



GLOBAL ENVIRONMENT FACILITY
INVESTING IN OUR PLANET

Naoko Ishii
CEO and Chairperson

August 31, 2016

Dear Council Member:

UNDP as the Implementing Agency for the project entitled: ***Philippines: Promotion of Low Carbon Urban Transport Systems in the Philippines***, has submitted the attached proposed project document for CEO endorsement prior to final approval of the project document in accordance with UNDP procedures.

The Secretariat has reviewed the project document. It is consistent with the proposal approved by Council in May 2014 and the proposed project remains consistent with the Instrument and GEF policies and procedures. The attached explanation prepared by UNDP satisfactorily details how Council's comments and those of the STAP have been addressed. I am, therefore, endorsing the project document.

We have today posted the proposed project document on the GEF website at www.TheGEF.org. If you do not have access to the Web, you may request the local field office of UNDP or the World Bank to download the document for you. Alternatively, you may request a copy of the document from the Secretariat. If you make such a request, please confirm for us your current mailing address.

Sincerely,

Naoko Ishii

Attachment: GEFSEC Project Review Document
Copy to: Country Operational Focal Point, GEF Agencies, STAP, Trustee



REQUEST FOR CEO ENDORSEMENT

PROJECT TYPE: Full-sized Project

TYPE OF TRUST FUND: GEF Trust Fund

For more information about GEF, visit TheGEF.org

PART I: PROJECT INFORMATION

Project Title: Promotion of Low Carbon Urban Transport Systems in the Philippines			
Country(ies):	Philippines	GEF Project ID: ¹	5717
GEF Agency(ies):	UNDP	GEF Agency Project ID:	5304
Other Executing Partner(s):	Department of Transportation and Communications (DOTC)	Submission Date:	2 June 2016
GEF Focal Area (s):	Climate Change	Project Duration (Months)	48
Name of Parent Program (if applicable): ➤ For SFM/REDD+ <input type="checkbox"/> ➤ For SGP <input type="checkbox"/> ➤ For PPP <input type="checkbox"/>	n/a	Project Agency Fee (\$):	250,774

A. FOCAL AREA STRATEGY FRAMEWORK²

Focal Area Objectives	Expected FA Outcomes	Expected FA Outputs	Trust Fund	Grant Amount, \$	Co-financing, \$
CCM-4	4.1: Sustainable transport and urban policy and regulatory frameworks adopted and implemented	4.1: Cities adopting in low-carbon programs	GEF TF	1,150,950	3,240,000
CCM-4	4.2: Increased investment in less-GHG intensive transport and urban systems	4.2: Investment mobilized	GEF TF	1,086,776	18,599,979
CCM-4	4.2: Increased investment in less-GHG intensive transport and urban systems	4.3 Energy savings achieved	GEF TF	402,000	600,000
Total project costs				2,639,726	22,439,979

B. PROJECT FRAMEWORK

Project Objective: To create an enabling environment for the commercialization of low carbon urban transport systems (e.g., electric and hybrid vehicles) in the Philippines

Project Component	Grant Type	Expected Outcomes	Expected Outputs	Trust Fund	Grant Amount (\$)	Confirmed Co-financing (\$)
1. Policy support for the promotion of low carbon	TA	1. Effective enforcement of policies and support	1.1: Developed supportive policy framework and regulations to facilitate	GEFTF	624,900	1,400,000

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.

modes of transport		provided for the promotion of low carbon transport	the uptake of low carbon transport systems 1.2: Established coordination mechanism among agencies involved in low carbon transport planning and development 1.3: Developed Low-Carbon Transport Master Plan 1.4: Developed guidelines for local government units on the approval of related supportive infrastructures (e.g., charging station locations, right-of-way) 1.5: Approved and enforced low carbon vehicle operators and manufacturers guidelines			
2. Awareness and institutional capacity development	TA	2. Adopted and implemented low carbon transport plans and/or programs in major cities	2.1: Developed capacity of planning institutions and regulatory agencies on (a) coordinated policy making, investment planning and implementation of low carbon transport; and (b) modern planning tools, registration and licensing of low carbon vehicles 2.2 Completed awareness and advocacy programme 2.3: Established centers of excellence to support local capability and expertise for new applications/ services/ products 2.4: Developed sufficient number of skilled local technicians	GEFTF	400,350	1,100,000
3. Investment in low carbon transport systems in the country	TA	3.1. Increased private sector participation in the widespread deployment and commercialization of low carbon transport	3.1.1: Completed public transport route rationalization assessment and feasibility studies; 3.1.2: Developed standard procedures for on-road and laboratory tests of new vehicle-fuel technologies 3.1.3: Established and approved electric vehicle (EV) charging protocol and standardization	GEFTF	402,000	600,000
	INV	3.2. Increased private sector investment in low carbon transport	3.2.1: Completed and adopted viable business plan to support the wider application of low carbon vehicles	GEFTF	1,086,776	18,599,979

			3.2.2: Installed standardized solar EV charging stations in pilot areas and cities 3.2.3: Introduced and operational at least 15-20 hybrid or electric vehicles for mass transit and operational automated guideway transit (AGT) system			
			Subtotal			
			Project Management Cost (PMC) ³	GEF TF		
			Total Project Costs			
					2,514,026	21,699,979
					125,700	740,000
					2,639,726	22,439,979

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

Please include letters confirming co-financing for the project with this form

Sources of Co-financing	Name of Co-financier (source)	Type of Co-financing	Co-financing Amount (\$)
GEF Agency	UNDP	Cash	20,000
GEF Agency	UNDP	In-kind	70,000
Government	DOTC	Cash	4,950,000
Government	DOTC	In-kind	1,600,000
Government	DOST	Cash	3,170,996
Government	DOST	In-kind	28,983
Private	Global Electric Transport (GET)- City Optimized Managed Electric Transport (COMET)	Cash	9,000,000
Private	GET-COMET	In-kind	3,000,000
Private	Electric Vehicle Expansion Enterprises, Inc. (EVEE-I)	Cash	500,000
Private	EVEE-I	In-kind	100,000
Total Co-financing			22,439,979

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

E. CONSULTANTS WORKING FOR TECHNICAL ASSISTANCE COMPONENTS:

Component	Grant Amount (\$)	Co-financing (\$)	Project Total (\$)
International Consultants	506,900	180,000	686,900
National/Local Consultants	255,476	810,000	1,065,476

