

**UNITED NATIONS DEVELOPMENT PROGRAMME
GLOBAL ENVIRONMENT FACILITY**

Proposal for Review

Country: Azerbaijan Republic
Project title: Expedited Financing of Climate Change Enabling Activities (Phase II)

GEF Focal Area: Climate Change
Country Eligibility: [x] Eligible under a financial mechanism of the UNFCCC
[x] Eligible under paragraph nine (b) of the Instrument

Date of Ratification: 16 May 1995

GEF Financing (Phase I) US\$ 324,500
GEF Additional financing (Phase II): US\$ 97,500
Total Costs: US\$ 422,000

GEF Implementing Agency: UNDP

Executing Agency: Government of Azerbaijan, State Committee on Hydrometeorology.

Local Counterpart Agency: State Committee on Hydrometeorology

Estimated Date of Initial National Communication Submission: June 2000

Estimated Start Date: March 2000

Project Duration: 8 months

1. CURRENT PROJECT STATUS:

The project "Initial National Communication on Climate Change of the Azerbaijan Republic" was launched on 1 January 1998. At present, the project is completed and submitted to the Government of Azerbaijan for approval. The First National Communication has been prepared by the National Climate Change Center established under the State Committee on Hydrometeorology, with participation of local experts from 18 Ministries, Agencies and NGOs. The First Communication presents findings of studies on national greenhouse gas emissions during 1990-1994, vulnerability assessment, mitigation and abatement plans to reduce negative effects of climate change on ecosystems and different sectors of the economy. A draft executive summary of the Initial National Communication is available upon request.

The operational guidelines for "Expedited Financing of Climate Change Enabling Activities Part II" allows countries to reveal, assess, identify priorities and bring to notice the Conference of the Parties the updated technology needs. The proposed project is outlined below.

2. ACTIVITIES TO BE INVOLVED IN PHASE II PROJECT:

A. Technology Transfer:

(i) Identification/submission of technology needs

Under Phase I of Azerbaijan's climate change enabling activities, funds (\$10,000) were allocated for studies related to agroclimatological resources and land resources, and to begin to compile and prepare information regarding technological needs of adaptation of coastal and water resources.

Technology needs in Azerbaijan continue to encompass a wide range of issues, regarding both greenhouse gas emission reduction and technologies for adaptation. The highest priority technologies for greenhouse gas emission reduction are considered to be technologies involving fuel-energy complex, and fuel extraction and re-transportation; energy-efficiency technologies for Industrial and Housing-communal sectors; and clean energy technologies (e.g., wind, solar, geothermal and others).

Priority adaptation technologies include the water-soil-preserving technologies and technologies providing sustainable forest and agricultural development, and reserving and developing the fish and food economy in the country.

The starting point for additional work implementation will be measures of reduction of greenhouse gas emissions and adaptation to Climate Change developed in the Initial National Communication that would improve the selection of technologies with respect to the developed measures.

To meet commitments before the Convention, a key technologies assessment will be carried out and considered. This assessment would help lead to greenhouse gas emission reduction and decrease negative climate change consequences through the identification of: needs for effective technologies for the specified economic sectors; sources and suppliers, and methods of technology acquisition and assimilation; main barriers and how to remove them, including transferring technology.

(ii) Capacity building to assess technology needs, modalities to acquire and absorb them, design, evaluate and host projects

The task decisions will require: (i) an establishment of the basis for assessment of technology needs; (ii) study of methods for information access presented by International Centers and networks; and, (iii) cooperation with the Centers and networks to purchase new clean technologies.

The main emphasis will be on the following:

- identifying the most effective mechanisms to maintain sustainable business and market development providing necessary information related to the technological cooperation with international donors and contribute to project financing;
- establishing a dialogue among concerned organizations;
- supporting approaches based on participation and integration with the purpose of forming consensus related to priorities and strategies;
- considering efforts in climate change problems to be taken into account by market reforms;
- implementing measures in organizing a network for the improvement of coordination among Humanitarian Organizations with regard to providing technical cooperation;
- strengthening and broadening the total fund of staff and specialists required for identification and implementation of the national and regional objects regarding technology needs including top Government, Ministries, National Municipal Centers, Private Sectors and Non-governmental Organizations;
- establishing the basis for Non-governmental organizations to contribute to activities, assisting in some barrier removal, and increasing awareness of the public and political structures to help overcome these barriers;
- studying measures on adaptation of fish-resources to climate changes; and,
- studying climate change impacts on the process of desertification and the elaboration of abatement measures.

