



**INITIATION PLAN
FOR A GEF PROJECT PREPARATION GRANT (PPG) OR
PROGRAMME COORDINATION BUDGET (PCB)**

Project Title Green Technology Application for the Development of Low Carbon Cities (GTALCC)
Country Malaysia

Relevant CP/CPAP 2013-2015

Outcome(s) and Indicator (s):

CPD outcome #2: Strengthened institutional capacity in managing climate change, including achieving both the 2015 renewable energy target of 5.5% of total electricity generation mix.

Indicator 2.2: Percentage increase in the use of renewable energy sources in the total national electricity generation mix.

Baseline 2.2: Less than 1% renewable energy in total electricity generation mix in 2011

Target 2.2: Climate change mitigation policies have resulted in use of 5.5% share of renewable energy in the total national electricity generation mix by 2015 through the effective implementation of the renewable energy act.

Indicator 2.3: Establishment of framework on sustainable financing options for widespread green technology applications in low-carbon cities initiatives.

Baseline 2.3: Inadequate national policy framework addressing sustainable financing options.

Target 2.3: National framework on sustainable financing options for widespread green technology applications in low-carbon cities initiatives.

Initiation Plan Start Date: July 2013

Initiation Plan End Date: July 2014

CPAP Programme Component: Energy & Environment

ATLAS Project Award : 73926

ATLAS Project ID: 86507

PIMS ID: 4283

Management Arrangement: DIM

Total budget: US\$ 271,000

Allocated resources:

- Government (CS-SPDG5) US\$ 60,000
- GEF US\$ 100,000
- In kind contributions US\$ 111,000

AGREED BY UNDP RESIDENT REPRESENTATIVE / UNDP DIRECTOR:

James George Chacko
Assistant Resident Representative
Officer-in-Charge
UNDP Malaysia

Signature

Date: (Month, day, year)

A. Brief Description of Initiation Plan

This initiation plan is for the design and development of a full-sized project document for Malaysia's "Green Technology Application for the development of Low Carbon Cities (GTALCC) project." The overall goal of the project is to support the Government of Malaysia in the development and implementation of the GTALCC project which aspires to achieve the following outcomes by the end of the project period:

1. Major cities implemented and adopted integrated low carbon urban development plans and /or programs
2. Expedient appraisal, approval and implementation of strategic urban development plans/program and projects.
3. Major cities are aware of, and are planning and implementing low carbon technology applications for integrated urban development.
4. Increased investment in low carbon technology applications in cities
5. More low carbon urban infrastructure projects implemented in Malaysian cities

Cities are a key contributor of GHG emissions with an estimated 70% of the world's energy related emissions. In Malaysia, more than half of total emissions are related to urban spaces—specifically, electricity (up to 26% of the emissions), transportation (16%) and solid waste (12%). Recognizing that cities are natural partners to chart a low carbon growth path the Government of Malaysia has recently launched the Low Carbon Cities Framework and Assessment (LCCF). The objective is to achieve sustainable development, reduce carbon emissions of the cities and contribute towards the national commitment of reducing up to 40% of GHGs in terms of emission intensity by GDP by the year 2020 compared to 2005 levels.

Currently, several low carbon city initiatives which explicitly target low carbon development are at various stages of development at the national and subnational levels. However, the initiatives are developing in a rather fragmented manner without a common shared vision, integrated approach to low carbon development, agreed definitions or well accepted methodologies and standards. GTALCC is to support Malaysia's aspiration in mitigating climate change at the city-level. As such, a full scale project is proposed which focuses on the removal of barriers pertaining to policy and regulatory; financing issues; awareness, technical and institutional capacity through the three components:

Component 1: Policy support for the promotion of integrated low carbon urban development.

Component 2: Awareness and institutional capacity development.

Component 3: Low carbon technology investments in cities.

A PPG exercise is planned for the formulation of the GTAL CC project documents. The PPG activities will concentrate on collecting the necessary baseline and technical information for the elaboration of the proposed GEF project, which is designed to facilitate the implementation of low carbon initiatives in at least five Malaysian cities and showcase a clear and integrated approach of successful low carbon urban development. The PPG is expected to be completed within 13 months. The expected outputs are:

- a) Comprehensive baseline assessment with baseline GHG emissions of the scenario without a GEF contribution to the projects;
- b) Sectoral assessment to identify linkages among key sectors for the demonstration of integrated urban development planning approaches;
- c) Comprehensive assessment report on potential city-wide NAMA concepts and framework for the formulation of NAMA proposals;
- d) Assessment on financing mechanisms to support the sustainable scaling up of low carbon cities

- e) Detailed stakeholder engagement plan with agreed roles and responsibilities;
- f) Project results framework (log frame) and designed detailed project activities;
- g) Co-financing commitment letters from municipalities, private sector and other partners;
- h) Project management arrangements and implementation plan; and
- i) Project document and CEO endorsement request.

