



United Nations Development Programme

GLOBAL ENVIRONMENT FACILITY (GEF)



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Pages: 12 (including this page)

From: Richard Hosier
UNDP-GEF

Subject: **Submission of Climate Change Enabling Activity (additional financing for capacity building in priority areas) for Ecuador - revised**

We are pleased to submit for your consideration the revised proposal for Climate Change Enabling Activity (additional financing for capacity building in priority areas) for Ecuador.

To facilitate your review, each of the following comments have been addressed as outlined below:

1. In general, the proposal does not establish linkages with the outputs and experience of the first EA. E.g., it says the "technology transfer topic in the Climate Change context in Ecuador is practically unknown" whereas this subject was (or should have been) addressed in the first EA.

As clarified on page 2, in Phase I only an initial assessment was made of technology needs related to climate change in Ecuador. To further develop and refine this work it is proposed that the project team, involving all relevant Institutional Working Groups and other stakeholders, will conduct the activities listed under Section 2.

2. The last bullet in the section on capacity building to assess technology needs is out of place as it addresses a different audience from the other parts of the section.

This activity has been clarified to read that the document "National Priorities in Technology Transfer in the Context of Climate Change: Project Profiles" will be presented to key institutions through a workshop.

3. In the second bullet in section C. it is not clear what the "definition of emission factors..." might mean and may please be clarified.

As stated on page 5, the emission factors used for the LULUCF and Energy modules in the GHG inventory requires a detailed analysis to update them to the actual conditions of the country. Through the establishment and operation of a specialized working group, this analysis will result in the preparation of emission factors specific to Ecuador. As final result of this activity, specific emission factors for LULUCF and energy modules will be obtained for Ecuador.

4. The FCCC Secretariat points out that Ecuador submitted its first national communication on November 15, 2000, and not November 9 as the proposal states.

This date has been corrected in the first paragraph on page 2 of the proposal.

Please contact us if your require any additional explanation. We look forward to receiving CEO approval very soon.

Thank you.



Quito, 14 de febrero del 2001
Oficio MA-DAI No. 242-01

Señores
NC Phase II submissions
Climate Change Enabling Activities
New York

Por la presente me complace en expresar el respaldo del Ministerio del Ambiente en su calidad de Punto Focal del GEF y Presidente del Comité Nacional sobre el Clima, a la propuesta adjunta "Ecuador Climate Change Enabling Activity. Phase II".

De acuerdo a las directrices del GEF para la Fase II y las prioridades nacionales, el Gobierno del Ecuador espera que el proyecto se inicie el 1 de abril del presente año, contando con la estructura institucional y de personal que coordinó la preparación de la Comunicación Nacional ante la Convención Marco de las Naciones Unidas sobre Cambio Climático.

Aprovecho la ocasión para reiterarle mis sentimientos de consideración y estima

Atentamente,

ROGELIO RENDON
Ministro del Ambiente

**UNITED NATIONS DEVELOPMENT PROGRAMME
GLOBAL ENVIRONMENT FACILITY**

*Proposal for Review -
Expedited Financing for (Interim) Measures for
Capacity Building in Priority Areas Part II*

Country: Ecuador

Project Title: Ecuador: Climate Change Enabling Activity (additional financing for capacity building in priority areas)

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: 23 February 1993

GEF Financing (Phase I): US\$ 220,000
GEF Additional Financing (Phase II): US\$ 100,000
Total Costs: US\$ 320,000

GEF Implementing Agency: UNDP

Executing Agency: National Climate Committee – Ministry of Environment

Local Counterpart Agency: Ministry of Environment – Basic Group

Date of Initial National Communication Submission: November 2000

Estimated Starting Date: April 2001

Project Duration: 1 year

1. CURRENT PROJECT STATUS

Ecuador ratified the United Nations Framework Climate Change Convention (UNFCCC) in 1993 and presented its First National Communication on November 15, 2000, during the Sixth Conference of the Parties (COP6).

