

FACSIMILE TRANSMISSION



United Nations Development Programme
GLOBAL ENVIRONMENT FACILITY (GEF)



To: Mr. Kenneth King
Assistant Chief Executive Officer
GEF Secretariat

Date: 15 April 1998

Mr. Lars Vidaeus, Chief
Global Environment Div.
World Bank

Mr. Ahmed Djoghla
GEF Executive Coordinator
UNEP, Nairobi, Kenya

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Pages: (32 including this sheet)

From: 
Rafael Asenjo
Executive Coordinator

Subject: **PDF Block A Funding - Guatemala: Renewable Energies Promoting Small Enterprise Development in Former Areas of Conflict; Russia: Integrated Conservation of Wetland Biodiversity in Lower Volga; Philippines: Conservation of the Tubbataha Reef National Marine Park**

Please find attached for your review three PDF Block "A" requests for funding entitled:

- **Guatemala: Renewable Energies Promoting Small Enterprise Development in Former Areas of Conflict;**
- **Russia: Integrated Conservation of Wetland Biodiversity in Lower Volga;**
- **Philippines: Conservation of the Tubbataha Reef National Marine Park;**
- **Kazakhstan: Removing Barriers to Increased Energy Efficiency of Hot Water and Heat Supply and Use in Kazakhstan**

We would appreciate receiving your comments no later than c.o.b. on Wednesday 22 April 1998.

Thank you.

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BLOCK A PDF

PART I: ELIGIBILITY	
1. Project name: <i>Removing Barriers to Increased Energy Efficiency of Hot Water & Heat Supply and Use in Kazakhstan.</i>	2. GEF Implementing Agency: <i>UNDP</i>
3. Country or countries in which the project is being implemented: <i>Kazakhstan</i>	4. Country eligibility: <i>Kazakhstan ratified the UNFCCC on 17 May, 1995</i>
5. GEF focal area(s), and/or cross-cutting issues: <i>Climate Change</i>	6. Operational program/Short-term measure: <i>The project falls within the Operational Program # 5, Removal of Barriers to Energy Efficiency and Energy Conservation.</i>
7. Project linkage to national priorities, action plans, and programs: <i>In accordance with the National Environmental Action Plan for Sustainable Development, the National Action Plan for Climate Change suggests strong measures in the energy sector, which presumably contributes most of the GHG emissions in the country. In this regard, the Government of Kazakhstan has adopted a National Law and a National Programme on Energy Savings together with specific measures to promote the energy efficiency such as consumption-based heat and hot water billing.</i>	
8. GEF national operational focal point and date of country endorsement: <i>Ministry of Ecology and BioResources of the Republic of Kazakhstan - July 5, 1995</i>	
9. Project rationale and objectives: <i>The project objectives are to overcome barriers to the implementation and realization of improved energy efficiency of hot water and heat supply and use in Kazakhstan, with the focus on the residential sector. The GEF grant is expected to identify and reduce key barriers to energy efficiency and allow dissemination of this experience to other cities in Kazakhstan. Key barriers are expected to be in the area of (i) lack of information on the available technologies and measures to improve the energy efficiency of heat and hot water supply, and predominant uncertainties about their technical, economic and financial feasibility; (ii) lack of capacity to conduct economic and financial analyses and to implement the most promising energy efficiency measures; (iii) misplaced or missing incentives for apartment owners, building co-operatives, and district heating companies to improve the energy efficiency; and (iv) lack of information and experience with the public and private sector financing of the projects.</i>	
10. Expected outcomes: <i>The total CO₂ emission of Kazakhstan were estimated to about 200 million tons of CO₂ in 1990 of which the thermal power stations and "heat-only" district heating boilers together with the individual residential boilers and stoves contributed about 65 per cent. By improving the energy efficiency of heat and hot water supply and use (including the optimization of the use of co-generation), opportunities to save 25% or more of the primary energy used currently for heat and hot water supply are expected to be technically feasible and economically cost-effective, thus reducing the output of GHG emissions dramatically. The main outputs to remove barriers to such transition are envisioned to be: (i) increased information on the available technologies and measures to improve the energy efficiency of the residential heat and hot water supply and use in Kazakhstan; (ii) increased capacity of the local stakeholders to conduct energy audits and undertake technical, economic and financial feasibility studies of promising energy efficiency measures; (iii) "hands on" experience of the technical, economic and financial feasibility of the relevant energy efficiency measures through carefully selected demonstration projects; (iv) a working regulatory and institutional framework for consumption-based heat and hot water metering and billing; (v) improved building codes and standards for new buildings with a specific emphasis on energy efficiency and otherwise environmentally friendly technologies and practices; and (vi) better access to available public and private sector financing to finance the projects.</i>	

