF	Political/Regulatory	Lack of policy basis to catalyze low carbon development in the freight sector may delay or prevent reaching the 35% GHG reduction target P ⁷ = 2 I ⁸ = 3	Implication and engagement of all public and private stockholders in a transparent policy options development process. Capacity building and technical assistance. UNDP will rely on close relations with METL, AMDL, OMCL and other counterparts built through several past and on-going joint projects. Morocco's urgent need to reform the freight sector to serve the national economy also puts policy-makers under pressure to produce the necessary solutions.	Project Steering Committee		N/A	N/A
2.	Novelty and adoption risk – The stakeholders may not adopt swiftly the NAMA-DD	PPG	Organizational	Slow replicability of climate change mitigation actions in logistics platforms P = 2 I = 3	The proposed project includes specific capacity building and technical assistance components to help encourage participation in the low carbon policy instruments adoption and NAMA design. Special activities will target the NCCC to promote it as an effective NAMA focal point	Project Steering Committee		N/A	N/A

⁷ Probability from 1 (low) to 5 (high)

⁸ Impact from 1 (low) to 5 (high)

§	Description	Date identified	Type	Impact & Probability	Countermeasures / Mgt response	Owner	Submitted, updated by	Last Update	Status
3	Financial Risks – The development of incentive schemes are ineffective and inappropriate. The long-term success of the Logistics Strategy will depend on adoption of financial incentives by the Government.	PPG	Financial	<p>This is the most important risk to the project. The lack of adequate financial incentives to effectively promote fleet renewal and encouragement for small and medium size freight companies to join the formal sector and use the logistic platforms could have a major impact on the project's targeted results.</p> <p>P = 4 I = 4</p>	<p>The project will work closely with METL, the private banking sector and the freight federation (CGEM/FNRT) to design an integrated subsidy scheme.</p> <p>The government has confirmed their strong support for the financial incentives and commitment to ensure compliance with the targeted results via their co-finance letters.</p> <p>This risk will be carefully tracked and assessed during project implementation and adaptive management used to modify the financial incentive schemes (if needed) to ensure the envisioned project impacts</p>	Govt		N/A	N/A
4	Lack of adequate and reliable freight sector data to facilitate the monitoring of project impacts and planning of further policy measures.	PPG	Operational	<p>Difficulty in designing MRV systems and adequately forecast GHG reduction potentials</p> <p>P = 2 I = 2</p>	Development of a set of indicators to monitor progress of the national logistics strategy (GHG and non GHG indicators as co-benefit indicators) in a close cooperation with the main participants.	National Project Manager (NPM)			
5	Inadequate and/or non-capacitated human resources to successfully implement the project and support the mainstreaming of its results.	PPG	Operational	<p>Project not meeting the stated targets</p> <p>P = 2 I = 4</p>	The project includes significant capacity building and outreach components to help overcome this risk.	National Project Manager (NPM)		N/A	N/A
6	Environmental Risks – Management of obsolete vehicles.	PIF	Environmental	Fleet renewal will create obsolete vehicles as a by-	This project will work closely with the MdE to ensure conformity with the national waste regulations.				

§	Description	Date identified	Type	Impact & Probability	Countermeasures / Mgt response	Owner	Submitted, updated by	Last Update	Status
				product, presenting a risk of carbon leakage and/or environmentally-unsound disposal. P = 2 I = 2					
7	Absence of a formal national NAMA focal point	PIF	Institutional	Slow validation process of NAMAs at the national level and their submission to the UNFCCC. Inability to access international climate finance P = 2 I = 2	With MdE as the UNFCCC focal point, a focus will be given to NAMA development. This is one area where the use of well-experienced consultants can make a significant impact.	Project Steering Committee		N/A	N/A

A.7. Coordination with other relevant GEF financed initiatives

There are few direct synergies between this particular project and other GEF-financed initiatives at the national level except for the UNDP-GEF Energy Efficiency Codes in Residential Buildings and Energy Efficiency Improvement in Commercial and Hospital Buildings in Morocco (2009-2014, \$3 million GEF funding and \$15.7 million co-finance), executed by the National Agency for the Development of Renewable Energy and Energy Efficiency (ADEREE), has the principal objective of introducing mandatory minimum energy performance standards (MEPS) in the Moroccan residential, commercial and hospital sectors through the introduction of an Energy Efficiency Building Code, with associated barrier removal, capacity development and outreach activities. The project has worked to mobilize significant donor support to building energy efficiency, particularly an EU Euro 10 million programme for demonstration projects. The follow-on activities of that project will explore EE opportunities in the Greater Casablanca logistics platform and Zenata New Town.

On a global scale the project will seek to establish contact with and share lessons learned with the project management staff of the UNDP/GEF project “Greening the Logistics Industry in Zhejiang Province” which is similar in scope as well as learn from the experiences of the GEF-financed ADB project *ASTUD Asian Sustainable Transport and Urban Development Program (PROGRAM)*.

B. ADDITIONAL INFORMATION NOT ADDRESSED AT PIF STAGE:

B.1 Describe how the stakeholders will be engaged in project implementation.

The following table describes the various key stakeholders and their role in the project:

Table 5. Summary of Stakeholder Roles and Responsibilities

Key stakeholder	Role in the project:
METL	The Ministry of Equipment, Transport and Logistics (METL) is the main body responsible for the management of the transport sector in Morocco; it is the parent Ministry of the AMDL and is ultimately responsible for the National Logistics Strategy. It has a crucial role in the development of national logistics strategy. METL will be the main executing agency for this project and will be responsible for consolidating data in national registries. The Ministry will also help in the discussion and coordination of policy and the regulatory, fiscal and economic reforms needed to stimulate the development of GHG reduction measures in the freight sector. METL will drive the process of knowledge sharing and communication concerning activities related to GHG mitigation solutions in the transport sector.
AMDL	The Moroccan Agency for Logistics Development (AMDL) acts as the State's enforcer in terms of implementing the national logistics strategy. AMDL is a public institution and a legal entity with financial autonomy acting under the aegis of the state. As part of the project, AMDL will coordinate national actions to improve logistics competitiveness relating to specific projects such as the logistics zones. Alongside the public authorities, AMDL will help to encourage operators to participate in the logistics field and get involved in the establishment of training plans and plans for monitoring performance and efficiency in logistics services. The Agency will also be involved in the development of proposed legislation and regulations to promote domestic opportunities in the logistics sector and to organize the profession.
OMCL	The Moroccan Observatory of Logistics Competitiveness (OMCL), is an entity independent of AMDL, whose main tasks are: 1) to assess the performance of the logistics system through the establishment of monitoring indicators at national level; 2) to provide strategic intelligence; and 3) to be a driving force for proposals to improve logistics competitiveness. The OMCL's role in public policy is to serve as a dashboard for measuring the extent to which the national logistics strategy has been implemented. As part of the project, the OMCL will play a key role in data collection, coordination between public and private entities and the establishment of an MRV system specific to the freight sector.
ONCF	The National Railway Office (<i>Office National des Chemins de Fer</i> , ONCF), formed after independence, specifically in 1963, is responsible for the operation of the country rail network. The ONCF will play an important role within this project as regards the development of a measure promoting a modal shift from road to rail in the freight sector, and the replication of this in logistics

