



GEF-6 REQUEST FOR PROJECT CEO APPROVAL

PROJECT TYPE: Medium-sized Project

TYPE OF TRUST FUND: GEF Trust Fund

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PART I: PROJECT INFORMATION

Project Title: Towards a sustainable and efficient urban mobility system in Uruguay			
Country(ies):	Uruguay	GEF Project ID: ¹	9480
GEF Agency(ies):	UNDP	GEF Agency Project ID:	5802
Other Executing Partner(s):	Ministry of Industry, Energy and Mining (MIEM). Ministry of Housing, Land Planning and Environment (MVOTMA)	Submission Date:	31 August 2017
GEF Focal Area (s):	Climate Change	Project Duration (Months)	48
Integrated Approach Pilot	IAP-Cities <input type="checkbox"/> IAP-Commodities <input type="checkbox"/> IAP-Food Security <input type="checkbox"/>	Corporate Program: SGP <input type="checkbox"/>	
Name of Parent Program		Agency Fee (\$)	163.517

A. FOCAL AREA STRATEGY FRAMEWORK AND OTHER PROGRAM STRATEGIES²

Focal Area Objectives/Programs	Focal Area Outcomes	Trust Fund	(in \$)	
			GEF Project Financing	Co-financing
CCM-1 Program 1	Outcome A. Accelerated adoption of innovative technologies and management practices for GHG emission reduction and carbon sequestration. Outcome B. Policy, planning and regulatory frameworks foster accelerated low GHG development and emissions mitigation.	GEFTF	853,212	2,883,051
CCM-2 Program 3	Outcome B. Policy, planning and regulatory frameworks foster accelerated low GHG development and emissions mitigation.	GEFTF	868,021	17,155,049
Total project costs			1,721,233	20,038,100

B. PROJECT DESCRIPTION SUMMARY

Project Objective: To promote an efficient, low-carbon transport model in Montevideo						
Project Components/Programs	Financing Type ³	Project Outcomes	Project Outputs	Trust Fund	(in \$)	
					GEF Project Financing	Confirmed Co-financing
1. Policy framework for a low carbon transport system	TA	Adequate institutional capacity and regulatory framework in place to foster low-carbon mobility options	1.1. Tax regulations and incentives promoting efficient, low-carbon and clean air transport options 1.2. Implementation and monitoring of ecolabelling of vehicles 1.3. Identification of available technologies and alternatives for	GEFTF	497,000	508,500

¹ Project ID number remains the same as the assigned PIF number.

² When completing Table A, refer to the excerpts on [GEF 6 Results Frameworks for GETF, LDCF and SCCF](#) and [CBIT programming directions](#).

³ Financing type can be either investment or technical assistance.

			<p>regulation of battery re-use, recycling and disposal</p> <p>1.4. National MRV system of GHG and other environmental impacts of urban transport, such as air pollutants and battery use and disposal</p> <p>1.5. Strengthened coherence and convergent management between land use planning and transport and climate change mitigation policies, with appropriate coordination within existing structures, planning tools and strategies</p>			
	TA	Modal share of public transport increased , and quality control improved	<p>1.6. Definition of key performance indicators (KPI) for quality control of public transport services, supported by a new traffic control center</p> <p>1.7. Identification of improvement measures (fares, information...) and development of quality control systems with public transport operators.</p> <p>1.8. Alternatives to current regulations and incentives for financing the public transport system, including low-carbon and quality aspects</p>	GEFTF	205,000	16,445,000
2. Demonstration of technological options in Montevideo	Inv	Accelerated adoption of electric vehicles in urban transport	<p>2.1. Test results of five electric buses providing regular urban services for at least 12 months</p> <p>2.2. Test results of six electric vans used by companies for goods delivery in Montevideo</p> <p>2.3. Business models for optimal expansion and</p>	GEFTF	735,000	2,704,600

			operation of electric fleets, including recharging options			
3. Cultural change, dissemination and replication	TA	Innovative policy packages developed, aiming at changing mobility behavior and replicating innovative measures in other cities	3.1. Green corporate mobility management plans implemented in 4 major working places in Montevideo 3.2. Campaigning for walking and cycling, focusing on vulnerable users. 3.3. Project web site providing a knowledge management platform to other cities. 3.4. Plans for replication of project measures in other cities.	GEFTF	45,757	20,000
4. Knowledge Management, Monitoring and Evaluation	TA	Project level monitoring and evaluation is carried out	4.1 Project audits are conducted. 4.2 Terminal evaluation is conducted.	GEFTF	82,000	0
Subtotal					1,564,757	19,678,100
Project Management Cost (PMC) ⁴				GEFTF	156,476	360,000
Total project costs					1,721,233	20,038,100

C. CONFIRMED SOURCES OF [CO-FINANCING](#) FOR THE PROJECT BY NAME AND BY TYPE

Please include evidence for [co-financing](#) for the project with this form.

Sources of Co-financing	Name of Co-financier	Type of Cofinancing	Amount (\$)
Recipient Government	Ministerio de Industria Energía y Minería	In-kind	340,000
Recipient Government	Ministerio de Industria Energía y Minería	Grants	178,500
Recipient Government	Ministerio de Vivienda, OT y Medio Ambiente	In-kind	340,000
Recipient Government	Intendencia de Montevideo	In-kind	16,600,000
Recipient Government	UTE	Grants	1,000,000
Recipient Government	UTE	In-kind	155,600
Private Sector	COETC	Equity	351,000
Private Sector	COETC	In-kind	5,000
Private Sector	COMESA	Equity	351,000
Private Sector	COMESA	In-Kind	5,000
Private Sector	CUTCSA	Equity	351,000
Private Sector	CUTCSA	In-kind	5,000
Private Sector	UCOT	Equity	351,000
Private Sector	UCOT	In-kind	5,000
Total Co-financing			20,038,100

⁴ For GEF Project Financing up to \$2 million, PMC could be up to 10% of the subtotal; above \$2 million, PMC could be up to 5% of the subtotal. PMC should be charged proportionately to focal areas based on focal area project financing amount in Table D below.

D. TRUST FUND RESOURCES REQUESTED BY AGENCY(IES), COUNTRY(IES), FOCAL AREA AND THE PROGRAMMING OF FUNDS

GEF Agency	Trust Fund	Country Name/Global	Focal Area	Programming of Funds	(in \$)		
					GEF Project Financing (a)	Agency Fee ^{a)} (b) ²	Total (c)=a+b
UNDP	GEF TF	Uruguay	Climate Change	(select as applicable)	1,721,233	163,517	1,884,750
Total Grant Resources					1,721,233	163,517	1,884,750

a) Refer to the Fee Policy for GEF Partner Agencies

E. PROJECT'S TARGET CONTRIBUTIONS TO GLOBAL ENVIRONMENTAL BENEFITS

Provide the expected project targets as appropriate.

Corporate Results	Replenishment Targets	Project Targets
4. Support to transformational shifts towards a low-emission and resilient development path	750 million tons of CO _{2e} mitigated (include both direct and consequential)	281,371 metric tons

F. DOES THE PROJECT INCLUDE A [“NON-GRANT” INSTRUMENT](#)? No

PART II: PROJECT JUSTIFICATION

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

A.1. Project Description.

Elaborate on: 1) the global environmental and/or adaptation problems, root causes and barriers that need to be addressed; 2) the baseline scenario or any associated baseline projects, 3) the proposed alternative scenario, GEF focal area⁵ strategies, with a brief description of expected outcomes and components of the project, 4) [incremental/additional cost reasoning](#) and expected contributions from the baseline, the GEFTF, LDCF, SCCF, CBIT and [co-financing](#); 5) [global environmental benefits](#) (GEFTF) and/or [adaptation benefits](#) (LDCF/SCCF); and 6) innovativeness, sustainability and potential for scaling up.

