



**REQUEST FOR PROJECT PREPARATION GRANT (PPG)**  
**PROJECT TYPE: Full-sized Project**  
**THE GEF TRUST FUND**

**Submission date:** 22 April 2009  
**Resubmission date:** 1 December 2009  
 Resubmission date: **06 May, 2010**

**GEF PROJECT ID<sup>1</sup>:** 4008  
**GEF AGENCY PROJECT ID:** 4304  
**COUNTRY(IES):** Russian Federation  
**PROJECT TITLE:** Reducing GHG Emissions From Road Transport In Russia's Medium-Sized Cities  
**GEF AGENCY(IES):** UNDP  
**OTHER EXECUTING PARTNER(S):** Ministry of Natural Resources and Environment of the RF, Ministry of Transport of the RF, Municipalities of Selected Pilot Cities  
**GEF FOCAL AREA(S):** Climate Change  
**GEF-4 STRATEGIC PROGRAM(S):** CC-SP5-Transport  
**NAME OF PARENT/PROGRAM/UMBRELLA PROJECT (if applicable):** N/A

**A. PROJECT PREPARATION TIMEFRAME**

Start date of PPG	July 2010
Completion date of PPG	December 2011

**B. PAST PROJECT PREPARATION ACTIVITIES (\$)** N/A

**C. PROPOSED PROJECT PREPARATION ACTIVITIES (\$)**

Describe the PPG activities: The project development activities will involve analysis of baseline data, expert and stakeholder consultations, GHG analysis, design of pilot projects in three selected municipalities and project scoping. The following specific activities are planned:

1. Policy, planning, institutional and stakeholder analysis:

*1.1 Assessment of policy and regulatory framework*  
 The PPG will review existing legal and regulatory framework at the federal, regional and local levels in transport sector including existing fuel and vehicle standards, traffic management regulations, ecological standards and regulations, EIA procedures/standards for civil construction. Regulatory framework for integrated municipal planning will be analyzed. Gaps and barriers related to policy, legal and regulatory framework will be analyzed.

*1.2. Assessment of planning framework*  
 Existing transport development plans, programmes and investments (federal, regional and local) will be described. Sectoral planning frameworks and approaches will be analyzed. Existing approaches to and capacities for the integrated land-use and transport development planning will be analyzed; gaps and barriers identified.

*1.3. Assessment of institutional capacities and capacity building needs*  
 Consultations with government and institutional stakeholders will be conducted in the course of the PPG. An institutional framework for the full project will be defined and described. This will include an interagency consultation involving the Ministry of Transport, Ministry of Natural Resources and Environment, Ministry of Interior and federal/regional agencies reporting to them. Capacity of federal, regional and local institutions will be assessed with the view of their potential roles and involvement in the project. The PPG process will secure commitment of various institutions to

<sup>1</sup> Project ID number will be assigned by GEFSEC. If PIF has already been submitted, please use the same ID number as PIF.

critical outputs and agree on the activities various government units will undertake as a part of the project. Institutional and capacity gaps will be identified and barriers/risks to the project implementation will be formulated.

#### *1.4. Stakeholder analysis and stakeholder involvement plan*

Stakeholder analysis will include government stakeholders (see also 1.3.), private sector (transportation and service companies, manufacturers, etc.), banking and investment agencies, non-governmental and professional organizations. Information on on-going and planned sustainable transport projects in Russia and in the pilot municipalities will be collected to establish partnerships for the proposed GEF project. Series of stakeholder consultations will be conducted at the national and local levels. Stakeholder involvement strategy and plan will be developed.