	platforms.
SNTL	The National Society of Transportation and Logistics (<i>Société Nationale des Transports et de la Logistique</i> , SNTL) is the largest provider of services for road freight transportation in Morocco. Since replacing the National Transport Office (considered as the main stakeholder in the road freight transport sector in Morocco) in 2007, SNTL has positioned itself as one of the leading logistics service providers in the country. The company posts an annual turnover of around 800 million dirhams corresponding to about 20 million tons of freight transported/year ⁹ . SNTL is responsible for managing the Zenata site, the first site of the Greater Casablanca logistics platform, and will also be responsible for managing the next logistics centers forming part of SNTL's master plan. As part of the project, SNTL will be involved in the design and implementation of certain activities such as eco-driving training and the installation of PV panels.
FT-CGEM	The National Federation of Road Transport (<i>Fédération du Transport</i> - CGEM, FT-CGEM) was established on June 10, 1993 to contribute to the development of the transport and logistics sector and to promote the interests of its members. A member federation of the CGEM (the Moroccan industry confederation), FT-CGEM includes 20 national transport and logistics organizations moving people and goods using various modes of transport at the urban, national and international level. As part of the project, and as a representative of the private sector, the FT-CGEM will be involved in the design of legal, fiscal and economic instruments, and also in ensuring the necessary involvement of the private sector in the implementation of certain activities.
AODU	Founded in 2008, the Organizing Urban Transport Authority (<i>Autorité Organisatrice des Déplacements Urbains</i> , AODU) works in the urban transport sector in the Greater Casablanca region. Since its inception, the AODU has been working on different tasks related to the development of transport plans and their implementation, the monitoring of transport system operations, the coordination of traffic management and research for sector funding. Through its work in its various fields of activity, including the organization of urban transport in Greater Casablanca, the AODU is a major partner in this project. This institution will play a key role in traffic optimization in the Greater Casablanca platform and will provide considerable support for optimizing traffic platform GC role and will be of considerable support in activities to reduce GHG emissions, which is the ultimate goal of the GC NAMA.
MoE and NCCC	Created in 1996, the National Climate Change Committee (NCCC) is composed of representatives of various ministries, public institutions, research institutions and other public and private institutions in sectors concerned with the issue of climate change. The committee's secretariat is led by the Ministry of Environment (MoE), and acts as the United Nations Framework Convention on Climate Change (UNFCCC) Moroccan focal point. Within this project, the NCCC and the MoE are a fundamental source of support in the establishment of a national NAMA framework and for the aggregation of emission reductions realized by this project into national communications and BURs. The Moroccan DNA (hosted at the DoE) will have an active role in the process of SBL development and submission to the UNFCCC as the national focal point (since it is planned that under Output 2.3 (activity 2.3.2) a trial application and calibration of the mitigation tool will be applied at the Zenata logistics site and at other relevant sites to modal shift).
CDG	The <i>Caisse de Dépôt et de Gestion</i> (CDG) is a financial institution originally created as a public institution in 1959. Its primary mandate is to drive investment in strategic economic sectors. It also has a central role in receiving, storing and managing savings resources which by their nature or origin require special protection. CDG is involved in major strategic projects in Morocco and is now the largest institutional investor in the Kingdom. Through its subsidiary, the Zenata Development Company (<i>Société d'Aménagement de Zenata</i> , SAZ), the CDG is leading the new eco-city of Zenata project, which is part of a larger urban development plan within Morocco. Indeed, the SAZ constitutes both the driver and the main contractor of the project. Through its role in the development of the new eco-city of Zenata through the SAZ, CDG will play a key role in this project, particularly in regards to the coupling of the Greater Casablanca NAMA to the new eco-city of Zenata NAMA. CDG will also be expected to play a leading role in future logistics platforms, with a potential for proportional replication.
ADEREE	The National Agency for the Development of Renewable Energy and Energy Efficiency (<i>Agence</i>

⁹ Source: SNTL

	<p><i>Nationale pour le Développement des Energies Renouvelables et de l'Efficacité Energétique</i>, ADEREE) is a public institution working for the widespread use of both renewable energy (RE) and energy efficiency (EE). Framed by the Law 16/09, the ADEREE has as its mission to contribute to the implementation of the national renewable energy and energy efficiency policy. This policy aims namely at the development of renewable energy penetration and increase of energy efficiency, thereby contributing to the country's sustainable development. Within the project, ADEREE will play a leading role in the formulation of policy instruments leading to the replicability of the renewable energy component of the project.</p>
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B.2 Describe the socioeconomic benefits to be delivered by the Project at the national and local levels, including consideration of gender dimensions, and how these will support the achievement of global environment benefits (GEF Trust Fund/NPIF) or adaptation benefits (LDCF/SCCF):

The project will deliver a range of socio-economic benefits. In most Maghreb countries, freight transport, especially national road transport, is still one of the weak links in logistics chains. Flaws typical of a road sector in transition include: prevalence of very small unprofessional firms carrying freight (often sole proprietorships or family businesses whose investment capacity is, consequently, comparatively limited); 2) informal fleets that are often of poor quality, with routine problems of stowage, overloading, reliability and motorization; and 3) drivers who are poorly trained not only in the handling of goods but also in driving itself and road safety. By helping the informal freight sector to become formalized, better socio-economic conditions will be afforded to truck drivers (e.g. inclusion in the National Social Security Fund, medical care, etc.).

First and foremost, the outreach workshops that will be organized in the Greater-Casablanca region as well as in other regions of the country will contribute to the increase in the number of freight transport operators aware of the importance of the economic and environmental benefits supported under the project such as eco-driving, fleet renewal through the national financial scheme, and improvement of vehicle maintenance. These workshops will be organized with the Transport Federation-General Confederation of Enterprises of Morocco, as the legitimate representative of the sector, to ensure the engagement of the transport operators. It is expected that the project will benefit no less than 1,000 freight transport operators (i.e. 100 operators outreached during each workshop with 10 workshops organized in various regions of the Kingdom) with many of these freight operators supporting the livelihood of tens if not hundreds of employees and sub-contractors. Support to these measures by policy instruments and their implementation by the transport operators will also generate more broad-based economic benefits given their potential impact on reduced fuel consumption, which will in turn impact the profitability of the transport operators. The project includes a target to measure the percentage annual average reduction in the fuel budget (by volume) among all freight transport operators benefiting from the project (leading to an improved economic position for those firms and their employees; the percentage reduction will be translated to a monetary equivalent in terms of fuel savings).

