**Agreed by Niels Scott, UNDP Resident Representative**

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| *Resident Representative* | *Signature* | Date*: 29 November 2013* |
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***INITIATION PLAN TEMPLATE***

***for a GEF Project Preparation Grant (PPG)***

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 Total budget:  **US$ 50,000**

Allocated resources:

* GEF US$ 50,000
* LDCF US$
* SCCF US$
* NPIF US$
* Government US$
* UNDP US$

CPAP Programme Component:

3.2.3 Environmental concerns and climate change risk considerations incorporated in national policies, strategies and programmes.

ATLAS Project Award: 00077252

ATLAS Project ID: : 00088156

PIMS Project ID: 4980

Management Arrangement: NIM

**Project Title:**

**Green Cities: Integrated Sustainable Transport in the City of Batumi and the Achara Region**

**Country: Georgia**

**Initiation Plan Start Date: September 10, 2013**

**Initiation Plan End Date: September 10, 2014**

1. **Brief Description of Initiation Plan:**

The objective of this Initiation Plan (IP) is to develop a full set of project documentation to launch a new UNDP GEF project for $853,000 in Georgia entitled

**UNDP GEF Project - ‘Green Cities : Integrated Sustainable Transport in the City of Batumi and the Achara Region’**

The complete documentation package to be prepared includes:

1. UNDP Project Document
2. GEF Request for CEO Endorsement
3. GEF Tracking Tool
4. Environmental and Social Screening Assessment
5. Package of co-financing letters
6. Pre-feasibility assessment for proposed demonstration activities under the project

The 2nd National Communications of Georgia to the UNFCCC submitted in 2009 identified transport and urban sector as the key sources of GHG emissions in Georgia. Batumi, as Georgia’s leading tourist destination in Achara region, has been selected for this project due to its high level of GHG emissions from transport sector and the city’s administration interest and co-financing of Green urban development in Batumi. The main reason for the high levels of carbon intensity in this City involves mainly the energy consumption and GHG emission coming from residential building and transport sectors. However, with an estimated 126,600 tonnes of CO2e emitted per year representing some 63% of all emissions, the transport sector is the main source of GHG emissions in Batumi. Until now limiting or reducing greenhouse gas emissions from the transport sector has not been a main priority in Georgia due to limited awareness of the necessity to reduce GHG emissions. To date the administration of Achara region has generally focused its efforts on providing more space and roadways for use by private vehicles, rather than developing public transport or providing incentives to individuals to cut back on fuel consumption and use more efficient vehicles. The Achara government has yet to develop a consistent policy on sustainable transport, which should integrate land use, urban planning, traffic management, and intelligent transport systems. Transport infrastructure development and construction of new roads has been the main priority for public expenditure. In the absence of national fuel efficiency standards, there is no real incentive to upgrade vehicle fleets and decrease the large number of old cars found on the roads in Georgia. Without this project, the trend is likely to continue.

A ‘Green City’ is defined as a city which is designed with consideration of environmental impacts of new investments in the city infrastructure and is inhabited by people dedicated to minimize consumption of energy, water, and food and to reduce air pollution. A sustainable green city should meet the needs of the present generation without sacrificing the needs of future generations. The challenges for environmentally conscious developers are to design green cities in such a way that saving energy and reducing greenhouse gas emissions is done in a manner, which is both economically beneficial and environmentally friendly.

The proposed project will target green urban development at the regional level starting with the City of Batumi but it will also work with several other municipalities in the region of Achara in order to achieve scalable results. Developing an environmentally friendly public transport system (CNG buses) and further promoting cycling are high priorities in line with the plans for tourism development. The city administration has indicated a willingness to co-finance project activities in these areas. The GEF funds mainly would be used for business plans, feasibility studies, and pre-investment studies. The bulk of actual investment funds required will come from the City of Batumi itself.

The team of consultants will work with key stakeholders and partners to develop the full project as follows:

Ministry of Environment and Natural Resources Protection of Georgia– The Ministry will coordinate the project and is the GEF Operational Focal Point for Georgia.