<p>11. Planned activities to achieve outcomes: <i>The Ministry of Energy, together with the other local stakeholders, will undertake a detailed analysis of the existing barriers, and, with the help of third party consultancy, formulate and implement a strategy to overcome them. This strategy is envisioned to consist of (i) a comprehensive training and information dissemination program to train the local stakeholders on various technical, economic, financial and institutional aspects on improving the energy efficiency of residential heat and hot water supply and use in Kazakhstan; (ii) a set of carefully selected demonstration projects and dissemination of these experiences to other cities in Kazakhstan; (iii) an analysis of the existing regulatory and institutional framework for consumption-based heat and hot water metering and billing and recommendations to facilitate (or improve) its actual implementation; and (iv) an analysis of the existing building codes and standards for new construction and eventual recommendations to improve them with a specific emphasis on energy efficiency and otherwise environmentally friendly technologies and practices. New applications and arrangements will be first tested in a small scale, and lessons learnt will be fed back to the process. Among other measures, the training program is envisioned to build the capacity of the local stakeholders to undertake economical assessments based on the Least Cost Planning principals and train them on project financing and management (including the management and working principles of ESCO's should that seem as a feasible approach to follow).</i></p>	
<p>12. Stakeholders involved in project: <i>Relevant governmental agencies, local municipal authorities and district heating companies, building co-operatives and residents, NGOs, relevant local and international financing institutions.</i></p>	
<p>PART II - INFORMATION ON BLOCK A PDF ACTIVITIES</p>	
<p>13. Activities to be financed by the PDF A: <i>a) Initial consultations and a workshop, involving all the relevant stakeholders, to discuss the project proposal</i> <i>b) Follow-up consultations and preparation of a PDF B proposal to be submitted to the GEF</i></p>	
<p>14. Expected outputs and completion dates: <i>(a) Initial consultations and a workshop (to be completed by April 30, 1998)</i> <i>(b) Follow-up consultations and preparation of the PDF B proposal (to be completed by May 10, 1998)</i></p>	
<p>15. Other possible contributors/donors and amounts: <i>UNDP Country Office (USD2,000) for experts; KazNIIEnergetik (USD1,500; in kind) for local consultancy; Ministry of Energy (USD1,000; in kind). Total: USD 4,500</i></p>	
<p>16. Total budget and information on how costs will be met (including the Block A grant): <i>Costs of the local experts participating the project design - USD 4,500 (Co-financing)</i> <i>Costs of the workshop, travel and international expert - USD 25,000 (GEF)</i> TOTAL: USD29,500</p>	
<p>PART III - INFORMATION ON THE APPLICANT INSTITUTION</p>	
<p>17. Name: <i>Ministry of Energy, Industry and Trade of the Republic of Kazakhstan</i></p>	<p>18. Date of establishment, membership, and leadership: <i>March 1, 1997; Hon. Minister Mr. Asygat Zhabagin</i></p>
<p>19. Mandate/terms of reference: <i>Governmental body, responsible of the Government policy in the energy sector</i></p>	<p>20. Sources of revenue: <i>Governmental Taxes</i></p>
<p>21. Recent activities/programs, in particular those relevant to the GEF: <i>see No. 7 above</i></p>	
<p>PART IV - INFORMATION TO BE COMPLETED BY IMPLEMENTING AGENCY</p>	
<p>22. Project identification number:</p>	
<p>23. Implementing Agency contact person:</p>	
<p>24. Project linkage to Implementing Agency program(s):</p>	

PROJECT BUDGET

Items to be financed	US \$
Workshop	10,000
International Expert to assist in the preparation of the PDF B Proposal (incl. mission costs)	12,000
Miscellaneous (incl. in country travel + project support services)	3,000
TOTAL	25,000

