



## **Supporting the Chilean Low Emissions Transport Strategy CLETS**

### **Part I: Project Information**

#### **GEF ID**

9742

#### **Project Type**

FSP

#### **Type of Trust Fund**

GET

#### **Project Title**

Supporting the Chilean Low Emissions Transport Strategy CLETS

#### **Countries**

Chile

#### **Agency(ies)**

CAF

#### **Other Executing Partner(s):**

Ministry of Environment (MMA), Ministry of Transport and Telecommunications (MTT), Ministry of Housing and Urbanism (MINVU)

**Executing Partner Type**

Government

**GEF Focal Area**

Climate Change

**Taxonomy**

Influencing models, Stakeholders, Gender Equality, Capacity, Knowledge and Research, Strengthen institutional capacity and decision-making, Participation, Type of Engagement, Capital providers, Private Sector, Behavior change, Communications, Sex-disaggregated indicators, Gender Mainstreaming, Capacity Development

**Rio Markers****Climate Change Mitigation**

Climate Change Mitigation 2

**Climate Change Adaptation**

Climate Change Adaptation 0

**Duration**

60In Months

**Agency Fee(\$)**

261,000

**A. Focal Area Strategy Framework and Program**

<b>Objectives/Programs</b>	<b>Focal Area Outcomes</b>	<b>Trust Fund</b>	<b>GEF Amount(\$)</b>	<b>Co-Fin Amount(\$)</b>
CCM-2_P3	Outcome B - Policy, planning and regulatory frameworks foster accelerated low GHG development and emissions mitigation .	GET	1,737,048	222,300
CCM-2_P3	Outcome C - Financial mechanisms to support GHG reductions are demonstrated and operationalized .	GET	1,162,952	58,000,000
<b>Total Project Cost(\$)</b>			<b>2,900,000</b>	<b>58,222,300</b>

**B. Project description summary**

**Project Objective**

Demonstrating systemic impacts of integrated low-emission urban mobility systems to support Chile in a transformational shift towards low-emission urban mobility systems.

<b>Project Component</b>	<b>Financing Type</b>	<b>Expected Outcomes</b>	<b>Expected Outputs</b>	<b>Trust Fund</b>	<b>GEF Project Financing(\$)</b>	<b>Confirmed Co-Financing(\$)</b>
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Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing(\$)	Confirmed Co-Financing(\$)
1.- Promotion of policy, planning and regulatory frameworks that foster accelerated adoption of integrated low-emissions mobility systems through Participation, Knowledge Management and Capacity Development in the framework of a Chilean Low Emissions Transport Strategy (CLETS)	Technical Assistance	<p>1.1.- Increased available information for planning, designing and implementing innovative sustainable urban mobility systems at national and subnational levels</p> <p>1.2.- An enhanced policy, technical and regulatory environment to promote sustainable urban mobility</p> <p>1.3.- Increased capacity for sustainable-transport innovation at national and subnational level</p> <p>1.4.- Best practices shared nationally and internationally</p>	<p>1.1.1. Information campaigns</p> <p>1.1.2. Training</p> <p>1.1.3. MRV system</p> <p>1.2.1. Support to the formalisation and diffusion of the Chilean Low Emissions Transport Strategy</p> <p>1.2.2. Experience exchange and dissemination, national level</p> <p>1.3.1. Support to the interoperability of methods of payment</p> <p>1.3.2. Energy certification of vehicles</p> <p>1.3.3. Collective-taxi</p>	GET	1,617,000	72,300

<b>Project Component</b>	<b>Financing Type</b>	<b>Expected Outcomes</b>	<b>Expected Outputs</b>	<b>Trust Fund</b>	<b>GEF Project Financing(\$)</b>	<b>Confirmed Co-Financing(\$)</b>
2.- Demonstrative and Catalytic Actions that demonstrate and operationalise financial mechanisms to support integrated low-emissions mobility systems (Outcome C)	Technical Assistance	2.1.- Technically assisted investments in sustainable urban mobility measures in relevant urban areas  2.2.- Technically assisted investments in integrated urban planning measures in representative, replication-ready urban areas	2.1.1. ZLE Transantiago (knowledge source)  2.1.2. ZLE Bus in Concepción and Temuco  2.1.3. ZLE Collective taxi in La Serena  2.2.1. Integrated urban mobility intervention in Villarrica	GET	1,042,905	58,000,000
3.- Monitoring and Evaluation	Technical Assistance	3.1.- Adequate monitoring of all project indicators to ensure successful project implementation and evaluation	3.1.1.- Periodic reviews and independent terminal evaluation conducted	GET	102,000	
<b>Sub Total (\$)</b>					<b>2,761,905</b>	<b>58,072,300</b>