Moreover by upgrading the fleet of vehicles toward the Euro 4 Standard the freight sector will become more modernized and will be able to join the European market. 5,000 new freight vehicles benefit from the fleet subsidy renewal scheme Therefore the project will greatly contribute to the development and professionalization of the logistics sector and help Morocco's socio-economic development. Gender considerations were considered as part of the project design. While most of the freight employees and operators in Morocco are men, the aggregate economic impact of the project's interventions will indirectly positively impact the female household members of the beneficiaries.

Secondly, the project will support the development of an information system on road freight emissions that will be of great importance in helping Morocco access, deliver, monitor, report on and verify use of climate finance. It will also serve as an example of the integration of climate change measures into a specific sector and will assist the development of climate policy tools such as the national greenhouse gas inventory system and will feed into the national system once in place.

Thirdly, the use of Multi-Flow Logistics Zones to consolidate flow of goods and increase of the road to rail modal shift will lead to road decongestion in both urban and inter-urban areas. Consequently, air quality will be improved and considering that the transport sector is one of the main sources of air pollution in the country, the positive impact on human health is expected to be significant.

B.3. Explain how cost-effectiveness is reflected in the project design:

In absence of the GEF support and the associated stakeholder mobilization and financial leveraging, the envisioned low carbon development of Morocco's freight sector will be sub-optimal and delayed in terms of operationalization.

The GEF financing of the proposed project components and activities was specifically chosen to build on and leverage various sources of public financing by new or ongoing major infrastructure investments such as: the expansion of the existing Zenata logistic site as part of Logistics Regional Plan of the GC; the construction of a 20 km route including in particular a 4.5 km harbor breakwater sea that by-passes the downtown to connect Zenata logistics zone at Casablanca port and ensure an easy and seamless access to the port of Casablanca for trucks and vehicles dedicated to heavy weight without having to cross a dense urban area adjoining the port; and the construction of the 3rd railway between Kenitra and Casablanca that will be dedicated to freight and ongoing construction of the "First Development Zone" of the Zenata eco-city with a total area of 480 ha. The requested GEF contribution will contribute to the introduction and effective replication of low carbon freight transport concepts and policies by covering various strategic incremental costs and/or risks which are difficult to absorb by the other project partners. The GEF funding is leveraged from the variety of co-financing sources, including:

- METL policy activities, on which the project can build, especially under components 1 and 3;
- AMDL preparatory works of the logistics platforms and implementation of the National Logistics Strategy, in particular under component 2;
- SNTL activities at the Zenata site on which the project can build under component 2 and 3;
- ONCF activities to promote road to rail modal shift, especially under component 2;
- CDG development of Zenata eco-city, mainly under component 2.

GEF support for the activities of Outcome 1 will remove the barriers to low-carbon freight transport development at the national level. Although the institutional framework has been strengthened by the establishment of the National Logistics Strategy and creation of the AMDL and OMCL, the lack of specific policy instruments to the strategy, the lack of financial resources, and lack of expertise in developing low carbon tools to implement the strategy hampers its effectiveness as a climate change mitigation platform. Although the Government is committed to the strategy and has established a new agency to manage the strategy, the strategy itself does not describe in detail how the 35% reduction will be achieved or at what cost; as noted in the PIF GEF support is required to transform the aspirational target into an operational target that can realistically be achieved and verified. There is still a great deal of work needed to ensure that institutions, public policies and regulations are capacitated regarding low-carbon development of the Moroccan transport sector. The capacity of the Moroccan Agency for Logistics Development as well as SNTL, ONCF, ANP, the National Federation for Road Transport (FNTR), the General Confederation of Moroccan Business (CGEM) and counterpart agencies will be massively increased as a result of this project and this would not be done in the absence of GEF funding.

The GEF support for the activities of Outcome 2 will enable the development of the Logistics Regional Plan of Greater Casablanca as a NAMA framework under the National Logistics Strategy. The GEF funding will help support the optimal design of this NAMA, resulting in a feasible implementation of concrete mitigation actions. In the absence of GEF support, it is likely that the mitigation actions at the GC logistics platforms will not be rigorously optimized or monitored as regards GHG emissions. When implemented, it is likely that mitigation actions would suffer sub-optimal performance, as there has not thus far been consideration of performance monitoring factors to inform future developments. Therefore, the GEF funding will catalyze design and deployment of climate change mitigation actions at the GC logistics zones with a replicability perspective and ensure optimal synergy with other related geographic or sectoral mitigation actions.

GEF funds for Outcome 3 will catalyze the implementation of mitigation actions in the GC NAMA framework through targeted investments and mobilize \$16.38 million in co-financing. These investments will support the training of a large pool of trainers on eco-driving; so far this type of training is only done for the public transport drivers and SNTL drivers (the fleet of which is only about 200 vehicles whereas the national road freight fleet contains about 167,900 vehicles). Part of these investments will also ensure the installation of a 1.5 MW PV plant on the roof top of the Zenata

warehouses through partial financing for PV panel procurement and installation. Finally, the GEF investments will partially cover technical assistance to SNTL for the PV installation and to logistics operators to fully benefit from the fleet renewal scheme.

In terms of abatement potential, freight is the fastest-growing source of emissions from the transportation around the world. Whether it is the introduction of cleaner fuels, fuel economy standards, eco-driving, fleet renewal, investments in infrastructure or information technology to improve transport, the freight sector is still behind; this is true in Morocco and across North Africa. Overall the direct emission reductions versus GEF investment reflects an abatement cost of 1.51 US\$GEF/tCO₂, significantly lower (i.e. more cost-effective) than that estimated in the PIF and extremely cost-effectiveness when compared against other mitigation options in the country.

Sustainability

The project is embedded within the country's overall policy objectives on GHG emissions reductions and improvement of the freight sector's competitiveness. The project takes advantage of a globally structured foundation and a clear national vision for the steps taken in connection with the preparation of the National Logistics Strategy and the first implementation of its five axes.

Capacity building is a significant component in this project helping to establish a basis for sustainability. Indeed, this component is an integral part of the project and has helped to build a common vision of the steps to follow since the project's very beginning, and has ensured a sense of ownership among the project partners. As an ongoing process, capacity building is a fundamental component that will ensure project sustainability and continued success through the effective management of the National Logistics Strategy. With institutional capacity strengthened – particularly that of METL, AMDL and OMCL – these organizations will be able to provide the coordination and monitoring required in the various projects related to the logistics industry.

Furthermore, Morocco has several projects and programs aimed at capacity building and the provision of technical assistance in the mitigation of GHG emissions which will support this project. Some of these projects fall within the scope of international initiatives (such as the WB PMR, UNEP FIRM, and UNDP LECB projects), and others belong directly to Morocco's own bilateral or multilateral cooperation projects (such as GIZ's 4C project). Overall, these initiatives are designed to strengthen Morocco's technical and institutional capacities relating to the design and development of NAMAs, the establishment of MRV systems, and the preparation of national strategies for low-carbon development programs, etc. These initiatives will provide significant support for the project yielding results over the short and long term.