### 2. GHG analysis: baseline analysis, GHG modeling and feasibility of GHG monitoring system

The activity will establish the baseline for the proposed GEF project and propose GHG analysis models for the assessment of GHG emission reduction potential. The project will analyze GHG statistics for transport sector and identify information sources and gaps. In particular the PPG will support:

*2.1 Baseline assessment of the socio-economic and development context*

*2.2. Baseline analysis of transport statistics by sectors, road transport development context, ecological context of transport sector*

*2.3. Assessment of existing data and information on GHG emissions from transport sector: analysis of statistics, review of existing studies and research, assessment of existing GHG assessment models*

*2.4. Assessment of existing GHG emissions monitoring system (projects) and proposals for the GHG emissions monitoring solutions for the full scale projects*

*2.5. GHG analysis for the full project and assessment of global environmental benefits*

### 3. Design of pilot/demonstration projects

The scope of demonstration activities in each pilot municipality will be assessed throughout the PPG including pre-feasibility analysis for investment components (co-financed). Consultations will be conducted with potential co-financiers and investors to identify their role and agree on cost-effective cooperation/implementation arrangements.

*3.1 Scoping and investment plans for Pilot 1: Transport greening for the Kazan World University Games (Universiade 2013)*

Data and information will be collected on the Kazan road transport development plans and investments, baseline information and statistics on Kazan transport system and transport planning will be assessed. Synergies will be explored with the transport investment projects related to the Kazan World Student Games (2013) in order to maximize cost-effectiveness and demonstration impact of the GEF project. Alternative transport proposals will be analyzed, cost-effectiveness analysis conducted and GHG emission reduction potential assessed for the pilot project.

*3.2 Scoping and investment plans for Pilot 3: Sustainable urban transport model in Kaliningrad*

Baseline data and information analysis on the Kaliningrad transport system including an in-depth analysis of the municipal public transport, traffic management regulations, institutional system and transport development planning. Kaliningrad road transport development plans and investments will be analyzed. Synergies will be explored with the Nordic Investment Bank investment/loan plans by selecting viable investment projects and pre-feasibility analysis.

### 4. Project strategy and scoping, M&E plan

Based on the activities described above, the detailed planning of the full project will be completed.

The PPG activities will include:

*4.1. Barrier analysis: assessment/outline of regulatory, socio-economic, institutional, information, technological and financial barriers to increased energy efficiency of road transport in Russia and in pilot cities.*

- 4.2. National and global environmental benefits: assessment of domestic (local and national benefits related to increased traffic safety, economic efficiencies, ecological safety, etc.) and global environmental benefits (GHG analysis and forecast of direct and indirect emission reduction).
- 4.3. Social, economic and financial sustainability of proposed project activities
- 4.4. Project Strategy: a set of viable outcomes, outputs and activities that constitute the most cost effective response to the identified threats and barriers
- 4.5. A cost-effectiveness analysis
- 4.6. Costing of expected project outcomes and outputs, co-financing sources and co-financing commitments in compliance with the GEF incrementality principle
- 4.7. A monitoring and evaluation plan, including a set of impact indicators to track the project's progress and effectiveness, baseline and target values on indicators
- 4.8. Replication plan
- 4.9. Project implementation and management arrangements

<b>List of Proposed Project Preparation Activities</b>	<b>Output of the PPG Activities</b>	<b>Project Preparation Amount (a)</b>	<b>Co-financing (b)</b>	<b>Total c = a + b</b>
Policy, planning, institutional and stakeholder analysis	(i) Analysis of policy and regulatory framework and barriers; (ii) assessment of transport/land use planning frameworks and planning capacities; (iii) outline of transport investment plans and programmes; (iv) institutional capacity assessment; (v) stakeholder analysis and stakeholder involvement plan.	28,600	50,000	78,600
Baseline data collection and GHG analysis	(i) socio-economic and development baseline for the project; (ii) analysis of transport statistics; information sources and information gap analysis; (iii) GHG analysis; (iv) proposals for GHG monitoring model.	18,000	30,000	48,000
Design of pilot projects	(i) baseline analysis for pilot projects; (ii) detailed planning for pilot projects; (iii) investment plans for pilot projects and co-financing arrangements.	62,600	150,000	212,600
Project strategy and scoping, M&E plan	(i) cost-effectiveness strategy; (ii) assessment of the social, economic and financial sustainability of proposed project activities; (iii) replication strategy; (iv) monitoring and evaluation plan and budget; (v) costing the expected project outcomes and outputs, co-financing framework; (vi) detailed project strategy and investment plan.	40,800	20,000	60,800
<b>Total Project Preparation Financing</b>		150,000	250,000	400,000

