

FACSIMILE TRANSMISSION



United Nations Development Programme
GLOBAL ENVIRONMENT FACILITY (GEF)



To: Ms. Song Li
GEF

Date: 10 August 1998

Fax: 202-522-3240

Pages: (13 including this sheet)

From: 
Richard Hosier
Principal Technical Adviser
Climate Change

Subject: Revised enabling activity proposals for Cuba

Please find attached the revised enabling activity proposal for Cuba in which we have addressed your comments dated 31 July 1998.

Thank you.

**UNITED NATIONS DEVELOPMENT PROGRAMME
GLOBAL ENVIRONMENT FACILITY**

Proposal for Review

Country: Cuba

Project Title: Enabling Cuba to Prepare its initial National Communication to the UNFCCC

GEF Focal Area: Climate Change

Country Eligibility: Eligible under financial mechanism of the UNFCCC
 Eligible under paragraph 9 (b) of the Instrument

GEF Financing: US \$ 153,500

Government Counterpart Financing: In Kind (US\$200,00)

GEF Implementing Agency: UNDP

Executing Agency: Ministerio de Ciencia, Tecnología y Medio Ambiente
Institute de Meteorology

Local Counterpart Agency: Centro Nacional del Clima

GEF Operational Focal Point: Sr. Humberto Arango
Director
Dirección de Colaboración Internacional
Ministerio de Ciencia, Tecnología y Medio Ambiente

FCCC Focal Point: Sr Luis Paz Castro
Director, Centro Nacional del Clima
Instituto de Meteorología

Project Duration: Eighteen months

Estimated Starting Date: September 1998

BACKGROUND/CONTEXT

Cuba is the largest island in the Caribbean with a land area of 110,860 sq. km and a population of 11,037,600. Cuba is characterized by a tropical climate and seasonally humid, influenced by extratropical systems (cold fronts). The dry season runs from November to April while the rainy season runs from May to October. Droughts are common in Cuba. One of the most important aspects of climate in Cuba is the tropical cyclones activity. About 110 tropical storms and hurricanes have made landfall or crossed near coast of Cuba during this century. This means that about one tropical storm affected Cuba each year and a hurricane strike the territory each two year. Cuba's terrain is mostly flat with an abundance of rolling plains and rugged hills and mountains in the southeast. The point of highest elevation in Cuba is the Pico Turquino 1,974 m.

Economy

Cuba has natural resources including cobalt, nickel, iron, copper, manganese, salt, timber, silica, and petroleum. Cuba's GDP per capita was estimated as US\$1,300 for 1995 with growth at approximately 2.5%. Most of this comes from the services sector. In 1994, GDP composition by sector was agriculture 6.8%, industry 29.4%, and services 63.8%. The main industries are sugar, metals (particularly nickel), tobacco, chemicals, cement, fertilizer, petroleum, food, textiles, paper, wood products, and agricultural machinery. Exports totaled US\$1.5 billion dollars for 1995. Industrial production growth rate was estimated at 6% for 1995. The state retains a primary role in the economy in Cuba. However, the government has undertaken several reforms in recent years designed to stem excess liquidity, raise labor incentives, and increase the availability of food, consumer goods, and services from depressed levels.

Energy

Cuba is largely dependent on external sources for its energy supply. Most of Cuba's energy demand needs to be imported. Cuba produces 12 billion kWh of electricity and consumption per capita is approximately 1,022 kWh (1995).

In 1993, the Cuban Government passed the National Energy Sources Development Programme (NESDP) which has as its main purpose to analyze the efficiency of national energy sources with the aim of reducing dependency on imports. The Cuban government also has developed a National Energy Efficiency Programme which is aimed at reducing energy consumption in the residential and industrial sectors which began in early 1998. Cuba also has an ongoing programme to examine the development of renewable energy sources which includes biomass from the sugar cane industry and nuclear energy.

Industry

The main industrial activities in the country are the production of sugar, the production of nickel and cement, and mining. At the moment, the service and tourism sector of the economy is growing the most rapidly.

Agriculture and Forestry

The main agricultural product of Cuba comes from sugar cane. Other main products include tobacco, citrus fruits, and various types of vegetables. Much of the agriculture production from sugar cane, tobacco, and citrus fruits is exported. Land use patterns are varied (arable land: 21.4%, permanent crops: 20.8%, meadows and pastures: 18.1%, forest and woodland: 24.4%, other: 15.3%). Approximately 7,263 sq. km is irrigated.

Institutional Arrangements Related to the Environment

The protection of the environment and the sustainable use of natural resources has always been a large concern of the Cuban government. In 1992 the modification of Article 27 of the Constitution of the Republic strengthened the idea of the integration of environmental concerns with the process of sustainable economic and social development.

