



REQUEST FOR PROJECT PREPARATION GRANT (PPG)

PROJECT TYPE: Full –sized Project
THE GEF TRUST FUND

Submission date: 5 November 2009
Re-submission date: 8 December 2009

GEFSEC PROJECT ID¹: 4166

GEF AGENCY PROJECT ID: 4326

COUNTRY(IES): Kazakhstan

PROJECT TITLE: Promotion of Energy Efficient Lighting in Kazakhstan

GEF AGENCY(IES): UNDP

OTHER EXECUTING PARTNER(S): Ministry of Environmental Protection of Kazakhstan, Ministry of Energy and Mineral Resources, Agency for Construction and Housing

GEF FOCAL AREA(S): Climate Change

GEF-4 STRATEGIC PROGRAM(S): 1 Promoting energy efficient technologies and practices in the appliance and building sectors

NAME OF PARENT/PROGRAM/UMBRELLA PROJECT: UNEP/UNDP “Global Market Transformation for Efficient Lighting”

A. PROJECT PREPARATION TIMEFRAME

Start date	January 2010
Completion date	December 2010

B. PROJECT PREPARATION ACTIVITIES (\$)

Describe the PPG activities: Preparing and detailing a market transformation project for efficient residential and public lighting in Kazakhstan, including the supply and demand sides of the market and working closely with national and municipal authorities, retailers and other market parties.

1. Collection of additional data

Baseline and market structure data has been collected during the preparation of the PIF, but additional data is needed for a careful planning of the full project and accurate estimation of baseline and project GHG emissions. This will be collected during the PPG

1.1 Production capacities and supply characteristics

Detailed information will be collected about current market volume, i.e. import volumes of lighting products in Kazakhstan and the characteristics of the products that are currently being used. Data will be collected about main importers and assemblers of equipment. This will primarily take place via an analysis of sales statistics and enquiries with supply chain parties.

1.2 EE lighting equipment sales and availability

Detailed baseline data about the sales of lighting equipment (volume, types and characteristics of products, prices, availability) in various retail and distribution channels will be collected, to build an accurate overview of the current market. This will be done by means of an analysis of sales statistics and enquiries with major suppliers, wholesale distributors and retailers of lighting equipment.

¹ Project ID number will be assigned initially by GEFSEC. If PIF has been submitted earlier, use the same ID number as PIF.

1.3. GHG emissions from lighting sector under baseline scenario

2. Stakeholder consultation

Stakeholders have been consulted in preparation of the PIF of this project. More detailed consultations, focusing on details of the project and the roles and contributions of the various stakeholders, will take place during the PPG. National and municipal authorities related to this project will be consulted on the detailed objectives of and arrangements for this project. These discussions will be facilitated through bilateral consultations with the relevant parties and workshops at the national and municipal levels.

2.1 Consultations with government and institutional stakeholders

National and provincial governments related to this project will be consulted to discuss their views on the detailed objectives of and arrangements for this project, to assess whether their involvement in its execution can be enlarged, to secure their commitment to critical outputs and to agree on the activities these government units will undertake as a part of the project. These discussions will be facilitated through bilateral consultations with the relevant parties and workshops at the national and regional levels.

2.2 Consultations with market parties and NGOs

Some market parties were consulted during the preparation of the PIF, but further consultations with additional stakeholders are needed to detail the cooperation with manufacturers and other suppliers, distributors and retailers of lighting equipment as well as to coordinate arrangements for pilot projects, supply-chain initiatives and marketing of EE lighting. This will also take place via bilateral meetings with the major parties and their associations, and workshops at the national and regional levels.

3. Design of pilot/demonstration projects

As part of the project, various municipalities and market parties will invest in pilot projects to demonstrate the benefits of EE lighting and to take the first steps in the transformation of the lighting market. These investments need to be detailed and coordinated with other project activities, UNDP CO programme in order to maximise the marketing value of the pilots and to make sure that other marketing efforts are well synchronized with the realisation of the pilots (and their different parts). During PPG a detailed feasibility study and investment plan for a pilot public building and street lighting projects in various provincial cities will be prepared specifying the timing of investments, the type of buildings where the investments will take place, the types of equipment to be used, the monitoring of impacts and the demonstration and outreach programme to communicate the benefits and scale-up the programme to other municipalities.

3.1 Detailed investment plans for public buildings

The investments of the municipal governments in efficient lighting will be presented in a detailed investment plan, specifying the timing of investments, the buildings where the investments will take place, the types of equipment to be used, the monitoring of impacts and the demonstration and outreach programme to communicate the benefits. This project planning will be done in close cooperation with the local authorities.

3.2 Detailed investment plans for street lighting

As above and applied for the planned pilot projects on street lighting in small towns.

4. Design supply-chain initiatives

Some market parties were consulted during the preparation of the PIF, but further consultations with additional stakeholders are needed to detail the cooperation with importers and suppliers, assess their capacity gaps and coordinate arrangements for pilot projects, supply-chain initiatives and marketing of EE lighting. This will also take place via bilateral meetings with the major

parties, private sector association, and workshops at the national and municipal levels.

5. Project strategy and implementation detailing

Based on the activities described above, the detailed planning of the full project will be completed. Collaboration with the GEF global lighting project will be ensured in particular when designing project strategies and defining scope and activities for two projects. The PPG activities will include further study and information collection on:

- the existing policy framework and required additions;
- a detailed overview of existing and necessary legislative and standardisation regulations;
- the market structure, sales characteristics, and barriers emerging from this;
- national and global environmental benefits sought;
- social, economic and financial sustainability of proposed project activities;
- a set of viable outcomes, outputs and activities that constitute the most cost effective response to the identified barriers;
- costing of expected project outcomes and outputs, co-financing sources and co-financing commitments in compliance with the GEF incrementality principle;
- a monitoring and evaluation plan, including a set of impact indicators to track the project's progress and effectiveness, baseline and target values on indicators;
- a cost-effectiveness analysis.