КАЗАХСТАН РЕСПУБЛИКАСЫ

ЭКОЛОГИЯ ЖӘНЕ ТАБИҒИ
РЕСУРСТАР МИНИСТРЛІГІ



РЕСПУБЛИКА КАЗАХСТАН

МИНИСТЕРСТВО ЭКОЛОГИИ
И ПРИРОДНЫХ РЕСУРСОВ

26-02-1998

26.02.1998 № 212-15/11

Action	Info	Action	Info
ENV	<input checked="" type="checkbox"/>	GID	<input type="checkbox"/>
MC	<input type="checkbox"/>	DGP	<input type="checkbox"/>
MT	<input type="checkbox"/>	ENV	<input checked="" type="checkbox"/>
DP	<input type="checkbox"/>	NKOR	<input type="checkbox"/>
BME	<input type="checkbox"/>	SURF	<input type="checkbox"/>
ERM	<input type="checkbox"/>	PIM	<input type="checkbox"/>

File No: 2629401

Давиду Ваусдену, Координатору
Глобального Экологического Фонда
по странам Восточной Европы и СНГ

To: Lauriela Chughlari

Уважаемый господин Ваусден!

Министерство экологии и природных ресурсов выражает в Вашем лице признательность Глобальному Экологическому Фонду (ГЭФ) за поддержку пяти конкретных проектов, направленных на решение экологических проблем нашей страны, но имеющих глобальный характер.

Во время Вашего последнего посещения Казахстана Вы имели возможность обсудить с рядом Министерств, научных институтов и неправительственных организаций (НПО) проекты, которые ГЭФ мог бы рассмотреть для финансирования.

В связи с утвержденной Президентом Казахстана в январе 1998 года долгосрочной «Стратегией развития Республики Казахстан до 2030 года. Экология и природные ресурсы» Министерство рассматривает все проекты и проектные предложения с целью их гармонизации с приоритетами определенными данной Стратегией.

В рамках проведенной работы мы проанализировали список предполагаемых проектов ГЭФ и пришли к заключению, что девять проектных предложений из списка проектов ГЭФ, обсужденного с Вами, совпадают с приоритетами долгосрочной «Стратегии развития Республики Казахстан до 2030 года. Экология и природные ресурсы».

Министерство экологии и природных ресурсов просит поддержки ГЭФ на подготовке и внедрению следующих проектов со скорректированными согласно требованиям Стратегии названиями:

1. Снижение энергопотребления в коммунальном секторе за счет более эффективного использования энергии в тепло- и водоснабжении. Демонстрационный проект для Акмолы и Алматы.
2. Развитие возобновляемых источников энергии - мини-гидроэлектростанций.
3. Создание сети особо охраняемых водно-болотных угодий на территории Казахстана.
4. Организация пропаганды и расширение возможности участия неправительственных по глобальным экологическим проблемам.
5. Увеличения лесистости для восстановления и сохранения биоразнообразия. Специализованного региона Аральского моря.

APR. -16 '98 (THU) 11:45 GEF/UNDP

FAX NO.: + 42 1 7 4347450

19-03-98 17:57 P.03

FROM: RBEC


6. Изучение способов и принятие мер по уменьшению негативного влияния высокотоксичных ртутных загрязнений в подземных водах и реке Иртыш, долинах отложениях р. Нуры.
7. Уже оказываемая ГЭФ поддержка по подготовке Национального отчета, стратегии и плана действий по сохранению биоразнообразия должны завершиться подготовкой условий по предоставлению в ГЭФ большого проекта по сохранению биоразнообразия Казахстана, который будет отвечать многим приоритетам Стратегии.
8. Создание системы мониторинга, предотвращения и ликвидации загрязнений экосистемы Каспийского моря.
9. Формирование системы экологического туризма и объектов диверсионной охоты и рыбалки.

Кроме того, Министерство экологии и природных ресурсов поддерживает «Региональный Центрально-азиатский проект по управлению/сохранению водно-болотных угодий», который должен корректировать свою деятельность с предлагаемым проектом «Создание сети особо охраняемых водно-болотных угодий на территории Казахстана» через Министерство экологии и природных ресурсов.

Пользуясь случаем, примите мое приглашение участвовать 5 марта 1998 года в Конференции для презентации проекта с участием всех заинтересованных министерств, ведомств, организаций, международных финансовых организаций и Посольств аккредитованных в Республике Казахстан.