The creation of the Ministry of Science, Technology and Environment in 1994 constituted another important step in the strengthening of institutional capacity to address environmental problems. On 11 July, 1997 the Cuban Parliament improved the new Law of Environment. Chapter seven of this law is dedicated to regulating atmospheric contamination. In article 119, there is specific reference to introducing regulations to introducing regulations for reducing greenhouse gas emissions.

In December, 1996 the National Environment Strategy (NES) for Cuba was approved. The NES identified the main environmental problems of the country and the actions necessary to reduce environmental impacts and encourage the sustainable use of natural resources. At the moment, work is being undertaken in two main areas related to the environment. Firstly, work is going on related to the elaboration of complementary legislation to the Environment Law. Secondly, work is going on related to the elaboration and implementation of a NES for each of the different sectors of the economy.

Cuba places a high priority on the protection of the environment and is party to a number of international environment agreements including, inter alia, the Convention on Biological Diversity, the Law of the Sea, the Montreal Protocol of the Vienna Convention, the United Nations Framework Convention on Climate Change, and the United Nations Convention to Combat Desertification in Countries experiencing Serious Drought and/or Desertification.

Climate Change Related Activities in Cuba

Cuba signed the United Nations Framework Convention on Climate Change in June 1992 during the Earth Summit in Rio and ratified it on January 5, 1994. As a non-Annex I party to the Convention, Cuba is committed to preparing an initial communications. Shortly after ratification, Cuba established a national country team on climate change. In the past, Cuba has not received international assistance for the preparation of its GHG Emissions Inventory or for examining GHG abatement options. The national GHG inventory was begun with funds provided by the Government of Cuba. Its preparation continues using the Revised 1996 IPCC Guidelines for National Greenhouse Gas Inventories. Since October 1996, limited financing from the UNDP/GEF CC:TRAIN project to the value of approximately US\$15,000 has been received for the preparation of the national GHG inventory.

The UNDP/GEF US\$2.7 million dollar CC:TRAIN project (Phase II) is being implemented by UNITAR and includes participation from Bolivia, Ecuador, Paraguay, Peru, and Cuba from the Latin America region. CC:TRAIN is a programme designed to assist developing countries to implement the United Nations Framework Convention on Climate Change (UNFCCC). CC:TRAIN has, since October 1996, been assisting the Government of Cuba with capacity building and training activities related to climate change and the formulation of national implementation strategies (Article 12, UNFCCC) which should enhance the country's capacity to address commitments under the Convention as well as seize opportunities to harmonize climate change considerations with national development goals.

Assistance to the Latin America countries through CC:TRAIN is being provided by Fundacion Futuro Latinoamericano (FFLA). The second phase of CC:TRAIN is expected to finish in October 1999. Cuba is receiving US\$120,425 through CC:TRAIN directly. An additional US\$54,000 is being administered by FFLA for participants travel to regional workshops, logistics for workshops, and consultant fee. The total CC:Train budget for Cuba comes to US\$174,425.

By the time its work is completed, CC:TRAIN aims to have built capacity and awareness in Cuba of the importance and opportunities provided by the UNFCCC, provided the basic tools to undertake a national GHG inventory, vulnerability and adaptation assessment, and mitigation analysis, to have established a country team well-suited to provide a multi-sectional approach to review technical studies and proposals, and assisted with the formulation of a national implementation strategy and planning related to the preparation of the initial communication; and the establishment of a national mechanism for climate change-related project identification, development and coordination. However, on its own CC:TRAIN does not provide a sufficient level of support to enable Cuba to complete its initial national communications.

There is one other ongoing international project related to Climate Change, ongoing in Cuba. The UNEP project entitled "Country Case Study on Climate Change Impacts and Adaptation Assessments in Cuba" began in June 1997 and is expected to finish in late 1998. The counterpart funds supporting this project are part of a contribution from Ministry of Foreign Affairs of the Government of Denmark and from the Government of Switzerland. The UNEP project is examining climate change impacts and adaptation options in the following sectors (freshwater resources, coastal zone and marine resources, agriculture, human health, energy and industry, human settlements and land use change, forests, wildlife and biodiversity, and fisheries). In addition, a number of nationally funded studies on vulnerability and adaptation have been funded by Government of Cuba and implemented by the Institute of Meteorology.

Because of the extensive scope of the UNEP project and national studies related to vulnerability assessment and adaptation options this project will not request any additional resources from GEF in this area. Instead, the project will hold a national workshop on vulnerability assessment and adaptation options to examine both the nationally funded and UNEP studies in order to determine which elements to include in the national communications.