The commitment expressed by the partners will help ensure the funding and implementation of the various measures planned as part of this project. The financial sustainability of these measures will require the mobilization of additional resources that can go beyond national funding capacities. Morocco's current desire to ensure the transition towards a low carbon logistics industry will be the main driver of future initiatives. It is important to recognize that this project aims to develop a NAMA relating to the GC platform, a concept that is still being developed and is generating considerable interest internationally. This is an opportunity for the Kingdom to propagate the efforts being made to mitigate emissions from logistics sector.

Innovation

There are several innovative features in this proposal. These include:

The development of a standardized baseline for GHG reductions from modal shift. While such standardized baselines have been developed in the CDM context and in other GHG standards, few have been attempted in the transport sector, in particular for modal shift. The current application of CDM methodologies to the transport sector, for example, tends to under-estimate the potential for GHG emission reductions from cross-modal programmes.

The development of a nested NAMA and the consideration of the significant interaction between proposed activities therein, in terms of their cumulative GHG reduction potential. NAMAs have to date mostly been developed as one-off significant mitigation actions. What is proposed with this project is to develop a coherent set of actions within the same geographical unit – the Greater Casablanca logistics platform – and to develop the entire set of

actions, including interventions on logistics fleets, warehouses and driving behavior in an integrated approach. To our knowledge, this is the first such case in Africa, certainly in the freight transport sector.

Replicability

Output 2.4. *Replication strategy for 17 additional low-carbon Logistics Regional Plans developed, building on the Greater Casablanca model* is central to the project's replication strategy. The replication strategy proposed in this project will be based on the experience gained from the GC platform and will enable the concept of NAMA development in connection to these platforms to be expanded across the country. This approach should lead to significant results in terms of reducing GHG emissions, as mentioned in Section 2.3, but also in terms of the organization of the logistics sector as a whole.

Emerging countries, characterized by an intermediate logistics performance, present major freight development opportunities, as this sector is a fundamental pillar of these economies. Given the importance of this sector and the interest of many countries in logistics development, this project will provide a basis for the implementation of similar projects elsewhere and will provide some valuable experience of direct interest to other countries.

The project also includes the implementation of knowledge sharing and communication activities related to GHG mitigation solutions in the transport sector, and the creation of a project website to provide information on the project's activities, best practices and outcomes. The activities planned within this outcome can be used to develop a cooperation network aimed at taking the initiatives carried out as part of this project to a larger scale, first involving national stakeholders in order to expand the concept to the 17 platforms that will be developed as part of the National Logistics Strategy, and then to other emerging countries.

Replication at the national level will help to overcome the barriers present in the logistics sector, and in particular the presence of the informal sector and weaknesses in the regulatory and fiscal frameworks. This replication will strengthen the whole sector and will enable the effects of climate change to be taken into account not only at the level of the GC platform but also nationally, thereby contributing to the implementation of the National Logistics Strategy.

C. DESCRIBE THE BUDGETED M &E PLAN:

The UNDP Project Document provides a detailed description of the monitoring, reporting and evaluation to be undertaken during the Project (See Section 6 of the Project Document). Full details of indicators, baseline values and targets are presented in Annex 1 to this document (Results Framework).

Monitoring and evaluation activities will follow standard UNDP and GEF monitoring and evaluation policies and guidelines. Monitoring and evaluation of progress in achieving project results and objectives will be done based on the targets and indicators established in the project Results Framework (Annex 1). The project Monitoring and Evaluation Plan has been budgeted at US\$75,000 (see Table 6 below). A summary of the envisaged M&E activities is provided in the following table.

Table 6 – Monitoring and Evaluation Activity Summary

Type of M&E activity	Responsible Parties	Budget \$US <i>Excluding project team staff time</i>	Time frame
Inception Workshop and Report	Project Manager, Steering Committee, UNDP Morocco, UNDP-GEF	Indicative cost: \$3,000	Within first two months of project start up
Measurement of Means of Verification of project results.	UNDP Morocco, Project Manager	None	Start, mid- and end of project (during evaluation cycle) and annually when required
Measurement of Means of Verification for Project Progress on output and implementation	Oversight by Project Manager Project team	To be determined as part of the Annual Work Plan's preparation.	Annually, prior to ARR/PIR and the definition of annual work plans
ARR/PIR	Project Manager and team UNDP Morocco, UNDP-GEF	None	Annually
Periodic status/ progress reports	Project Manager and team (PMU)	None	Quarterly
Mid-Term Review	Project Manager and team (PMU) UNDP Morocco, UNDP-GEF External Consultants (i.e. review team)	Indicative cost: \$20,000	At the mid-point of project implementation (between 2nd and 3rd PIR)
Final Evaluation	Project Manager and team (PMU) UNDP Morocco, UNDP-GEF External Consultants (i.e. evaluation team)	Indicative cost: \$40,000	At least three months before the end of project implementation
Project Terminal Report	Project Manager and team (PMU) UNDP Morocco	None	At least three months before the end of the project
Audit	UNDP Morocco Project Manager and team (PMU)	Indicative cost per year: \$3,000 for a total of \$12,000 (for 4 years)	Annually
HACT : Micro evaluation	UNDP Morocco Project Manager and team (PMU)	None	Once
TOTAL indicative COST Excluding project team staff time and UNDP staff and travel expenses		\$US 75,000	


PART III: APPROVAL/ENDORSEMENT BY GEF OPERATIONAL FOCAL POINT(S) AND GEF AGENCY(IES)

- A. RECORD OF ENDORSEMENT OF GEF OPERATIONAL FOCAL POINT(S) ON BEHALF OF THE GOVERNMENT(S):** (Please attach the [Operational Focal Point endorsement letter\(s\)](#) with this form. For SGP, use this [OFP endorsement letter](#)).

NAME	POSITION	MINISTRY	DATE (MM/dd/yyyy)
Mohamed Benyahia	Director of Partnerships, Communications & Cooperation; GEF OFP	MINISTRY OF ENERGY, MINES, WATER & ENVIRONMENT	20 th March 2013

B. GEF AGENCY(IES) CERTIFICATION

This request has been prepared in accordance with GEF/LDCF/SCCF/NPIF policies and procedures and meets the GEF/LDCF/SCCF/NPIF criteria for CEO endorsement/approval of project.

Agency Coordinator, Agency Name	Signature	Date (Month, day, year)	Project Contact Person	Telephone	Email Address
Adriana Dinu UNDP/GEF Executive Coordinator		April 30, 2015	Lucas Black Regional Technical Advisor – Arab States / Energy, Infrastructure, Transport and Technology (EITT)	Tel: +90 538 598 5172	lucas.black@undp.org

ANNEX A: PROJECT RESULTS FRAMEWORK (either copy and paste here the framework from the Agency document, or provide reference to the page in the project document where the framework could be found).

