



GEF-6 GEF SECRETARIAT REVIEW FOR FULL-SIZED/MEDIUM-SIZED PROJECTS THE GEF/LDCF/SCCF TRUST FUND

GEF ID:	9480		
Country/Region:	Uruguay		
Project Title:	Towards a Sustainable and Efficient Urban Mobility System in Uruguay		
GEF Agency:	UNDP	GEF Agency Project ID:	5802 (UNDP)
Type of Trust Fund:	GEF Trust Fund	GEF Focal Area (s):	Climate Change
GEF-6 Focal Area/ LDCF/SCCF Objective (s):	CCM-1 Program 1; CCM-2 Program 3;		
Anticipated Financing PPG:	\$50,000	Project Grant:	\$1,721,233
Co-financing:	\$20,038,100	Total Project Cost:	\$21,809,333
PIF Approval:	July 26, 2016	Council Approval/Expected:	
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	Milena Vasquez	Agency Contact Person:	Ludmilla Diniz

PIF Review			
Review Criteria	Questions	Secretariat Comment	Agency Response
Project Consistency	1. Is the project aligned with the relevant GEF strategic objectives and results framework? ¹	MGV and XT, May 10, 2016: Yes, the project is aligned with CCM-1 Program 1, Promote timely development, demonstration and financing of low-carbon technologies and mitigation options, and CCM-2 Program 3, Promote integrated low-emission urban systems.	
	2. Is the project consistent with the recipient country's national strategies and plans or reports and assessments under relevant conventions?	MGV and XT, May 10, 2016: Yes, the project is consistent with Uruguay's National Climate Change Plan (2010), Energy Strategy 2030	

¹ For BD projects: has the project explicitly articulated which Aichi Target(s) the project will help achieve and are SMART indicators identified, that will be used to track the project's contribution toward achieving the Aichi Target(s)?

PIF Review

Review Criteria	Questions	Secretariat Comment	Agency Response
		<p>(2008), Energy Efficiency Plan 2015-2024, and the Montevideo Sustainable Mobility Plan (2010). It also responds to its INDC, which identifies transport as having an important reduction potential, specifically through the following mitigation actions:</p> <ul style="list-style-type: none"> - Implement BRT corridors for metropolitan public transport. - Introduce electric and hybrid private and public vehicles - Increase the percentage of biofuels in gasoline and diesel oil blends. - Introduce public and private vehicles that support a higher percentage of biofuel blends. - Enhancement of the vehicle fleet through higher power efficiency standards and lower emissions. - Improve cargo transport, through the incorporation of new multimodal systems, and increased use of railroad and inland waterway transport 	
Project Design	3. Does the PIF sufficiently indicate the drivers ² of global environmental degradation, issues of sustainability, market transformation, scaling, and innovation?	<p>MGV and XT, May 10, 2016:</p> <p>The PIF identifies the transport sector as a growing source of GHG emissions, especially in Montevideo, where the public transport share has been decreasing while its car fleet has increased. Given its advances in decarbonizing the electricity matrix,</p>	

² Need not apply to LDCF/SCCF projects.

PIF Review

Review Criteria	Questions	Secretariat Comment	Agency Response
		<p>the transport sector could significantly benefit from moving to electric vehicles to further reduce Uruguay's GHG emissions. The PIF identifies the main barriers to increased use of public transport and adoption of electric vehicle technology.</p> <p>Please provide more information on the following:</p> <ol style="list-style-type: none"> 1) Elaborate on the status of the Montevideo Sustainable Mobility Plan, including the implementation of the BRT corridor, and on the timeline for its revision. 2) Elaborate on the current state of the electric vehicle market, including availability of supporting infrastructure and existing financial incentives 3) Elaborate on the fleet renewal plans for the public transport operators and the freight delivery companies, for which there are already resources programmed, and whether there are any incentives or regulations guiding these plans <p>MGV, July 11, 2016: 1) Comment cleared. 2) Comment cleared. 3) Comment cleared.</p>	
	4. Is the project designed with sound incremental reasoning?	MGV and XT, May 10, 2016:	