This Project Preparation Grant (PPG) period includes preparation of the project planning, technical assessments and analyses of national and sub-national situations, and preparation of the UNDP-GEF compliant project document. This Initiation Plan will focus on the PPG phase of 13 months which would help to prepare the ground for the implementation of the full scale project. During this preparatory phase, four national consultants and one international consultant will be recruited to produce results as per the Total Budget and Work Plan. The PPG will be carried out in close collaboration with the MEGTW, MHLG, relevant National Committees and Technical Working Groups (TWGs) and other key stakeholders identified in the approved Project Identification Form (PIF). The main outcome of the PPG will be the full sized project document and Request for GEF CEO Endorsement.

B. Project Preparation Activities

| List of Proposed Project Preparation Activities | Output of the PPG Activities | Trust Fund | Grant Amount (a) | Co-financing (b) | Total c = a + b |
|---|--|-------------------|-------------------------|-------------------------|------------------------|
| Updating and analysis of background context including baseline investments and GHG emission profile | <ol style="list-style-type: none"> 1. Detailed national level stakeholder engagement plan with agreed roles and responsibilities 2. Comprehensive baseline report with detailed background context and financing – including institutional and policy context, baseline projects and investments, and GHG emissions profile for project cities 3. Capacity needs assessment of national implementing agency and local authorities of the pilot cities vis-à-vis project objective | GEF TF | 20,000 | 40,000 | 60,000 |
| Conduct of the Project Logical Framework Analysis | <ol style="list-style-type: none"> 1. Completed GEF Project Log frame Workshop and corresponding report 2. Project results framework developed including agreed log | GEF TF | 10,000 | 10,000 | 20,000 |

| | | | | | |
|---|--|--------|----------------|---------|---------|
| | frame matrix | | | | |
| Scoping and comprehensive assessment of potential city wide NAMA concepts | 1. Assessment report on potential city-wide NAMA concepts including a framework for the formulation of NAMA proposals | GEFTF | 15,000 | 10,000 | 25,000 |
| Review and assessment of financing mechanism to support the sustainable scaling up of low carbon cities | 1. Report on assessment of financing mechanisms to support the sustainable scaling up of low carbon cities. | GEFTF | 10,000 | 7,000 | 17,000 |
| Detailed design of project activities with participation of relevant stakeholders | <ul style="list-style-type: none"> • Completed detailed design of project activities based on the results of the log frame matrix | GEF TF | 35,000 | 48,000 | 83,000 |
| Discussions and agreement on the project management and implementation arrangements | 1. Project management arrangements and implementation plan | GEFTF | 5,000 | 5,000 | 10,000 |
| Negotiation and confirmation of co-financing | 1. Co-financing commitment letters from municipalities, private sectors and other partners | GEF TF | 5,000 | 5,000 | 10,000 |
| Preparation of Project document, CEO Endorsement Request and tracking tool | 1. Project document, CEO Endorsement Request, and tracking tool | GEF TF | 0 | 46,000 | 46,000 |
| Total Project Preparation Financing | | | 100,000 | 171,000 | 271,000 |

Total Budget and Work Plan

| | |
|--|--|
| Award ID: | 00073926 |
| Award Title | Green Technology Application for the Development of Low Carbon Cities (GTALCC) |
| Business Unit: | MYS10 |
| Project Title: | Green Technology Application for the Development of Low Carbon Cities (GTALCC) |
| Project ID: | 00086507 |
| Implementing Partner (Executing Agency) | UNDP |

| GEF Outcome/Atlas Activity | Responsible Party/ Implementing Agent | Fund ID | Donor Name | Atlas Budgetary Account Code | ATLAS Budget Description | Amount 2013 (USD) |
|---|--|----------------|-------------------|-------------------------------------|---------------------------------|--------------------------|
| Project Preparation Grant to formulate a full size project – Green Technology Application for the Development of Low Carbon Cities (GTALCC) | UNDP | 62000 | GEF | 71300 | Local Consultants | 51,000 |
| | | | | 71200 | International Consultants | 42,000 |
| | | | | 71600 | Travel | 5,000 |
| | | | | 74500 | Miscellaneous | 2,000 |
| | | | | | Sub-total | 100,000 |

ANNEX 1: GEF CEO PIF APPROVAL LETTER



Naoko Ishii PhD
Chief Executive Officer and Chairperson

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April 24, 2013

Ms. Adriana Dinu
Deputy GEF Executive Coordinator
United Nations Development Programme
One United Nations Plaza
New York, NY 10017

Dear Ms. Dinu:

I am pleased to inform you that the following submission is CEO cleared/approved and will be funded by the GEF Trust Fund:


| | |
|-------------------------------|---|
| Approval Stage: | Project Identification Form (PIF) Clearance for Work Program Inclusion and Project Preparation Grant (PPG) Approval |
| GEFSEC ID: | 5329 |
| Agency ID: | 4283 (UNDP) |
| Agency(ies): | UNDP |
| Project Type: | Full Size Project |
| Country(ies): | Malaysia |
| Name of Project: | Green Technology Application for the Development of Low Carbon Cities (GTALCC) |
| Indicative GEF Project Grant: | \$4,354,794 |
| Indicative Agency Fee: | \$413,705 |
| PPG Grant: | \$100,000 |
| PPG Agency Fee: | \$9,500 |

* Out of the above indicative Agency fee amount, Trustee will commit the first tranche (40%) of the Agency fee which is \$165,482 at the time of Council approval of the work program. The second tranche (60%) of the Agency fee which is \$248,223 will be committed at the time of CEO endorsement of the FSP.

