



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:	\$9,285,100	Total Project Cost:	\$11,006,333
PIF Approval:		Council Approval/Expected:	
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	Milena Vasquez	Agency Contact Person:	Marcel Alers

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 	
<p>Project Design</p>	<p>3. Does the PIF sufficiently indicate the drivers² of global environmental degradation, issues of sustainability, market transformation, scaling, and innovation?</p>	<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

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		<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

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		<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

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		<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

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		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			
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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?		
	2. Is the project structure/ design appropriate to achieve the expected outcomes and outputs?		

CEO endorsement Review

Review Criteria	Questions	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
	3. Is the financing adequate and does the project demonstrate a cost-effective approach to meet the project objective?		
	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)		
	5. Is co-financing confirmed and evidence provided?		
	6. Are relevant tracking tools completed?		
	7. <i>Only for Non-Grant Instrument:</i> Has a reflow calendar been presented?		
	8. Is the project coordinated with other related initiatives and national/regional plans in the country or in the region?		
	9. Does the project include a budgeted M&E Plan that monitors and measures results with indicators and targets?		
	10. Does the project have descriptions of a knowledge management plan?		
Agency Responses	11. Has the Agency adequately responded to comments at the PIF ³ stage from:		

CEO endorsement Review

Review Criteria	Questions	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
	<ul style="list-style-type: none"> • GEFSEC • STAP • GEF Council • Convention Secretariat 		
Recommendation	12. Is CEO endorsement recommended?		
Review Date	Review		
	Additional Review (as necessary)		
	Additional Review (as necessary)		

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.