Only minor changes have been introduced since the Project Implementation Form (PIF). They are summarized below:

- 1. Environmental problems, root causes and barriers:** Further deployment of the Sustainable Urban Mobility Plan (SUMP) has taken place in the last months: The second Bus Rapid Transit (BRT) corridor (General Flores) opened in August 2016, and has shown a reduction in the number of accidents and in travel times. Since then, the policy focus has moved towards more central corridors; in the case of avenida 18 de julio, there have been some discussions on the feasibility of a trolley corridor. There has also been some progress in the implementation of the Traffic Control Center (TCC), with plans to sign the contract for phase 2 (which would include the real-time monitoring of bus lines, enforcement of bus lanes and information of waiting times) foreseen for 2017, in order to start operations in 2018. These actions show the priority given by the municipality (Intendencia de Montevideo, IM) to improve the quality of public transport in Montevideo, removing some of the existing barriers.
- 2. The baseline scenario:** There are some indications of the interest of both, public transport operators (PTO) and logistics partners in electric vehicles. The main PTO, Compañía Uruguaya de Transportes Colectivos S.A (CUTCSA), has been operating an electric bus since the last months of 2016, and the electric utility (Administración Nacional de Usinas y Trasmisiones Eléctricas, UTE) has been using a fleet of small electric vans since 2014, which currently includes 60 vehicles. Public transport operators are planning to substantially renew their fleets in the next years (e.g. 200 buses to be renewed by CUTCSA in 2018-2020 and 400 in 2021-2025, and 36 and 55, respectively, for another PTO, Unión Cooperativa Obrera del Transporte (UCOT). Logistics partners are also interested in UTE's experience for their own renewal plans. Moreover, the electric options available for buses and freight vans is increasing, as a result of the interest of a growing number of manufacturers; the European Union (EU) Research Project ZeEUS (Zero-Emission Urban Bus System) has provided an updated overview of the market options of urban buses. However, it seems unlikely that any of these stakeholders will make a decision to include electric vehicles in their fleets in the absence of some pilots and a system of incentives that can solve current uncertainties and compensate for the current fiscal disadvantages for electric

⁵ For biodiversity projects, in addition to explaining the project's consistency with the biodiversity focal area strategy, objectives and programs, please also describe which [Aichi Target\(s\)](#) the project will directly contribute to achieving.

vehicles. Full exemption of custom duties were originally approved until November 2016, but have been extended, although they only cover electric cars. MIEM has reviewed options to make use of current environmentally-based incentives for the purchase of cargo vans, showing that the current framework is not suitable for companies to choose electric options yet.

3. In spite of the implementation of the SUMP, public transport is losing passengers: ticket sales were more than 4% below the 2012 peak, and further decline has been experienced in 2016. To compensate the falling revenues, fares have increased by 7% in November 2016 and by 10% in March 2017. Action is needed to curb this trend and to update the SUMP in order to achieve its objectives.
4. **The proposed alternative scenario:** As stated at PIF (par. 30), the development of an adequate financial and regulatory environment is critical for the successful deployment of electric vehicles in Montevideo. During the preparation of the project, three areas of action have been identified: (i) reduction or full exemption of the key taxes: customs tax, excise tax (IMESI) and TVA; (ii) tax credits associated to the investment in electric vehicles, to be compensated in the company taxes (IRAE); (iii) revision of the system of public transport subsidies, and particularly of the fuel subsidy on gasoil consumption. Whereas the first two affect all types of electric vehicles, and has partially been implemented, although with limited results, the third one affects only public transport operators. The need of revising the system of public transport subsidies has been on the table for many years, although without concrete results.
5. The project will be able to provide reliable figures on the actual performance of electric vehicles, to be used as a factual basis for the design of alternative financial and regulatory schemes for electric vehicles and public transport financing. Furthermore, the alternative regulatory framework may also take into consideration the strategy to phase out less-efficient vehicle technologies.

The first component (policy framework for a low carbon transport system) will develop the adequate context (covering the institutional and regulatory frameworks) for the transition towards a low-carbon transport policy. This component aims at strengthening the current institutional and legal framework for sustainable urban mobility, including capacity building in the key institutions and stakeholders involved. This component will build upon some actions already underway, with two expected outcomes.

- (a) The first outcome will empower the national administration to steer the transition to low-carbon mobility. This will be attained through a collaborative approach with transport stakeholders, social actors and the public at large. It will incentivize the use of more efficient, low-emission vehicles combining:
 - (i) alternatives for financing the structural transition towards to low carbon and clean air mobility, with sound tax incentives and regulations to the adoption of electric vehicles (initially focusing on public transport buses and delivery vans, but with an ambition to expand to other fields) (*Output 1.1*). *There are several existing tax regulations related to transport; specifically for buying new vehicles such as the global import tax (TGA), the internal excise tax (named IMESI), and the conventional value-added tax (VAT). As an incentive, in the light of the project, the TGA will be reduced to “zero” for the import of all categories of EVs in Uruguay. In addition, as introduced in Para.9 of the Prodoc., for motorized vehicles, there is a fuel subsidy (Fideicomiso del Gasóleo) which is linked to actual gasoil consumption. On the other hand, there are some incentives related to public transport pricing, such as subsidies for retired people and students, supported by Intendencia de Montevideo and the Ministry of Economy and Finance.*
 - (ii) effective implementation and monitoring of the regulations on eco-labelling, currently under development, as an effective tool to encourage road vehicle purchases towards the most efficient technologies available (*Output 1.2*). *The Institute of Technical Norms of Uruguay (UNIT, by its Spanish acronym), has prepared an energy efficiency technical norm and its compliance of conformity for light motorized vehicles, which is the benchmark for the proposed EV eco-labelling. The Ministry of Industry, Energy and Mining, the public agency responsible for the implementation of the labelling scheme, and the National Regulating Agency (URSEA, by its Spanish acronym), will be in charge for designing and enforcing the eco-labeling regulation of the vehicles.*
 - (iii) adoption of a pre-emptive approach towards the environmental footprint of future transport electrification, through the identification of the best alternatives for battery re-use, recycling and disposal (*Output 1.3*). *Due to the fact that In*

Uruguay there is no official measures related to second-hand battery collection and disposal for Lithium-ion powered-batteries, this output aims at creating the conditions to deal with this situation, as described in the Environmental and Social Management Plan of Prodoc (Annex G).

(iv) empowering public administrations and public involvement in decision-making on transport emissions, through the development and implementation of a reliable and self-improving measurement, reporting and verification (MRV) system of mobility trends and their climate change and clean air impacts, and through the improvement of air quality measurement and monitoring system (Output 1.4). The government entity in charge of the proposed GHG emissions and air quality MRV system for urban transport will be the MVOTMA through the Climate Change Division and the National Environmental Directorate. Regarding the GHG emissions baseline, there is aggregated data on transport emissions, however there is no disaggregated information on the types of transport emissions, such as urban transport both: public and private. In that sense, the project aims at preparing data and estimations in public and private transport at a urban level, improving decision making capacity and the monitoring of that policies. In terms of air quality, there is a database from the National Directorate of Environment and the Intendencia of Montevideo from 2014.

(v) strengthened coherence and convergent management between land use planning and transport and climate change mitigation policies, with appropriate coordination within existing structures, planning tools and strategies, (such tools and strategies should include regional and metropolitan approaches, as appropriate, as well as detailed planning instruments, i.e. “partial plans” and “urban projects”) building upon the privileged role of MVOTMA as the National Government's Ministry in charge of both, climate change and spatial planning issues (Output 1.5). The official entity, MVOTMA, will be the government body taking care of including land use measures into this project through the National Land Planning Directorate. This aims to develop an integrated urban land management- urban mobility-GHG emission approach by designing instruments, such as: methodologies, guidelines and indicators to inform landplanning at local level. The sustainable public transport system will be a structural component of the Land Use Plans, given its impacts at the local and global levels.

