STAP Scientific and Technical screening of the Project Identification Form (PIF)

Date of screening: 09th February 2010

Screener: Lev Neretin

Panel member validation by: N.H. Ravindranath

I. PIF Information

GEF PROJECT ID: 4130
COUNTRY(ies): NEPAL
PROJECT TITLE: KATHMANDU SUSTAINABLE URBAN TRANSPORT (SUT) PROJECT
GEF AGENCY(IES): ASIAN DEVELOPMENT BANK
OTHER EXECUTING PARTNER(S): MINISTRY OF PHYSICAL PLANNING AND WORKS (MPPW)
GEF FOCAL AREA (S): CLIMATE CHANGE
GEF-4 STRATEGIC PROGRAM(S): SP5 – PROMOTING SUSTAINABLE INNOVATIVE SYSTEMS FOR URBAN TRANSPORT
NAME OF PARENT PROGRAM/UMBRELLA PROJECT (IF APPLICABLE): NONE

II. STAP Advisory Response (see table below for explanation)

1. Based on this PIF screening, STAP’s advisory response to the GEF Secretariat and GEF Agency(ies): Consent

III. Further guidance from STAP

1. The project aims at reducing GHG emissions from the transportation sector in Kathmandu through EE and clean energy urban transport solutions. STAP provides consent to the project, however, STAP suggests that the following issues are addressed during the project preparation stage.

2. Baseline Scenario Development: There is a need to assess the current and the projected transportation systems, growth in private and public transport, energy use and the resulting GHG emission trends to assess the potential impacts of the project on GHG emissions.

3. Components of SUT systems and GHG reduction: Some of the key components of the SUT seem to include improved parking, upgrade of pedestrian facilities and building a public transport terminal in Kathmandu. How these activities lead to shift to public transport and EE transportation? Improved parking and pedestrian pathways may indeed facilitate easy movement of private vehicles and in turn increase their numbers as well as the frequency of trips made, ultimately leading to increased GHG emissions. There is a need for a detailed assessment of the activities that may indeed lead to reduced use of private transport. Some potential opportunities could be rationalization of bus routes and bus stops, improved and cleaner buses and bus stops, dedicated lanes for the buses. Increased taxes on vehicle purchase and registration, tax on fuels to discourage private vehicles.

4. Barrier Analysis: The project needs to carefully access the barriers based on a systematic approach.

5. Technical assistance components: TA components seem to have a broader scope with a development of a strategic vision, capacity development and awareness building. However, the investment component seems to have a narrow scope involving improving pedestrian and parking facilities and construction of public transport terminal. There is a need for consideration of other options for a major shift from less efficient private transport to more efficient and renewable energy based long-term solutions, transportation demand management, fuel efficiency standards, city centre congestion charges and use of biofuels.

6. Risk Assessment: The potential risk of improved or ease of traffic may encourage increased private transport use leading to GHG emissions. Furthermore, Inadequate investment capital could also be a major risk for the project sustainability in the long term. How these risks will be addressed?
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<tr>
<th>STAP advisory response</th>
<th>Brief explanation of advisory response and action proposed</th>
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<tbody>
<tr>
<td><strong>1. Consent</strong></td>
<td>STAP acknowledges that on scientific/technical grounds the concept has merit. However, STAP may state its views on the concept emphasising any issues that could be improved and the proponent is invited to approach STAP for advice at any time during the development of the project brief prior to submission for CEO endorsement.</td>
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| **2. Minor revision required** | STAP has identified specific scientific/technical suggestions or opportunities that should be discussed with the proponent as early as possible during development of the project brief. One or more options that remain open to STAP include:  
(i) Opening a dialogue between STAP and the proponent to clarify issues  
(ii) Setting a review point during early stage project development and agreeing terms of reference for an independent expert to be appointed to conduct this review  
The proponent should provide a report of the action agreed and taken, at the time of submission of the full project brief for CEO endorsement. |
| **3. Major revision required** | STAP proposes significant improvements or has concerns on the grounds of specified major scientific/technical omissions in the concept. If STAP provides this advisory response, a full explanation would also be provided. Normally, a STAP approved review will be mandatory prior to submission of the project brief for CEO endorsement.  
The proponent should provide a report of the action agreed and taken, at the time of submission of the full project brief for CEO endorsement. |