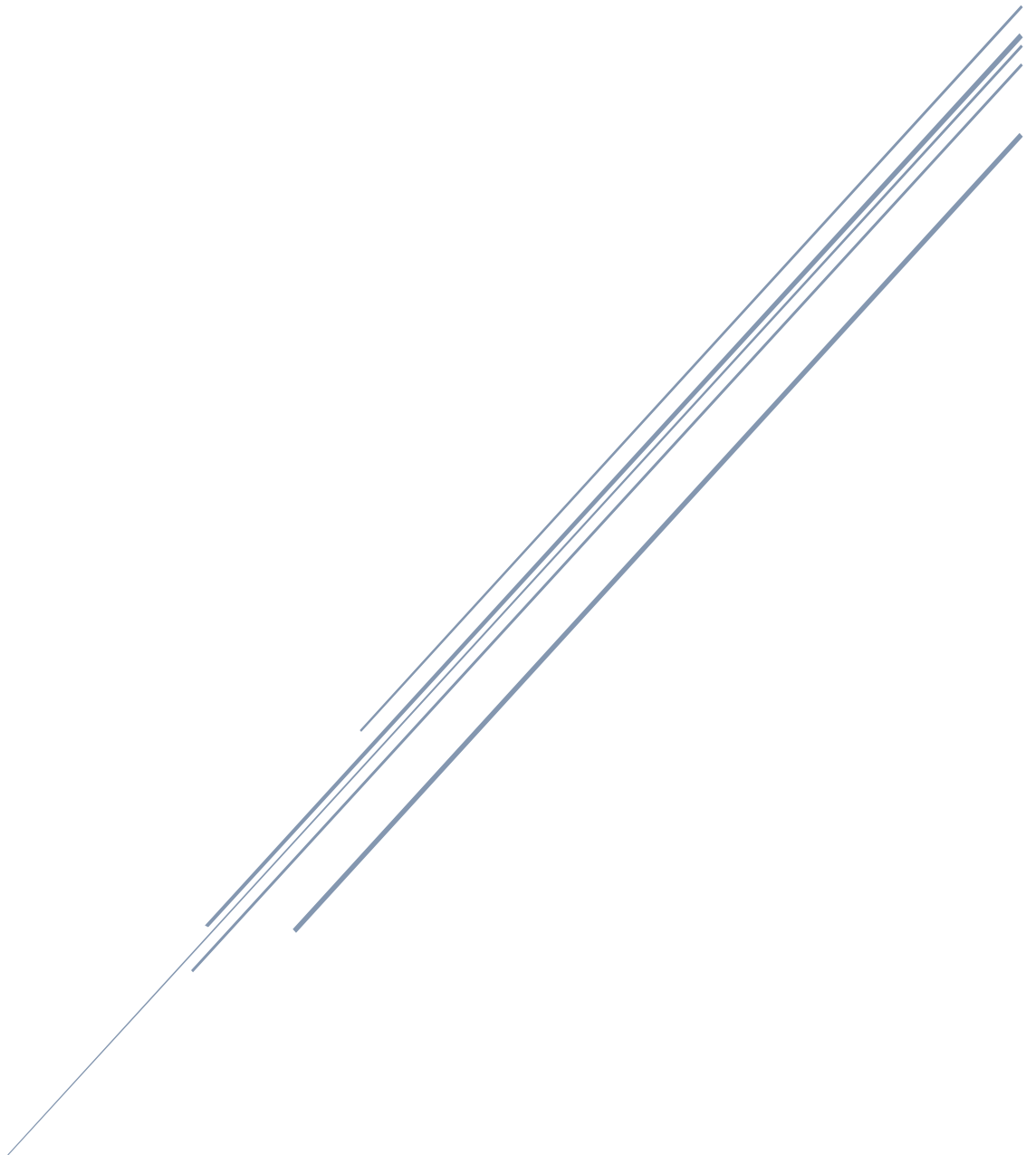


E-MOTION

Operations Manual



AFD
April 2024

Context and objectives of the operations manual

Programme description

The Programs goal is to accelerate Electric Vehicle (EV) deployment and enable a large-scale regional transition towards electro-mobility in Latin America through financial and technical assistance. The Program implements interventions to kick-start EV mass deployment significantly earlier than under a Business as Usual (BAU) scenario by reducing the risk profile of investments and by comprehensive technical assistance. The key strategic value of the Program is that it functions as market accelerator enabling a far faster uptake of e-mobility than under a BAU scenario avoiding a lock-in of long-lived assets in fossil technology. The Program fills the gap between initial pilots already existing in the region and long-term targets. These interventions are made in a time where e-mobility is commercially not yet viable and thus require initial investment support -like is the case in all countries which have a significant uptake of e-mobility.