(b).The second outcome will move one step forward, in order to accelerate the transition to low-carbon mobility at the urban level. Based on gathered baseline data on current modal share in Montevideo, the modal share of car trips (either as a driver or as a passenger) was 38% in City of Montevideo and 36% in the whole Metropolitan Area in 2009, and for public transport shares were, respectively, 41% and 38%. By 2015, since the car fleet has substantially increased, and the number of passengers riding the public transport system has slightly decreased (by 4% between 2011 and 2015), current modal for the car share is likely to be higher today than it was in 2009. This situation brings up an opportunity for a thorough revision of current operational regulations and practices in urban public transport to define measures that put the user at the center of service provision in order to revert the expansion of private car use. This is a prerequisite for the adoption of car use limitations which are accepted by the public and is a also a complement to the future revision of the sustainable mobility plan.

The rationale to explain this outcome and the three following closely-interrelated outputs is that without the GEF, the technological transition to low-carbon mobility will probably progress at a much slower rate. Improving PT quality demands appropriate regulations and technical measures necessary to implement innovative transport demand management measures which are foreseen in the further outputs. Developments related to cultural change in transport operators, decision makers behaviors as well as on developing national capacities to EVs and other efficient transport measures, would not happen in the desired speed without GEF resources due to policy fragmentation and lack of clear competences and resources. This outcome will be achieved upon the success of the following three expected outputs:

(i) Definition of key performance indicators (KPI) on the quality of public transport services. Such a KPI system would include indicators on fleet and vehicle characteristics, planned and actual service supply, information and communication with users, comfort levels and safety. A comprehensive KPI system is essential for supporting the public transport authority (IM) in its control and supervision of service provision by PTOs, to encourage PTO managers to identify priority areas for improvement within each company, to establish sound plans for attracting new users, and to support the development of more efficient regulations with incentives and disincentives to PTOs. The

implementation of the new traffic control center (TCC) and its “Phase II” offer a unique opportunity to develop such a system: the TCC can effectively include tracking of public transport vehicles, data collection and KPI estimates and monitoring. The TCC is also an excellent instrument to improve on-street operations of public transport vehicles, to increase traffic speeds for buses and to make traffic enforcement more effective (Output 1.6). *The Traffic Control Center (TCC) is an online monitoring system already in operation controlling metropolitan private-vehicle flows through a system of remote video-cameras and traffic lights in real time (Phase 1). The next phase is to create the operating conditions to expand the control of the public bus fleet, where no GEF funds from this project will be allocated. Regarding the KPI, the top three indicators are:*

- *Full compliance with schedules (delays, average speed, etc).*
- *Improved information provided to users (including real-time information).*
- *Comfort and safety.*

To increase institutional capacity for this sort of innovative systems, the project will consult the reference published by the GIZ on: “Measuring Public Transport Performance”⁶.

(ii) Definition of improvement measures of public transport services. The KPI system will provide an excellent tool for public transport authorities and public transport operators to negotiate adequate measures to improve the quality of public transport services and gain additional passengers. The wide experience in cities around the world on public transport improvement measures (such as public service contracts and partnership agreements) shows that they are heavily dependent on the context: the cultural environment, prevailing mobility behavior, availability of resources, technical expertise of public transport operators, and legal framework, amongst others. The project intends to work together with the PTA (IM) and with the four PTOs in order to identify a quality plan to make services more attractive; this may require changes in the current legal framework (Output 1.7). *For the Montevideo public transportation bus system, the existing fare scheme is twofold: the expanding use of the e-ticketing system (STM cards) and cash collected by the bus drivers at the point of arrival, including a system of discount fares for certain targeted groups such as students and senior citizens. In Uruguay, it is also important to note that the tariff structure for the whole metropolitan area of Montevideo are even for all routes; these are fixed by the departmental government together with the Labor Union of Public Transport and the PTOs.*

(iii) Alternative frameworks for financing public transport systems, with a focus on low-carbon and quality aspects. The project will provide proposals for the reform of current incentives and disincentives in the public transport system, in order to align them with the new priorities of promotion of efficient and low-carbon technologies and public transport use. These proposals will build upon international best-practice, and will be defined in a collaborative way with all the stakeholders. The proposed frameworks will also consider innovative PT options currently under consideration by IM, such as new PT corridors, interchanges and technologies (trolleybuses, opportunistic charging...), and will mainstream gender equality through several strategies, including measures to facilitate and increase a more convenient use of public transport by women, such as access to and interconnection between key places (e.g. schools, health centers) for a more efficient use of their time (Output 1.8). *The proposed alternatives for financing the public transport systems analyzed during the PPG stage depend on the category of the EV. For public buses, it is considered the participation of the commercial banks through the use of existing lending green mechanisms such as fleet renewal credit lines, trust fund for public transportation, and leasing. For the electric vans, most likely will be leasing and the use of corporate conventional credit lines.*

1. The second project component (demonstration of technological options in Montevideo) includes two pilots.

In Uruguay, there are already six electric charging stations in six private facilities. In addition, in the City of Montevideo there is one located in the Technological Laboratory of Uruguay, two loaders in the main building of UTE, and another 4 stations will be in operation soon downtown in the Joanico Street. In addition there is one station already installed in Maldonado and other 10 loaders located every 60 kilometers between the cities of Colonia and El Chuy, which are part of the electric route that covers all the coastal area from its western point (Colonia) to its eastern point (Chuy). The

⁶ http://www.sutp.org/files/contents/documents/resources/B_Technical-Documents/GIZ_SUTP_TD9_Measuring-Public-Transport-Performance_EN.pdf should be referenced.

expected outcome of this component is to accelerate the adoption of electric vehicles in urban transport for both public transport services and freight delivery; pilots are considered by the project strategy as essential to overcome the current financial and technological barriers, described above, which make operators skeptical towards new technologies. The electric utility (UTE) will be supporting this activity, providing the necessary assistance to the operators in the changes their depots may need to install the charging points.

This outcome is expected to be achieved through 3 outputs:

(a) Successful testing of five electric buses, which will be integrated in the fleets operating in Montevideo for at least 12 months; these tests will allow TPOs to get acquainted with the new technologies and to assess the operational savings they provide, and which could compensate the higher upfront investment. The tests will also serve to check the users' response to more comfortable services, and to identify the organizational changes necessary in the operating companies to move towards full or partial electrification in future. At least two manufacturing companies have already expressed their interest in providing such vehicles, which are already providing service in cities in China and other countries (Output 2.1). *The proposed routes for testing the five E-buses during the 12-month period are along the two main town avenues in the City of Montevideo, i.e.: "Avenue 18 of July" and "Avenue Rivera". These two routes were selected because, currently, have the highest sale points of urban passengers in the whole metropolitan region. However, it is important to note that once the project elaborates a statistical sample, the E-buses will be mobilized to a less congested routes.*

(b) Successful testing of six electric vans used by freight delivery companies in Montevideo. UTE has already significant experience as a user of electric vans, and this experience will be put at the *service of freight, house-maintenance services, medical and delivery companies* in the metropolitan area willing to explore the advantages of electric mobility (Output 2.2). *During the PPG, it was found that there is an ample offer of EV private dealers willing to participate in the project, in this sense Project Management Unit will arrange a bidding process to select the most convenient EVs for the purpose of the project under this output. In addition, a competitive process will take place to allocate the testing of the 6 EVs among interested companies.*