PIF Review

Review Criteria	Questions	Secretariat Comment	Agency Response
		<p>Please address the following:</p> <ol style="list-style-type: none"> 1) The strategy for low-carbon transport systems has long been established – avoid, shift and improve. Please articulate how the strategy can be applied to the Uruguay context. Particularly, please devote a component to ensure integration of transport planning with urban land use. 2) In terms of modal shift, please consider using pricing mechanisms, such as congestion charge and parking pricing, to incentivize public transport ridership. 3) Please clarify if without the project the fleet renewal plans would not integrate the use of electric buses and vans and how is the project enabling this (i.e. financially, by providing the incremental cost, and/or technically). 4) Please clarify your strategy of deploying and diffusing charging infrastructure. Without the charging infrastructure, electric buses and vans will stay idle and eventually break down. <p>MGV, July 11, 2016:</p> <ol style="list-style-type: none"> 1) Partly cleared. The Agency has added an output on integration under Component 1. Based on the answers to this and the comments below, it appears that the success of the project 	

PIF Review

Review Criteria	Questions	Secretariat Comment	Agency Response
		<p>(in terms of the sustainability of the pilot electric buses/vans and their scale up) will depend on whether Uruguay can create the right enabling environment through, partly, the work from Component 1. Therefore, we strongly encourage a focus on this during project preparation to explore whether the government can implement the right financial and regulatory incentives to enable investments in these types of vehicles. By CEO Endorsement, we would like to see more clarity on the viability of scale up of electric buses and vans in Montevideo.</p> <p>2) At the moment the IM does not have plans to use pricing mechanisms, but public transport ridership will be incentivized by the project through cultural change, the implementation of corporate mobility plans, and improvement of the public transport service and enforcement of parking regulations. Comment cleared.</p> <p>3) Not cleared. Without the financial and technical support of the project electric buses and vans would not be considered. However, it is still not clear how exactly the electric buses and vans will be paid for and how the GEF resources will be used to enable</p>	

PIF Review

Review Criteria	Questions	Secretariat Comment	Agency Response
		<p>this. Are operators paying for the replacement cost and GEF resources covering the incremental cost for the electric alternative? At the moment, Table B shows \$735,000 under INV for Component 2 with co-financing of \$1,755,600, which does not seem enough to cover 5 electric buses and 6 electric vans, while the TA portion has \$6,065,500 of co-financing. Please clarify the expected cost of these vehicles and their financing plans.</p> <p>4) The pilot electric vehicles will have charging infrastructure at their depots. The Agency has added charging infrastructure to the development of business models for expansion and operation of these electric buses and vans. Comment cleared.</p> <p>MGV, July 20, 2016: All comments cleared.</p>	
	<p>5. Are the components in Table B sound and sufficiently clear and appropriate to achieve project objectives and the GEBs?</p>	<p>MGV and XT, May 10, 2016:</p> <p>Table B identifies 3 project components:</p> <ol style="list-style-type: none"> 1. Policy framework for a low carbon transport system 2. Demonstration of technological options in Montevideo 3. Cultural change, dissemination and 	

PIF Review

Review Criteria	Questions	Secretariat Comment	Agency Response
		<p>replication</p> <p>Please address the following:</p> <p>Component 1</p> <p>1) The harmonization of appropriate institutional and regulatory frameworks in the transport sector will require the direct involvement of MVOT. Please confirm their role as they are not listed as executing partner nor in co-financing.</p> <p>2) Please clarify the involvement of and the coordination with the IDB in the implementation of the Montevideo Sustainable Mobility Plan.</p> <p>Component 3</p> <p>1) Please ensure there is a budget for monitoring, evaluation and reporting on the project.</p> <p>MGV, July 11, 2016:</p> <p>Component 1</p> <p>1) Inclusion of MTOP (Ministry of Transport and Public Works) has been clarified. Comment cleared.</p> <p>2) Comment cleared. During project preparation, please ensure coordination with the IM (and the IDB) as they reformulate the Sustainable Mobility Plan, as the successful implementation of the project will depend on this alignment.</p>	