The National Communication was the result of the first phase of the GEF-UNDP Climate Change project executed in Ecuador (ECU/99/G31/A/G/99), under the leadership and responsibility of the Ministry of Environment, as the President of the Climate National Committee, and of the direct participation of National and Regional executing entities for different sectorial studies. It supported 18 studies about Climate Change, which were developed with international support, as well as in some additional related studies.

The National Communication was released in the middle of February, and the English version is being translated, and soon it will be printed. In March 2001 the diffusion of the results from the Phase I of the Project in Ecuador will take place. This phase will end on March 31, 2001.

The results and the experience acquired in Phase I allow to define, for Phase II, the topics of interest for the country's sustainable development, including relevant issues that have not yet been considered. These topics are related to technology transfer, climate observation systems and emission factors in the energy and forestry sectors. In this way, this project will help to guarantee the continuity of the processes already initiated during the execution of previous projects, given that the Phase I Climate Change project is concluding.

By undertaking the GEF/UNDP Ecuador Climate Change Enabling Activity Part II, Ecuador is aware that it must wait both for the future decisions of the Conference of the Parties regarding the preparation of the Second National Communication and for the GEF guidelines to operationalize those decisions.

The Implementing Agency and the GEF focal point of Ecuador have satisfied themselves that the proposal for additional funding complies with the Operational Criteria for the expedited financing of climate change enabling activities.

2. ACTIVITIES TO BE INVOLVED IN PHASE II PROJECT

The National Communication Support Programme (NCSP) is currently developing regional/global proposals in several areas of work that might have implications for the national activities described in this project. Implementation of the project will be carried out in close co-ordination with the NCSP to ensure that areas of synergy will be identified where possible, and to avoid duplication for cost effectiveness. The country will be informed of the proposed NCSP activities as soon as they are underway.

A *TECHNOLOGY TRANSFER*

In Phase I, only an initial assessment was made of technology needs related to climate change in Ecuador. To further develop and refine this work it is proposed that the project team, involving all relevant Institutional Working Groups and other stakeholders, will conduct the activities listed below.

The actions involved in the identification of technology transfer needs and in the capacity building processes are closely related. The identification of the technology needs is going to be supported through a national diagnostic that will identify the real situation of the country, as well as provide training to personnel in key institutions. The project profiles will be proposed for the trained personnel according with the defined technology needs.

(i) IDENTIFICATION/SUBMISSION OF TECHNOLOGY NEEDS

Within this section, two main issues will be addressed: (a) the analysis and implementation of technology transfer for adaptation and abatement; and (b) definition of national priorities for abatement and adaptation.

(a) Analysis and implementation of climate change technology transfer for adaptation and abatement and related areas

The following activities will be conducted:

- Selection of non-governmental organization (NGO) to prepare the analysis, using previously established reference terms;
- Preparation of the analysis that includes
 - Ø The identification of
 - Key public and private stakeholders. This activity will serve as input for the Activities A (i) and A (ii);
 - Centers and institutions which are related to Technology Transfer;
 - Investigations centers;
 - Academic Educational Centers and educational programs. This action will support the selection of the center that will offer the training identified in Activity A (ii);
 - Centers and information networks in the national, regional and international level;
 - National and International market for abatement and adaptation technology;
 - Existing technologies in the abatement and adaptation areas;
 - Existent legislation; and,
 - The government's priorities as regards technology transfer in general.
 - Ø Consultation and discussion tables during the preparation of the analysis; and,
- Diffusion and discussion of the analysis, by means of work and consultations, with the identified key stakeholders.

(b) Definition of the national priorities in technology transfer in the abatement and adaptation

This activity will be carried out under the responsibility of the Clean Production Unit of the Ministry of Environment, in coordination with the coordinator of the project.

The definition of priorities will be carried out:

- By conducting an analysis, especially as it relates to the existing legislation and the government's priorities identified through Activity A (ia); and,
- Through the trained personnel of key institutions.