**Project Management Cost (PMC)**

GET	138,095	150,000
<b>Sub Total(\$)</b>	<b>138,095</b>	<b>150,000</b>
<b>Total Project Cost(\$)</b>	<b>2,900,000</b>	<b>58,222,300</b>

**C. Sources of Co-financing for the Project by name and by type**

<b>Sources of Co-financing</b>	<b>Name of Co-financier</b>	<b>Type of Co-financing</b>	<b>Amount(\$)</b>
Government	Ministry of Transport and Telecommunications (MTT)	Grant	58,000,000
Government	Ministry of Environment	In-kind	72,300
GEF Agency	CAF	In-kind	150,000
<b>Total Co-Financing(\$)</b>			<b>58,222,300</b>



**D. Trust Fund Resources Requested by Agency(ies), Country(ies), Focal Area and the Programming of Funds**

<b>Agency</b>	<b>Trust Fund</b>	<b>Country</b>	<b>Focal Area</b>	<b>Programming of Funds</b>	<b>NGI</b>	<b>Amount(\$)</b>	<b>Fee(\$)</b>
CAF	GET	Chile	Climate Change		No	2,900,000	261,000
<b>Total Grant Resources(\$)</b>						<b>2,900,000</b>	<b>261,000</b>

**E. Non Grant Instrument**

**NON-GRANT INSTRUMENT at CEO Endorsement**

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Includes Non grant instruments? **No**

Includes reflow to GEF? **No**

**F. Project Preparation Grant (PPG)**

**PPG Amount (\$)**

100,000

**PPG Agency Fee (\$)**

9,000

<b>Agency</b>	<b>Trust Fund</b>	<b>Country</b>	<b>Focal Area</b>	<b>Programming of Funds</b>	<b>NGI</b>	<b>Amount(\$)</b>	<b>Fee(\$)</b>	
CAF	GET	Chile	Climate Change		No	100,000	9,000	
						<b>Total Project Costs(\$)</b>	<b>100,000</b>	<b>9,000</b>

**Core Indicators**

**Indicator 6 Greenhouse Gas Emissions Mitigated**

<b>Total Target Benefit</b>	<b>(At PIF)</b>	<b>(At CEO Endorsement)</b>	<b>(Achieved at MTR)</b>	<b>(Achieved at TE)</b>
<b>Expected metric tons of CO<sub>2</sub>e (direct)</b>	0	195692	0	0
<b>Expected metric tons of CO<sub>2</sub>e (indirect)</b>	0	524243	0	0

**Indicator 6.1 Carbon Sequestered or Emissions Avoided in the AFOLU (Agriculture, Forestry and Other Land Use) sector**

<b>Total Target Benefit</b>	<b>(At PIF)</b>	<b>(At CEO Endorsement)</b>	<b>(Achieved at MTR)</b>	<b>(Achieved at TE)</b>
<b>Expected metric tons of CO<sub>2</sub>e (direct)</b>				
<b>Expected metric tons of CO<sub>2</sub>e (indirect)</b>				
<b>Anticipated start year of accounting</b>				
<b>Duration of accounting</b>				

**Indicator 6.2 Emissions Avoided Outside AFOLU (Agriculture, Forestry and Other Land Use) Sector**

<b>Total Target Benefit</b>	<b>(At PIF)</b>	<b>(At CEO Endorsement)</b>	<b>(Achieved at MTR)</b>	<b>(Achieved at TE)</b>
<b>Expected metric tons of CO<sub>2</sub>e (direct)</b>		195,692		
<b>Expected metric tons of CO<sub>2</sub>e (indirect)</b>		524,243		
<b>Anticipated start year of accounting</b>		2020		
<b>Duration of accounting</b>		20		