This PIF clearance and PPG approval are subject to the comments made by the GEF Secretariat in the attached document. It is also based on the understanding that the project is in conformity with GEF focal areas strategies and in line with GEF policies and procedures.

The final project document should be submitted for endorsement no later than 18 months after Council approval of the work program.

Sincerely,



Naoko Ishii
CEO and Chairperson

Attachment: GEFSEC Project Review Document

cc: Country Operational Focal Point, GEF Agencies, STAP, Trustee

Annex 2: Summary of Consultants Financed by the Initiation Plan

Consultants Financed by the Project Preparation Grant (PPG)

| Type of Consultant | Position / Titles | \$/PW | Estimated PWS ² | Tasks to be Performed |
|--------------------|-----------------------|-------|----------------------------|--|
| Local | Transport specialist | 1500 | 12 | <ul style="list-style-type: none"> Assist in the determination of prospective project cities and gather baseline information for transport projects in Iskandar Malaysia, Cyberjaya, Putrajaya, Port Dickson and Miri and other project cities, as relevant. The basic data requirements include, but not limited to, mode share, ridership, length of routes, alignment, frequency, passenger trip length, as well as bus capacity, engine type, fuel and average speeds. Planning information regarding the length, route, capacity, and features of the proposed transit projects are also required. |
| | | | | <ul style="list-style-type: none"> Based on this information, develop projected baseline GHG emissions of the scenario without a GEF contribution to the projects and calculate direct and indirect GHG benefits from BRT and EV projects, in line with the GHG Manual for Transport Projects. |
| | | | | <ul style="list-style-type: none"> Contribute to preparation of baseline report |
| | | | | <ul style="list-style-type: none"> Help design incremental activities related to integrated low transport projects |
| Local | Finance specialist | 1500 | 4 | <ul style="list-style-type: none"> Conduct assessment on financing mechanism to support the sustainable scaling up of integrated approach to low carbon urban development. Identify and detail out approaches and opportunities for integration of low carbon urban systems. |
| | | | | <ul style="list-style-type: none"> Prepare a preliminary framework for the design of the financing mechanism |
| | | | | <ul style="list-style-type: none"> Coordination with financial institutions and other related partners. |
| | | | | <ul style="list-style-type: none"> Contribute to preparation of the baseline report |
| Local | Low carbon specialist | 1500 | 8 | <ul style="list-style-type: none"> Assist in establishing the baseline GHG accounting framework, plan of action to collect and report baseline GHG emissions Conduct scoping and comprehensive assessment of measures and sector potential for city wide NAMAs and recommend prospective concepts |
| | | | | <ul style="list-style-type: none"> Conduct review of key design elements of existing city wide NAMAs |
| | | | | <ul style="list-style-type: none"> Prepare design framework for NAMA and corresponding MRV system |
| Local | Urban specialist | 1500 | 10 | <ul style="list-style-type: none"> Collect baseline information on project cities and help design incremental activities Completed assessment of prospective design and planning of integrated urban systems (such as those related to sustainable urban transport, energy supply, waste management, spatial planning). |
| | | | | <ul style="list-style-type: none"> Conduct capacity needs assessment of national implementing agency and local authorities of the pilot cities |

| | | | | |
|---------------|-----------------------------|------|----|--|
| | | | | <ul style="list-style-type: none"> • Contribute to preparation of baseline report |
| International | Low carbon urban specialist | 3500 | 12 | <ul style="list-style-type: none"> • Monitor and support the implementation of all PPG activities, by means of in-country support which will be supplemented by periodic home-based support; coordination with implementing agency and stakeholders. • Facilitate the assessment and identification of key sectors and their potential for successful demonstration of integrated urban development planning approaches. |
| | | | | <ul style="list-style-type: none"> • Facilitate log frame analysis workshop, including barriers analysis, problems tree and objectives tree |
| | | | | <ul style="list-style-type: none"> • Respond to technical queries and comment on technical reports |
| | | | | <ul style="list-style-type: none"> • Provide assistance in the preparation and review of the project document. • Request for CEO Endorsement |
| | | | | <ul style="list-style-type: none"> • Provide assistance in responding to GEF Sec review and comments |

¹Provide dollar amount per person week

²Provide person weeks needed to carry out the task