**D. FINANCING PLAN SUMMARY FOR PROJECT PREPARATION GRANT: (\$)**

	<b>Project Preparation</b>	<b>Agency Fee</b>
GEF financing	150,000	15,000
Co-financing	250,000	
<b>Total</b>	400,000	15,000

**E. PPG REQUESTED BY AGENCY(IES), FOCAL AREA(S) AND COUNTRY(IES)<sup>1</sup> N/A**

**F. PPG BUDGET REQUEST**

Cost Items	Total Estimated Person Weeks for GEF Grant (PW)	GEF (\$)	Co-financing (\$)	Total (\$)
Local consultants *	100	73,200	185,000	258,200
International consultants*	20	60,000	15,000	75,000
Travel		10,000	25,000	35,000
Miscellaneous**		6,800	25,000	31,800
<b>Total PPG Budget</b>		150,000	250,000	400,000

\* Annex A for Consultant cost details should be prepared first before completing this table. See notes on Annex A for the required detailed information. This table is the sum of all local and international consultants presented in Annex A.

\*\* Miscellaneous costs mainly include translation and interpretation services

**G. GEF AGENCY(IES) CERTIFICATION**

This request has been prepared in accordance with GEF policies and procedures and meets the GEF criteria for project identification and preparation.

Agency Coordinator, Agency name	Signature	Date (Month, day, year)	Project Contact Person	Telephone	Email Address
Yannick Glemarec, UNDP-GEF Executive Coordinator	<i>Y. Glemarec</i>	May 06, 2010	John O'Brien, Regional Technical Advisor - Climate Change Mitigation, Europe and CIS	+ 421-2 59337 413	<a href="mailto:john.obrien@undp.org">john.obrien@undp.org</a>

## Annex A

### Consultants Financed by the Project Preparation Grant (PPG)

Position / Titles	\$/ Person Week <sup>1</sup>	Estimated PWs <sup>2</sup>	Tasks to be performed
<b>Local</b>			
Policy and regulations expert	800	11	<p>The expert will analyze and describe:</p> <ul style="list-style-type: none"> <li>(i) Existing national policies governing transport sector development as well and environment protection and climate change policies;</li> <li>(ii) Existing federal and municipal regulatory framework, including civil construction norms, gasoline efficiency and emissions standards, fleet ageing standards, etc.;</li> <li>(iii) Regulatory framework on road traffic management and control, including safety norms and regulatory system for public and private transport.</li> <li>(iv) Any legal and regulatory framework/provisions for integrated land use and transport planning systems (including civil construction code, administrative code, etc.)</li> <li>(v) Policy, legal and regulatory gaps, barriers and risks for the GEF project;</li> <li>(vi) Recommendations for the integration of emission reduction criteria into transport development policies;</li> <li>(vii) Recommendations for the full projects outputs/activities related to policy and regulatory framework.</li> </ul> <p>The expert will provide consultations and advise to the pilot sites expert regarding legal and regulatory aspects of the pilot projects design and planning.</p>
Transport planning and policy expert (lead expert)	800	16	<p>The lead PPG expert will coordinate the work of the PPG team, collate the baseline information and communicate with the international sustainable transport consultant. In particular the national Sustainable Transport expert will:</p> <ul style="list-style-type: none"> <li>(i) Compile and analyze information on the federal and regional road transport development programmes, plans and investments;</li> <li>(ii) Compile baseline information collected by other experts and develop a final baseline/situational analysis;</li> <li>(iii) Complete a barrier analysis and risks assessment for the GEF project;</li> <li>(iv) Analyze experience from international and national sustainable transport programmes and projects and ensure that the positive experience and lessons are utilized in the proposed GEF project;</li> <li>(v) Assess requirements for and provide recommendations for the integrated land-use and transport planning;</li> <li>(vi) Provide recommendations for the integration of emission reduction criteria into transport development plans and investment programmes;</li> <li>(vii) Ensure co-financing commitments for the project from national, regional and private sector partners;</li> <li>(viii) Specify the project strategy, including (a) the social, economic and financial sustainability of proposed project activities; (b) Assessment of alternatives to the project strategy and establishing the cost effectiveness of the preferred strategy and suite of activities; (c) A replication strategy for project activities; (d) monitoring and evaluation system; (e) Logical framework for the project (SRF).</li> </ul>
Stakeholder analysis and institutional assessment expert	700	10	<p>Describe:</p> <ul style="list-style-type: none"> <li>(i) The roles, functions and/or responsibilities of various agencies in the transport sector;</li> <li>(ii) The roles, functions and responsibilities of different institutions and organizations in the regulation, planning, operations, compliance</li> </ul>