**Indicator 6.3 Energy Saved (Use this sub-indicator in addition to the sub-indicator 6.2 if applicable)**

<b>Total Target Benefit</b>	<b>Energy (MJ) (At PIF)</b>	<b>Energy (MJ) (At CEO Endorsement)</b>	<b>Energy (MJ) (Achieved at MTR)</b>	<b>Energy (MJ) (Achieved at TE)</b>
<b>Target Energy Saved (MJ)</b>				

**Indicator 6.4 Increase in Installed Renewable Energy Capacity per Technology (Use this sub-indicator in addition to the sub-indicator 6.2 if applicable)**

<b>Technology</b>	<b>Capacity (MW) (Expected at PIF)</b>	<b>Capacity (MW) (Expected at CEO Endorsement)</b>	<b>Capacity (MW) (Achieved at MTR)</b>	<b>Capacity (MW) (Achieved at TE)</b>
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**Indicator 11 Number of direct beneficiaries disaggregated by gender as co-benefit of GEF investment**

	Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (Achieved at MTR)	Number (Achieved at TE)
<b>Female</b>		12,000		
<b>Male</b>		26,000		
<b>Total</b>	0	38000	0	0

Provide additional explanation on targets, other methodologies used, and other focal area specifics (i.e., Aichi targets in BD) including justification where core indicator targets are not provided

The process for the estimation of emission removals can be summarised as follows (please keep in mind paras. 6, 7, 9, 54-63, 95-96, 105, and (new) Annexes 5 & 6). All calculations are realised on actual (2017) MTT eet databases, so they aggregate actual type and age of regulated buses and collective taxis in the biggest 15 cities of Chile including Santiago. 1. Determination of the BAU scenario: the BAU considers Euro V bus and diesel collective taxi of mean age. Since by the time of calculation regional pilots were still not selected, calculations were made on the aggregate 15 urban areas, including Santiago, for which MTT manages data, and then re-scaled to project intervention. 2. Identification of target situation: it was estimated a feasible incremental penetration of electric bus in the whole eet during the project, which is factored in as a permanent shift towards the ceiling of 30% of the total eet to be low-emission in 2030 according to this government's political commitment 3. Modelling of economic and emissions parameters for both BAU and target situation: as per the sensitivity analysis, economic decisions in this eld are affected by fuel prices, yearly kilometres, and the dollar price in Chilean pesos, plus non- nancial barriers such as access to knowledge and know-how, which are also factored in. Copert IV methodology is applied (Gkatzo ias, Kouridis, & Samaras, 2012) to emissions calculations. Accounted-for emissions are PM2.5, PM10, CO, NOx, and SOx. Health bene ts are accounted for as lost years of life (AVP in Spanish). Equivalences and emission factors are IPCC's[1] ones. 4. Identification of suitable policy instruments and incremental reasoning: the calculation is made over a timeframe of 20 years. Direct benefits are estimated on actual eet changed with project intervention, while indirect benefits are a conservative estimate of autonomous growth and replication that it is reasonable to foresee that will be beaten given sector dynamics. 5. Co-financing: as previously mentioned, the formalised co-financing structure of the project includes MTT's support to low-emission regulated transport. The MTT's co-financing letter commits further efforts to those explicitly included in the letter, supported by the project as well, to sustain and leverage Transantiago's ongoing success to extend faster uptake of low-emission transport to cities out of Santiago metropolitan area, by using policy instruments around which the pilots have been identified. Therefore, it can also be foreseen that actual co- nancing of the project will be superior to that committed at this time. Correct beneficiary figures are: 38 000 (total), of which 12 000 f (32%) / 26 000 m (68%) The number of beneficiary persons refers to participants in project activities, ie. it refers to the narrowest definition of direct beneficiaries. Direct beneficiaries' gender balance, which is not that of the direct-beneficiary population (gender balance in the industry is heavily skewed towards men, with women

counting less than 5% of staff such as bus drivers and mechanics), is provided as a feasible goal to be taken into account during project execution. Gender-disaggregated indicators are mandated in the M&E Work Plan whenever possible.

## **PART II: Project JUSTIFICATION**

### **1. Project Description**

As per co-financing, MINVU has not substantiated the foreseen contribution, reflecting its final position in the project not as executing partner, but with participation only in the pilot initiative "Integration and Mobility: Execution of pilot experience in the city of Villarrica". Co-financing has still grown from expected-at-PIF US\$37.5 million to the definitive ProDoc amount of US\$58 million.