Municipality of Batumi - The Municipality will play a lead role on component 2, 3, and 4 of the project including the sustainable transport plan for Batumi and activities to promote CNG buses and increased cycling as well as the development of a parking strategy for Batumi. It is proposed that the municipality of Batumi host the Project Implementation Unit.

Ministry of Finance and Economy of the Autonomous Republic of Achara – Transport Department of this Ministry will play a key role in the development of sustainable transport plans for the City of Batumi and other municipalities/districts in Achara that work with this project.

Other Municipalities in Achara– Other municipalities in Achara will play a key role on component 5 of the project extending the project to other cities and towns in the Achara region of Georgia. The choice of these three other municipalties/city administrations will be made during the PPG phase of the project and will be based upon co-financing commitments and the potential for reducing GHG emissions from the transport sector in a cost-effective manner. Municipalities for consideration include Keda, Kobuleti, Khelvachauri, Shuakhevi and Khulo.

NGOs –NGOs will be involved in the Project Steerting Committee and play a lead role in promoting awareness related to sustainable transport for all components of the project.

**B. Project preparation activities**

The objective of this work under this project preparation grant will be to prepare and submit the package of documentation to GEF Secretariat within 9 months of PIF approval. The responsibilities of the team of 3 consultants (1 international, 2 national) will be as follows:

* **International Consultant on Climate Change, Green Urban Development and Sustainable Transport (Team Leader)** – lead role in preparing the full documentation package to the GEF Secretariat with the aim of getting the project approved by the end of September 2014. Reports to UNDP Georgia.
* **National Consultant # 1** – lead role in gap analysis and legal, institutional, and financial barriers assessment reports. Support on all tasks to international consultant. Focus on City of Batumi and replication to other towns and municipalities in Achara and reports to UNDP Georgia and Team Leader.
* **National Consultant # 2** – lead role in pre-feasibility studies, energy savings estimates, and cost estimates for the proposed demonstration projects. Support on demo projects (component 3) to the international consultant. Focus on pre-feasibility studies for demonstration projects. Reports to UNDP Georgia and Team Leader.

The preparation of the full project documentation will focus on four main components as follows:

Component 1 focuses on the development of sustainable transport plans for both the City of Batumi and for the Achara region which will integrate environmental concerns into transport policy taking into account public concerns during the development of the transport plans through extensive public consultation processes. An important component of developing the sustainable transport plans will be to address the financing barrier to maximize the possibilities for the sustainable transport plans to be implemented to the greatest extent possible. The key outcome of component 1 will be an integrated green transport policy which will specify GHG and air pollution reduction as an objective and will set achievable target emission levels. By the end of the project aims to stimulate 20% reduction in GHG emissions from the transport sector in the City of Batumi and following this in the Achara region. This component focuses only on technical assistance and includes GEF funds only for technical assistance. National Consulant #1 will play a role in collecting all data concerning component 1 and obtaining the appropriate co-financing letters.

**Component 2** focuses on improvements to the public transportation system in the city of Batumi and Achara region as a means of promoting modal shifts away from car transport towards increased use of public transport. The implementation of a park and ride system for Batumi and the introduction of fuel-efficient buses (conversion of approximately 130 buses to use CNG) have been identified as two priority areas by the City Hall of Batumi for improving public transport in the city. Finally, the special development plan for Achara region identifies the possible development/upgrade of cable car systems in two areas (Khulo and Shuakhevi mountainous municipalities, both of which keep using very old and outdated soviet area machinery) as possible investments which would promote greater use of cable cars for transportation by local residents. The GEF project would fund the cost of feasibility studies for the possible investment of two or more cable car investment projects. GEF funding will go for both technical assistance and investment activities. In cases where investments are being supported the total GEF funding for any one specific investment shall not exceed 25% of the total investment cost. National consultant #2 will play a key role in developing pre-feasibility studies of the proposed demonstration projects.