The following actions will be carried out:

- Preparation of a first proposal of national priorities, elaborated by the Clean Production Unit, in consultation and coordination with key stakeholders identified through Activity (ia);
- Discussion and analysis of the proposal with the key stakeholders. A second version of the proposal of national priorities will then be prepared;
- Presentation of the proposal in 1-2 national workshops to allow for additional analysis and discussion;
- The proposal, including inputs from the workshops, will be presented to the National Climate Committee (NCC) for consideration; and,
- The proposal approved by the NCC will serve as sustenance for the preparation of the project profiles in Activity (ii).

(ii) CAPACITY BUILDING TO ASSESS TECHNOLOGY NEEDS, MODALITIES TO ACQUIRE AND ABSORB THEM, DESIGN, EVALUATE AND HOST PROJECTS

With the support of the information generated during the analysis, especially that related to the key stakeholders and national priorities, the following activities will be conducted:

- Selection of the educational center responsible for the training module design and execution. The training module should consider the real situation of the country, the Climate Change Technology Transfer framework, the existing market in the country, and the priorities and the results stated in the First National Communication;
- Ensure the participation of the key institutions in the process, through the supply of the related information, peer-to-peer approaches, and involvement in a short duration workshop;
- Training of 50-75 key institution personnel, through two or three training workshops in technology needs assessment, to be conducted in different regions of the country;
- Preparation of project profiles sustained in the national priorities defined in Activity (ib). The objective will be to outline concrete proposals to implement the national priorities in technology transfer;
- The Unit of Clean Production will coordinate the preparation of the project profiles with the key institution trained personnel's participation;
- Preparation and printing of document "National Priorities in Technology Transfer in the Context of Climate Change: Project Profiles"; and,
- Diffusion of the printed document, its presentation to 160 - 240 delegates of key public and private institutions, and through the execution of 2-3 regional workshops, among other means.

B. CAPACITY BUILDING FOR PARTICIPATION IN SYSTEMATIC OBSERVATION NETWORKS

Activities related to capacity building for participation in systematic observation networks will be undertaken as described in the section below. If Ecuador participates in a regional project systematic observation networks, then the activities described under this section may be modified to be consistent with the regional project. In that case, a budget revision will be prepared along with a description of additional activities eligible under Expedited Financing for (Interim) Measures for Capacity Building in Priority Areas with the reallocated funds (US\$ 24,000) that will be submitted to UNDP-GEF for review and approval.

Ecuador's climate observation networks are concentrated mainly in the National Institute of Meteorology and Hydrology (Instituto Nacional de Meteorología e Hidrología - INAMHI) and in other regional institutions with their own specific goals. Closure of certain public organizations that managed station networks, as well as lack of resources for the substitution of obsolete instruments and/or need of state-of-art technology, are some factors leading to lack of awareness of the real situation of this sector.

For several reasons, Ecuador has not been able to integrate and participate in most of the world climate observation systems existing in the framework of the World Meteorological Organization (WMO) and another global entities. These reasons must be analyzed and appropriate solutions must be developed, in order to allow and to enhance national participation in the global efforts of the world climate vigilance.

This module covers the following activities:

- Analysis of all climate observation networks in the country, in terms of number and type of stations, equipment quality and life span, geographical allocation, ownership and management, system for recompilation, processing and diffusion of data and information;
- Definition of the national options for participation in regional and world climate observation systems, by an assessment of those systems, the range of actual national participation and international cooperation options;
- Definition of a minimal network for climatic change detection, based, inter alia, on an updated analysis of precipitation and temperature scenarios;
- Identification and assessment based on the prior analysis, of present and future national requirements in the context of climate variability and change; and,
- Development of a national monitoring plan for climate change and participation in regional and world climate observation systems.

C. STUDIES LEADING TO THE PREPARATION OF NATIONAL PROGRAMS TO ADDRESS CLIMATE CHANGE IMPROVEMENT OF EMISSION FACTORS

The National GHG Inventories for 1990 and 1994 show that the national Energy and LULUCF sectors are the main sources for GHG emissions in Ecuador. There is a need for a detailed review of the emission factors used in the national inventory and, if needed, their adaptation to the current reality of Ecuador.