(c) The final output within this component will refer to the preparation of business models for each of the companies involved in the pilots (which could be eventually expanded to other companies in Montevideo and other cities) for efficient electrification of their fleets; the business models will also include the necessary changes in the electric installations (within the companies' premises and also in terms of public charging points), and the eventual changes in current UTE policies (for example, the development of new fares targeting electric vehicles). It is worth noticing that no specific charging infrastructure will be necessary for the pilot, as the number of vehicles involved is reduced, and operations allow for night-charging at the depots of bus and freight delivery companies. However, under this output, UTE will develop the necessary strategy for the deployment of both, charging points at depots allowing for a higher number of vehicles, and alternative public charging options (mainly, quick-charging points at some key line terminals) (Output 2.3). *The proposed business models for financing the EV, in line with output 1.8, considers a variety of commercially-driven mechanisms. For public buses, lending from commercial banks through the use of existing lending mechanisms such as fleet renewal credit lines and leasing are most likely to be used. For the electric vans, the leasing mechanisms and the use of corporate conventional credit lines will be used.*

2. The third project component addresses the cultural changes, and the dissemination and replication of the project's activities and outputs. This is a critical component within the project's strategy, as it will provide most of the expected consequential emissions savings, and will make structural change possible, as it was the case in the past for the promotion of wind energy in the country. The expected outcome of this component is to succeed in changing the commuting routines of part of the staff in some major working centers (proving that change is indeed possible), and to mobilize other cities in the country (and other transport companies and working centers) to implement similar measures. This outcome is expected to be achieved through 4 outputs:

- (i) The successful implementation of so-called green corporate mobility management plans in four major working centers in Montevideo⁷. Green mobility management provides tailored alternatives for major working centers and corporations to reduce the carbon footprint associated to their staff's commuting and their business trips. Green mobility management plans are typically developed within each working center through in-depth interviews and mobility coaching sessions with the employees, and are implemented with strong support from managers and staff representatives; a "mobility manager" is appointed within the organization to implement the measures, which typically include teleworking, support to public transport use, carpooling, enterprise van or bus services, and awareness raising on gender issues in public transport and mobility among others⁸; another area of attention refers to business trips, which can be optimized and at least be partially redirected towards sustainable transport modes (Output 3.1). *Regarding the average commute time of labor force in the City of Montevideo, half of the people travel for at least 20 minutes, while a quarter share travels more than 40 minutes⁹.*
- (ii) Increasing the number of non-motorized mode (NMM) users, through campaigns to the general public focusing on vulnerable social groups, such as children and teenagers, the elderly and also addressing gender barriers to walking and cycling. The approach will benefit from collaborative methodologies developed in other cities around the world¹⁰, and will focus on short-distance trips (Output 3.2). *As part of the socially-oriented policy of the current administration, it is of greater importance to give priority to vulnerable social groups to enjoy the right to have spare time, like walking short distances for relaxation and riding a bicycle in many of city recreational areas.*
- (iii) A project website, which should serve as a platform for dissemination, providing material for other cities in the country to implement sustainable mobility measures. The project website is also expected to serve as an information platform, providing information such as the MRV system on transport (component 1) or the KPI on public transport in Montevideo, as a way to foster debate on sustainable mobility and to accelerate the implementation of more collaborative practices in transport planning and policy making. Furthermore, the website would serve as a means for networking between Montevideo and other cities in the region and around the world adopting similar sustainable transport projects *throughout the lifetime of the project. The website will be sustained after the project completion through the information and technological systems of the ministries, MVOTMA and MIEM (Output 3.3).*
- (iv) *Plans for replication of project measures in two other cities, the two metropolitan departments of Canelones and San José and their main municipalities. The rationale for choosing these cities is that both have more than 20,000 inhabitants, a formal urban transport system and with officially regulated routes.* The experience from similar projects around the world shows that replication in other cities cannot be attained solely through dissemination and availability of information about the project; a more active approach is needed, providing some incentives for cities to adopt the innovative policies proposed. The project will offer some technical support and assistance for municipalities and departments interested in replicating some of the measures, tailoring them to their particular context and exploring with the national government possible incentives to encourage them to implement some of the measures tested in the project (Output 3.4).

3. The project consists of four components, covering the institutional, technological, and replication dimensions necessary to sustain structural change as well as a final component on knowledge management and M&E.

6. It is worth also mentioning that, compared to PIF, one of the outputs of component 1 ("Alternatives for financing the structural transition to low-carbon urban mobility") has been deleted, as this was already addressed in other outputs within this component (mainly the output on "Tax regulations and incentives promoting efficient, low-carbon transport options" and "alternatives to current regulations and incentives for financing the public transport system...").

⁷ At least two of the three ministries located in Ciudad Vieja: MTOP, MIEM (155 jobs), and MVOTMA, UTE headquarters (Palacio de la Luz) in Aguada district and the main offices of Intendencia de Montevideo (Palacio Municipal), in the Centro district.

⁸ <http://www.mobilitymanagement.be>

⁹ "Políticas de tiempo, movilidad y transporte público: rasgos básicos, equidad social y de género" – PNUD Intendencia de Montevideo en base a encuesta origen-destino 2009.

¹⁰ Such as the STARS (<http://starseurope.org>) methodology. GEF6 CEO Endorsement /Approval Template-August2016

7. **Budget and Co-financing:** The budget has slightly changed, as some resources from component 1 have been moved to component 4, in order to strengthen monitoring and evaluation activities, particularly on knowledge management. The total co-financing figures for bus operators remains the same, although the amount on "equity" has increased at the expense of the "in-kind" contribution, to reflect the estimated costs of the new electric buses. A contribution from the supplier of the electric buses is also foreseen.
8. **Project duration:** The project duration has been increased from the 36 months established in the PIF to 48 months. This change will allow to accommodate the necessary timing for the procurement of the electric buses and vans (manufacturers usually require significant time for making them available) and the time needed by operators to introduce them in their fleets.
9. **Social and Environmental Safeguards:** The overall project risk has changed from low to moderate, due to the significance of the environmental impacts associated to the disposal of EVs' batteries. This environmental challenge is being addressed in order to integrate Uruguay on a global (or at least regional) life-cycle management system. An Environmental and Social Management Plan (ESMP) has been developed, and will be finalized with stakeholders during project inception phase in order to actively engage EV manufacturers and governmental entities in the deployment of long term solutions including reuse and recycling.

A.2. Child Project?

If this is a child project under a program, describe how the components contribute to the overall program impact.

10. Although the project is not a child project under a program, it can contribute to the objectives under the GEF Sustainable Cities Integrated Approach Pilot Program (SC-IAP Program). This was one of the three pilot programs approved in June 2015, and included in the GEF-6 replenishment. The program support comprehensive, evidence-based planning processes in cities in eleven countries around the world. The program also intends to create a global platform for knowledge sharing among cities, primarily focusing on participating cities, but open to others as well: the Global Platform for Sustainable Cities. Urban mobility plays a central role within the integrated approach encouraged by the program, and this project can actively contribute to the transport discussion with GPSC. Component 1 can provide useful lessons on the deployment of environmentally-friendly tax and regulatory systems in urban transport, and the integration of land use and transport planning; component 2 will provide useful information on best practice for the implementation of innovative technologies, and component 3 will facilitate the adaptation of customized demand management tools to local contexts.

A.3. Stakeholders.

Elaborate on how the key stakeholders engagement, particularly with regard to [civil society organizations](#) and [indigenous peoples](#), is incorporated in the preparation and implementation of the project.