			<p>and performance monitoring projects in transport sector;</p> <p>(iii) The governance, cooperation and partnership arrangements between these institutions and organizations;</p> <p>(iv) The capacity of these institutions to implement and sustain the proposed project activities, including recommendations for the ongoing development of capacity in the project design to address any gaps.</p> <p>Analyze:</p> <p>(i) Private and non-governmental stakeholders for the project (transportation and service companies, manufacturers, civil society organizations, ect.)</p> <p>(ii) Their views, current and potential role and engagement in the GEF project</p> <p>(iii) Their capacities to effectively participate in the GEF project activities.</p> <p>(iv) Information on on-ging and planned projects, programmes, investments and civil society initiatives on sustainable transport.</p> <p>(v) Conduct a pre-project client survey.</p> <p>Deliver:</p> <p>(i) Baseline information on institutional framework and stakeholders;</p> <p>(ii) Recommendations for capacity building and institutional mainstreaming actions;</p> <p>(iii) Stakeholder participation plan and coordination arrangements;</p> <p>(iv) Description of the project governance and implementation arrangements.</p>
GHG analysis expert	800	10	<p>The GHG analysis expert will:</p> <p>(i) Review GEF guidance and methodologies for the GHG emission reduction analysis;</p> <p>(ii) Assess existing data and information on GHG emissions from transport sector: statistics, existing studies and research, existing GHG assessment models</p> <p>(iii) Assess existing GHG emissions monitoring system (projects) and provide proposals for the GHG emissions monitoring solutions for the GEF scale project;</p> <p>(iv) Develop a model for GHG analysis based on national models and GEF guidance; establish a GHG baseline for the project;</p> <p>(v) Conduct GHG analysis for the full project, including direct and indirect emission reduction potential, assess global environmental benefits</p>
Pilot projects consultants (x2)	700	28	<p>Under the leadership of the lead national expert, describe characteristics of the three proposed pilot municipalities (Kaliningrad, Kazan); identify pilot activities and demonstration/replication value of selected activities.</p> <p>(i) Determine current land use planning and transport development planning models,</p> <p>(ii) Conduct detailed study of the existing transport system, public transportation, private vehicle fleet, traffic management system in the pilot cities;</p> <p>(iii) Analyze and document barriers to the introduction of more sustainable transport systems at the local level.</p> <p>(iv) Elaborate cost-effective solutions to be tested,</p> <p>(v) Cost the proposed pilot measures and conduct consultations with potential co-financiers/investors to secure project financing framework;</p> <p>(vi) Analyze the transport and civil construction development plans, projects, programs and initiatives affecting or impacting on the proposed project activities in the project areas,</p> <p>(vii) Reach agreement with local governments and companies/investors on implementation of demonstration projects,</p>