<p>This project will contribute to achieving the following Country Program Outcome: The principles of the "National Charter for the Environment for Sustainable Development" are implemented in coherence between sectoral strategies and priorities for the environment, climate change adaptation and risk management and by strengthening territorial convergence in areas and the most vulnerable populations with special attention to gender.</p>
<p>Country Program Outcome Indicators:</p> <p>Indicator 5.1.1: Number of strategies produced / reviewed consistently and integrating the principles of ESD charter.</p> <p>Indicator 5.3.1: Number of strategies developed for mitigation and adaptation to CC.</p> <p>Indicator 5.3.2: Number of entities that have received capacity building in CC and risk management</p>
<p>Primary applicable Key Environment and Sustainable Development Key Result Area: Sustainable Development</p> <p>Applicable GEF Focal Area Objective:</p> <p>CCM 4 - “Promote energy efficient, low-carbon transport and urban systems”</p> <p>CCM 3 - “Promote investment in renewable energy technology”</p>

	Indicator	Baseline	Targets End of Project	Source of verification	Risks and Assumptions
Project Objective To operationalize the mitigation potential of the National Logistics Strategy through facilitation of the Government's roll-out of integrated logistics platforms in a NAMA framework.	Amount of <u>additional</u> tons of direct CO ₂ emissions reduced relative to baseline (five categories of emission reductions)	Under BAU scenario 8,856 tCO ₂ will be reduced by newly introduced vehicles benefiting from the current METL funding scheme and eco-driven freight vehicles from SNTL (2016-2019)	1) Eco-driving: 87,321 tCO ₂ cumulative total by the end of the project 2) Solar PV (1.5 MW): 32,745 tCO ₂ (over lifetime) 3) Fleet renewal: 18,322 tCO ₂ cumulative total by the end of project 4) Modal shift: 872,756 tCO ₂ cumulative total by end of project 5) Improvement of vehicle maintenance & testing: 491,373 tCO ₂ cumulative total by the end of the project. Total: 1,502,517 tCO₂ Direct emissions	Project monitoring reports and final evaluation. Data from STNL National Communication to the UNFCCC and BURs.	Economic risks: continuation of the international economic crisis and its impact on the Moroccan economy; potential occurrence of climate drought periods that may impact the agriculture sector as the key driver of the national economy. Financial risks: sourcing the necessary financial resources to develop the logistic platforms, to subsidize the fleet renewal scheme and to offer proper incentives to professionalize the informal sector.

	Indicator	Baseline	Targets End of Project	Source of verification	Risks and Assumptions
	<p>Energy production from renewable sources (MWh/yr) – Solar PV plant</p> <p>National systems in place to access, deliver, monitor, report on and verify use of climate finance</p> <p>Number of freight transport operators aware of economic and environmental benefits of eco-driving, fleet renewal through the national financial scheme and improvement of vehicle maintenance.</p> <p>Percentage reduction in the fuel budget (by volume) among all freight transport operators benefiting from the project (leading to improved economic position for those firms and their employees)</p>	<p>0</p> <p>0</p> <p>0</p> <p>Current average annual baseline fuel consumption (liters) among operators - TBD during year 1 of project</p>	<p>3,700 MWh/yr from PV</p> <p>A system is in place to report on climate finance in the transport sector</p> <p>1,000 freight transport operators (i.e. 100 operators outreached during each workshop with 10 workshops organized in various regions of the Kingdom).</p> <p>At least 10% average annual reduction in fuel consumption volume (translated to monetary equivalent in savings) for all freight transport operators by end of project</p>	<p>Data from SNTL</p> <p>Reports of meetings and workshops</p> <p>Project reporting and specific reporting mechanism put in place for all freight transport operators involved in project to track fuel consumption over lifetime of project</p>	
Outcome 1 Institutions, public policies and regulations are enhanced regarding low-carbon development of the Moroccan transport sector	<p>Institutional capacity to ensure mainstreaming and monitoring of low carbon development in the freight transport sector</p> <p>Policy measures and regulations in place to mainstream low carbon development in the logistics sector.</p>	<p>No specific institution dedicated to GHG monitoring and policy development in the transport sector</p> <p>No policy measures and mitigation actions in place to reach the 35% CO2 reduction impact</p>	<p>One specific institution set-up as an inter-ministerial committee and capacities are strengthened in GHG monitoring and policy development for low-carbon development</p> <p>Policy measures are implemented to reach the 35% CO2 reduction impact.</p>	<p>Reports of activities, monitoring and final evaluation.</p> <p>Reports of meetings and workshops</p> <p>Submitted policy options to decision makers</p>	<p>AMDCL and OMCL obtaining the necessary support and resources to fully play a role in low-carbon development of the freight transport sector</p> <p>Delay in the development and implementation of the national logistics strategy</p> <p>Negotiation of the proposed low-carbon policy options and regulatory improvements with the private sector before</p>

	Indicator	Baseline	Targets End of Project	Source of verification	Risks and Assumptions
	% of cars in the road fleet registry with GHG relevant data	No regulations exist to date specific to GHG monitoring or low carbon development in transport sector 0 %	At least 2 regulations on low-carbon development in the logistics sector are formally submitted for approval to GSG 100% of the road fleet registry has GHG data	Submitted regulations to GSG Institutional registers and databases	submission for the Government approval process. Lack of interest from private banks to join the fleet renewal scheme
	Indicator	Baseline	Targets End of Project	Source of verification	Risks and Assumptions
Outcome 2 The network of Multi-flux Logistics Zones of Greater Casablanca is developed as a nationally appropriate mitigation action ("NAMA") model project as part of the National Logistics Strategy	Existence of GC logistics platform with its own GHG inventory and MRV system Existence of GC logistics platform designed as a model NAMA for replication perspective at the 17 other logistics platforms Existence of an innovative "nested NAMA" framework to couple the GC logistical platform NAMA to the eco-city of Zenata ('NAMA Ville')	No GHG inventory and MRV systems exists 0 NAMA-DD for GC logistic platform exists. No 'nested NAMA' framework developed	GHG inventory and MRV systems designed and implemented for GC NAMA The NAMA Design Document (NAMA-DD) validated by the NCCC and registered in the UNFCCC NAMA Registry A standardized baseline methodology for freight modal switch from road to rail is developed, tested at the Zenata site and submitted to the UNFCCC for approval. The NCCC validates the 'nested NAMA' framework	Project monitoring reports and final evaluation. GC GHG inventory and MRV system GC NAMA-DD. Nested NAMA-DD UNFCCC NAMA Registry	Stakeholders engagement in data collection and validation of NAMA designs Examination and validation of the proposed NAMAs (GC-NAMAs, Kernel and Nested NAMA frameworks) by NCCC
Outcome 3 The mitigation measure ("NAMA") is made operational by upgrade	Number of operationalized GHG reduction measures through investments facilitated by the project at	No PV panels installed on the roofs of the Zenata site	1.5 MW of PV panels are procured and installed at the Zenata site	Energy audit reports	Lack of national regulatory framework on net metering Slowness of procedures for