11. During project preparation, a workshop was held with representatives of civil society organizations interested in cycling and other sustainable mobility options. Participants stressed the need to build upon some positive initiatives already undertaken in the city (some bike lanes, the recent study by Jan Gehl's Office on sustainable mobility in Montevideo...) and the need to create a friendly environment for bikers and pedestrians (including better knowledge of traffic rules by all users, workshops addressed to bus drivers, looking for pilots which could raise the visibility of non-motorized mobility in some neighborhoods or for some destinations (jobs, education...)). A revision of current traffic rules, providing better protection and reasonable priority to non-motorized users was also mentioned. The project will aim at integrating these perspectives through the involvement of civil society organizations within the project management structure, and expanding the number of agents from IM involved, in order to include those within the units in charge of participatory policies, such as Defensoría del Vecino. Furthermore, local researchers and specialists on urban mobility issues, with a

social science perspective, where also involved in one workshop at project preparation and have been invited to participate in the project.

12. Compared to PIF, one additional set of partners has been identified to collaborate with the project: logistics companies such as Correo Uruguayo, MIRTRANS and SAMSUNG. Furthermore, manufacturers and importers of electric vehicles (EV) (Yutong, BYD Auto and Santarosa/Renault) have been approached, and they have confirmed their interest in answering to the future request for quotations for the procurement of the electric vehicles for the pilot.

A.4. Gender Equality and Women's Empowerment.

Elaborate on how gender equality and women's empowerment issues are mainstreamed into the project implementation and monitoring, taking into account the differences, needs, roles and priorities of women and men.

13. Current mobility trends in Montevideo show sharp gender differences: public transport is much less used by men than by women: the former account for 43% of all bus trips, and the latter for 57%; cars benefit from little restrictions and are disproportionately used by men: they make 38% of their trips by car, compared to only 25% in the case of women. Should women follow the same mobility patterns than men, it would result in an increase in the number of vehicles of 25%. Female participation in the transport sector in Uruguay is only 21%, and even weaker in the Metropolitan Departments of Montevideo (20%), San José (18%) and Canelones (7%). The share is even lower in public transport companies: only 16% of the jobs are occupied by women in the bus company with the higher share of female employment.
14. The public transport system has been designed historically to cope with the needs of daily home-to-work trips at peak hours. However, 29% of mobility demand in Montevideo is due to mobility related to purposes such as household tasks (shopping...), socializing children or providing support to dependent adults, and includes many multipurpose, chained trips poorly served by the existing bus system. As many as 69% of women's trips in Montevideo are related to these purposes.
15. The project proposes an integrated approach: increasing the quality of public transport will diminish the mobility gap between public transport and car users, benefiting women to a higher extent; public transport quality will be improved focusing on those aspects that are more valued by women, as they account for a majority of users; and female access to transport jobs (and particularly on jobs based on new technologies, such as electro-mobility) should result in transport services better suited to take into consideration female priorities on quality, including better working environments.
16. This variety of challenges is addressed in the project with a strategy to mainstream gender issues within transport policy and practice in Montevideo: the review and adoption of standards on public transport quality and public space (the latter relevant for walking and cycling) will be conducted on a gender-sensitive basis, so that differences in the perception of quality can be properly identified, and actions can be adopted with better knowledge of their potential gender impacts.
17. The practice developed within the project is expected to influence future transport quality requirements of the municipality, and internal quality assurance procedures within transport companies. As for women's access to transport jobs, the project strategy is focusing on those jobs associated to the new EVs, with two objectives: (1) positioning gender issues at the core of the deployment of what is expected to be a fast-expanding technology, and (2) to encourage transport companies to revise their current job descriptions and working environments, facilitating the integration of women. Based on the project experience, it is expected that transport companies will be able to mainstream pro-active policies and to increase the percentage of female employees, beyond the project's life.

18. The proposed project monitoring approach includes some indicators providing information on gender equality and women's empowerment: indicator 10 will provide the percentage of new transport jobs linked to electro-mobility which are occupied by women (with a target of 100%), and indicator 13 (satisfaction with mobility conditions) will provide public transport satisfaction levels for women and for some specific social groups, based on the annual survey conducted by the municipality. Furthermore, indicator 7 will monitor the number of quality-related targets adopted by the municipality with its public transport providers, considering different categories, so that progress on those categories prioritized by women (as stated in the annual surveys conducted by the municipality) will be known in comparison with other categories, and indicator 12 (modal change in working centers after implementation of mobility plans) will provide guidance on the impacts of this measure on women and men.

A.5 Risk.

Elaborate on indicated risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved, and, if possible, the proposed measures that address these risks at the time of project implementation.(table format acceptable):

Project risks					
Description	Type	Impact & Probability	Mitigation Measures	Owner	Status
Reduced resilience of the public transport system to changes in climate and to extreme weather events, as a consequence of the introduction of new vehicle technologies and of new quality plans. ¹¹	Environmental	Moderate changes foreseen by 2030; more significant changes by 2050. Changes in climate and weather events would difficult the operation of the public transport system and make sustainable transport modes less attractive for users. P = 1; I = 2	Consideration of the resilience of the public transport system and revision/adoption of contingency plans are included within the outcome 1.2 (public transport quality)	IM, PTO, project team	No change
Environmental impacts of EV batteries: Uncertain options for lithium batteries after their service life.	Environmental	One of the main challenges of mass commercialization of lithium-ion batteries for urban transport is the development of specialized services for disposal and recycling. Additionally, as the market is still unexplored, the specific impact and overall profitability of private investments are unknown. Risk probability is low, as global manufacturers are actively developing alternatives for recycling and reuse, to be implemented at the international level. The number of EVs in the project is low (5 buses, 6 vans), which limits significantly the impacts in terms of magnitude. P =2; I = 3	One initial measure is to request from EV manufacturers a complete description of the components uses in their batteries. The project has been designed to review mitigation options and to recommend appropriate regulatory measures to the government. Mitigation options within the project will include two alternative concepts: reuse and recycling; both are being actively explored by battery and EV manufacturers, who will be associated to the project. Provisional storage of batteries will also be explored within	MVOTMA, MIEM, project team	Reducing

¹¹ As identified in *Cuarta comunicación nacional a la conferencia de las partes en la convención marco de la Naciones Unidas sobre el cambio climático (2016)* and *Plan climático de la región metropolitana de Uruguay (2016)*.
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Project risks					
Description	Type	Impact & Probability	Mitigation Measures	Owner	Status
			the project, as reuse and recycling require large quantities of batteries to be processed.		
Reduced PT affordability: Improved quality of public transport will require more resources and could result in an increase of fares, reducing its affordability for a part of the population.	Social	Public transport in Montevideo is mostly used by women and by those in the lower income quintiles. Higher quality could result in higher operational costs, and pressure for higher fares with some social impact (3). However, there is scope for efficiency gains (reducing costs), and the system has successfully cope with affordability challenges in the past, thanks to a robust system of subsidies and special fares; furthermore, an increase in quality should provide more users to the system, improving its financial robustness. Probability is there-fore very low; further-more, authorities are making considera-ble efforts in keeping the afforda-bility of public trans-port through subsidies, and there is wide politi-cal consensus on this approach. P = 1; I = 3	The project design has included measures that will provide savings in the long-term, reducing fuel consumption, and quality improvement will provided additional public transport users. The project design includes as key management measures the involvement of operators and vulnerable groups in the adoption of PT quality targets, so that they are consistent with financial sustainability and with affordability. Furthermore, the system of financial subsidies will be revised, to encourage the deployment of EVs while keeping PT use affordable to all.	IM, project team	No change
Employment loss: Current PT workers unable to adapt to the new electric technology.	Social	The deployment of electric buses in the city will result in changes in the expertise required for vehicle maintenance and- to a lesser extent- driving. The still limited experience in this field around the world (e.g. the ZeEUs project), suggests that maintenance needs (particularly in-house) are expected to decrease, and that driving conditions become less stressful, with no particular difficulties for drivers to adapt. This risk has been discussed and assessed with the executing partners and public transport operators. The transition towards a fully electrified fleet is expected to take years, giving enough time for eventual adaptation plans. P = 1; I = 3	The project design provides a variety of mitigation actions: on the one hand, as the project is expected to empower the public transport system to attract new users, an expansion in terms of the total number of PT jobs is foreseen, compensating for any potential loss. On the other hand, the project includes actions to facilitate access to EV-related jobs through training, and a revision of recruitment strategies, taking advantage of the appeal of EV technologies for potential workers. The project also takes benefit of the new technology to accelerate the integration of women in what has thus far seen as a male-dominated working environment.	IM, project team	No change
Lack of adequate financial	Financia l	Companies would not be interested in procuring EVs due to their higher up-	By the end of 2nd. year and before the Mid-term	Executing partners;	Reducing