			(viii) Elaborate of indicators (with baseline values) to measure the project progress and develop monitoring plan for each site. The collation of baseline information for the three proposed project areas will primarily involve a desk review of existing data and reports. This will then be supplemented by focused interviews and consultations with key stakeholders.
Alternative transport technologies expert	700	8	In partnership with the international consultant the expert will: (i) Study international best practice on alternative transport solutions; (ii) Assess existing national technology base, collate information on on-going and planned programmes and projects in Russia promoting/piloting alternative transport solutions; (iii) Work closely with the pilot sites expert (Kazan) to develop pilot projects, conduct detailed planning, pre-feasibility and investment analysis. (iv) Assess demonstration and replication potential for the alternative transport solutions to be implemented through the pilot projects. Develop replication strategy.
Baseline data/statistics analysis expert	600	5	Under the guidance of the lead Sustainable Transport expert and in cooperation with the pilot sites experts: (i) Collate available baseline data and statistics on transport sector, including ecological and GHG statistics; (ii) Identify information sources; (iii) Define information gaps and gaps in national/local statistics; (iv) Review and analyse international approaches to transport statistics/monitoring integrating GHG emissions information.
Public transport expert	700	6	The expert will work closely with the lead Sustainable Transport Expert and pilot sites experts. The expert will: (i) Analyze best international and national practice for developing sustainable public transport strategies/solutions; (ii) Analyze on-going public transport plans and programmes at the federal and local levels; (iii) Provide recommendations for effective public transport solutions/systems (with the focus on Kaliningrad pilot) and for a replication strategy, including costing and budget; (iv) Provide recommendations for capacity building and training activities for public transport managers/staff, including costing and budget. (v) Provide recommendations for monitoring and evaluation system and indicators.
Sustainable transport promotion and marketing expert	700	6	The expert will work closely with pilot sites experts and international consultants and will: (vi) Analyze best international practice for promoting/marketing sustainable transport strategies/solutions; (vii) Provide recommendations for public awareness and incentives for private vehicle users; develop public awareness/promotion strategy; (viii) Provide recommendations for awareness, education and promotion of sustainable transport models for private sector and municipal managers; (ix) Provide recommendations/planning for sustainable transport promotion/demonstration campaign during Kazan World Student games.
<b>International</b>			
Sustainable transport consultant	3,000	12	(i) Compile and share with the national PPG team and stakeholders the international best experience in policy development, legal and regulatory frameworks and enforcement systems for sustainable transport models; including analysis of the UNDP/GEF and GEF projects in other countries, (ii) Based on the inputs from national experts and in close cooperation with the lead national expert compile final baseline/situational analysis for the full project. (iii) Based on the international experience assist in reconfirming/specifying the project strategy, finalizing project sections on: (a) An assessment of the social, economic and financial sustainability of proposed project activities; (b) Assessment of alternatives to the project strategy and establishing the cost effectiveness of the preferred strategy and suite of activities; (c) A replication strategy for project activities; (d) Assessment of the risks to the proposed project activities and identifying

			<p>measure to mitigate these risks; (e) incremental cost analysis;</p> <p>(iv) Based on the data from the national GHG analysis expert finalize GHG analysis and assessment of global environmental benefits sought from the project;</p> <p>(v) Assist in setting up a project monitoring and evaluation system for the full project including a set of impact indicators with baseline values and end-project targets;</p> <p>(vi) Logical framework for the project (SRF);</p> <p>(vii) M&amp;E plan and budget;</p> <p>(viii) Help build international contacts and cooperation with international agencies and programmes involved in sustainable transport; with leading private sector companies and other players that possess experience in transport greening.</p>
Alternative transport and demo projects consultant	3,000	8	<p>(i) Compile and share with the national PPG team and stakeholders the international best practice and experience in alternative low-GHG emitting transport options and technical solutions.</p> <p>(ii) Compile and share with the national PPG team the international best practice on transport greening for large-scale international events, including technological and managerial solutions;</p> <p>(iii) Extract lessons from the UNDP/GEF sustainable transport projects in South Africa, China and others. Develop a strategy for the project to utilize those lessons in the Russian context.</p> <p>(iv) Provide consultations to the PPG team and national stakeholders for the scoping and design of pilot projects (with the focus on Kazan pilot)</p> <p>(v) Assistance in the feasibility study and investment planning for the proposed pilot projects.</p> <p>(vi) Help build international contacts and cooperation with international agencies and programmes involved in sustainable transport; with leading private sector companies and other players that possess experience in transport greening.</p>

<sup>1</sup> Provide dollar amount per person week.

<sup>2</sup> Provide person weeks needed to carry out the task and corresponds to the dollar amount per person week in the previous column.