The Program focus is on electrification of commercial vehicles, especially public transport buses. Electrification of buses is not a stand-alone measure but an important component to modernize and to upgrade the public transport system of countries. New electric buses position the public transport system as modern, environmentally friendly and attractive. The investment in electric buses is linked with investments to improve the public transport system and non-motorized transport (NMT) in urban areas as well as transport demand management measures which result in increasing the attractiveness of low carbon forms of mobility. This results in a mode shift towards zero or ultra-low mobility systems. The Program directly modernizes public transport systems through establishing new business models, which increase the financial stability and economic efficiency of public transport systems e.g. through separation of bus ownership and bus operations and indirectly by realizing e-bus investments in cities which have programs to foster NMT and public transport financed nationally and/or internationally i.e. the complementarity of e-bus investments to such efforts is a selection criteria for investment projects of the Program. As example medium sized Colombian cities which are targeted by this Program have formulated urban mobility plans with the aim of modernizing and upgrading public transport whilst also fostering NMT and components of transit-oriented development.

For each country a market assessment has been performed analyzing (i) the current financial viability per vehicle category in terms of total cost of ownership, profitability, cash-flow and debt structure; (ii) financial instruments and support structures to overcome viability barriers; (iii) market readiness of EVs. Interventions are designed to accelerate market readiness and to foster widespread commercial deployment of EVs without further financial assistance.

Financial assistance is targeted to around 4 e-mobility projects in different countries focusing on e-bus systems and PT upgrading. The selection is based on the criteria established in section B3. E-mobility system investments include vehicles, charging infrastructure, grid upgrades and bus depot upgrades and are linked to urban public transport and NMT improvements. At maximum an individual country receives 35% of the total GCF funding. All countries receive technical assistance to enhance their e-mobility framework and policies.

Technical Assistance will focus mainly on achieving Output 1.1: Establishment of a sustainable mobility ecosystem encouraging electrification and a shift to public transport. Work will be done to overcome the barriers associated with this output through the implementation of a set of activities that were specifically selected and subsequently structured according to a differentiation of scope at regional, national or local levels. Following TA activities are implemented in Argentina, Brazil,

Colombia, Costa Rica, Dominican Republic, Mexico and Peru: (i) establishment of an e-mobility conducive ecosystem on the local, national and regional level by providing TA to create a policy and business framework conducive for massive deployment of EVs on a local level (project design, business model design and development, city EV policies, training etc.), national level (sectoral electrification roadmaps, support of national enabling policies for EV deployment, advice on battery re-usage, recycling and disposal) and a regional level (capacity building, knowledge materials, outreach and dissemination); (ii) Project sourcing, structuring and development; (iii) Program management. The Program has in addition a comprehensive and ambitious gender action plan targeting to improve gender equality and reduce sexual harassment in public transport.