Project risks					
Description	Type	Impact & Probability	Mitigation Measures	Owner	Status
schemes for the procurement of electric vehicles		front costs and loss of subsidies which apply to other vehicles P = 3; I = 3	review, Project management will review the tax structure for EVs, the proposed incentives and on-going subsidies to measure the financial viability of the market shift. If the financial environment is not favorable, an alternative financial scheme discussed during the PPG such as soft credits provided by the public banks under the existing green credit lines will be put in place. Also, in Uruguay there is a tax discount mechanism for the companies interested in buying EVs, using the existing "Investment Promoting Law # 16906".	project team	
Changes in current local and national policies, reducing priority for sustainable options on energy and transport	Political	There is strong consensus on energy policy favoring renewables; the consensus is somewhat weaker regarding urban mobility, a change in this consensus would undermine the case for EVs and for sustainable urban mobility P = 1; I = 3	Transparency and information on policy achievements, to support current consensus.	Executing partners	No change
New transport concepts are rejected by some target users	Other: Cultural	Target users could see cars as more attractive than PT and NMMs, undermining the modal split and increasing emissions. P=2; I=3	Potential target users identified in the first year. Interaction with target users. Selection of most promising users, and replacements, if needed.	IM, project team	No change
Key, risk-adverse stakeholders become reluctant to the suggested changes	Other: Cultural	Some PT operators and urban freight delivering firms prefer to stick to well-known technologies; local authorities would avoid measures restraining car use. The emissions avoided by the project would be lower. P=1; I=4	Evidence of measures successfully implemented in other cities. Wide array of stakeholders identified, so that others can be involved.	Executing partners	Reducing
Degradation in current economic prospects make stakeholders reluctant to innovation	Other: Economic	An economic downturn would reduce the capacity of government to subsidize public transport and to improve mobility, jeopardizing the deployment of EVs and sustainable mobility measures. P=1; I=3	Modal change would be promoted on the basis of lower users' costs and decreasing car affordability	IM, project team	Reducing
Electric vehicles not available, or not appropriate	Other: Technological	There are few EV manufacturers, and Uruguay is a small market for them; the availability of EVs relies on	Alternative manufacturers identified	Executing partners, project	Reducing

Project risks					
Description	Type	Impact & Probability	Mitigation Measures	Owner	Status
to comply with minimum operators' requirement	gical/Operational	manufacturers keeping their commitment with the project. P= 1; I=4		team	
Changes in regulations are not agreed and not approved	Regulatory	Regulatory changes are crucial for attaining the project's objectives. Otherwise, the case for EVs is weakened, and so does the modernization of the fleet. P=2; I=4	Changes needed have been identified by executing partners.	Executing partners, project team	No change
PTOs and freight companies unwilling to accommodate their business models to a quality, low-carbon focused future	Cultural / Economic	EVs may require different operational schemes to be optimized, which could require significant changes in working shifts, routes, etc; there could be internal resistance to full deployment, beyond the pilots, jeopardizing the implementation of the project. P=1; I=3	Tailored approach, as business models are different among companies	Project team	No change

A.6. Institutional Arrangement and Coordination.

Describe the institutional arrangement for project implementation. Elaborate on the planned coordination with other relevant GEF-financed projects and other initiatives.

The project will be implemented following UNDP's national implementation modality, according to the Standard Basic Assistance Agreement between UNDP and the Government of Uruguay, and the Country Programme. The project will be executed by the Ministry of Industry, Energy and Mining (MIEM), which will act as the Implementing Partner. The national government has agreed on Direct Project Costs that might be necessary for project implementation. Implementation, governance and management arrangements are described in section VIII of the project document.

Additional Information not well elaborated at PIF Stage:

A.7 Benefits

Describe the socioeconomic benefits to be delivered by the project at the national and local levels. How do these benefits translate in supporting the achievement of global environment benefits (GEF Trust Fund) or adaptation benefits (LDCF/SCCF)?

- Socioeconomic benefits at the local level are provided mainly through outcome 1.2 (modal share of public transport increased and quality control improved) of project component 1 (policy framework for a low-carbon transport system). The project would provide improved quality standards for the public transport system in Montevideo, with agreed targets agreed between IM and the public transport operators (PTOs), as well as a revised system of subsidies incentivizing the use of EVs by PTOs. Quality improvements should result in the increase of public transport users (5.84% increase in public transport trips coming from other motorized modes, on top of the annual increase due to a population growth of 0.4%). Project component 2 (demonstration of technological options in Montevideo) is also expected to provide relevant benefits at the local level, as they will have no emissions and negligible noise impacts during their operations. There are also some local benefits from component 3, as 2% of car trips are expected to change to non-motorized modes (NMM) and at least 270 workers are expected to make use of sustainable modes in their commuting trips as a result of the project activities. The percentage of respondents satisfied with mobility conditions is expected to increase by 5% among vulnerable users, as measured by indicator 13, based on the satisfaction index annually recorded by IM.

20. At the national level, socioeconomic benefits are mainly provided by project outcome 1.1 (adequate institutional capacity and regulatory framework in place to foster low-carbon mobility options), and will consist of revised national regulations on taxes and incentives supporting EVs, and stronger intergovernmental structures addressing climate change challenges in transport. This new framework should facilitate the attainment of the objectives set by national strategies on energy efficiency and climate change in the transport sector. Additionally, the dissemination and replication actions included in component 3 (cultural change, dissemination and replication) should result in more sustainable mobility conditions in additional cities in Uruguay. There are sixteen cities in Uruguay with more than 20,000 inhabitants, outside the metropolitan area of Montevideo. A reasonable target would be to achieve replication activities in at least three of them. For this, the dissemination activities of the project will provide information to all these cities on the results, and will discuss individually opportunities for the introduction of electro-mobility in these cities, offering the know-how gained by the project team.
21. At the global level, the project is expected to deliver direct CO₂ emissions savings of 114.93 kt and 166.41 kt of consequential emission savings.

A.8 Knowledge Management

Elaborate on the knowledge management approach for the project, including, if any, plans for the project to learn from other relevant projects and initiatives (e.g. participate in trainings, conferences, stakeholder exchanges, virtual networks, project twinning) and plans for the project to assess and document in a user-friendly form (e.g. lessons learned briefs, engaging websites, guidebooks based on experience) and share these experiences and expertise (e.g. participate in community of practices, organize seminars, trainings and conferences) with relevant stakeholders.