B. Capacity building for participation in systematic observation networks

In order to build capacity for participation in systematic observation networks, the following operations will be implemented:

- description of the state of the national programme on systematic observation, for the satisfaction of needs in the meteorological and hydrological observations in the climate system, in accordance with the Programme on Global System of Observations after the Climate, in conformity with Article 5 of the Convention;

- description of actual and planned activities for strengthening the gathering, exchange and use of data with the purpose of satisfying local, regional and international needs (e.g., international data exchange, submission of meteo-data to the world data centers, participation in the international programmes of quality control and data archiving);
- analysis of the defects of the observation networks, developing of particular proposals for removing these defects, and also definition of country needs; and,
- definition of priority needs concerned with the participation in systematic observation of the climate.

3. PROJECT MANAGEMENT/INSTITUTIONAL ARRANGEMENT

The same established structure and staff that were involved for preparation of the Initial National Communication would be used in this project. The intent is to support and promote the country's preparation of measures by forming a base in the priority areas of the National Communications of Azerbaijan.

Project development and management envisage:

- developing mid-and-long range measures and projects directed at energy conservation and energy consumption needs in various branches of economy, including housing;
- forming the management system, beginning with the project formulation and development, and ending with installation; and,
- identifying the role of the private sector in the transfer and acquisition of technology, and revealing the barriers preventing broader participation by the private sector.

Access to information technology will consist of the following:

- access to the information centers and networks at the national/regional level and collaboration with them regarding distribution of information, informational services and acquisition of clean technologies;
- expansion of access to the different types of information, which are not available at the moment. For example, the information on demands concerning development of efficient (from a point of view of investments) projects, productivity data, and information on new technologies; and,
- regulation of collaboration between the region's countries and the donor countries in the field of information exchange on scientific studies and developments, and also forming of a market of environmentally-friendly technologies.

4. MONITORING AND EVALUATION

After elaborating a detailed work-plan, the following steps will be undertaken: external review of the project; review/definition of defects, gaps, and other issues that may impede the project implementation. Furthermore, the review is aimed to define potential partners and sources of information for the project.

Active agencies, in cooperation with the Head Committee of projects, deal with contract implementation. With this purpose, project managers in cooperation with the leaders of research groups will prepare information on project implementation.

TABLE C 2

**ACTIVITY MATRIX FOR PHASE II OF CLIMATE CHANGE ENABLING ACTIVITIES IN
Priority activities for additional (interim) funding**

Activity	Planning and Execution*	Capacity Maintenance/ Enhancement		
		Data Gathering and Research	Institutional Strengthening	Training, Education and Public Awareness
2. A (i) Identification and submission of technology needs	X	X	X	X
2. A. (ii) Capacity building to assess technology needs, modalities to acquire and absorb them, design, evaluate and host projects	X	X	X	X
2. B. Capacity building for participation in systematic observation networks	X	X	X	X
2. C. Preparation of programs to address climate change				

Table D 2

**PROJECT BUDGET ACCORDING TO GEF ACTIVITY NORMS IN US
DOLLARS**

Cost estimates for (interim) priority activities

Activity	Planning and Execution	Capacity Maintenance/ Enhancement			Technical & Administrative Support	Cost Estimates
		Data gathering and research	Institutional strengthening	Training and education and Public Awareness		
2.A (i) Identification and submission of technology needs	12, 000		6, 000	7, 000		\$25,000
2. A (ii) Capacity building to assess technology needs, modalities to acquire and absorb them, design, evaluate and host projects	26, 500		9, 000	12, 500		\$48,000
2. B. Capacity building for participation in systematic observation networks	5, 000		2, 000	5, 000		\$12,000
2. C. Preparation of programs to address climate change						
3. Project management					10, 000	10, 000
4. Monitoring & Evaluation					2, 500	2, 500
Total	43, 500		17, 000	24, 500	12, 500	\$ 97, 500