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

PART II: PROJECT JUSTIFICATION

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

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

There are no changes to the Objective, Component and Outcome levels. Taking into account the minor changes in the baseline, some changes in the Outputs were identified during the project formulation or PPG stage. These changes are reflected in the Project Result Framework presented in pages 65-67 of the Project Document. These PIF Outputs changes are as follows:

PIF Outcome/Output Affected	Changes
Output 1.2 Completed and operationalized Low-Carbon Transport Master Plan and supportive infrastructure roadmap	This output is now reflected as Output 1.3 and reworded recognising that operationalisation of the Masterplan may not be realistic and forthcoming within a short span of the four year project cycle. <i>Revised Output 1.3: Developed Low-Carbon Transport Master Plan</i> Infrastructure roadmap will be addressed through activity 1.3.5 constituted as a part of Output 1.3
	PIF Output 2.2 has been streamlined with Outcome 1 and reorganized as <i>Output 1.2 Established coordination mechanism among agencies involved in low carbon transport planning and development.</i>
Output 1.3 Approved and enforced low carbon vehicle owners and manufacturer guidelines	This output was moved after Output 1.4 to have a harmonious chronological flow of activities. <i>Output 1.5 Approved and implemented low carbon vehicle owners and manufacturer guidelines</i>
Output 1.4 Guidelines to the local governments units (LGUs) on the approval of related supportive infrastructures (e.g. charging station locations, right-of-way)	Minor text revision was done to add “developed” to ensure consistency with other outputs <i>Output 1.4: Developed guidelines for local government units on the approval of related supportive infrastructures (e.g., charging station locations, right-of-way)</i>
Outcome 2. Major cities adopt and implement low carbon transport plans and/or programs	Minor text change where Outcome 2 was reworded for consistency with other outcome statement as follows: <i>Outcome 2: Adopted and implemented low carbon transport plans and/or programs in major cities</i> Two additional outputs were added under Outcome 2 which are necessary inputs towards realization of the outcome.
Output 2.2 Established institutional framework supportive of low carbon transport development and commercialization	This has been streamlined as Output 1.2.
	New Output added to emphasize awareness and outreach activities <i>Output 2.2: Completed awareness and advocacy programme</i>
	New Output has been added 2.4: <i>Developed sufficient number of skilled local technicians.</i> This will address the barrier due to limited local technical capacity and ensure long term sustainability of project results.
Output 3.1.1 Completed public transport route rationalization assessment	Minor revision made on output statement with conduct of feasibility studies is included in this output as follows: <i>Revised Output 3.1.1: Completed public transport route rationalization assessment and feasibility studies</i>
Output 3.2.2 Installed standardized solar EV charging stations in pilot cities	Minor text revision to include pilot area: <i>Revised Output 3.2.2: Installed standardized solar EV charging stations in pilot areas and cities</i>
Output 3.2.3 Introduced and operational at least 15-20 hybrid or electric vehicles for mass transit and operational automated	Minor text change was made to this output to indicate that the introduced and operational 15-20 hybrid EVs are new ones in addition to the currently plying on the road, and to reflect 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.

guideway transit (AGT) system in the pilot cities	situation where the new systems may be introduced not necessarily in pilot cities, as follows: <i>Revised Output 3.2.3: Introduced and operational at least 15-20 new hybrid or EVs for mass transit and AGT system</i>
GEF grant amount allocation	In the PIF, Outcome 1 (Policy support for the promotion of low carbon) has an allocation of USD 710,000. Due to rationalization and streamlining of outputs the budget has been revised to USD 624,900.
Amount of co-financing contribution	In the PIF, the expected contribution from the government was indicated to be USD 6,500,000, while the expected contribution from the private sector was indicated to be USD 9,100,000. At the PPG stage, the final co-financing commitment received from the government is USD 9,749,980 and the co-financing commitment received from the private sector is USD 12,600,000. This has increased the co-financing contribution from USD 15,840,000 to USD 22,439,979.

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

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

A.3 The GEF Agency’s comparative advantage: NA. There are no changes in UNDP’s comparative advantage from when the PIF was approved.

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

During the PPG stage additional baseline projects were identified which are outlined below.

- Department of Energy (DOE) – Alternative Fuel Vehicle Programme: DOE’s comprehensive programme supports the deployment and replication of low carbon vehicles such as natural gas vehicles (NGVs), compressed natural gas (CNG), LPG and electric vehicles use for mass and intermediate transit. Some of the ongoing and planned activities include formulation and execution of Emergency Response Protocol for Alternative Fuel Vehicles; on-road performance testing capacity building for drivers and operators and project implementers; inspection of alternative fuel vehicles (e.g. LPG and CNG); information and communication activities; design and construction of support infrastructure such as CNG modular stations and identification of EV charging locations. Likewise, through its E-trikes project DOE aims to deploy 100,000 E-trikes (or three wheeler pedicabs) nationwide to replace traditional gasoline-fed tricycles. Its primary focus is procurement, deployment of e-trikes and technology demonstration targeting the ‘last mile commuters’ with technical capacity development training to enhance local O&M capacity for e-trikes.
- Private Sector Investments: Private sector has been at the forefront in trialing business models and deployment of low carbon transport for public services. Ongoing and planned investments include 28 units of electric commuter minivans operated by Global Electric Transportation Co. Ltd. (GET) also known by its commercial name COMET. It is planning to expand to additional 300 units in 9 cities across the country. EVEC-I is currently operating 20 e-jeeps and planning to scale it up to over 40 units to 2 locations.

Further details of these projects are elaborated in the Project Document, on Table 2, pages 22 to 27 thereby reinforcing the project outcomes.

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: N/A

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:

An additional risk identified from those listed in the PIF is the political risk due to change in leadership and priorities. The risk could prevent the Project from delivering on its Objective and/or Outcomes. The Project secured commitments from key departments and dealt with committed and career employees who are not affected by change in national leadership. Authorities have shown commitment on low carbon transport by providing the co-financing letter from Department of Transport and Communication (DOTC) as the Lead Agency. Additionally, new leadership will be oriented about the Project and their commitments secure prior to Project inception.

The other risk that was additionally identified is the risk of power outages during charging of batteries for EVs. The risk could prevent the Project from delivering on its Objective and/or Outcomes. The use of solar charging stations that are independent from the grid as mentioned above could mitigate this risk. Proper planning of EV deployment, which includes coordination with the grid operator is important. The Masterplan and guidelines to be prepared in this Project will address this risk.