The amount of investment resources in PIF was intended to incentivise the replication of public bicycle schemes in cities out of Santiago through the capitalisation of start-up/s in this specific subsector. Due to the rapid change in expectations that the project (including its co-financing) activity has signalled in the Chilean urban mobility sector, this is no longer needed, since these replication schemes are already taking place unsupported (from 1 January 2018, at least Mobike and Frog have announced operations in regional cities), thus compromising the incrementality of that investment. Therefore, it was considered that it will be more cost-effective to reallocate this funding to further, reinforce incremental knowledge management and policy-related activities, which mostly occur within Component 1. This reallocation results in a slight change in resources from Component 2 (-8,75% over PIF) to Component 1 (+6,6% over PIF), arising from the detailed planning of activities in both Component 2 and Component 1. These changes represent no major change in the scope or aim of the project, but in the reinforcement of more cost-effective incremental activities.

As the previous one, the current administration (from March 2018) has strongly supported the change in public transport governance that is supported by the project. That change is substantiated in a new business model in which service operation and asset provision (buses and terminals) become detached from one another. In this new business model, operation services can be contracted for shorter periods and in smaller units, thus introducing more competition and making it easier for the regulator to replace operators that do not perform to the required standard in a scenario of fast technological innovation. In sum, the new scheme promotes innovation, which shows in the quick pace of positive change that the project has achieved in Transantiago, faster than expected.

This new business model is being implemented gradually, as fleets renew. So far, 200 high-standard all-electric buses have been committed for service in Santiago metropolitan area (100 are in operation from January 2019) thanks to the possibilities open by the model, under a public-private, quadripartite cooperation model in which MTT commits funding (co-funding in this project) and private providers commit asset supply (BYD), operator financing (ENEL X) and demonstrative operation (METBUS). This pilot scheme will be used, with the support of the project, to develop the new invitations to tender, fully under the new business model.

In sum, the only relevant change in the sector from December 2017 to date pertains pace, which due to transversal political commitment and the correct management of policy signals is faster than what was expected during project identification in 2016-17. GEF funding is allocated to support faster innovation in the parts of Chile's public transport system that are most difficult (therefore slow) to change under BAU conditions.

Activity during the project preparation phase has been devoted to the following main activities:

- Consultation and update with MTT and MMA, so as to keep pace during a period of political, sectorial and social changes;
- Detailed design of project activities; and especially
- Detailed design of pilot initiatives

PPG funds have been delivered as necessary, showing 60,9% execution to date.

#### A.2. Child Project?

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

NA

#### A.3. Stakeholders

**Please provide the Stakeholder Engagement Plan or equivalent assessment.**

The project is focused on providing stakeholders at the national level and at more specific, local level, with enhanced information and perception of the benefits and opportunities of sustainable technologies in public transport. Their participation is integrated in the design of project interventions, since it is only when the provided information has changed their perceptions that they will decide to apply to the renovation programmes with cleaner equipment. Given that the project will use governmental economic instruments for its support to the intended changes, direct consultation with potential beneficiaries of these instruments such as bus and collective owners/managers, either individuals, SMEs or bigger companies, would introduce distortions and asymmetries of information in their present and future behavior.

For this reason, the project has conducted its stakeholder analysis through indirect means (see ProDoc **Annex 8, p. 83**, for complete listings of potential participants in each pilot initiative) and expert referral (more than 38 experts and leaders have been consulted during the identification and design process). As a result of its design, the project will engage actors with a critical role from the beginning and throughout all its activity, as reflected by its Local Committees, in which all participating stakeholders in each pilot will jointly steer it from the outset. The project's Knowledge Management and Capacity Development Plan (ProDoc **Annex 9, p. 102**) is the roadmap for the engagement of the project with its target audiences, reflecting the focus of that engagement.