**Component 3** of the project focuses on further promotion of cycling in the city of Batumi. The cycling master plan for Batumi will be updated, upgraded, and improved; At least 10 new cycle pathways will be put in place in the City; at least 20 new cycling stations to rent a bike; at least 15 kilometers of new cycle lanes by the end of the project; A school cycling campaign will be carried out and Batumi cycling day will be organized. GEF funding will go for both technical assistance and investment activities. In cases where investments are being supported the total GEF funding for any one specific investment shall not exceed 25% of the total investment cost. National Consultant #2 will develop a pre-feasibility study on further promotion of cycling in Batumi that might be supported under the project.

Component 4 of the project focuses on the development of a parking strategy for Batumi as well as improved traffic management to better incentivize the use of public transport and cycling within the city of Batumi and discourage the use of private cars in the city centre. The main focus of the new parking strategy will be the Park and Ride systems. Meters, park and ride systems will be put in place as well as a funding of a detailed feasibility study for adding intelligent traffic lights at more than 20 crossroads in Batumi to improve the traffic flow will be

prepared. In component 4, GEF funding will go for both technical assistance and investment activities. In cases where investments are being supported the total GEF funding for any one specific investment shall not exceed 25% of the total investment cost.National Consultant #2 will develop a pre-feasibility study on the development of a parking strategy for Batumi that will calculate its contribution to green urban development and reduction of GHG emissions.

**Component 5** of the project focuses on replication of the project strategy and the project results to other municipalities of the region of Achara. Sustainable transport plans will be developed in at least three (3) other cities of the Achara region, preferably Covenant of Mayors’ signatories. These cities will be selected on the basis of those cities where sustainable transport is a priority, where there is considerable potential to reduce GHG emissions in a cost-effective manner, and where there is co-financing available. More detail and information concerning component 5 and the selected partners will be provided during the project preparation grant (PPG) phase of the project development. This component focuses only on GEF funds for technical assistance. National Consultant #1 will focus on the identification of additional towns and municipalities in Achara that might participate in the project including securing co-financing letters from them and developing a short report defining the activities that might be supported by the GEF project in these towns and municipalities.

The following activities will be undertaken as part of the project preparation grant activities:

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| **Tasks to Be Carried Out** | **Responsibilities** | **Output & Lead Responsibility** |
| Support for an assessment of the work of all other donors and stakeholders related to Transport in Batumi and Achara region | National Consultant 1 | Donors Activity in development of sustainable Transport plans in Batumi **(Report 1)** |
| Pre-feasibility Study on Public Transport for Batumi | National Consultant 2 | Batumi Public Transport Pre-feasibility study **(Report 2)** |
| Pre-feasibility Study for Improved Cycling for Batumi | National Consultant 2 | Batumi Improved Cycling Pre-feasibility study **(Report 3)** |
| Pre-feasibility Study for Parking Strategy for Batumi | National Consultant 2 | Batumi Parking Strategy Pre-Feasibility Study **(Report 4)** |
| A report on transport in the Achara region what would likely to happen in Georgia without the planned UNDP GEF project with regards to sustainable transport, urban development and GHG increase | Int. Consultant on CC, Green Urban Dev and Sustainable Transport | Detailed Baseline Report **(Report 5)** which then feeds into the draft Prodoc and GEF Request for CEO endorsement |
| The development of the Project Results Framework (PRF) outlining key project outputs and indicators | Int. Consultant on CC, Green Urban Dev and Sustainable Transport | Project Results Framework **(Report 6)** |
| A report which outlines and clearly defines some of the main legal, institutional and financial barriers to implementing Integrated Sustainable Transport in Batumi and the Achara region. The report should also assess the merits of different aims of investments in to support Green urban development in Batumi and Achara region | National Consultant 1 | Legal and Institutional and Financial Barriers Report **(Report 7)** |
| A report which describes the activities and co-financing available for this UNDP GEF project to undertake green urban development/sustainable transport activities in other towns and municipalities in Achara | National Consultant 2 | Replication to Other Towns & Municipalities Report **(Report 8)** |
| A report which calculates both the direct and indirect CO2 calculations from the demo projects and also from the wider replication, using the approved GEF methodology for calculating GHG emission reductions from building projects | Int. Consultant on CC, Green Urban Dev and Sustainable Transport | Detailed CO2 calculations **(Report 9)** |
| UNDP Project Document, including Project Results Framework and detailed CO2 calculations | Int. Consultant on CC, Green Urban Dev and Sustainable Transport | UNDP Project Document **(Report 10)** |
| GEF Request for CEO endorsement, which includes clear explanation of differences in the project documentation from the PIF | Int. Consultant on CC, Green Urban Dev and Sustainable Transport | GEF Request for CEO Endorsement **(Report 11)** |
| GEF Tracking Tool | Int. Consultant on CC, Green Urban Dev and Sustainable Transport | GEF Tracking Tool **(Report 12)** |