Proposed countermeasures and management responses are detailed in the Project Document: Annex I. The overall risk rating is unchanged and is considered low.

A.7. Coordination with other relevant GEF financed initiatives

There are no other relevant GEF financed urban transport initiatives in the Philippines that require coordination with the Project.

B. ADDITIONAL INFORMATION NOT ADDRESSED AT PIF STAGE:

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

The Project will be implemented over a period of four (4) years and will be implemented by DOTC who will assume the overall responsibility for the achievement of Project results as the Implementing Partner (GEF Local Executing Agency). The Project will be implemented in close coordination with key partners, such as DOE and DOST, which will provide the technical and operational support to the Project. Additionally, there are a number of other stakeholders including national agencies, local government authorities, financial institutions, private sector, project developers, investors, service providers, technology suppliers, academic and civil society institutions, professional associations, etc., which will play an important role in catalysing efforts to promote and accelerate the deployment of low carbon transport in the Philippines.

A Project Management Unit (PMU), which will be established and hosted within DOTC, will play the key role in Project execution. The Project will receive high level guidance and oversight from the Project Steering Committee (PSC), which will be chaired by the Secretary of the DOTC. The PSC will be responsible for making management decisions on a consensus basis for the Project. It will implement mechanisms to ensure ongoing stakeholder participation and effectiveness with the commencement of the Project by conducting regular stakeholder meetings, issuing a regular Project electronic newsletter on the dedicated Project website, conducting feedback surveys, implementing strong project management practices. Project assurance reviews will be made by the PSC at designated decision points during the execution of a Project, or as necessary when raised by the Project Manager. In order to ensure UNDP's ultimate accountability for the Project results, the PSC decisions will be made in accordance to standards that shall ensure management for development results, best value for money, fairness, integrity, transparency and effective international competition.

Relevant and specific stakeholders engaged in project implementation are identified and detailed in Table 1 of the Project Document, pp. 16-20.

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):

Overall, this Project will contribute towards the attainment of the Philippines' goals on sustainable development, according to guidance stipulated in the Philippine Agenda 21, and building from the 1987 Philippine Strategy for Sustainable Development (PSSD). There are a number of positive socio-economic benefits from the implementation of this Project including the following:

- The promotion and utilization of low carbon vehicles that use alternative and cleaner fuels will significantly reduce GHG emissions along with local air pollution. EVs can have very low to zero GHG emissions when they operate on renewable energy. Moreover, increase in the use of low carbon transport leads to concomitant reduction in Common Air Pollutants and other Volatile Organic Compounds, consequently, reducing public health risks.
- The widespread use of low carbon vehicles for public transportation is expected to help achieve various further planning objectives including reduction of noise pollution, congestion reduced traffic and parking congestion, public infrastructure and service cost savings, consumer savings and affordability – particularly savings targeting lower-income households, increased safety and security, and improved mobility options for non-drivers. Improved reliability of travel times for will also contribute substantially to the attractiveness of living and the ease of doing business in urban areas.
- The utilization of renewable energy such as solar for charging infrastructure of the EVs will increase the demand for solar power generation in the country. Moreover, use of indigenous renewable energy resources in EV charging and overall reduction in consumption of imported fossil fuel in the transport sector will lead to improved energy security. The highly subsidised fossil fuel prices present a major burden on public budgets.

- It is expected that the project will lead to increase in employment opportunities and generation of green jobs for local manpower including the urban poor in the deployment, operation and maintenance of low carbon vehicles, support infrastructure, manufacturing and related value chain.
- Increased private sector participation and growth of local business enterprises that manufacture and supply technologies and services related to EVs, hybrid buses, etc. Increase in local investment opportunities for Small and Medium value chain enterprises and in the promotion of foreign direct investment.
- The Project is designed in a way that it caters to both men and women in general. Gender benefits are expected primarily through the provision of equal employment and capacity development opportunities to both women and men, particularly as drivers of low carbon vehicles, charging station operators, O&M technicians, monitoring personnel, etc. The demo vehicles will be equipped with surveillance/CCTV cameras that would also ensure the safety of commuters and record abuses/harassments. In addition, driving behavior will be closely monitored while on the road. Special fares and discounts seats, priority queueing lanes will be encouraged in demos especially for disabled, children and elderly. The ridership and public perception surveys will gather and analyse gender related data, preferences and impacts on men and women passengers which will feed into the policies, strategies that the Project will formulate and support.

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

The GEF contribution of USD 2.6 million will result in a direct emission reduction of 18,994 tCO₂e by EOP from the approval of the number of units committed by the private sectors in the Project. The estimated lifetime emission reduction during the service life is 69,012 tCO₂e. This results to a GEF abatement cost of USD 38.25 per tCO₂eq. This is a highly conservative estimate as it does not include the secondary direct emissions attributable to the Project, i.e., 346,537 tCO₂e over the technology lifetime.

The incremental support from GEF, is envisioned to make a fundamental difference in supporting “leapfrogging” to new and advanced vehicle technologies and improving the sustainability of the public transport system. Through a combination of barrier removal interventions, the project will buttress the commercialization process of electric drive vehicles as viable public mobility option in the Philippines in a much more advanced manner than in countries in the region with similar socio-economic status. Although the abatement cost of Project seems to be relatively higher than other mitigation interventions such as RE and EE, there are several benefits that can be derived from the Project. It will, among others, serve as a pioneering and holistic initiative for the commercialization of low carbon transport with significant and active participation and commitment from the private sector. National level policy will be in place to lead the effort by setting strategic directions, providing incentives and mobilizing resources. GEF intervention through the project will provide the much needed confidence to local operators, service providers and manufacturers to expand their business operations. The enabling environment that will be facilitated by the Project will assist to realize the alternative scenario wherein a significant proportion of vehicle population in the near is foreseen to include low carbon options. These will be supported and invested by local and foreign investors and not just highly subsidized and supported through public coffers. With the facilitated market transformation from using conventional internal combustion engine to low carbon vehicles, significant energy savings and energy cost savings from the transport sector

will be realized, as will be the co-benefit of reduced negative environmental and health impacts.

C. DESCRIBE THE BUDGETED M&E PLAN:

The Project M&E will be in accordance with the standard approach of UNDP and GEF and is detailed in Table 1 below as well as the Monitoring Framework and Evaluation Section of the Project Document (Section 6, pp. 46-79).