	Indicator	Baseline	Targets End of Project	Source of verification	Risks and Assumptions
investments of the logistics zones provided for by the logistical regional plan of Greater Casablanca	the GC logistics platforms	<p>5 SNTL trainers training on eco-driving</p> <p>70% of SNTL vehicles are less than 5 years</p>	<p>100 trainers trained on eco-driving</p> <p>5,000 new freight vehicles benefit from the fleet subsidy renewal scheme</p>	<p>Records of attendance of eco-driving training</p> <p>Certificates of new vehicles</p> <p>Annual reports of the fleet subsidy renewal scheme</p> <p>Economic performance reports of GC logistics site</p>	<p>granting subsidies for fleet renewal</p> <p>Engagement of the private sector, mainly the informal sector, in implementing mitigation actions</p>

ANNEX B: RESPONSES TO PROJECT REVIEWS (from GEF Secretariat and GEF Agencies, and Responses to Comments from Council at work program inclusion and the Convention Secretariat and STAP at PIF).

Responses to Comments from STAP Review

1. The project could explore complementary with BUR and National Communication projects of Morocco. Since BUR also aims at developing and reporting of NAMAs they also develop Emission Factors

Since the Ministry of Environment and the National Committee on Climate Change (NCCC) represent key actors in the preparation processes of National Communications, National GHG Inventories and BURs, these two bodies are strongly involved in the project, mainly in the activities related to the NAMAs design, development of GHG calculation methodologies and improvement of country-specific emission factors. During the PPG phase, the Ministry of Environment was strongly involved providing guidance and recent GHG data from the Third National Communication (in progress). Through their involvement in this project, the Ministry of Environment and NCCC will make sure that synergies and complementarities are forged between the BURs and National Communications in order to provide the necessary coordination and avoid duplication and overlap.

2. STAP suggests focusing on “ASI” framework and developing a full strategy for ASI. The rationale for 1.5 MW solar power project is not clear for a transportation project (unless perhaps the plan is to eventually link it with electric road or rail vehicles but this is unlikely). The building owners will benefit from the green power generated, but it will only indirectly impact on the logistics problems being addressed by the project. Instead the focus could be more on activities to promote ASI framework.

The different measures and activities that will be implemented through the project aim to promote an ASI approach, especially activities related to the implementation and replication of MFLZ (Multi-Flow Logistics Zones), eco-driving, road to rail modal shift that will ensure consolidation of flows of transported goods, the use of more environmentally modes, the reduction of emissions and the improvement of fuel efficiency.

Regarding the installation of a 1.5 MW PV system, the goal is to meet the electrical needs of future refrigerated warehouses in the logistics site of Zenata to attract other types of goods at this site. This will contribute to the consolidation of flows of other types of transported goods, such as goods from the food industry and agricultural sector, and hence the national stakeholders wanted to include it in the project.

However, the PPG preparation team in consultation with the stakeholders did not recommend the energy audit of buildings and the promotion of a green labeling scheme for the logistics sites proposed in the PIF. These measures were considered not have a direct impact on the transport sector and are being considered in other projects in line with the national energy efficiency strategy.

3. The PIF could refer to STAP-GEF Technical Report on Transportation for GHG accounting, which is complex for transportation projects. The report is available on STAP’s website: www.stapgef.org

In terms of emissions calculations, the PPG preparation team has used the:

- “Manual for calculating greenhouse Gas Benefits for GEF” related to transportation projects found on the GEF website for 1) eco-driving, 2) fleet-renewal, 3) modal shift and 4) improvement of vehicle maintenance & testing measures (indirect emissions);
- “Manual for calculating greenhouse Gas benefits for GEF” related to Energy Efficiency & RE emissions for both direct & indirect emission calculations for the Solar PV (1.5 MW) plant

Methods/formulas found in both of those manuals are generally consistent with the methods recommended in the STAP GHG guidelines for Transport projects (pages from 11 to 19). However, the project’s direct emissions reductions related to 1) eco-driving, 2) fleet-renewal, 3) modal shift and 4) improvement of vehicle maintenance & testing measures have been calculated using international best practices and formulas adopted by national stakeholders and the project team

due to the a lack of specific data (fuel economy, price/speed sensitivity of travel demand, etc.) required for the STAP methodology or unsuitable spreadsheets for the project specificities (freight transport instead of passenger one).

4. The PIF reads some times as a CDM project (Emission Factors, MRV, NAMA, etc.). It is also very narrowly focused on just one specific location (Zenata site). Instead it should read more like a typical GEF project on trying to make an impact on the city, region, sector, or even at the national level

This is noted and the CEO ER and Prodoc were developed to read more like a typical GEF project. The national impact aspect was considered in the project through the replication strategy, which will be developed within the framework of the second Outcome, as described in the ProDoc. As such the national logistics strategy will be covered by developing 17 additional low-carbon Logistics Regional Plans by building on the Greater Casablanca model. Furthermore, the project includes activities that will have an important impact at the national level, such as activities related to the development of policy instruments (such as the amendment of a Decree to make eco-driving mandatory and the design of fleet renewal financial scheme, capacity building, outreach workshops, etc). Furthermore the logistics site of Zenata was chosen since it is the first operational site of the national logistics strategy and has the potential to test the feasibility of a Nested NAMA approach with the development of the Zenata eco-city. Through this approach a model will be developed for potential replication to others logistics regional plans throughout the country.

5. Supporting the work of the new agency on logistics with this project is a good approach. Growth in demand for freight movements is likely to grow rapidly and linking to NAMAs makes sense. Reducing national road transport emissions by 35% in just two years is very ambitious, even for well-funded projects. Can stakeholders, (including drivers) be skilled up in that time and all necessary investments made? It could be that monitoring a few key changes then heavily promoting the cost savings (and GHG reductions) will help drive rapid progress but it is not clear how this would happen in the target time available

The reduction of 35% of CO₂ emissions with respect to the 2009 reference year is the ultimate impact of the National Logistics Strategy in the mid-term range (i.e. by 2020). The activities to be developed through this project will contribute to reaching part of this target. In fact, based on the ER calculations, the project (over the 4 years period) will lead to a reduction of about 15% of the freight transport CO₂ emissions (as compared to 2009 levels). In addition, the project will contribute to remove some barriers (policy level, financial, capacities, etc.) that will help realize the ambitious target of the 35% reduction as specified by the strategy.

6. Typical rapid growth in demand for road transport (passengers and freight) is evident in Morocco so the project is well timed to evaluate improved freight logistics and modal switch from road to rail where practical. But this is no easy task as suitable handling systems and container storage areas may need to be constructed

Road to rail modal shift was considered in the project considering the actual share reached by ONCF (National Rail Office). In fact, as is explained in the ProDoc, ONCF has established its own integrated logistics strategy (2010-2015) involving the application of three levers: 1) Development of rail infrastructure in ports, 2) Development of sectoral strategies (cereal logistics plans and hydrocarbon logistics plans) and 3) Construction and operation of a network of logistics platforms consisting of 5 major platforms over an area of 300ha in Casablanca (Mita), Zenata, Fez, Marrakech and Tangier.