### Documents

Title

Submitted

**In addition, provide a summary on how stakeholders will be consulted in project execution, the means and timing of engagement, how information will be disseminated, and an explanation of any resource requirements throughout the project/program cycle to ensure proper and meaningful stakeholder engagement.**



Select what role civil society will play in the project:

Consulted only;

Member of Advisory Body; Contractor; Yes

Co-financier;

Member of project steering committee or equivalent decision-making body;

Executor or co-executor;

Other (Please explain) Yes

Direct beneficiary of the enhanced transport systems.

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

Please briefly include below any gender dimensions relevant to the project, and any plans to address gender in project design (e.g. gender analysis).

The Gender Plan is set to be developed at early stages of project implementation (first year).

### Documents

Title

Submitted

Does the project expect to include any gender-responsive measures to address gender gaps or promote gender equality and women empowerment?

Yes

If yes, please upload document or equivalent here

The Gender Plan is set to be developed at early stages of project implementation (project inception).

**If possible, indicate in which results area(s) the project is expected to contribute to gender equality:**

**Closing gender gaps in access to and control over natural resources;**

**Improving women's participation and decision making** Yes

**Generating socio-economic benefits or services or women** Yes

**Will the project's results framework or logical framework include gender-sensitive indicators?**

Yes

As shown, the project's socioeconomic benefits are provided mainly to vulnerable women, who use public transport disproportionately. Additional gender measures have been established for stakeholder involvement, knowledge management and capacity development activities and monitoring and evaluation, in which gender indicators will be tracked to ensure that more than 52% of new jobs are covered by women.

#### **A.5. Risks**

**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.**

A comprehensive risk analysis has been carried out, following the lines established during the identification phase. Planned measures for risk prevention is included in Annex 11 and section 2.d.i (p. 38).

#### **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.**

CAF has been designated as the implementing agency responsible for implementing the technical and fiduciary aspects of the Project. A Project Steering Committee (PSC) will be established in order to monitor and support the smooth development of the project from the national level. It will be composed by the Undersecretaries of Environment (MMA) and Transport (MTT) or their delegates, the Head, Air Quality Division (MMA) as Project Director, CAF and the GEF OFP. Each pilot initiative at the subnational level will establish its own Local Committee, in which all participating stakeholders will designate a representative. Therefore, the institutional implementation structure is divided into two collaborative levels, national and subnational. At the national level there is a steering body (Project Steering Committee – PSC) and a Project Management Unit (PMU). The PMU team will be

composed of the Project Director, a Project Coordinator, a Monitoring and Evaluation, Knowledge Management and Lessons-Learned (MEKLE) Specialist, a Pilot Implementation Specialist and an Administrative/Financial Specialist, plus an external Communication Specialist (firm or individual).

Coordination and synergies will be sought with the Project GEFID 5598 First Biennial Update Report Enabling Activity. The Project will also coordinate with Project GEFID 9496 Leapfrogging Chilean's Markets to more Efficient Refrigerator and Freezers (MSP, United Nations Environment Programme, in implementation) and Project GEFID 9835 Strengthening Chile's Nationally Determined Contribution (NDC) Transparency Framework (MSP, United Nations Environment Programme, in implementation) its activities in aspects related to carbon-accounting and MRV methodologies.

The GEF Council recently approved an idea for a Global Electric Mobility Programme, presented by the International Energy Agency and UN Environment, along with 16 national child project ideas. Chile is one of the involved countries, with the objectives of that proposal being concurrent, but not overlapping, with those in the CLETS. The Chilean child project, funded with almost two million dollars (USD 1.945.500,00), will support the demonstration of new business models for medium-sized buses and collective taxis in regional cities, and in so doing will enhance the feasibility of this project's pilot initiatives. It will also support outbound knowledge exchange. Both objectives are concurrent, but not overlapping, with those in the present project.

**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)?**

The socio-economic benefits to be obtained include reduced travel time, improved public health and noise reduction, although this last one is difficult to measure with current methodologies. These benefits are estimated to reach directly at least thirty-eight thousand people and directly and indirectly avoid 710 premature deaths. Vulnerable population and women are expected to benefit in positively-discriminated proportion from the project in travel quality and noise reduction. Employment newly created by the initiatives supported by the project is expected to be of better quality than present employment in the subsector of maintenance and repairs.