List project preparation activities	GEF Grant	Co-financing	Total
Collecting additional data about the market structure, production, imports, distribution, sales and demand for efficient lighting technologies, and GHG emissions under baseline	22,000	20,000	42,000
Consulting with public and private sector stakeholders about the regulatory, technical and marketing activities	8,000	20,000	28,000
Detail design of the EE lighting pilot/demonstration projects in public buildings and street lighting	25,000	15,000	40,000
Design supply-chain initiatives	15,000	25,000	40,000
Detailing final project design, estimation of project GHG emission reduction, implementation arrangements and M&E plan		10,000	10,000
Total project preparation financing	70,000	90,000	160,000

The Provincial Governments, UNDP CO and national governmental agencies have all pledged their commitment to this project and their willingness to co-finance this. No PPG management costs will be financed from the GEF grant

C. PPG BUDGET REQUESTING FINANCE BY GEF

Cost Items	Total Estimated Person Weeks (PW)	GEF (\$)	Co-financing (\$)	Total (\$)
Local consultants *	43 (GEF only)	21,500	70,000	91,500
International consultants*	15	45,000	0	45,000
Travel		3,500	20,000	23,500
Total PPG Budget		70,000	90,000	160,000

* Split between local and international consultants might be indicative and subject to the procurement guidelines of the Agencies. Additional information regarding consultants should be provided in Annex A.

D. GEF AGENCY(IES) CERTIFICATION

A. RECORD OF ENDORSEMENT OF GEF OPERATIONAL FOCAL POINT (S) ON BEHALF OF THE GOVERNMENT(S): (Please attach the [country endorsement letter\(s\)](#) or [regional endorsement letter\(s\)](#) with this template).

Eldana Sadvakassova GEF Operational Pocal Point Deputy Minister of Environmental Protection	Date: 11 August 2009
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B. GEF AGENCY(IES) CERTIFICATION

This request has been prepared in accordance with GEF policies and procedures and meets the GEF criteria for project identification and preparation.

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Annex A

Consultants Financed by the Project Preparation Grant (PPG)

Position Titles	\$/ Person Week	Estimated PWs	Tasks to be performed
Local			
Senior EE lighting expert	500	20	<ul style="list-style-type: none"> - Conduct analysis of CO2 emission from lighting sector and assess factors contributing to lighting energy efficiency. Collect data on CO2 emissions from lighting sector in the pilot municipalities and corresponding emission reduction potential by sources and sectors for preparation of incremental costs analysis. - Provide detailed analysis of barriers to improved lighting energy efficiency in residential and public buildings. Assess risks to the project and propose risk mitigation strategy. Compile baseline data and recommendations delivered by other local consultants. - Collect and compile information on baseline and sustainable baseline activities including planned government funding, parallel projects and private investments. Based on that develop a co-financing framework. - Work with international consultant and advisors and develop recommendations for the project scope, strategy and design. - Conduct stakeholder analysis and consultations, for governmental and private sector stakeholders and NGOs, about regulatory, technical and marketing activities - Prepare stakeholder analysis matrix listing stakeholders' attitude towards the project and possible involvement /contribution to project activities
Lighting market expert	500	7	<ul style="list-style-type: none"> - Lead data collection on market structure, imports, distribution, sales and demand for efficient lighting technologies - Provide expertise on the modeling of sales and markets, to generate accurate baseline, targets and impacts estimations - Consult with major importers, wholesalers and retailers - Establish baseline scenario - Provide ad-hoc support to other parts of the PPG
Waste management and disposal expert (for mercury disposal)	500	2	<ul style="list-style-type: none"> -Describe and assess existing institutional and policy framework for collection and disposal of hazardous wastes -Identify policy, regulatory and capacity barriers and working out recommendations for collection and

			disposal channels of mercury contained in ESL products
Institutional, policy and awareness expert	500	4	<ul style="list-style-type: none"> - Describe and assess existing institutional and policy framework for energy efficient lighting, - Identify institutional, regulatory and capacity barriers and recommendations for regulatory actions and institutional capacity building activities to foster efficient lighting penetration -Review existing educational programmes and institutions and training centers for students, professionals and consumers on EEL -Design EEL awareness raising and promotion events - Ad-hoc support to other parts of the project
Pilot project design expert	500	10	<ul style="list-style-type: none"> - Detail design of the pilot/demo projects, including timing, equipment, resource planning, monitoring and outreach / communications plan
<i>International</i>			
EE Lighting technology expert	3000	3	<ul style="list-style-type: none"> - Provide expertise on efficient lighting technologies and manufacturing technologies
EE lighting policy expert	3000	12	<ul style="list-style-type: none"> - Provide expertise on the international best practices and lessons learnt in the design and implementation of EE lighting policies and programmes - Provide expertise regarding adequate policy frameworks, legislation and standards - Assist in the preparation of project's logical framework and M&E plan with a set of measurable impact and progress indicators. - Review baseline and barrier information delivered by the local experts. - Assist local project team to define project scope and provide recommendations on the suggested project strategy and design. - Assess sustainability of suggested project outcomes and outputs. - build linkages with UNDP/UNEP Global Market Transformation Initiative