This project request has arisen from discussions between the Ministry of Science, Technology and Environment of Cuba, UNDP, and the GEF Secretariat which have identified the need for additional assistance from GEF, to fill the gaps left from other projects to enable Cuba to complete its initial national communications to the UNFCCC.

PROJECT OBJECTIVES

The immediate objective of the project is to facilitate the preparation of the initial national communications of the Government of Cuba to the Conference of the Parties in accordance with the Article 12 of the UNFCCC, and following the guidelines adopted by the Conference of the Parties for the preparation of initial national communications by Parties not included in Annex I to the Convention.

In addition to meeting the communication obligations, the project will enhance general awareness and knowledge of climate change related issues in Cuba thus enabling Cuba to take those issues into account in general planning and strategy formulation for different economical and technical sectors, and also to strengthen its role in the international scientific forums and negotiation processes related to climate change. A part of this task is to facilitate the dialogue, information exchange and cooperation among all the relevant players in the field including governmental, academic, and "grassroots" sectors.

Last but not least, the project will strengthen an already established institutional framework on climate change, and build capacity preparing the ground for eventual additional communication obligations, and for further development and implementation of the identified response measures addressing climate change and its adverse impacts.

PROJECT DESCRIPTION

During the project preparation the following components have been identified to respond to the objectives of the project, and to implement the project successfully:

1. Organize the work by: (i) identifying a competent Project Coordinator; (ii) confirming the National Country Team for Climate Change as the Project Steering committee and modifying its membership if necessary and (iii) preparing a detailed work plan for the project. Care will be exercised to utilize the same actors and institutions that are participating in the CC:TRAIN and UNEP project's to avoid duplication;
2. Strengthen links to both national and international sources of information, and eventually establish an information center/network with adequate equipment and personnel to facilitate an effective exchange of information between the participating institutions at the national level, as well as to assist them in gaining international available information on climate change related issues (e.g. from bi-lateral programmes, and UNEP, IPCC, CC:TRAIN, international research institutes, ongoing enabling activities in other countries etc.). This activity will also involve the establishment of a national website for Cuba on Climate Change, in collaboration with the CC:INFO/Web initiative of the UNFCCC Secretariat. It is foreseen that the network will continue to operate also after the project, facilitating interested parties in Cuba to learn about other national or international activities, and facilitating interested individuals and institutions outside Cuba to get information on ongoing, planned or finalized climate change related activities in Cuba;
3. This activity will involve concluding the preparation of the National Greenhouse Gas inventory for 1990, and presenting it for review in a National GHG inventory Workshop which will determine which elements to include in the national communication and furthermore guarantee its publication and international distribution. The activity will assist with the creation of permanent capacities in the country that permit to develop periodic updates of the inventory and its interaction with other international and national environment information system;

4. Review the analysis of potential options to abate the increase in greenhouse gas emissions and to enhance removals by sinks in a national workshop which will determine what elements to include in the national communication;
5. Review the work of all other studies and projects which have looked at vulnerability to climate change and climate change impacts in a national workshop on vulnerability assessment and adaptation options which will determine which elements to include in the national communication;
6. Organize an End of Project Workshop with wide local participation and relevant international partner to present the results of the project, together with the final results of other ongoing national projects relevant to the issue (in particular CC:TRAIN), to discuss the results with the objective of formulating a national program for effective response measures to climate change (focusing on "win-win" abatement and adaptation measures);
7. Prepare and finalize a national implementation strategy for effective response measures to climate change including measures to facilitate adaptation to climate change, as well as measures to abate the increase in greenhouse gas emissions and to enhance removals by sinks;
8. Based on the results of the studies, compile and prepare the additional information that the country wants to present in its national communication including, inter alia: a) financial and technological needs and constraints associated with the implementation of the Convention under article 4 and 12; b) projects for financing; and c) material relevant for calculation of global emission trends; and
9. Using the outputs of this project as well as results of other ongoing projects, prepare, translate (as appropriate), publish and submit the initial national communication of Cuba following the guidelines adopted by the Conference of the Parties.

INSTITUTIONAL FRAMEWORK AND PROJECT IMPLEMENTATION

The Executing Agency of the project will be the Institute of Meteorology of Cuba within the Ministry of Science, Technology and Environment. The Project Steering Committee will be as follows:

- Ministry of Science, Technology and Environment
- Ministry of Economy and Planning
- Ministry of Agriculture
- Ministry of Basic Industry (Energy, Mining and Chemical)
- Ministry of External Relations
- The Centre for Investigation of the World Economy
- The Centre for Investigation of Transport
- Pro-Naturaleza (NGO)

One of the initial activities of this project will be to confirm the Project Steering Committee for the project and modify its membership, as necessary.