TABLE 1: M&E WORK PLAN AND BUDGET

Type of M&E Activity	Responsible Parties	Budget (in USD) <i>(Excluding project team staff time)</i>	Timeframe
Inception Workshop and Report; Dissemination Workshop	<ul style="list-style-type: none"> ▪ Project Manager/Project Director ▪ UNDP CO, UNDP GEF 	Budgeted cost: USD 5,200	Within first two months of Project start up; End of Project
Measurement of Means of Verification of project results.	<ul style="list-style-type: none"> ▪ UNDP GEF RTA/Project Director will oversee the hiring of specific studies and institutions, and delegate responsibilities to relevant team members. 	To be finalized in Inception Phase and Workshop.	Start, mid and end of project (during evaluation cycle) and annually when required.
Measurement of Means of Verification for Project Progress on <i>output and implementation</i>	<ul style="list-style-type: none"> ▪ Oversight by Project Director ▪ Project Manager/ Project team 	To be finalized as part of the Annual Work Plan preparation	Annually prior to ARR/PIR and to the definition of annual work plans
ARR/PIR	<ul style="list-style-type: none"> ▪ Project Manager and team ▪ UNDP CO ▪ UNDP RTA 	None	Annually
Periodic status/ progress reports	<ul style="list-style-type: none"> ▪ Project Manager and team 	None	Quarterly
Mid-term Review	<ul style="list-style-type: none"> ▪ Project Director ▪ Project Manager and team ▪ UNDP CO ▪ UNDP BRH ▪ MTR consultant 	Budgeted cost: USD 40,000	24 months after the start of project implementation

Type of M&E Activity	Responsible Parties	Budget (in USD) <i>(Excluding project team staff time)</i>	Timeframe
Final Evaluation	<ul style="list-style-type: none"> ▪ Project Director ▪ Project Manager and team ▪ UNDP CO ▪ UNDP RTA ▪ FE consultant 	Budgeted cost: USD 40,000	At least three months before the end of project implementation
Project Terminal Report	<ul style="list-style-type: none"> ▪ Project Director ▪ Project Manager and team ▪ UNDP CO ▪ Local consultant 	None	At least three months before the end of the project
Audit	<ul style="list-style-type: none"> ▪ UNDP CO ▪ Project Director ▪ Project Manager and team 	USD 15,000	For four years of project implementation
Visits to field sites	<ul style="list-style-type: none"> • UNDP CO • UNDP RCU (as appropriate) • Government representatives 	For GEF supported projects, paid from IA fees and operational budget	Yearly
TOTAL indicative COST Excluding project team staff time and UNDP staff and travel expenses		USD 100,200	


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):

NAME	POSITION	MINISTRY	DATE
Atty. Annaliza R. Teh	Undersecretary, Chief of Staff	DEPARTMENT OF TRANSPORTATION AND COMMUNICATIONS	10/31/2013

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	Project Contact Person	Telephone	Email Address
Adriana Dinu Executive Coordinator, UNDP GEF		June 2, 2016	Rakshya Thapa Regional Technical Advisor	+66 2 304 9100 ext. 5038	Rakshya.thapa@undp.org

ANNEX A: PROJECT RESULTS FRAMEWORK.

Complete project result framework can be found in PROJECT RESULT FRAMEWORK Section of the Project Document on pages 65-67.

Strategy	Objectively Verifiable Indicator			Means of Verification	Critical Assumptions
	Description	Baseline	Target		
Project Objective: Creating an enabling environment for the commercialization of low carbon urban transport systems (e.g., electric and hybrid vehicles) in the Philippines	Incremental direct GHG emissions reduced due to the Project over the technology lifetime, (tCO ₂ e)	•16,054 tCO ₂ e ⁵	• 69,013 tCO ₂ e ⁶	•Project final and M&E report •GHG emissions reduction estimates based on demo and pilot monitoring reports	•Strong support from relevant government agencies
	Number of people gainfully employed in the low carbon transport sector ⁷	• 50	• At least 222	•Project survey	
	Number of daily users of new transport options using low carbon transport systems	• 0	6,50	• At least 20% increase per year	•Project survey •Operator records
Component 1: Policy support for the promotion of low carbon modes of transport					
Outcome 1: Effective enforcement of policies and support provided for the promotion of low carbon	•Number of issued policies that support the promotion of low-carbon transport by Year 3	•0	•4 ⁸	•Official Gazette, •Project monitoring reports	•Proposed changes in policy and inter-agency coordination are supported by the

⁵ GHG emission reduction in the baseline that is contributed by 28 EVs and 20 e-jeepneys within the useful life of 15 years.

⁶ Incremental GHG emission reduction from additional unit of 56 EVs and 40 e-jeepneys within the useful life of 15 years.

⁷ Estimates based on the Philippine practice in hiring employees of bus operations and gasoline stations.

⁸ 2 each newly developed and revised with low carbon transport provisions

modes of transport					responsible agencies •The regulations on the vehicle inspection is in place through the PNS
	•Number of standards promulgated for low-carbon vehicles by Year 3	•0	•3 ⁹	•DTI-BPS report •Approval memos	
	•Executive Order for interagency coordination on low-carbon transport system approved and adopted by EOP	•0	•1	•Official Gazette •Project monitoring reports	
Component 2: Awareness and institutional capacity development					
Outcome 2: Adopted and implemented low carbon transport plans and/or programs in major cities	•Number of cities capacitated by adopting and implementing low carbon transport plans and programs	•1	•At least 4	•Evaluation reports •Government documents •Project survey	•DOTC have been mandated to implement EST nationwide which LCTs can be promoted nationwide.
	•Number of institutions certified to conduct low carbon vehicle technician training	•0	•At least 2		
Component 3: Investment in low carbon transport systems in the country					
Outcome 3.1: Increased private sector participation in the widespread deployment and commercialization of low carbon transport systems	•Number of entities involved in the deployment and commercialization of low carbon transport systems by EOP •Number of bankable business plans, supported by the Project, completed and funded by Year 3	•3 •0	•5 •2	•Market survey •Project monitoring reports •Project activity report	

⁹ 1 newly developed for e-jeepneys; 1 newly developed for hybrid buses; 1 newly developed for AGT

<p>Outcome 3.2 Increased private sector investment in low carbon transport systems</p>	<ul style="list-style-type: none"> •Number of additional investors who invested in low carbon transport solutions facilitated by the Project by EOP •Cumulative investment in new low carbon vehicle projects by EOP 	<ul style="list-style-type: none"> •0 •Approximately USD 7,500,000 	<ul style="list-style-type: none"> •3 •Approximately USD 20,000,000 	<ul style="list-style-type: none"> •Market research survey •Project activity report •Project monitoring report 	
---	--	--	---	---	--

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).