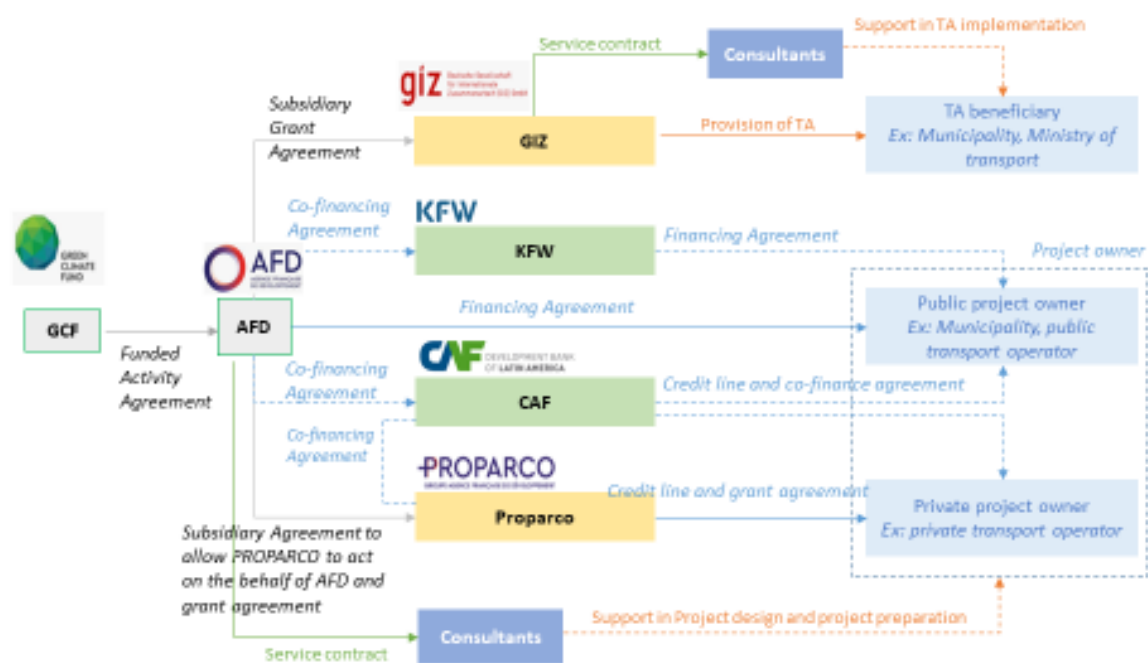
Objectives of the operations manual

The purpose of the Operations Manual (OM) is to describe the general rules, policies and procedures that govern the administration of E-Motion. In particular, it describes in detail the role of the key stakeholders involved in the implementation and the interactions between all parties, the eligibility criteria and the Project life-cycle.

This OM provides a roadmap for all parties to understand the overall Programme procedures and the expected operational procedures between parties. It describes the procedures and the Project cycle for Projects implemented under the Programme, through addressing the following issues:

- Who are the main stakeholders involved in each Project and what are their roles (section 2)?
- Which investments are eligible for financing in the Programme framework (section 3)?
- How will each Project under the Programme work on the ground (section 3)?
- How will Partner countries benefit from the Programme (section 4)?
- What kind of support will be provided to partner countries (section 4)?

Figure 1: E-Motion implementing arrangement



E Motion stakeholders

Role and responsibilities

The roles and responsibilities of the main stakeholders involved in the Programme are summarized in the Table 1 and described in detail in the sections below. Note that direct beneficiaries of the Programme include partner countries who will receive dedicated financing and/or technical assistance.

Table 1: Responsibility and role of the main stakeholders

Stakeholder	Responsibility	Main roles ¹
a) AFD Group (AFD & Proparco)	Investment facility structuring, financing, management, monitoring and reporting	<ul style="list-style-type: none"> Develop, co-finance and supervise the Programme Carry out the appraisal process and finance Projects under the Programme Carry out due diligences and assessments on each Project owners in line with AFD Group's policies and requirements or Proparco requirements in case of Private Sector project Design support to Project owners through technical assistance Monitor the implementation of the Programme with each Project owner Ensure follow-up and supervision activities through field visits and screening of the Project owners' reports at various stages of the Project cycle
b) GIZ	Enabling facility implementation	<ul style="list-style-type: none"> Administer enabling facility technical assistance funds Implement activities in the enabling facility Reach the results attributed to the enabling facility Contribute to communicating, reporting, monitoring and evaluating efforts on the overall E-Motion program relating to the enabling facility
c) Green Climate Fund (GCF)	Co-financing	<ul style="list-style-type: none"> Co-finance the Programme Receive technical and financial reporting of the Programme
d) CAF and KfW	Co-financing	<ul style="list-style-type: none"> Co-finance the Programme
e) Project owners	Prepare and implement projects in meeting the Programme objectives and the eligibility criteria	<ul style="list-style-type: none"> Submit necessary information for AFD/Proparco to determine with the support of the TA, eligibility of the project according to the eligibility criteria and E&S standards. Appraise climate-related project with the support of the TA Sign loan and make payments with project funds, keep updated record of indicators and report to TA and AFD Group Participate to the capacity building activities organised by the TA (when relevant) Formalise the Project environmental and social due diligence and report to AFD/Proparco on the implementation of the E&S measures planned in accordance with the Project documents.
f) Project TA consultants	Provide support to the Project stakeholders	<ul style="list-style-type: none"> To be adapted to each situation Support the Project owner in the preparation of the Project and its implementation

¹ To be adapted according the specific Project's context

Agence Française de Développement (AFD) and Proparco

The Programme Management Unit is responsible for the Programme implementation, supervision and completion. It is advised by a Programme Team located in Paris that holds a thematic expertise. At local level, project level teams are monitoring the implementation of enabling facility and investment facility.