The Phase II project will cover two central activities:

- Analysis of the emission factors used in the inventories, including a review of experiences in other countries with similar characteristics; and,
- The emission factors used for the LULUCF and Energy modules in the GHG inventory requires a detailed analysis to update them to the actual conditions of the country. Through the establishment and operation of a specialized working group, this analysis will result in the preparation of emission factors specific to Ecuador. As final result of this activity, specific emission factors for LULUCF and energy modules will be obtained for Ecuador.

This module will have an important technical support of the Latin-American Energy Organization (OLADE), especially for the work in the Energy sector. The contribution of OLADE will consist basically of providing advice on the definition of the reach and context of the activities to be carried out, as well as during the execution of the work plan. The first step will be a special workshop organized with OLADE, in order to agree on the work program and its execution schedule. This support will be similar to the one carried out during the Phase I of the project.

3. PROJECT MANAGEMENT AND INSTITUTIONAL ARRANGEMENTS

As defined by the national requirements and the GEF guidelines for Phase II, the same institutional structure and personnel that coordinated the preparation of the National Communication will be maintained:

- The director level, under the responsibility of the National Committee for Climate (Comité Nacional del Clima - NCC), is represented by the Ministry for Environment;
- The coordination level is managed by the Ministry for Environment and the INAMHI, as they are Chair and Permanent Technical Secretary of the NCC; and,
- The executive level is formed by the present Basic Group and the Institutional Working Groups.

The Basic Group will be the same as that which coordinated the national communication. The Institutional Working Groups will be formed by:

- Technology Transfer: Environmental Quality Unit – Clean Production (Unidad de Calidad Ambiental / Producción Limpia) of the Ministry for Environment, and a university or educational center for the capacity building component and a NGO for the analysis component, both to be defined. Other institutions will be included during the process;
- Systematic observation networks: different units of the INAMHI, with support of the Ecuador's Central University; and,
- Emission Factors: Planning Unit of the Ministry for Energy and Coals and Climate Change Unit (LULUCF staff) of the Ministry for Environment. This module will be technically supported by OLADE.

This proposal has been discussed and agreed on with the different institutions that will form the Working Groups.

4. MONITORING AND EVALUATION

According to the institutional structure, the NCC's chairman and the Permanent Technical Secretary will be responsible for monitoring the project on a continuous basis. In order to do so, the project coordinator, will prepare progress reports of the project.

Additionally, an external review will be undertaken by an expert with experience en these types of projects. The purpose of the review is to identify in the early stages of the projects the potential gaps, overlaps and others risks of successful implementation. A tri-partite review will be undertaken at the end of Phase II.

Prior to the release of GEF additional financing by the GEF Implementing Agency for Phase II activities, standard UNDP monitoring and evaluation practices will be followed for Phase I. In particular, the UNDP will receive a copy of the latest (i.e., within the past six months) Annual Program / Report (APR) the Tripartite Review (TPR) Report. At the end of Phase II, a Terminal Report on Phase II will submitted to the UNDP Headquarters.

TABLE C 2

**ACTIVITY MATRIX FOR PHASE II OF CLIMATE CHANGE ENABLING ACTIVITIES:
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	X	X	X	X

Table D 2

PROJECT BUDGET ACCORDING TO GEF ACTIVITY NORMS IN US DOLLARS

<i>Activity</i>	Planning and Execution	Capacity Maintenance/ Enhancement			Technical and Administrative Support	Cost Estimates
		Data Gathering and Research	Institutional Strengthening	Training, Education and Public Awareness		
2.A (i) Identification and submission of technology needs	5,000	3,000	2,500	4,500	1,000	16,000
2. A (ii) Capacity building to assess technology needs, modalities to acquire and absorb them, design, evaluate and host projects	11,000	4,000	7,000	10,000	2,000	34,000
2. B. Capacity building for participation in systematic observation networks	8,000	3,000	7,000	3,000	3,000	24,000
2. C. Preparation of programs to address climate change	5,000	3,000	3,000	2,000	1,000	14,000
3. Project management	2,000	3,000	3,000	1,000	1,000	10,000
4. Monitoring & Evaluation	2,000					2,000
Total	33,000	16,000	22,500	20,500	8,000	100,000