Working links with relevant regional and international expert institutions will be created, and they will be consulted when selecting the methodologies for, and implementing the specific activities of the project. In particular, the project will work closely with the CC-TRAIN project, which is already began implementation in Cuba in October, 1996. Links with other countries in the region with ongoing or finalized enabling activities, or ones just being started will be created and areas for collaboration such as regional training or information exchange workshops will be identified.

The activities will be carried out in sequence so those tasks building on the results of prior activities are only undertaken if these prior steps have been taken. For instance, the GHG abatement analysis will build on the results of the inventory, and the adaptation analysis will build on the results of the vulnerability assessment. Based on the results of the studies, a national implementation strategy for effective response measures to climate change will be formulated. In implementing the different activities, the project will follow the internationally adopted guidelines and use the existing methodologies and tools whenever available. Technical assistance will be provided by regional and local experts whenever possible.

The detailed content and target audience for the workshops will be determined during the further preparation of the project. However, a general strategy is to open the "policy oriented" workshops for a broader audience including both policy makers and technical experts from the governmental as well as from the independent sector while targeting the technical training/coordination workshops more for the people who are actually conducting the studies or which need to be involved as providers of the data for the studies. The main purpose of the workshops will be to review the body of ongoing work and studies and determine which elements to include in the national communications.

Monitoring and evaluation

After the detailed work plan has been prepared, an external review of it will be undertaken. The purpose of the review is to identify in the early stage of the project the eventual gaps, overlaps and other risks to successful implementation, as well as to identify potential partners and sources of information of which the project could benefit.

The Executing Agency and the National Country Team for climate change will be responsible for monitoring the project on a continuous basis. In order to do this, the Project Coordinator, with the help of the leaders of the research teams, will prepare regular reports on the progress of the project as whole and the different sub-tasks under it.

For the remaining part, the project will rely on common UNDP monitoring and evaluation practices including a midterm evaluation and a tripartite review to be held within the first 12 months of the start of the full implementation of the project.

PROJECT FINANCING AND BUDGET

As an enabling activity related to the communication obligations of Cuba, under the UNFCCC, the "agreed full costs" of the project will be funded by GEF. The Government of Cuba is requesting from the GEF US\$153,500 in order to complete its initial national communications to the UNFCCC. This figure is consistent with the GEF cost norms for climate change enabling activities taking into account other climate change activities which are being undertaken by the CC:TRAIN project in Cuba related to training and capacity building and the UNEP project for on climate change impacts and adaptation assessments. An in kind contribution equal to US\$200,000 is being provided by the Government of Cuba. A detailed GEF project budget for expedited processing of the proposal is presented in Annex II.

ANNEX I ANNEX I ANNEX I ANNEX I
COVERAGE OF THE ACTIVITIES IN CUBA TO PREPARE
THE INITIAL NATIONAL COMMUNICATION

Information to be included into the national communication	Enabling activity to produce the information needed	Type of Activity ^Y		
		Planning ^I and execution	Capacity Building	
			Institutional	Human
1. National circumstances	Compilation of the information from existing sources	-	-	-
2. Greenhouse gas inventory (incl. CO₂, CH₄ and N₂O) for: - all energy sources - industrial processes - agricultural processes - land use change and forestry - other sources	Data gathering and inventory of GHG emissions from: - all energy sources - industrial processes - agricultural processes - land use change and forestry - other sources	X/CCT	CCT	CCT
3. General description of steps taken or envisaged to implement the Convention including, as appropriate: (a) programs related to sustainable development, research, public awareness, etc (b) policy options for monitoring systems and response strategies for impacts (c) policy frameworks for implementing adaptation measures and response strategies	An analysis of potential options to abate the increase in GHG emissions and enhance the sinks.	X/CCT	CCT	CCT
	An analysis of potential options to adapt to the impacts of climate change.	UNEP/CCT	UNEP/CCT	UNEP/CCT
d) building capacity to integrate climate change concerns into planning.	An assessment of potential impacts of climate change in the country	UNEP/CCT	UNEP/CCT	UNEP/CCT
e) programs to address climate change and its adverse impacts, including the abatement of increase in GHG emissions and enhancement of sinks	Formulation of programs and policy frameworks for implementing the identified response measures.	X/CCT	CCT	CCT
4. Other information including, as appropriate: a) Financial and technological needs and constraints associated with the implementation of the Convention under articles 4 and 12. b) projects for financing c) material relevant for calculation of global emission trends	Based on the results of the studies compilation and preparation of the additional information that the country wants to present in its national communication	X	X	X
5. Compilation and production of the initial national communication	Preparation, translation (as appropriate), and publication of the national communication (incl. the preparation of an exec. summary)	X	X	X