#### **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.**

During the design phase, a comprehensive Knowledge Management and Capacity Development Plan (ProDoc **Annex 9, p. 102**) has been designed, using it as a repository where all design features related not only to knowledge management, but also to policy dialogue and stakeholder engagement, have been gathered. The plan includes extended capacities (including budget) for the project to pay special attention to knowledge circulation and learning at all levels, from local (within pilot initiatives) to national and regional/global.

**B. Description of the consistency of the project with:**

**B.1. Consistency with National Priorities**

**Describe the consistency of the project with nation 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.**

The Project is consistent with and additional to national development and sectorial plans. The Chilean Low-Emission Transport Strategy deals with this in a comprehensive manner, advancing all aspects related with integrated and sustainable mobility nationally through a strategy that contemplates different technologic options (bus, collective taxi and non-motorised modes), different existing urban layouts (from metropolitan, 6-million Santiago to small-town-ish, 20-thousand Tocopilla) and different institutional settings (as occurring in Santiago and the rest of the country).

Within the Strategy, the project supports progress in critical aspects of the sectorial reality and, in concrete terms, is consistent with:

§ Chile's NDC (2015).

§ The Ministry of Energy's National Electromobility Strategy (Estrategia Nacional de Electromovilidad).

§ The Atmospheric Prevention and Decontamination Plan (PPDA, 2016) for Santiago.

§ The NAMA proposing a preliminary implementation plan for the Transport Green Zone in Santiago (STGZ).

**C. Describe The Budgeted M & E Plan:**

Based on previous experience with climate change projects, data collection, assessment and analysis are envisaged as an integral part of all components and activities therein. Given the need for ongoing collection of data and information, insights and knowledge and their incorporation in practice as defined by the project description, the project institutional arrangement includes the participation of a dedicated Monitoring and Evaluation, Knowledge Management and Lessons-Learned (MEKLE) Specialist. Beyond that, CAF will be responsible for the overall monitoring and evaluation (M&E) of the Project through independent experts, CAF offices and/or partners.

M&E of Project implementation will be conducted through three main mechanisms (i) assessment of progress at the activity level (specific M&E systems will be developed for the different investment activities) which will generate data required for the purpose of the project (e.g., validate relevance of activity and provide feedback to management instruments); (ii) the measurement of progressive achievement of expected project outputs and results (outcomes) as per indicators defined in the Project Results Framework; status of progress will

be reported every six months as part of the project progress reports; and (iii) evaluation of the project at certain moments of its implementation: a) progress reviews during CAF implementation support missions; b) mid-term review of project implementation; c) final evaluation report to be carried out by the PMU with input from the PSC; and d) the Implementation Completion and Results Report (ICR). To increase country ownership, the Project will seize opportunities, where available, to align Project required M&E with Government-led M&E systems, already used and operational in participant institutions. This may not only help to reduce costs, but this approach will ensure post-project sustainability and the maintenance of established systems.

A Monitoring and Evaluation Plan for the Project is provided in ProDoc **Annex 10 (p. 109)**.

**PART III: Certification by GEF partner agency(ies)**

**A. GEF Agency(ies) certification**

<b>GEF Agency Coordinator</b>	<b>Date</b>	<b>Project Contact Person</b>	<b>Telephone</b>	<b>Email</b>
René Gómez-García	4/26/2019	Federico Vignati	5117108562	fvignati@cfa.com

**ANNEX A: PROJECT RESULTS FRAMEWORK (either copy and paste here the framework from the Agency document, or provide reference to the page in the project document where the framework could be found).**

The Project Results Framework is provided in ProDoc **Annex 1 (p. 46)**.

## **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).**

STAP advise signaled "... lack of information and a lock-in to fossil fuel use" as barriers that "... need to be overcome to increase the share of zero or low carbon modes". The design phase has thoroughly strengthened the project's measures in this regard, refocusing on providing information and knowledge to stakeholders (see Outcome 1.1) and removing lock-ins (see Outcome 1.3). information and knowledge circulation is also a focus at subnational level, within pilot initiatives (see Component 2).

GEFSec review highlighted the sensitivity of financial mechanisms and co-financing confirmation. The mechanisms used have been studied in detail during the design phase and it has been confirmed that these mechanisms will be able to provide additional incentives for the private sector actors to participate in providing project outcomes. Nonetheless, the competitive nature of the mechanisms being used makes it unfeasible to obtain private sector's co-financing documentation in advance. Therefore, it is public entities that provide such documental proof of co-financing.