22. Knowledge management is addressed within project component 4. There is a large number of innovative urban transport projects in the region and in other countries in the world, and the project is planning to actively interact with some of them. Furthermore, the project will establish regular contacts with EMBARQ, the sustainable urban mobility program of the World Resources Institute (<http://www.wrirosscities.org/about/embarq-network>), with more than 12 years of experience and projects running in Brazil, China, India, Mexico, Turkey, and the United States. EMBARQ is expected to provide useful lessons on the improvement of bus services and NMM in cities. The project will also establish contact with CIVITAS. CIVITAS is a EU programme to promote innovative sustainable mobility concepts in cities, started in 2002 and with projects completed or in progress in 89 EU cities; CIVITAS includes dissemination and replication activities outside the EU, and is eager to get in contact with cities from other regions; the project could benefit from CIVITAS experience in the areas of EVs, public participation and promotion of NMM. The project team should consider the possibility of attending the annual events of both networks (Transforming Transportation, organized by Embarq in January in Washington DC and CIVITAS Forum, organized by the European Commission in September, at different places in Europe).
23. Technical material, results and lessons learned will be publicized and shared by the project through a project dedicated website. The primary target of the website will be local stakeholders in Montevideo (in order to gain support and encourage participation) and decision-makers in other cities in Uruguay. The website contents will focus on electrification of public transport and institutional empowerment and reform. Key documents will be presented with digest notes to facilitate their use by the relevant local stakeholders. As the project progresses, lessons learned and key technical materials will be included in the platform, making them accessible to practitioners, professionals and the public at large. The knowledge platform is also relevant for the freight delivery pilot, as effective replication will require reaching out and mobilizing a good number of companies active in this sector. The project will also produce recommendations on sustainable management practices addressed to public transport operators and logistics partners.
24. Four communities of practice will be set up, and will be moderated by the project team. They will involve, respectively, public transport operators, transport managers at major working centers, urban logistics partners, and civil servants

working in the areas of transport, energy efficiency, and climate change mitigation. These communities of practice can be supported by the project through training and professional coaching activities, provision of technical materials, and other activities. This is particularly relevant for transport managers in charge of the green corporate mobility management plans within component 3, as they will require substantial support from the project team in order to succeed in the preparation and implementation of the mobility plans in the four pilot working centers.

25. UNDP is currently involved in other transport-related projects under preparation or implementation in the region. This offers unique opportunities for networking of project teams, exchange of practice and common dissemination actions. Outside LAC, UNDP has a series of projects on low emission transport such as in Bhutan (PIMS 5563/GEF ID9367), China 5349/GEF ID5728 –fuel cell vehicles), Philippines (PIMS 5304/GEF ID 5717), Malaysia (PIMS 4283/GEF ID5329), and China (4039/GEF ID - on electric buses). Outside UNDP still within the UN system, the project could benefit of info-exchange with UNIDO in two other projects related to low-carbon transport focused in EV in South Africa (GEF ID 5737) and Malaysia (GEF ID 5741).

B. DESCRIPTION OF THE CONSISTENCY OF THE PROJECT WITH:

B.1 Consistency with National Priorities.

Describe the consistency of the project with national strategies and plans or reports and assessments under relevant conventions such as NAPAs, NAPs, ASGM NAPs, MIAs, NBSAPs, NCs, TNAs, NCSAs, NIPs, PRSPs, NPFE, BURs, INDCs, etc.:

26. The project is consistent with national strategies and plans in the areas of climate change, energy efficiency and spatial development. It is also well aligned with the strategies of Montevideo in the areas of land use, spatial development and transport:

- The national climate change strategy is defined by the National Climate Change Plan (published in 2010), which sets some guidelines for the transport sector, including support to public transport and promotion of energy efficiency. The Biennial Update Reports (first report submitted in December 2015 and second report under preparation) produced with the support of GEF/UNDP projects, identifies some measures in the transport sector include the renewal of public transport fleets, the promotion of NMM in urban mobility and the implementation of the Traffic Control Center (TCC) in Montevideo. The Intended Nationally Determined Contributions, submitted in 2015, sets a reduction target of 40% in the carbon intensity of the Uruguayan economy, if access to the necessary additional means of implementation are provided, inter alia, by the transport sector.
- The energy strategy is set up by the 2030 national plan (Política Energética 2030), approved in 2008, and the Energy Efficiency Plan (Plan nacional de eficiencia energética, 2015-2024). The energy plan set the target to reduce the country's dependence on fossil fuels, and to provide more than 50% of the primary energy matrix from renewables (mostly hydropower and wind) by 2016, an objective that was successfully achieved in 2015. The energy efficiency plan includes as one of its lines of action the implementation of new technologies in transport.
- The metropolitan planning framework is established by the Spatial Planning Guidelines (Directrices departamentales de ordenamiento territorial y desarrollo sostenible de Montevideo) and the Sustainable Urban Mobility Plan (Plan de Movilidad de Montevideo 2010-2020). The former was approved in November 2013 (Decreto 34870), and keeps the basic guidelines of the former Guidelines on transport, with a focus on its integration with land use and urban development policies, the improvement of energy efficiency and the development of multimodality. The later further develops these guidelines, with a focus on the expansion and support to public transport, and the implementation of some barriers to car use (paid parking regulations).

27. The project is expected to build upon the achievements of these policies, and to further contribute to their implementation through the expansion of more efficient vehicles, the improvement of public transport quality, the promotion of NMMs,

and the empowerment of the relevant administrations for monitoring the performance of the metropolitan transport system.

C. DESCRIBE THE BUDGETED M & E PLAN:

28. The M&E plan will be under the responsibility of the Project Manager (expecting to dedicate 14% of the time to these activities), with a dedicated budget of USD 24,000. Additional resources have been budgeted for supporting the inception workshop (USD 5,000), and for knowledge management (USD 5,000), mainly to support efficient exchange and interaction with other transport projects in the region. Audits will require USD 3,000 to comply with UNDP policies, and project evaluation activities will include a mid-term evaluation (considered necessary due to the complexity of the project, and the potential need for mid-term adjustments to a changing environment) and a terminal evaluation will be undertaken by an international consultant (USD 15,000 and USD 30,000 respectively). See below table for further details:

GEF M&E requirements	Primary responsibility	Indicative costs to be charged to the Project Budget ¹² (US\$)		Time frame
		GEF grant	Co-financing	
Inception Workshop	UNDP Country Office	USD 5,000	None	Within two months of project document signature
Inception Report	Project Manager	None	None	Within two weeks of inception workshop
Standard UNDP monitoring and reporting requirements as outlined in the UNDP POPP	UNDP Country Office	None	None	Quarterly, annually
Monitoring of indicators in project results framework by project team	Project Manager	None	None	Annually
GEF Project Implementation Report (PIR)	Project Manager and UNDP Country Office and UNDP-GEF team	None	None	Annually
NIM Audit as per UNDP audit policies	UNDP Country Office	USD 3,000	None	As per UNDP Audit policies
Lessons learned and knowledge generation	Project Manager	None	None	Annually
Monitoring of environmental and social risks, and corresponding management plans as relevant	Project Manager UNDP CO	None	None	On-going
Addressing environmental and social grievances	Project Manager UNDP Country Office BPPS as needed	None	None	On-going.
Project Board meetings	Project Board UNDP Country Office Project Manager	None	None	At minimum twice a year
Supervision missions	UNDP Country Office	None ¹³	None	Annually
Oversight missions	UNDP-GEF team	None ¹³	None	Troubleshooting as needed

¹² Excluding project team staff time and UNDP staff time and travel expenses.