³ including data gathering and research related to the preparation of the national communication

ANNEX II

BUDGET FOR EXPEDITED PROCESSING OF THE ENABLING ACTIVITY PROPOSAL FOR PREPARING THE INITIAL NATIONAL COMMUNICATION OF CUBA

Information to be included into the national communication	Enabling activity to produce the information needed	Type of Activity			Total Costs in US \$
		Planning and execution	Capacity Building		
			Inst.	Training	
1. National circumstances	Compilation of the information from existing sources	-	-	-	-
2. Greenhouse gas inventory	Data gathering and an inventory of GHG emissions	36,000	-	-	36,000
3. General description of steps	An analysis of potential options to abate the increase in GHG emissions and enhance the sinks.	24,000	-	-	24,000
(a) programs related to sustainable development, research, public awareness, etc.;	An assessment of potential impacts of climate change in the country	-	-	-	-
(b) policy options for monitoring systems and response strategies for impacts					
(c) policy frameworks for implementing adaptation measures and response strategies					
(d) building capacity to integrate climate change concerns into planning;	An analysis of potential options to adapt to the impacts of climate change.	-	-	-	-
(e) programs to address climate change and its adverse impacts, including abatement of increase in GHG emissions and enhancement of sinks	Formulation of programs and policy frameworks for implementing the identified response measures.	25,000	-	-	25,000
Project Management		22,000	16,000	16,000	54,000
Monitoring/Evaluation		10,000	-	-	10,000
Subtotal		117,000	16,000	16,000	149,000
Project support services (3%)		3,500	500	500	4,500
GRAND TOTAL		120,500	16,500	16,500	153,500

MINISTERIO DE CIENCIA, TECNOLOGÍA Y MEDIO AMBIENTE
Dirección de Colaboración Internacional



FAXED
DATE: 29/5/98

Ciudad de la Habana, 26 de mayo de 1998

Sr. Ariel François
Representante Residente
PNUD

Asunto: Proyecto de Habilitación en Cambio Climático

Estimado Sr. François:

Adjunto envío la versión definitiva del proyecto titulado "Enabling Cuba to prepare its initial National Communication to the UNFCCC", la cual ha sido revisada cuidadosamente a fin de precisar las informaciones y datos que en ella aparecen.

En nuestra calidad de Punto Focal Nacional para la atención del GEF, le remito el proyecto antes mencionado y le solicito su cooperación para hacer llegar el mismo al Sr. Rafael Asenjo, Coordinador Ejecutivo de la Oficina GEF/PNUD en Nueva York.

Atentamente,


Humberto Arango
Director



cc. Rafael Asenjo, Coordinador Ejecutivo. GEF/PNUD, Nueva York
Pedro Morales, Director Países Desarrollados, MINVEC

22/07 '98 09:56 FAX 537 241516

UNDEVPRO

002

**MINISTERIO PARA LA INVERSION EXTRANJERA
Y LA COLABORACION ECONOMICA**

**DIRECCION ORGANISMOS ECONOMICOS
INTERNACIONALES**

AVE PRIMERA N° 1803 ESQ. 18, MIRAMAR
TELEFONO (077) 22-0218, FAX (077) 24-3123

El Director

DOEI: 1892

Ciudad de la Habana,
20 de julio de 1998

RECEIVED	21 JUL 1998
REGISTRATION NO.	03031
FILE	Formulation
ACTION	SECRET
SECURITY	
INFORMATION	
BRING UP	
FILING	
ACTION CONTROL	

Sr. Ariel François
Representante Residente del PNUD
La Habana

AST: INICIATIVA PNUD/FMAM EN CAMBIO CLIMATICO.

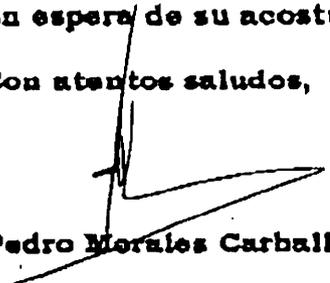
Estimado señor François:

En relación con el asunto del título me refiero a la propuesta de proyecto, "Enabling Cuba to prepare its initial National Communication to the UNFCCC", que le fuera presentado por el CITMA.

Al respecto, me es grato comunicarle que estamos de acuerdo con que el antes mencionado proyecto sea presentado al FMAM (GEF).

En espera de su acostumbrada atención.

Con atentos saludos,


Pedro Morales Carballo