GEFSec review also pointed out the number of pilot actions as a source of concern. Therefore, a re-prioritisation of pilot actions has been undertaken during the design phase, producing a lesser number of pilot initiatives (from six to four) to be supported by the project. This measure re-focuses the project on its priority field of intervention (public transport) and supports the feasibility of the re-selected pilot initiatives.

Germany: section 1.b. Sectorial and Institutional Context and paras. 74-77, among others, explain in detail available information and the local institutional context, allowing (if accessed in full-resolution form) to understand the sectorial and socio-economic elements that shape the proposal. (new) Annex 9 downscales that context to specific local settings where pilot initiatives take place.

Canada: while agreeing with the comment in that this is a particularly cost-effective project, it must be noted that the Chilean public transport system is fundamentally different from others in the region in that it is not only regulated, but also mainly funded and controlled by the MTT. The Ministry funds Transantiago, but also the regional "fondos espejo" that fundamentally fund public transport in regional cities, and it also manages access to and day-to-day conditions of service provision. In contrast, the private sector is the main source of funding and day-to-day conditions in most of the region's other public transport sectors, with authorities regulating, if with varying enforcing capacity, the operation. This difference is the source of the small 'mobilization effectiveness' that is mentioned, which will be only augmented by the ongoing changes to the system (see response to 1. above), which will emphasise the condition of providers of the asset suppliers and service operators. This specificity makes the measurement of leveraging of private funding an unsuitable measure of effectiveness in this project.

US: The project will enhance the environment in which sustainable mobility develops through many measures. Regarding structural barriers to innovation, the CLETS itself is the most potent of the measures taken, providing a policy framework for innovators to start and grow their initiatives. Specific structural barriers to innovation are also tackled through specific measures (in interoperability, vehicle certification, Open Data, among others), and finally, the project widely supports knowledge circulation, training and learning.

Private sector involvement has been thoroughly considered and supported in the project. See for example paras. 9, 19, 59, 82, Annex 6 and pilot interventions, which are fundamentally directed to overcome private-sector barriers to participation in sustainable mobility.

Risk mitigation strategies are embedded in the project's M&E and CDKM mechanisms, which also contribute to innovation uptake by tackling both financial and non-financial barriers.



Implementation risk: commercial risk has been re-graded as medium (see para. 82), although the change from 1 to 100 electric buses have already been delivered during the formulation phase, thus actually proving the existing level of risk.  
 Regulatory risk is in fact nil (low, see para. 82) with the MTT actively participating in the project, given that this ministry is in charge of producing new lower-level regulations that the project supports. New legislation is neither required for the project to be successful nor foreseen.

**ANNEX C: STATUS OF IMPLEMENTATION OF PROJECT PREPARATION ACTIVITIES AND THE USE OF FUNDS.**

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

PPG Grant Approved at PIF:			
<i>Project Preparation Activities Implemented</i>	<i>GEF/LDCF/SCCF Amount (\$)</i>		
	<i>Budgeted Amount</i>	<i>Amount Spent To date</i>	<i>Amount Committed</i>
Consultants fees	75000	52450	22550
Travel expenses and consultations,	16000	8482	7518
Translations, publication and others	9000	0	9000
<b>Total</b>	100.000	60,932	39,068

**ANNEX D: CALENDAR OF EXPECTED REFLOWS (if non-grant instrument is used)**

**Provide a calendar of expected reflows to the GEF/LDCF/SCCF/CBIT Trust Funds or to your Agency (and/or revolving fund that will be set up)**

NA

**ANNEX E: GEF 7 Core Indicator Worksheet**

Use this Worksheet to compute those indicator values as required in Part I, Table G to the extent applicable to your proposed project. Progress in programming against these targets for the program will be aggregated and reported at any time during the replenishment period. There is no need to complete this table for climate adaptation projects financed solely through LDCF and SCCF.

NA

**ANNEX: Project Taxonomy Worksheet**

Use this Worksheet to list down the taxonomic information required under Part1 by ticking the most relevant keywords/topics//themes that best describes the project

Project Taxonomy Worksheet is provided in documents upload.

# Submitted to GEF Secretariat Review

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