**Missions to Georgia undertaken by the International Consultant (Team Leader)**

Two five working day missions to Georgia (not including travel) will be carried out by the international consultant on Climate Change, Green Urban Development and Sustainable Transport. The first mission should take place within 2 months of the hiring of the team of consultants and the second mission within 6 months of the hiring of the team of consultants. During the second mission to Georgia a stakeholders workshop will be held with all key stakeholders to present the proposed project strategy and to finalized the proposed approach and design. Both national consultants should be available to assist throughout the entire duration of the both missions.

The documentation package will then be cleared internally by UNDP and submitted to the GEF Secretariat in Washington DC with a goal to submit all documents before the end of September 2014.

1. **Component A: Technical review**
	1. Baseline studies: This includes undertaking a gap analysis of the working being undertaken by other donors in Georgia identifying in greater detail that in the PIF the clear gaps within which the UNDP GEF project can operate **(Report 1, Lead Role National Consultant #1)** and the detailed baseline report which explains the situation which would likely happen in the absence of the

project **(Report 5, Lead Role International Consultant on Transport and Urban development)**

* 1. Analyses of main legal, institutional, financial barriers, and assessment of the merits of different financing mechanisms to support Sustainable Transport in the public sector in Georgia **(Report 7, Lead Role: National Consultant #1)**
	2. Donors activities report outlining the work of other donors in this area **(Report 1, Lead Role: National Consultant #1)**
	3. Identification of specific sites for intervention: Improved Public transport in Batumi and Achara region; Cycling and Traffic management **(National Consultant #2)**
	4. Integration with development plans, policies, budgets and complementary ongoing projects, including climate change strategy for climate change, prepared under the Third National Communication to UNFCCC

* 1. Completion of GEF focal area tracking tool: Climate Change Mitigation
	2. Stakeholder consultations during technical review: Mobilize and engage stakeholders during project design. Negotiate partnerships with on-going projects to align their activities and the project to build synergies. Document these consultations.
1. **Component B: Institutional arrangements, monitoring and evaluation and drafts of project documentation**

The outputs of Component A will be used as technical input to Component B for the formulation of the UNDP-GEF project document and GEF Request for CEO Endorsement. Drafts of these documents should be prepared by the international consultant in advance of mission #2.