The “MITA” dry port facility in Casablanca, with an area of 8 ha, has been operational since September 2009 and has a 600 m rail track connected to the rail network providing a range of services. Moreover, the ONCF co-financing of US\$6,800,000 during the project period will concern the three projects of rail transport of containers along the connections Casablanca-Marrakech/Casablanca-Fes/Casablanca-Tanger with a Dry Ports in Marrakech, Fes and Tanger acting as integrated bimodal (rail/road) service terminals. Based on these elements, and in consultation with different stakeholders, including ONCF, modal shift was considered as one of the main measures to be developed through the project and has major potential of CO₂ emissions reduction.

7. The aim to have 18 cities with freight centers (or “hubs”) spread throughout the country makes good sense, so concentrating on the Zenata site in Casablanca could work well to establish a model for the others but should be carefully considered. Is it typical and will lessons learned from experience be able to be easily applied elsewhere?

The National Strategy for the Development of Logistics Competitiveness aims to develop 18 logistics plans over the Kingdom, as described in detail in the ProDoc. The main stakeholders involved in this strategy are those implementing the different components of this project, namely AMDL, METL, ONCF and SNTL, and constitute the main key actors of the inter-ministerial committee to be set-up and strengthened during the project to promote national climate change mitigation policies in the freight transport sector. The close involvement of these stakeholders in project activities will ensure more synergy and coordination for future logistics projects by building on the Greater Casablanca model and realizing the replication strategy.

8. Using GEF funds for vehicle testing is okay, but since many of the heavy duty vehicles tested will be privately owned by commercial companies, the aim should be to eventually make the testing project self-funding.

During the ProDoc preparation phase, and in consultation with the stakeholders and following STAP guidance, it was decided to exclude this activity considering that a mandatory annual vehicle testing scheme already exists in Morocco for heavy trucks.

Consequently, it was decided to work with operators through the implementation of an outreach campaign. This campaign will be dedicated to road freight operators registered at the METL Registry to encourage them to implement a set of measures including: eco-driving and acquisition of new vehicles benefiting from the measures initiated by the State to promote the Euro 4 Standard and regular maintenance of vehicles. The outreach effort will provide the necessary details to the operators on the benefits of these measures but also their impact on the energy bill, as well as that of fuel savings. The promotion of these measures is consistent with the study launched by the METL concerning the calculation and updating of reference costs of road freight transport. Awareness activities will be implemented in partnership with the private sector (FT-CGEM) by targeting first the Greater Casablanca region and other regions of the Kingdom. This activity targets 20% of the formal and structured sector that will be able to carry out the instructions learned via the campaign (more details on GHG reduction calculations are presented in Annex 8.2 of Prodoc).

9. The training of 1000 drivers in 2008 seemed to be satisfactory, but have they been revisited to see if lessons learned were maintained over the years. What share of national drivers is this? If only a few per cent as suspected since there are 68,000 trucks in the fleet, a considerable effort is still needed to reach all drivers. One consideration might be to pay them a bonus based on a share of the fuel saved by their eco-driving.

In consultation with stakeholders, and after analysis of regulatory framework (Decree of the Minister of Infrastructure and Transport No. 2713-10 of 23 December 2010) concerning the professional conduct, this activity has been substituted by the review and the amendment of this decree in order to make eco-driving training mandatory.

To ensure implementation of eco-driving training in the future, the project will develop also an eco-driving “Training of Trainers” (ToT) program. This ToT program will be based on actual national initiatives, including those of the SNTL, ADEREE and OFPPT, and also on expertise of European countries that have implemented similar programs. The selected trainers will be among 160 trainers of OFPPT that are already providing continuing training to professional heavy truck drivers. The project targets the training of 100 ToT on eco-driving.

Assuming that the new regulatory framework and the eco-driving ToT program will require about 3 years, the project aims to ensure the training of 16,000 drivers by the end of the project. In the long term, the project will ensure the training of a large number of drivers and will catalyze greater GHG emissions reductions (more details on GHG reduction calculations are presented in Annex 8.2 of Prodoc).

10. Innovative policy support could help meet the continuous target for example by regulating the maximum road speed of trucks to be far lower than at present, this would save fuel as well as induce the modal shift to rail if it proved to be faster.

The project supports policy instruments on a strategic level that will have a greater impact in term of CO₂ emissions reductions, such as the review and amendment of the decree concerning professional conduct to make eco-driving mandatory in the annual continuous training program and design of a sustainable financial scheme to support fleet renewable.

Responses to comments from GEF Secretariat at PIF Stage

a) Specific activities to promote multi-modal synergies.

The fact that the main multi-modal logistic operators (ONCF, SNTL, AMDL) are part of the steering committee of the project and also the responsible partners for the implementation of various activities will promote such synergies. These synergies will be fostered through the implementation of project-specific activities, such as:

- Activities of Output 1.3 “Country-specific road fleet profile and emission factors developed for Moroccan transport modes (road and rail), and used for scenario development”;
- Activities of Output 1.4 “An interdepartmental committee is set up to promote emission mitigation policies in the transport sector”;
- Activities of Output 2.3 “Standardized baseline for transport modal switch (from road to rail) developed as a mitigation tool to promote replication.

The detailed list of activities of these Outputs is presented in Section 2.1 of the Project Document.

b) Clarification of activities registered as NAMAs and corresponding MRV systems.

These activities will be developed and implemented under Outcome 2, mainly under:

- Output 2.1 “GHG inventory and MRV systems designed and implemented for NAMA purposes”;
- Output 2.4. “Replication strategy for 17 additional low-carbon Logistics Regional Plans developed, building on the Greater Casablanca model”;
- Output 2.5 “Innovative ‘nested NAMA’ framework developed to couple the Greater Casablanca Logistics Regional Plan NAMA to a broader Zenata Eco-city NAMA (‘NAMA Ville’), initiative so as to promote mitigation synergies in a consistent and robust GHG inventory and MRV framework”.

The detailed list of activities of these Outputs is presented in Section 2.1 of the Project Document.

c) Detailed estimation of GHG emission reductions with sound methodologies and assumptions, including the effects of multi-modal synergies.

The detailed calculations and assumptions used to estimate the GHG emission reductions including the effect of multi-modal synergies are presented in Section 2.3 and Annex 8.2 of the Project Document. A summary of the results of these estimations are presented in this document in Section A. 5. Of the CEO ER.

d) Mitigation approach to the increase of obsolete vehicles.

The introduction of the Euro 4 standard is now mandatory in Morocco since January 2015 (even on locally assembled vehicles) and represents the main approach to mitigate the increase of obsolete vehicles. The GEF project will support this approach through the development of a fleet renewal scheme via financial incentives with the collaboration of the banking sector.