С уважением,

Министр



С. Даукеев

Копии:

господину Е. Утембаеву
Председателю-Министру Агентства
по стратегическому развитию и реформам
Республики Казахстан

господину Х. Берстоку,
Постоянному Представителю ПРООН и
Постоянному Координатору ООН в Казахстане

SERIAL RBEC

UNEP/GEF/UNDP, ALMA-ATY, KAZAKHSTAN, 19-03-98 17:37 P.03

19-03-98 17:37 P.03

To: vrutanen@undp.sk (Vesa Rutanen)
 Copies to: HB@un.almaty.kz, KO@un.almaty.kz, SY@un.almaty.kz, dvousde
 tmauriel@undp.org
 Subject: Re: Kazakstan's List of GEF Projects
 Date sent: Wed, 18 Mar 1998 19:46:51

>
 > 26.02.98 (2.1.2 15/11
 >
 > Mr. David Vousden
 > GEF Regional Coordinator
 > RBEC
 >
 > Dear Mr. Vousden,
 >
 > The Ministry of Ecology and Natural Resources express in the person of
 >
 > you gratitude to Global Environment Facility (GEF) for support of five
 >
 > particular projects directed for solution of ecological problems in
 > our country having global nature.
 >
 > During your last visit to Kazakhstan you had an opportunity to discuss
 >
 > projects, which GEF could consider for financing, with a range of
 > Ministries, scientific institutions, and non-government organizations
 > (NGO).
 >
 > In regard with "Ecology and Natural Resources" of the long-term
 > Kazakhstan Development 2030 Strategy established by the President of
 > Kazakhstan in January 1998, the Ministry takes into consideration all
 > the projects and project proposals in order to harmonize them with the
 >
 > priorities defined with this Strategy.
 >
 > In the framework of fulfilled work we have analyzed the list proposed
 > GEF projects and concluded that nine project proposals from the GEF
 > project list, discussed with you, coincide with the priorities of
 > "Ecology and Natural Resources" of the long-term Kazakhstan
 > Development 2030 Strategy.
 >
 > The Ministry of Ecology and natural Resources requests GEF support for
 >
 > preparation and implementation the following projects with corrected
 > according to the Strategy requirements titles:
 >

- > 1. Decreasing Of Energy Consumption in Municipal Utility Sector Due to
 - >
 - > More Effective Energy Utilization in Heating and Hot Water-systems.
 - > Demonstration project for Almaty and Akmola.
 - >
- > 2. Development of Renewable Energy Resources - Minihydropowerstations.
- >
- > 3. Creation of network of special protected Wetland Sites on the
 - > Territory of the Republic of Kazakhstan.
 - >
- > 4. Organizing of Public Awareness and Capacity Building of
 - > Non-government Organizations to Participate in Solution of Global
 - > Environmental Problems.
 - >
- > 5. Aforestation of Aral Sea Region for Biodiversity Rehabilitation and
 - >
 - > Conservation.
 - >
- > 6. Investigation of Methods and Undertaking Measures for Decreasing
 - > of Negative Influence Highly Toxic Mercury Contamination of
 - > Underground Waters and Irtysh River as well as Bottomset Sediments In
 - > Nura river.
 - >
- > 7. Already existing GEF Support on preparation of the National Report,
 - >
 - > Strategy and Action Plan of Biodiversity Conservation Implementation
 - > is to be finished with preparation of conditions for submission to GEF
 - >
 - > full scale project on Kazakhstan Biodiversity Conservation which will
 - > meet many of the Strategy priorities.
 - >
- > 8. Establishing of System of Prevention and Removing of Caspian Sea
 - > Contamination.
 - >
- > 9. Organization of Ecological Tourism System and places for civilized
 - > hunting and fishing.
 - >
- > Besides, the Ministry of Ecology and natural Resources supports
 - > Regional Central Asian Project on Wetlands Management/Conservation,
 - > which should coordinate its activity with proposed project on Creation
 - >
 - > of Network of Special Protected Wetland Sites on the Territory of the
 - > Republic of Kazakhstan through the Ministry of Ecology and Natural
 - > Resources
 - >
- > Using the opportunity I would like to invite you to the Conference
 - > held 5 march 1998 with participation of all interested Ministries.