I) Responses to GEFSec Comments

Comments & Responses	Prodoc Reference
<p><u>Comment</u> 7. On the AGT system, please explain in detail by the CEO Endorsement stage how to design it in the context of sustainable city and connect the system with other components of the project.</p>	
<p><u>Response</u> The Project will support the expansion of AGT within the city boundary starting from UP Diliman to Katipunan. This activity will contribute to the Project by modal shift, which is expected to enhance the sustainability of the urban areas as commuters shift to this mass transport system from using either private cars, the more polluting diesel operated jeepneys or buses. Just as other demos, the AGT deployment will be supported by other components and technical assistance planned in the Project such as complimentary policies, technical capacity development trainings for local technicians, awareness and advocacy programmes, travel demand assessments and route rationalization studies, monitoring and evaluation interventions to name a few.</p>	Prodoc para 73, Output 3.2.3. pp. 53
<p><u>Comment</u> 8. Please estimate direct CO2 emissions reduction brought by hybrid buses and the AGT systems, and indirect CO2 emissions reduction, which includes reduction by replication, by the CEO endorsement stage.</p>	
<p><u>Response</u> The Project results in GHG emissions reduction of 69,013 tCO2e in direct and 346,537 tCO2e in direct secondary impacts over the technology lifetime attributed to the deployment of mass public low carbon vehicles such as electric minivans, jeepneys and AGT system. The indirect bottom up emission reductions is estimated to be 414,076 tCO2e and top down 556,059 tCO2e through replication of Project results.</p>	Annex II: GHG Emissions Reduction Assessment

Comments & Responses	Prodoc Reference
<p><u>Comment</u> Please provide a detailed strategy to create synergies with the CIF project in the Philippines by the CEO endorsement stage.</p>	
<p><u>Response</u> The Project will work closely with DOE on its Alternative Fuel Vehicle Programme including the e-trikes project funded by the CIF. DOE has been involved during project design and the engagement will continue during implementation in activities such as formulation of guidelines, standards and business models on supportive infrastructures (e.g. standardized solar charging stations) that could cater to both project demos as well as e-trikes; policy advocacy, public perception analysis, awareness and outreach as well as streamlining support to develop technical training curricula to establish a strong base of skilled local technicians.</p>	Prodoc, Baseline Table 2, pp.22
<p><u>Comment</u> 13. Please elaborate the financing strategy to ensure sustainability of project results by the CEO Endorsement stage.</p>	
<p><u>Response</u> A strong assurance of financial sustainability is the commitment by the industry players to provide capital investments in infrastructure, components, vehicles and related services. In addition, the Project will assist in the identification of potential investors, assist project proponents to develop bankable business plans and match potential investors with investment options. Complimentary capacity development trainings of the financial sector will equip them with the necessary expertise to evaluate and identify sound business proposals. Anticipating the success of the project demos, vehicle operators who are also co-financing partners have already started devising roll out plans and expressed commitment to invest in the long-term deployment of low carbon fleet that will extend past the duration of the Project. Beyond that, sustainability of Project results will be ensured through DOTC's guarantee fund. Envisioned to be capitalized with approx. US\$ 12 million, the fund will be managed by the Development Bank of the Philippines, as loan facility for drivers and transport operators for retrofitting, re-fleeting and increased use of low carbon vehicles in the mass transport system. The Project will support the development of</p>	Prodoc para 84, pp. 63

Comments & Responses	Prodoc Reference
the fund's diversification strategy and mechanisms to leverage additional financing from public and private sources.	

II) Responses to STAP Comments

Comments & Responses	Prodoc Reference
<p>2. <u>Comment</u> An issue that the proponents should consider is that a miscellany of technologies are planned (hybrid buses, solar PV charging, fuel testing etc.) but it is not clear why these were chosen. There seems to be no clear methodological approach to this selection.</p>	
<p><u>Response</u> The rationale of this Project takes into consideration the potential GHG and non-GHG benefits of new and advanced low carbon transport technologies such as electric and hybrid vehicles. The strategic choice of the technologies selected for the Project are informed mainly by the overall recognition by the Government of the Philippines as well as the technology focus of the ongoing and planned baseline projects. If current investments and interest, essentially from the private sector is of any indication, there is already a growing momentum and support towards hybrid and electric vehicles which are making slow but gradual inroads in key urban areas. The Government envisions to build on this and ramp up the support to commercialize these new, advanced technologies. Other low emission technologies such as CNG, LPG and biofuels are already being addressed through existing alternative fuels programmes of the DOST and DOE which have been making progress towards accelerating the promotion and utilization of the said alternative fuels for public transport.</p>	Prodoc para 36, pp. 31
<p>3. <u>Comment</u> An important deficiency of this ambitious project is the apparent lack of an overarching strategic approach to planning and potential mismatch in necessary activities at the national and local/city levels. The PIF mentions that</p>	