¹³ The costs of UNDP Country Office and UNDP-GEF Unit's participation and time are charged to the GEF Agency Fee.
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GEF M&E requirements	Primary responsibility	Indicative costs to be charged to the Project Budget ¹² (US\$)		Time frame
		GEF grant	Co-financing	
<i>Knowledge management as outlined in Outcome 4</i>	<i>Project Manager</i>	USD 5,000	None	<i>On-going</i>
GEF Secretariat learning missions/site visits	UNDP Country Office and Project Manager and UNDP-GEF team	None	None	To be determined.
Mid-term GEF Tracking Tool to be updated by MIEM and project team	Project Manager	None	add	Before mid-term review mission takes place.
Independent Mid-term Review (MTR) and management response	UNDP Country Office and Project team and UNDP-GEF team	USD 15,000	None	Between 2 nd and 3 rd PIR.
Terminal GEF Tracking Tool to be updated by MIEM and project team; support from TE	Project Manager	None	None	Before terminal evaluation mission takes place
Independent Terminal Evaluation (TE) included in UNDP evaluation plan, and management response	UNDP Country Office and Project team and UNDP-GEF team	USD 30,000	None	At least three months before operational closure
TOTAL indicative COST Excluding project team staff time, and UNDP staff and travel expenses		USD 58,000	None	
Project team staff time Estimated salary of the PM for the time dedicated to M&E activities		USD 24.000	None	
TOTAL indicative COST Including estimated salary of the PM for the time dedicated to M&E activities		USD 82.000	None	

PART III: CERTIFICATION BY GEF PARTNER AGENCY

A. GEF Agency certification

This request has been prepared in accordance with GEF policies and procedures and meets the GEF criteria for CEO endorsement under GEF-6.

Agency Coordinator, Agency Name	Signature	Date (MM/dd/yyyy)	Project Contact Person	Telephone	Email Address
Adriana Dinu UNDP-GEF Executive Coordinator		08/31/2017	Ludmilla Diniz Regional Technical Advisor	(507) 302- 4514	Ludmilla.diniz@undp.org

	vehicles		1:4 (vans)	1:4.5 (vans)	
	Mandatory indicator 3: Number of direct project beneficiaries (increase in the number of bus tickets sold annually)	0	6.3%	7.1%	TEEMP model: 0,4% annual population growth and 1.0584 bonus factor due to improved quality
	<i>Indicator 4: Emissions of carbon dioxide (in million metric tons) saved since project starts (direct)</i>	0	5.88 kt	12.03 kt	EVs operational by the end of first year. Regular (annual) checking of baseline assumptions necessary.
Component/Outcome¹⁷ 1.1 Policy framework for a low-carbon transport system <i>Outcome 1.1: Adequate institutional capacity and regulatory framework in place to foster low-carbon mobility options</i> 3 indicators maximum	<i>Indicator 5: Number of revised regulations on taxes, incentives and subsidies to e-mobility for public transport and urban delivery</i>	0	1	4	Regulations on ecolabelling revised by end 2nd year. EVs: Regulations on gasoil subsidy, custom fees, battery disposal revised by end of project MRV system on urban transport in place by end of project National or local regulation strengthening coordination between land use and transport in place by end of project
	<i>Indicator 6: Formalized intergovernmental coordination structures on climate change, urban mobility and land use planning</i>	0	1	1	The mandate of the Inter-institutional Group on Energy Efficiency in Transport is expanded to cover climate change mitigation, and the group is provided with resources for its operation.
Component/ Outcome 1.2 Policy framework for a low-	<i>Indicator 7: Targets for PT quality identified and enforced by IM</i>	0	Minimum number of targets approved for each category: fleet and	Minimum number of targets enforced for each category: fleet	Few quality targets in place; a quality plan will be developed by IM with coherent targets, in

¹⁷Outcomes are short to medium term results that the project makes a contribution towards, and that are designed to help achieve the longer term objective. Achievement of outcomes will be influenced both by project outputs and additional factors that may be outside the direct control of the project.
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carbon transport system <i>Outcome 1.2: Modal share of public transport increased, and quality control improved</i> 3 indicators maximum			vehicle characteristics (4), planned and actual service supply (4), information and communication with users (4), comfort levels (2) and safety (2)	and vehicle characteristics (4), planned and actual service supply (4), information and communication with users (4), comfort levels (2) and safety (2)	collaboration with TPOs; the plan will need to gain adequate backing by national legislation
	<i>Indicator 8: Average subsidy received by an e-bus per year, as a percentage of the average subsidy received by a conventional bus in Montevideo</i>	0%	100%	110%	Current gasoil subsidies are transformed into subsidies per km, with a 10% incentive for e-buses. <i>The incentive gap between E-buses and conventional buses could subsequently grow, without increasing the total budget dedicated to this subsidy.</i>
Component/ Outcome 2 Demonstration of technological options in Montevideo 3 indicators maximum	<i>Indicator 9: Total annual km served with e-buses</i>	66,000	350,000	400,000	Estimated annual distance travelled by e-bus during 2016 pilot: 66,000 km. <i>Estimated future annual distance by each e-bus: 80,000 km</i>
	<i>Indicator 10: Percentage of new jobs linked to e-vehicles occupied by women (measured as a percentage of the total expected new jobs)</i>	0	50%	100%	All new job positions within the project (drivers, maintenance, managers) offered in priority to women.
	<i>Indicator 11: Total annual km served by e-vans in urban delivery</i>	0	45,000	90,000	Average distance per year: 15,000 km
Component/ Outcome 3 Cultural change, dissemination	<i>Indicator 12: Number of persons changing transport mode following company mobility plans</i>	0	270	270	TEEMP: Employees using SOV are 36% of the total, and 5% of them change mode due to company

and replication 3 indicators maximum					mobility plans.
	<i>Indicator 13: Percentage of vulnerable users (women, elderly) satisfied by mobility conditions</i>	(*)	(*) + 2%	(*)+ 5%	(*) 2017 Baseline data to be supplied by IM. <i>An annual satisfaction survey, including questions on PT and street conditions, is made by IM.</i>
	<i>Indicator 14: Number of cities in Uruguay over 20,000 inh. including EVs in their mobility plans</i>	0	1	3	Total: 3 cities in the country with more than 20,000 inh, outside the Metropolitan Area of Montevideo
Component/ Outcome 4 Knowledge Management and M&E 3 indicators maximum	<i>Indicator 15: Project expenditure</i>	0	70%	100%	Electric vehicles successfully procured by the project Mid-Term
	<i>Indicator 16: Number of monthly project website visits</i>	0	2000	5000	The website offers contents of interest for transport policy in Montevideo and other cities

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).

N/A

ANNEX C: STATUS OF IMPLEMENTATION OF PROJECT PREPARATION ACTIVITIES AND THE USE OF FUNDS¹⁸

A. Provide detailed funding amount of the PPG activities financing status in the table below:

PPG Grant Approved at PIF: 50,000			
<i>Project Preparation Activities Implemented</i>	<i>GETF/LDCF/SCCF/CBIT Amount (\$)</i>		
	<i>Budgeted Amount</i>	<i>Amount Spent To date</i>	<i>Amount Committed</i>
International Consultants	34,000	27,200	6,800
Local Consultants	12,000		12,000 ⁽¹⁾
Translation	3,000		3,000 ⁽²⁾
Workshops	1,000	166	834 ⁽²⁾
Total	50,000	27,366	22,624

(1) The National Consultant is expected to submit the final version of his deliverables during July 2017.

(2) Quotations for the translation of the ProDoc to Spanish were requested and the amount required will be approx. USD 3500-4000, depending on the final length of the ProDoc and its Annexes. The unspent balance of the Workshops budget will be used to cover the budget gap for the translation.

¹⁸ If at CEO Endorsement, the PPG activities have not been completed and there is a balance of unspent fund, Agencies can continue to 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. Agencies should also report closing of PPG to Trustee in its Quarterly Report.