Responses to comments from Council Members (Comments from Germany)

- a) Germany recommends to make clear in the beginning of the proposal that the Ministry of Equipment and Transport is the parent Ministry of the AMDL which is ultimately responsible for the National Logistics Strategy and which will support developing the mitigation aspects of the Strategy.*

The Prodoc presents a thorough presentation of the National Logistic Strategy (see para 17 to 24); it’s implementation status (para 25 to 46); and more importantly its mode of governance (para 43). The role of the AMDL in the

implementation of the National Logistics Strategy is detailed in para 90 to 92. Moreover in “Table 5. Summary of Stakeholder Roles and Responsibilities” of the CEO ER it is made clear that the Ministry of Equipment and Transport is the parent ministry of AMDL and is responsible for the strategy.

- b) *The development of country-specific emission factors for different freight vehicle-types and fuels is commendable. However, it is ambitious and due care shall be taken in their design, including complementarity with BURs and NC which also assess NAMAs and use emission factors.*

Indeed, Morocco is fully aware of the need for development of country-specific emission factors by vehicle category (for both road and rail freights) and fuels, which will allow for a more accurate inventory of GHG emissions, but also to monitor potential reductions and to reduce the overall uncertainty. The emission factors to be developed under Outcome 1 (Output 1.3; activity 1.3.3.) will build on and seek to improve upon emission factors included in the Simplified Calculation tool for GHG emissions in Morocco developed by the “Mohammed VI Foundation For The Protection of the Environment” under a cooperation agreement with ADEME (August 28, 2011). These emissions factors were used in the ex-ante GHG calculations noted in the Prodoc; however the calculation of the direct emissions realized by the project at terminal evaluation (ex-poste) will be done with the more customized emission factors supported under Outcome 1.

- c) *Germany considers the replication strategy for up-scaling the 17 additional logistics platforms planned nationally a good approach. Specific local circumstances need to be taken into account when planning further logistic platforms. The lessons learnt of this project shall be integrated into the replication strategy to make it applicable to other situations.*

This is noted and the replication strategy developed under this project (output 2.4) will fully incorporate the lessons learned from this project and the operationalization of the Greater Casablanca Logistics platform. Replication at the national level will help to significantly overcome the barriers present in the logistics sector, and in particular the presence of the informal sector and weaknesses in the regulatory and fiscal frameworks. This replication will strengthen the whole sector and will enable GHG reduction measures to be taken into account not only at the level of the Greater Casablanca platform but also nationally. The replication strategy proposed in this project will be based on the experience gained from the Greater Casablanca platform and will enable the concept of NAMA development in connection to these platforms to be expanded across the country. This approach should lead to significant results in terms of reducing GHG emissions, as mentioned in section 2.3 of the Prodoc, but also in terms of the organization of the logistics sector as a whole.

- d) What is the value added in respect of the global benefits of revitalizing the NCCC for this project?

Within this project, the NCCC is considered by national stakeholders to be a key source of support in the establishment of a national NAMA coordination framework. The NCCC was established in order to engage national institutions and build their capacity to address the issue of climate change. It was also designed to monitor all aspects relating to Morocco's commitments in the national implementation of the UNFCCC. In terms of reporting to UNFCCC (National Communications and BURs) as well as NAMA development, this committee plays a vital role.

- e) When establishing NAMA eligibility and quality criteria the Committee will build on DNA's experience with CDM project approval criteria. Germany in this context welcomes that the GEF project will work with the Moroccan DNA to develop a SBL for freight modal switching from road to rail (Output 2.3) to be test-applied at the Zenata Platform.

This recommendation is noted and will be ensured given that MoE (who hosts the Moroccan DNA as well as the NCCC) will have an active role in the process of SBL development and submission to the UNFCCC as the national focal point. It is planned that under Output 2.3 (activity 2.3.2) a trial application and calibration of the mitigation tool will be applied at the Zenata logistics site and at other relevant sites to modal shift.

- f) The planned development of a ‘nested NAMA’ framework is very innovative. However it is critical to ensure that overlap and duplication is avoided when inter-linking NAMAs and nesting NAMAs in other NAMAs. Further agencies/ technical experts shall be integrated in this process to observe a reasonable cost-benefit relation.

This is noted and that consideration is indicated in para 122 of the Prodoc, and description of Output 2.5 and activities 2.5.1 to 2.5.3.

- g) What criteria are applied to the mandatory road vehicle testing? Will it include emissions testing?

The present mandatory vehicle inspection scheme in Morocco includes emissions testing, such as the evaluation of the opacity of the exhaust pipe fumes that are conducted by the privately managed Centers of Vehicle Testing (see para 71 of the Prodoc).

- h) Please add non-GHG impacts (co-benefits) especially possible impacts on the region, city or the sector.

Non-GHG impacts (co-benefits) are presented in Section 2.3 of the Prodoc (especially in para 136 to 141) as well as Section B.2 of the CEO ER; various non-GHG benefits and indicators are also listed in the project results framework and will be monitored and report on during project implementation (see the results framework in Annex A of the CEO ER).

- i) How will the emission reductions from the eco-driving training be monitored?

As mentioned in the Results Framework (Annex A to the CEO ER) the emission reductions from the eco-driving training will be monitored through records of attendance to eco-driving training and application of the calculation methodologies used in Section 8.2 of the Prodoc specific to eco-driving.

ANNEX C: STATUS OF IMPLEMENTATION OF PROJECT PREPARATION ACTIVITIES AND THE USE OF FUNDS¹⁰

A. PROVIDE DETAILED FUNDING AMOUNT OF THE PPG ACTIVITIES FINANCING STATUS IN THE TABLE BELOW:

PPG Grant Approved at PIF: \$100 000.00			
<i>Project Preparation Activities Implemented</i>	<i>GEF/LDCF/SCCF/NPIF Amount (\$)</i>		
	<i>Budgeted Amount</i>	<i>Amount Spent To date</i>	<i>Amount Committed</i>
Assessing the national enabling environment for green logistics	60 000.00	35 941.88	24 058.12
Designing a comprehensive mitigation programme for Greater Casablanca integrated logistics platform developed as a NAMA	25 000.00	20 000.00	5 000.00
Development of the business case for targeted investments in emission reductions implemented in a NAMA framework	15 000.00	10 000.00	5 000.00
Total	100 000.00	65 941.88	34 058.12

¹⁰ If at CEO Endorsement, the PPG activities have not been completed and there is a balance of unspent fund, Agencies can continue undertake the activities up to one year of project start. No later than one year from start of project implementation, Agencies should report this table to the GEF Secretariat on the completion of PPG activities and the amount spent for the activities.

ANNEX D: CALENDAR OF EXPECTED REFLOWS (if non-grant instrument is used)

Provide a calendar of expected reflows to the GEF/LDCF/SCCF/NPIF Trust Fund or to your Agency (and/or revolving fund that will be set up)

N/A