Comments & Responses	Prodoc Reference
<p>several plans on environmentally sustainable transport systems have already been formulated but for a number of reasons are not implemented. This project suggests to have another plan at the national level. What lessons have been learned and what is new that this project brings to strategic planning for transport systems? Vision and strategic plans will differ depending at what level, national or city, they are developed. It is recommended that the project proponents apply some guidance available from STAP on developing such plans for low carbon transport based on the ASI framework (http://www.thegef.org/gef/sites/thegef.org/files/publication/STAP-Sustainable%20transport.pdf). An overarching strategic plan should include MRV indicators and an M&E framework. Furthermore, co-benefits of sustainable transport policies such as improved public health, reduced air pollution and others have to be assessed and emphasized in such strategic plans. Assessments leading to drafting the plans will inform strategic choice of policies and technologies to be supported by the project.</p>	
<p>Response</p> <p>The overall strategic vision related to transport in the Philippines is spelt out in the National Transport Plan (NTP). While the NTP refers to <i>Environmental Sustainable Transport (EST)</i> it neither highlights the EST nor addresses how environmental sustainability can be realized. Further, the NTP also does not explicitly address instruments required for promotion of low carbon provisions, especially, new and emerging technologies. The Low Carbon Transport Master Plan will therefore serve to fill in this gap and provide a long term direction for the deployment of low carbon vehicles; set appropriate, feasible goals and milestones; and identify the steps to achieve them. Some lessons learned from the NTP include (a) champions are crucial in pushing forward a legislation and political will is imperative in making it a national priority; (b) political transition can break a significant legislative agenda; (c) clarity is important on mandates across agencies such as DOTC and DOE as well as across jurisdictions and local government authorities on transport planning and policy; (d) instruments must be available to implement and enforce policies, monitor and analyse results; (e) fiscal and non-fiscal incentives to catalyse private sector action and direct capital investments towards priority actions.</p> <p>The Project supports the formulation and adoption of policies covering fiscal and non-fiscal incentives, supportive infrastructures, franchise application, exemption of Unified Vehicular Volume Reduction Program or number coding scheme for low carbon vehicles and as appropriate their provisions in the NTP. These have not been addressed by existing policies. Incentive mechanisms for low carbon vehicles such as electric drive and hybrids</p>	<p>Prodoc para 57, Outputs 1.1, pp. 36-37</p> <p>Prodoc para 59 Output 1.3, pp. 38-40</p> <p>Prodoc, para 73, Output 3.2.3, pp. 55</p>

Comments & Responses	Prodoc Reference
<p>that are still novel to the Philippines but successfully implemented elsewhere in the region will be considered. These include purchase subsidies, tax rebates, tax credits, exemption from taxes and charges, discounted tolls and parking fares as well as non-fiscal incentive such as access to priority lanes, preferential free parking spaces, priority in registration and issuance of plate numbers, charging infrastructures support and priority on new routes. Policy formulation and finalization process will extensively engage local governments to ensure their priorities are identified in the strategic documents. Further, STAP comment on the ASI framework has been noted and the Project will ensure that strategic frameworks and plans (e.g. Low Carbon Master Plan) on low carbon transport to be developed by the Project will employ a balanced approach that will emphasize on <i>Avoiding</i> unnecessary commute and reducing the trip lengths, <i>Shifting</i> demand to low carbon vehicles from fossil fuel operated vehicles as well as <i>Improving</i> the carbon intensity of the vehicles.</p> <p>Monitoring and Evaluation forms an integral part of Project whereby M&E framework will be developed and implemented to track, analyse, evaluate and document results and progress towards policy actions. Furthermore M&E framework will include appropriate parameters to monitor and evaluate GHG, non-GHG and development benefits of low carbon transport projects.</p>	
<p>4. <u>Comment</u></p> <p>The assessment of CO2 mitigation potential is poorly done, though it is stated it is a work in progress. The GHG mitigation methodology for the transport sector developed by STAP could be used to assess ex-ante emission reductions, but also to prioritize specific interventions based on their mitigation potential. Methodology is available at: http://www.thegef.org/gef/node/4638.</p>	
<p><u>Response</u></p> <p>The GHG assessment has been significantly strengthened during the project preparation stage employing the methodology suggested by STAP.</p>	Prodoc, Annex II: GHG Emissions Reduction Assessment

Comments & Responses	Prodoc Reference
<p>5. <u>Comment</u></p> <p>For electric vehicles (EVs), what is the capacity factor of the Philippines power supplies? We assume they vary from island to island and much would be dependent on diesel generation. Hence EVs, either imported or made locally, will provide little climate change mitigation and road congestion will not be reduced.</p> <p>Are electric 2 and 3 wheel vehicles included in the project? These may be more appropriate than 4 wheel cars, though would ideally be recharged by renewable energy, such as the solar PV recharging points. How will the growth in EVs be matched by the number of recharging installations? How will the power systems throughout the Philippines accommodate the increased load on the power supply systems? The risks of power outages are not listed.</p>	
<p><u>Response</u></p> <p>The Grid Emission Factor for the Philippines used as a part of the baseline calculation is 0.53 kgCO₂/kWh. Please note that the demo EVs in the Project will use solar charging facilities. In addition, the Project targets mass public transport and does not support four wheels private drives. In doing so it helps to shift transport demand from privately owned and fossil fueled ICE vehicles, thereby, minimizing road congestion. By reducing GHG emissions of 69,013 tCO₂e in direct and 346,537 tCO₂e in direct secondary impacts over the technology lifetime, the Project clearly demonstrates climate change mitigation benefits.</p> <p>Any EV promotion programme is not effective with policies and fiscal incentives alone unless EV support infrastructure is not in place. So far, private operators and the industry have factored-in the expected increase of EV deployment in their charging infrastructure planning and investment. Public agencies such as DOST and DOE have started deploying public charging stations, as well. Additionally, the Project assists in the design, installation and operation of solar PV charging stations and commission technical skills and capacity development trainings on operation, maintenance and monitoring the performance of the charging facilities to ensure long term sustainability. The Project will also formulate business models for charging ecosystem in close collaboration with investors. A roadmap on charging ecosystem will be prepared to guide strategic vision towards medium to long term planning and to be consistent with the pace of EV deployment.</p>	<p>Prodoc para 42, Output 1.3, pp. 38-40</p> <p>Prodoc para 71, Output 3.2.1, pp. 49</p> <p>Prodoc para 72, output 3.2.2, pp. 51</p> <p>Prodoc Table 4, pp. 57</p>

Comments & Responses	Prodoc Reference
<p>Since EV deployment is in an initial stage in the Philippines and is anticipated to be in a phased manner, massive impact of EV load on the grid is less likely in the short to medium term. The Project in collaboration with NGCP will commission a grid impact study and investigate the possible effect of EV introduction in terms of energy generation, grid renewal and upgrade, energy losses, power quality and the need for improved IT networks. This will assist the NGCP in reinforcing the grid for future EV uptake.</p>	
<p>6. Comment Is the fuel testing laboratory targeting biofuels or other alternative fuel sources? Conventional petroleum-based fuels must already be tested and standardized. What are the biofuel sources? Are they sustainable? Has the GEF Biofuels Guidelines tool been utilized to make this assessment? This needs expanding in the project document.</p>	
<p>Response This is to clarify that Output 3.1.2 <i>Developed standard procedures for on-road and laboratory tests of new vehicle-fuel technologies</i> constitutes developing and implementing standards and procedures for on-road and laboratory tests for EVs and hybrid vehicles.</p> <p>Biofuels is outside the scope of the Project and not addressed in the Project Document.</p>	Prodoc para 69 Output 3.1.2, pp. 47
<p>7. Comment Project proponents are advised to coordinate with the ADB-GEF supported Programme "ASTUD: Asian Sustainable Transport and Urban Development Program" where STAP sees a number of complementarities and knowledge sharing opportunities.</p>	
<p>Response The STAP comments have been considered. However, the ASTUD project is a being implemented by ADB in Bangladesh and People's Republic of China. The demonstration projects are implemented by private sector and primarily focused on mass transit and non-motorized transport.</p>	

