

MEXICO UTT PROJECT (P107159)
QER MEETING
21-Apr-09

Comments: Mr. Sanjivi Sundar Former Secretary, Ministry of Surface Transport and Distinguished Fellow at The Energy and Resources Institute (TERI)

Section	Comment	Team response
Overview	The project is well conceived and developed. It is commendable for the following reasons: 1) It integrates the local transport agenda with poverty reduction and climate change mitigation. 2) It is a long-term programme and is part of the climate change programme of Mexico. 3) While it is initially intended to benefit four cities it aims to be replicated in the other cities and will help to transform urban transport in Mexico. 4) It aims to promote public private participation in developing and implementing the project. 5) It looks at all the elements of the urban transport system in an integrated manner to ensure sustainability. It recognizes that BRT corridors by themselves will not have a major impact on mobility, emission reduction and climate change mitigation unless they are accompanied by other measures to improve the efficiency of transport operations and wean users of personal vehicles to public transport.	Thanks, agree.
Risks	There are, however, some concerns, which need to be more clearly and comprehensively addressed. These are: i) The document recognizes that the success of the project would to large extent depend on the state of preparation for the project and the readiness of cities to implement it. While 28 cities appear to be interested, the proposal provides for funding and technical assistance to only four cities at the initial stage. If the intention is to replicate the project in the other cities there ought to be a plan of action to extend assistance to the other cities or train them in the initial stage itself to make them ready for receiving the project at a later date.	Agree, this has been considered in the risk matrix and measures are in place to mitigate it. Key will be the MoU/TAL that is under planning
Project Components	ii) The project envisages the deployment of low carbon vehicle technologies but appears to leave the choice open to the cities depending upon local conditions. As the maintenance, spares etc of low carbon vehicles could be expensive the advantages in standardisation should be explored and care must be taken to ensure that Mexico does not become a museum of different technologies.	Agree, this has been considered in the risk matrix and measures are in place to mitigate it
Outcome Indicators	iii) It is not clear as to how the Country Outcome Indicators listed in para 37 of the document would be measured and monitored. The data requirements for measuring these outcomes, their availability and the methodology that would be used for measurement have not been spelt out.	Annex 3 contains detailed information on the sources to gather this information, which are standard for CTF projects, being mainly UNFCC and IEA.
Outcome Indicators	iv) In the absence of Annex 3 it is also not clear from Para 33 relating to Intermediate Outcome Indicators as to whether these indicators pertain to one city or 4 or 5 cities. Presumably they pertain to 4 or 5 cities. If that be so the length of 75 kilometers for the BRT corridors appears low.	This indicators to pertaining to 5 corridors, it says "5 mass transit corridors are in operation or 75km of BRT are operating". 15km per corridor is average for LAC
Outcome Indicators	v) It is not clear from the Programme Results Framework as to what is the linkage or precise relationship between the Outcome Indicators and the Output Indicators. For example, it is not clear as to how the operation of five mass transit corridor would necessarily lead to a 20% reduction in total travel time. Care has to be taken to ensure that the baselines are comprehensively and satisfactorily established and that the methodology for calculating the project outcomes are well-defined. Otherwise there would be the danger of programme evaluation becoming subjective. vi) The point made above is even more relevant in dealing with Intermediate Outcomes and Intermediate Outcome Indicators. In the absence of checklists to be used to measure the outcome, monitoring could become entirely subjective.	This will be better defined at appraisal.
Outcome Indicators	vii) The project rightly aims to improve the mobility of the poorest and enhance their access to basic services. The methodology for identifying the poorest and measuring the benefits accruing to them is not clear. The document also favours (p 19) demand-side subsidies over supply-side subsidies to help the poor. It is not clear whether the subsidy scheme is to be built into the project and as to how it would be administered.	This will be better defined at appraisal.
Project Components	viii) The project appropriately provides for the scrapping of old and displaced buses and refers to financial mechanisms for implementation. However, as scrapping of old and displaced buses would give rise to livelihood issues it would be desirable to spell out as to how these issues are to be addressed.	This will be better defined at appraisal. Yet, this project builds upon experience in Mexico City with their scrapping program in which social and environmental issues were addressed

Institutional Arrangements	ix) There is a discussion on p.36 on the existing institutional arrangements and how they could hinder the success of the programme. Provision has also been made for an institutional diagnosis during project preparation. Poor coordination, lack of implementation capacity and inadequate institutional arrangement have been recognized as risks. The mitigation measures proposed are, however, tentative. It is not clear as to what institutional arrangements are being proposed or are considered necessary at the city level to implement the project in an integrated and coordinated manner so that all the elements of the project are brought together and implemented in tandem to maximize the benefits. It is also not clear whether new institutional arrangements could call for changes in the legal and regulatory framework and as to what these changes are. Putting together appropriate institutional arrangements and making regulatory changes to empower the institutions could take considerable time and impact on the project.	This will be better defined at appraisal.
General	This project could well become the model for transforming urban transport and making urban transport climate friendly in rapidly growing second order cities in developing and emerging economies. Adequate arrangements and funding should be built into the project to facilitate the dissemination of learnings not only within Mexico but also in similarly placed countries elsewhere. I would strongly commend the project subject to the concerns listed above being satisfactorily addressed.	Thanks, agree.