* 1. **Finalization of project results framework:** Further define the results framework with appropriate objective-level and outcome-level quantitative and qualitative SMART indicators, and end-of-project targets. Special attention will be made to include socio-economic and sex disaggregated indicators. The draft PRF will be presented to key stakeholders during mission #2. **(Report 6, International Consultant on EE)**
	2. **Definition of monitoring and evaluation (M&E):** A detailed M&E work plan will be developed, including clear identification of responsibilities and accountabilities, as well as an appropriate M&E budget. The plan will be based on the standard template provided in the UNDP-GEF project document template that reflects the mandatory requirements of the GEF M&E Policy. **(International Consultant on CC, Green Urban Development and Sustainable Transport )**
	3. **Define sustainability plan:** The sustainability plan will outline the principles and guidelines for ensuring the long-term sustainability of project achievements. It will also outline an exit strategy, seeking the continuation of key activities/achievements without the need of long-term international financing. Sustainability plan will be integrated into the UNDP project document and GEF Request for CEO Endorsement. **(International Consultant on CC, Green Urban Development and Sustainable Transport)**
	4. **Definition of management arrangements:** The organisational structure governing the project will be decided. This will include identification of the project board, the chair of the project steering committee, and the project implementing arrangements. **(International Consultant on CC, Green Urban Development and Sustainable Transport with UNDP Georgia)**
	5. **Stakeholder consultations during mission #2:** Involve key agencies in the development of the project strategy to ensure a strong national ownership. In close collaboration with key government representatives and other stakeholders ensure full participation in the development of the project results framework and ensure agreement on the project objectives and outcomes. Undertake consultations to secure agreement(s) on project implementation arrangements including roles, responsibilities, and accountabilities of lead and partner agencies. Document these consultations.
1. **Component C: Financial planning and co-financing investments (mission 2):**
2. Prepare a detailed multi-year budget following the standard template provided in the UNDP-GEF project document template that reflects the mandatory requirements of the GEF M&E Policy. **(Report 8, International Consultant on CC, Green Urban Development and Sustainable Transport)**
3. Pre-feasibility studies and plans to replicate project activities in other parts of Achara region. This also includes exploring all co-financing opportunities: Undertake series of consultations with partners to ensure a coherent and sustainable financing package for the project including post- GEF grant phase. **(Reports 2,3,4 and 12 – Both National Consultants with UNDP Georgia)**
4. Ensure completion of required official endorsement letters: An official endorsement letter will be prepared by the GEF Operational Focal Point of the Government. A co-financing guarantee will be collected from participating government institutions, bilateral development partners, multilateral development partners and NGOs who wish to provide cash or in kind contributions to the project. **(Both National Consultants with UNDP Georgia)**
5. Stakeholder validation workshop during mission #2: will gather representatives from all relevant stakeholders to present, discuss and validate the final draft project document and draft GEF Request for CEO Endorsement **(Both National consultants to organize and document stakeholders validation workshop with UNDP Georgia)**
6. **Component D:** **Finalization of the Complete Package of Documentation (following mission #2)**

Following mission 2, the international consultant on Climate Change, Green Urban Development and Sustainable Transport, with strong support from the national consultants will move as quickly as possible to finalize the complete package of documentation for clearance internally by UNDP for submission to the GEF Secretariat. Once GEF Secretariat comment have been received, the international consultants on energy-efficiency will prepare a ‘UNDP Response to GEF Secretariat Comments’ and then make changes to the text of the UNDP project document and GEF Request for CEO Endorsement with the ultimate objective of obtaining GEF approval of the full project.

The complete documentation package should include the following documents:

1. Finalized UNDP Project Document **(Report 10)**
2. Finalized GEF Request for CEO Endorsement **(Report 11)**
3. Finalized GEF Tracking Tool **(Report 12)**
4. Finalized ESSP (Environmental and Social Screening Procedures)
5. All co-financing letters including official endorsement letter from GEF Operational Focal Point.

To finalize the documentation, the team of consultants , lead by the international consultant on Climate Change, Green Urban Development and Sustainable Transport needs to take into account comments and feedback received from the following stakeholders

* Key stakeholders in Georgia (Government, Private Sector, NGOs)
* UNDP Georgia
* UNDP Bratislava Regional Centre
* UNDP New York
* GEF Secretariat

Component 4 should see the complete documentation package being approved by the GEF Secretariat.

UNDP Georgia will lead the project development process and manage the IP budget. The IP Atlas budget is presented in the Part III “Total Budget and Work Plan”. Quality assurance and technical advice for the full project development will be provided by the UNDP/GEF Regional Centre (Bratislava) and overall technical clearance will be provided by UNDP GEF New York.

1. **Project preparation activities work plan, timeframe, responsibilities and budget:**

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| **PPG Activity** | **Timeframe (in months)[[1]](#footnote-1)** | **Responsibility** | **Budget** |
|  | **1** | **2** | **3** | **4** | **5** | **6** | **7** | **8** | **9** | **10** | **11** | **12** |  | **US$** |
| **Component A** |  |  |  |  |  |  |  |  |  |  |  |  | **Consultants** | $10,000 |
| **Component B** |  |  |  |  |  |  |  |  |  |  |  |  | **Consultants** | $10,000 |
| **Component C** |  |  |  |  |  |  |  |  |  |  |  |  | **Consultants** | $10,000 |
| **Component D** |  |  |  |  |  |  |  |  |  |  |  |  | **Consultants** | $20,000 |

**Note:** It is envisaged that all work will start in January 2014. The aim will be to complete all activities and obtain GEF project approval by 10 September 2014 which is 12 months from date of approval of PPG. First submission to GEF Sec is planned for July 2014. Contracts for consultants are envisaged to be 8-9 month contracts from January – 10th September 2014.