Table 2: AFD loan and implementation process

For public direct projects (as per AFD definition of public entities)
Executing Entity : AFD
At appraisal stage, AFD will define with the project owner and after project TA mission, the energy efficiency and bioclimatic measures to be implemented and discuss the financing conditions.
Following AFD's approval, a Loan Documentation will be signed between AFD and a project owner for the eligible project.
AFD will be in charge of monitoring the implementation of the Projects, which includes: following up on disbursements and conditions precedent; following up on the financial and technical reporting; setting up waivers or amendments to the Loan Documentation (if relevant).
AFD will collect and consolidate monitoring reports prepared by project owners, financial institutions and from Proparco

Table3: Proparco loan and implementation process

For private direct projects
Executing Entity : Proparco
At appraisal stage, Proparco will define with the Project owner and after Project TA mission monitored by AFD, the energy efficiency and bioclimatic measures to be implemented and discuss the financing conditions.
Proparco will conduct due diligence activities to assess the financing operation.
Following Proparco approval, a Loan Documentation will be signed between Proparco and a Project owner for the eligible Project.
Proparco will be in charge of monitoring the implementation of the Projects, which includes: following up on disbursements and conditions precedent; following up on the financial and technical reporting; setting up waivers or amendments to the Loan Documentation (if relevant).
Proparco will collect and consolidate monitoring reports prepared by Project owners

GIZ (executing entity)

GIZ is responsible for the implementation of the Enabling Facility as executing entity of E-Motion. Its role is to:

1. Administer Enabling Facility TA Funds
2. Implement activities of the Enabling Facility
3. Reach the results attributed to the Enabling Facility
4. Contribute to communicating, reporting, monitoring, and evaluating efforts for the overall E-Motion program relating to the Enabling Facility

GIZ will manage its responsibilities via a team of staff based at HQ as well as in the respective E-Motion countries, anchored in existing GIZ portfolios.

Partner countries

In the E Motion partner countries, national ministries and sectoral associations are the main stakeholders of both the investment and the enabling framework facility.

In the investment facility, the institutions within the partner countries that are proposing financing projects are called “Project owners” (see below).

In the enabling facility, E-Motion support can build on longstanding collaboration of GIZ with line ministries and sectoral associations. Ministries will be beneficiaries of support for reviewing, updating or proposing new regulatory elements that generalize climate impact beyond the financed projects to an entire sector or country. Sectoral associations are equally important stakeholders to mobilize private investments through industry engagements or action plans.

Project owners

The Project owner is a public or private entity who develops a Project eligible to the Programme. The process by which a Project owner may become involved in the Programme and the criteria for a Project to be considered as eligible for a financing is detailed in section 3. Project owners may receive support from the TA to mature eligible Projects to be financed by the Programme.

Stakeholders interactions for the Programme

At Project’s level, the cooperation between all the stakeholders is based on cooperation principles and a precise communication and coordination scheme. The Project’s monitoring process, which will include all information sharing process, will be defined during the kick-of meeting of each Project.

The general frame of the monitoring process include: (a) a steering committee, (b) follow-up meetings, (c) regular conference calls and meetings with various stakeholders.

Investment facility

Typologies of investment facility

Projects facility can support two kinds of projects depending on the typology of Project-owner (public or private).

Eligibility criteria

Eligibility criteria are defined in the FP.

Project life cycle

Origination

The origination might typically include the following activities. The activities will be adapted according to the need of the Project owner:

- Kick-off meeting between the Project owner and the AFD PMU, CAF and kFW and the Project team.
- Setting-up the Project team consisting of people appointed by the Project owner and the TA if requested.

TA support definition

Once the Project is officially launched on AFD Group's side, the TA is mobilised through a purchase order detailing the specifications of their mission for the Project. TA support definition stage could include the following activities:

- Identification of the needs of the Project owner and preparation of an action plan of the project TA including a calendar and a list of activities that will be carried out.
- Preparation of the feasibility study by project TA
- Assessment of the carbon footprint and the impact of the Project by the TA.

Financing

At financing stage, the Project team, together with the PMU, will assess the potential need for GCF co-financing. The Projects will go through AFD Group appraisal process. The eligibility criteria and evaluation principles for GCF concessional loans are described in the FP.