PIF Review

Review Criteria	Questions	Secretariat Comment	Agency Response
		Component 3 1) An M&E project component has been added. Comment cleared.	
	6. Are socio-economic aspects, including relevant gender elements, indigenous people, and CSOs considered?	MGV and XT, May 10, 2016: Yes, the project indicated that it will include the participation of CSOs, including the Red Uruguay de ONGs Ambientalistas and the Centro Uruguayo de Tecnologias Apropiadas. It will not involve indigenous peoples. The project will address issues on gender equality in terms of different urban mobility needs and equal access to transport jobs.	
Availability of Resources	7. Is the proposed Grant (including the Agency fee) within the resources available from (mark all that apply):		
	<ul style="list-style-type: none"> • The STAR allocation? 	MGV & XT, May 10, 2016: Yes, the project is requesting a total of \$1,939,500. Uruguay has \$2,932,827 leftover in its STAR allocation.	
	<ul style="list-style-type: none"> • The focal area allocation? 	MGV & XT, May 10, 2016: Uruguay has \$1,003,984 remaining in its Climate Change STAR allocation. However, Uruguay is fully flexible and can borrow from other focal area allocations.	
	<ul style="list-style-type: none"> • The LDCF under the principle of equitable access 		
	<ul style="list-style-type: none"> • The SCCF (Adaptation or Technology Transfer)? 		
	<ul style="list-style-type: none"> • Focal area set-aside? 		

PIF Review			
Review Criteria	Questions	Secretariat Comment	Agency Response
Recommendations	8. Is the PIF being recommended for clearance and PPG (if additional amount beyond the norm) justified?	<p>MGV & XT, May 10, 2016: No. Please address the comments of Boxes 3, 4, 5</p> <p>MGV, July 11, 2016: Not at this time. Please address the remaining comments in Box 4.</p> <p>MGV, July 20, 2016: All comments cleared. P.M recommends project for technical clearance.</p>	
Review Date	Review	May 10, 2016	
	Additional Review (as necessary)	July 11, 2016	
	Additional Review (as necessary)	July 20, 2016	

CEO endorsement Review			
Review Criteria	Questions	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
Project Design and Financing	1. If there are any changes from that presented in the PIF, have justifications been provided?	XT, July 31, 2017: Some minor changes are suggested and explanations are provided.	
	2. Is the project structure/ design appropriate to achieve the expected outcomes and outputs?	XT, July 31, 2017: To justify the proposed outputs and outcomes in table B, please provide the following	

CEO endorsement Review

Review Criteria	Questions	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
		<p>info in the PAD:</p> <p>Output 1.1: What are the existing tax regulations and incentives related to transport? Incentives should include both financial and non-financial incentives.</p> <p>Output 1.2: What is the benchmark for the proposed eco-labelling and how many categories are there in the labeling system? Which agencies will design or/and enforce the eco-labeling?</p> <p>Output 1.3: What are the current measures related to second-hand battery collection and disposal? If there are no measures, please clearly say so.</p> <p>Output 1.4: Which government body will be in charge of the proposed national MRV system for urban transport? Please provide some baseline data.</p> <p>Output 1.5: Thank you for including land use measures into this project. Please clarify which government body will be taking care of this inclusion and what the expected results are.</p>	

CEO endorsement Review

Review Criteria	Questions	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
		<p>Output 1.6-1.8: The proposed three outputs do not seem to lead to modal shift. Please explain the causal relationship between proposed outcome (increased modal share of public transport) and outputs 1.6-1.8. Further, please provide baseline data on current modal share in Montevideo.</p> <p>Output 1.6: Please briefly describe the proposed traffic control center and explain if GEF funding will cover part of the cost. Regarding the KPI, please list top three indicators. Further, GIZ publication, Measuring Public Transport Performance, (available at: http://www.sutp.org/files/contents/documents/resources/B_Technical-Documents/GIZ_SUTP_TD9_Measuring-Public-Transport-Performance_EN.pdf) should be referenced.</p> <p>Output 1.7: Please provide baseline info on existing fare system and info sharing system in Montevideo's buses. Based on this info, please explain what the optimal fare and info system is.</p> <p>Output 1.8: please explain what are the alternatives and how you derive these alternatives.</p>	

CEO endorsement Review

Review Criteria	Questions	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
		<p>Outputs 2.1-2.3: Accelerated adoption of EVs in any countries or cities will rely on deployment of charging infrastructure. Please provide baseline data on current charging infrastructure in Montevideo. Specifically, please list the number of slow and fast chargers in the city and identify their locations.</p> <p>Output 2.1: Please provide info on the routes of the five E-buses during the 12-month testing period and explain why the proposed routes are selected.</p> <p>Output 2.2: please explain if the six E-vans are exclusively used for urban freight and how the companies are chosen.</p> <p>Output 2.3: what are the business models that are being considered. Please provide info.</p> <p>Output 3.1: please provide baseline info on the average commute time of labor force in Montevideo and compare the average with that of the four major working centers.</p> <p>Output 3.2: please explain why the project will target at "vulnerable social groups, such as children and</p>	