1. **Total Budget and Work Plan: :**

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| --- | --- |
| **Award ID:**  | 00077252 |
| **Award Title:** | Green Cities : Integrated Sustainable Transport in the City of Batumi and the Achara Region |
| **Business Unit:** | GEO10 |
| **Project Title:** | Green Cities : Integrated Sustainable Transport in the City of Batumi and the Achara Region |
| **Project ID:**  | 00088156 |
| **Implementing Partner (Executing Agency)**  | UNDP Georgia CO |

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| **GEF Outcome/Atlas Activity** | **Responsible Party/** | **Fund ID** | **Donor Name** | **Atlas Budgetary Account Code** | **ATLAS Budget Description** | **Amount US$** |
| **Project preparation grant to finalize the UNDP-GEF project document for project “**Green Cities : Integrated Sustainable Transport in the City of Batumi and the Achara Region**’’** |  | **62000** | **GEF TRUSTEE** | 71200 | International Consultants[[2]](#footnote-2) | **35,000** |
| 71300 | Local Consultants[[3]](#footnote-3) | **10,000** |
| 71600 | Travel[[4]](#footnote-4) | **1,000** |
| 72500 | Supplies |  |
| 74500 | Miscellaneous Expenses[[5]](#footnote-5) | **1,000** |
| 75700 | Trainings/Workshop[[6]](#footnote-6) | **3,000** |
|  |  |  |  |  | **PROJECT TOTAL** | **50,000** |

**Annex 1: GEF CEO PIF approval letter**

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**Annex 2: Summary of Consultants Financed by the Initiation Plan**

| **Summary Tasks to be Performed** |
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| **Local Consultants** |
| National consultant 1National consultant one will be responsible for providing support for an assessment of the work of all other donors and stakeholders related to Transport in Batumi and Achara region. In addition, national consultant 2 will be responsible for a report which outlines and clearly defines some of the main legal, institutional and financial barriers to implementing Integrated Sustainable Transport in Batumi and the Achara region. The report should also assess the merits of different aims of investments in to support Green urban development in Batumi and Achara region. National consultant 1 will report to UNDP Georgia and to the International Consultant (Team Leader). |
| National consultant 2National consultant two will be responsible for providing pre-feasibility studies in Batumi related to transport, cycling, and parking. In addition, national consultant two should prepare a report which describes the activities and co-financing available for this UNDP GEF project to undertake green urban development/sustainable transport activities in other towns and municipalities in Achara |
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| **International consultants** |
| **International Consultant on Climate Change, Green Urban Development and Sustainable Transport (Team Leader)**- The main responsibility of the International Consultant is to manage the team of other consultants (2 national) and to prepare and finalize the UNDP project document, the GEF Request for CEO Endorsement and the GEF tracking tool for submission to the GEF Secretariat. The Team Leader will be responsible for preparing the overall project design and strategy and taking the lead on preparing the Project Results Framework. The main objective of the Team Leader is to obtain the overall approval of the project within 12 months of the start of the assignment. |
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1. If an FSP project please add additional six months noting18 month deadline between GEF approval of the PIF and GEF CEO endorsement of the project document [↑](#footnote-ref-1)
2. Salary for International Consultant on Climate Change, Green Urban Development and Sustainable Transport [↑](#footnote-ref-2)
3. Salary for 2 national consultants [↑](#footnote-ref-3)
4. Local travel cost for consultants to the target area, City of Batumi, travel related to IP activities [↑](#footnote-ref-4)
5. Includes expenses, such as translation of documents, reports needed for the Initiation Plan activities [↑](#footnote-ref-5)
6. Stakeholders workshop related to Initiation Plan activities – includes venue, coffee breaks, lunches, interpretation [↑](#footnote-ref-6)