III) Responses to Council Comments

Comments & Responses	Prodoc Reference
<p>1. <u>Comment</u> The proponent should detail whether the output 1.2 (Low Carbon Transport Master Plan and supportive Infrastructure roadmap) is on a national or city level.</p>	
<p><u>Response</u> The Low Carbon Transport Master Plan (Prodoc output 1.3) is a national level framework. It will serve as long term strategic plan with the objective of promoting low carbon mobility and achieving commercialization of low carbon vehicles. The Master Plan will be extensively consulted with local government units from the early onset and throughout the drafting process to ensure local government priorities are well identified and integrated in the final strategic plans.</p>	Prodoc para 59, pp. 38
<p>2. <u>Comment</u> Germany suggests supporting institutionalization of an MRV system for the transport sector as part of the enabling environment for the commercialization of low carbon urban transport systems (see Component 2).</p>	
<p><u>Response</u> DOTC ESITU has an ongoing activity whereby it is planning to formulate a NAMA Project on Road-based Public Transport Reform (initially for Metro Manila) in collaboration with the GIZ TRANSFer Project. As one of the key components of the project, DOTC aspires to foster the development of Measuring, Reporting and Verification (MRV) concept in the public transport sector. The GEF project will closely coordinate with DOTC's ESITU, which is a newly created unit in-charge of developing NAMAs and MRVs.</p>	Prodoc para 57, Output 1.1, pp. 37
<p>3. <u>Comment</u> In the context of Output 3.3.1, it needs to be clarified whether the route rationalization assessment is different from the activities undertaken by MUCEP (JICA) and the WB. A duplication of efforts should be avoided.</p>	

Comments & Responses	Prodoc Reference
<p><u>Response</u> This MUCEP and World Bank studies which are completed supports the assessment and rationalization of the public bus system along the proposed BRT corridor and major bus network. The studies evaluated (a) how the jeepney and bus network on major trunks in Metro Manila can be modified to improve efficiency of bus operations, (b) investments along BRT corridor as well as investments to improve bus flow in the city, (c) inform service plan for BRT buses and the feeder buses to the BRT among the key focus.</p> <p>The route rationalization envisioned in the GEF Project is distinct from the MUCEP and World Bank studies as the Project focuses on collecting and analyzing transit supply, passenger demand data for develop an evidence base for optimal routes that can be serviced by low carbon public vehicles such e-jeepneys, EV commuter minivans and hybrid buses either in new or existing routes.</p>	Prodoc, para 68, Output 3.1.1, pp 46
<p>4. <u>Comment</u> In the context of Output 3.3.2, it is suggested to draw back on existing standard procedures for on-road transport and laboratory tests of new fuel technologies. The development of such standards thus spares</p>	
<p><u>Response</u> The Government intends to update the procedures for on-road transport and laboratory test of all vehicles and GEF support adds value in the intended designs of the tests protocols and procedures by developing guidelines specifically for electric drive and hybrid vehicles which otherwise are missing. Existing and international test methods, procedures and guidelines will be reviewed and analysed thoroughly. Based on the identified gaps, decision will be made on whether international test procedures and guidelines should be adopted or new guidelines would be the most appropriate. While it is appreciated to refer to international standard procedures for on-road and laboratory tests, it is important to recognize also to take into account local conditions, such as climate and behavior, lack of test equipment, thus the need to develop local, if not, Asian standards.</p>	Prodoc para 69, Output 3.1.2, pp. 47
<p>5. <u>Comment</u> The proposal envisages the introduction and operationalization of at least 15-20 low carbon transport modes such as hybrid buses, EVs, and AGT systems. The selection of modes should be anchored on the suitability of such</p>	

Comments & Responses	Prodoc Reference
modes in the corresponding pilot cities. For the AGT, it should be clear that project refers to electric-based AGT.	
<p><u>Response</u></p> <p>The strategic choice for the technologies, i.e., EVs, hybrids and AGTs selected for the demos are informed mainly by the overall recognition by the Government of the Philippines as well as the technology focus of the ongoing and planned baseline projects, particularly, support from the pilot cities and investments from the private sector. A growing but gradual momentum and support towards hybrid and electric vehicles is already visible and the Project aims to build on this to spur the commercialization of new, advanced technologies. AGT will be electric-powered, consistent with the design of the DOST-MIRDC.</p>	Prodoc pp. 31
<p>6. <u>Comment</u></p> <p>It is not fully clear whether the proponent suggests the installation of charging stations powered by solar/ renewable energy only. If this is not the case, emission impacts should be taken into account accordingly (including the impact of timing of charging intervals on emissions).</p>	
<p><u>Response</u></p> <p>The Project supports the installation of solar charging infrastructure.</p>	Prodoc para 72, Output 3.2.2, pp. 51
<p>7. <u>Comment</u></p> <p>As it is now, the electricity price is already higher in the Philippines than in other Asian countries. The price might even increase once demand is fuelled by electric vehicles. Germany requests to consider this possible risk and to prepare mitigation measures.</p>	
<p><u>Response</u></p> <p>The uptake of EVs will have an impact on the electricity grid, especially in the longer term when large numbers of vehicles will enter the market. The Project is cognizant that with rapid increase in EV load at a massive scale, the demand for charging will surge and utilities may need to figure out how they will be able to meet the demand and</p>	Prodoc para 70, Output 3.1.3, pp. 48