CEO endorsement Review

Review Criteria	Questions	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
		<p>teenagers, the elderly" for non-motorized transport modes. Please provide rationale.</p> <p>Output 3.3: please explain the life expectancy of the proposed website. Will it sustain after the project grant ends?</p> <p>Output 3.4: before proposing scaling-up plans, please provide some basic info on other cities' local context, so the proposed plans can be relevant and potentially effective.</p> <p>MGV/XT, August 22, 2017: The project proponents have clarified these comments. Comments cleared.</p>	
	3. Is the financing adequate and does the project demonstrate a cost-effective approach to meet the project objective?	<p>XT, July 31, 2017: the cost-effectiveness of the project will depend on the response to questions in box 2.</p> <p>MGV/XT, August 22, 2017: The project demonstrates cost-effectiveness.</p>	
	4. Does the project take into account potential major risks, including the consequences of climate change, and describes sufficient risk response measures? (e.g., measures to enhance climate resilience)	<p>XT, July 31, 2017: mitigation measures for the risk of "lack of financial schemes for the procurement of EVs" are weak. Please strengthen your arguments.</p> <p>MGV/XT, August 22, 2017: Mitigation measures have been</p>	

CEO endorsement Review

Review Criteria	Questions	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
		strengthened.	
	5. Is co-financing confirmed and evidence provided?	<p>XT, July 31, 2017: Yes.</p> <p>MGV, August 22, 2017: Actually, the exact amounts and types of co-financing in Table C do not match the letters submitted:</p> <p>MIEM - 340,000 in-kind and 178,500 grant MVOTMA - 340,000 in-kind Intendencia de Montevideo - 16,600,000 in-kind UTE - 155,600 in-kind and 1,000,000 grant C.O.E.T.C - 5,000 in-kind and 351,000 equity C.O.M.E - 5,000 in-kind and 351,000 equity Cutcsa - 5,000 in-kind and 351,000 equity UCTO - 5,000 in-kind and 351,000 equity</p> <p>Please resubmit with Table C so that it matches what is in the letters submitted, including separate entries for each of the bus operators.</p> <p>MGV, September 12, 2017: Comments cleared.</p>	

CEO endorsement Review

Review Criteria	Questions	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
	6. Are relevant tracking tools completed?	XT, July 31, 2017: Yes.	
	7. <i>Only for Non-Grant Instrument:</i> Has a reflow calendar been presented?	XT, July 31, 2017: N/A.	
	8. Is the project coordinated with other related initiatives and national/regional plans in the country or in the region?	XT, July 31, 2017: The project could benefit from an info-exchange with UNIDO on two low-carbon transport projects respectively implemented in South Africa and Malaysia. MGV/XT, August 22, 2017: UNDP will exchange experiences with other UNDP teams and UNIDO on relevant low-carbon transport projects currently ongoing.	
	9. Does the project include a budgeted M&E Plan that monitors and measures results with indicators and targets?	XT, July 31, 2017: Yes.	
	10. Does the project have descriptions of a knowledge management plan?	XT, July 31, 2017: Yes.	
Agency Responses	11. Has the Agency adequately responded to comments at the PIF ³ stage from:		
	• GEFSEC	XT, July 31, 2017: Somewhat.	
	• STAP	XT, July 31, 2017: This is a MSP.	
	• GEF Council	XT, July 31, 2017: This is a MSP.	
	• Convention Secretariat	XT, July 31, 2017: This is a MSP.	

³ If it is a child project under a program, assess if the components of the child project align with the program criteria set for selection of child projects.

CEO endorsement Review

Review Criteria	Questions	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
Recommendation	12. Is CEO endorsement recommended?	<p>XT, July 31, 2017: Not at this time. Please address comments in boxes 2, 3, 4, and 8.</p> <p>MGV/XT, August 22, 2017: Not at this time. Please address comment in box 5.</p> <p>MGV, September 12, 2017: P.M. Recommends CEO Endorsement.</p>	
Review Date	Review	July 31, 2017	
	Additional Review (as necessary)	August 22, 2017	
	Additional Review (as necessary)	September 12, 2017	