Comments & Responses	Prodoc Reference
<p>distribute power fairly. However, in the case of the Philippines, where EV deployment is still in the introductory phase, this scenario is less likely to occur in the immediate to medium term. The Project supports solar charging stations, hence, curtailing the need to rely on grid supply for the project demos. Moreover, changes in electricity tariff is influenced by a combination of technical, economic, political factors and market fundamentals, and cannot be attributed in isolation to the effect of EV charging.</p> <p>That said, the Project recognizes that eventually in the longer term as a result of significant increase in EV loads, there will be a need for grid renewal and upgrades, particularly, in weaker areas of the grid and with high demand for charging. Therefore, a grid impact assessment will be commissioned to investigate the possible effect of EV introduction in terms of energy generation, grid renewal and upgrade, energy losses, power quality and need for improved IT systems. This will assist National Grid Corporation of the Philippines (NGCP) in fully understanding and preparing the grid for increased EV uptake in a later phase. The Government’s decision to promote the EVs should thus be coordinated with the long term electricity infrastructure planning.</p>	
<p>8. Comment Germany requests that the disposal system for batteries is described in detail</p>	
<p><u>Response</u></p> <p>Lithium ion (Li-ion) batteries are benign, contains little toxic material and are largely free of most of the caustic chemicals found in lead-acid batteries. Globally, there is currently no main recycling infrastructure that treats only automotive Li-ion batteries. A few pilot plants at a demonstration stage exist in some developed countries. Despite the infancy in Li-ion battery reuse and recycling, the Project recognizes the importance of proper battery disposal from the environmental perspective and intends to work closely with vehicle manufacturers and dealers who have expressed commitment to collect the used battery packs for further reuse and/or disposal. The used batteries are known to retain about 70-80% of their original capacity which is not enough to use in a vehicle. Established manufacturers have initiated a system of aggregating the battery packs as energy storage systems to operate in conjunction with decentralized renewable energy generation such as solar or wind, for backup power. In the meantime with advancement in global technology, it is anticipated that specialised waste disposal infrastructure</p>	<p>Prodoc para 73, Output 3.2.3, pp. 54</p>

Comments & Responses	Prodoc Reference
<p>will be in place in the future for Li-ion battery recycling and effective disposal.</p> <p>What's noteworthy is that the economics of recycling Lithium ion batteries is not as compelling as lead acid batteries owing to its complexity in chemistry and low yield of recycling. This makes Li-ion less attractive for recycling and a financial breakeven in developed economies is not currently possible without subsidies. At present, globally almost none of the lithium used in consumer batteries is completely recycled.</p>	
<p>9. Comment</p> <p>In terms of a comparison of baseline and project scenario, an analysis of whether the assumed EV are in addition to existing fleets or whether they replace existing vehicles is requested.</p>	
<p>Response</p> <p>The requested analysis had been included in the GHG assessment whereby it was evaluated and determined that the EVs supported by the Project will gradually but ultimately replace existing fleet of ICE vehicles by shifting demand to low carbon public vehicles. Meanwhile, the analysis realistically recognizes that additional units will be rolled out on new routes being identified and created by DOTC and LTFRB.</p>	
<p>10. Comment</p> <p>The source of the specific energy consumption of EV buses (0.75 kWh/km) should be mentioned, as it is central to calculations made.</p>	
<p>Response</p> <p>The source of data and assumptions have been provided in the GHG analysis and calculations which have been significantly strengthened owing to in-depth data collection and analysis during project preparation. The specific energy consumption data for electric jeepneys or commuter minivans is considered to be approx. 0.29 km/kWh and sourced from Biona, J.B. (2015) "<i>Jeepney Market Transformation Program</i>".</p>	Prodoc, Annex II: GHG Emissions Reduction Assessment

Comments & Responses	Prodoc Reference
<p>11. <u>Comment</u> Regarding the private sector, Germany suggests considering potential conflict of interest with the Department of Transportation and Communications (DOTC), as some of the private companies are already in the process of securing franchises.</p>	
<p><u>Response</u> The DOTC as the Implementing Partner is spearheading the effort to stimulate the penetration of low carbon public mobility options by putting in place an enabled investment environment and incentivizing market players. There is no conflict of interest since it is the responsibility and a program of DOTC to mainstream low carbon transport and facilitate private sector participation in the transport sector and not only for this project. That means regardless of the GEF support, DOTC will continue approving franchises for private companies. In this respect, private companies promoting electric vehicles are just following the standard procedure for their vehicles to be allowed use as public transportation.</p>	

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: US\$ 100,000			
<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>
Updating and analysis of background context including baseline investments and GHG emission profile	22,000	15,000	7,000
Conduct of the Project Logical Framework Analysis	10,000	5,900	4,100
Assessment of available financing options and engagement with the financial sector	7,300	4,542	2,758
Identification and assessment of demonstrations that will be implemented in the project	17,800	4,500	13,300
Detailed design of project activities with participation of relevant stakeholders	18,000	6,681	11,319
Discussions and agreement on the project management and implementation arrangements	9,500	0	9,500
Negotiation and confirmation of co-financing	5,400	2,800	2,600
Preparation of Project document, CEO Endorsement Request and tracking tool	10,000	0	10,000
Total	100,000	39,423	60,577

UNDP Country Office in Manila, Philippines with assistance from the Bangkok Regional Hub (BRH) in Bangkok, Thailand, assembled the Project development team that carried out the PPG Exercise. The team came up with the available data and information that were utilized for the Project design. The data gathering, processing and analyses have made possible the clear understanding of the current situation concerning the issues and concerns regarding the intentions and plans of the Government and project proponents to stimulate the deployment and penetration of new and emerging low carbon transport options.

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.

The discussions with key stakeholders and project partners (including but not limited to DOST, DOE, LTFRB, LTO, Government Financial Institutions, potential and existing transport operators, technology/service providers) have made possible the identification of relevant issues and barriers that need to be addressed and considered in the development and implementation of the Project.

Intensive discussions with the key stakeholders have made it possible for the Project team to fully understand the nature and extent of these issues/barriers. The logical framework analysis that was carried out by the team together with the stakeholders has enabled the confirmation of the previously defined project goal and objective, and expected outcomes. Discussions with private project proponents and government agencies became the basis of the project designs, namely formulation of supportive policy related interventions, capacity building of policy makers, financial institutions, local technicians, provision of technical assistance to project proponents, implementation of demonstration projects. The discussions with the stakeholders and project partners also resulted in getting commitments for the co-financing of the baseline activities that were subsumed into the Project; as well as in the agreed project coordination mechanisms and the Project implementation arrangements. The outputs of these PPG activities were used in the detailed design of the Project components and activities. Overall, the PPG Exercise has achieved the PPG objective of designing, developing and documenting the Project Document.

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