

MON/98/641  
Blue



Нэгдсэн Үндэстний Байгууллагын  
Хөгжлийн Хөтөлбөр

United Nations Development Programme  
Mongolia

Letter No: 481  
Reference: MON/98/G41

29 September 1998

Dear Ms. Torres,

**Subject: MON/98/G41/A/1G/99 - Commercialization of Super- Insulating Building Technology in Mongolia.**

Referring to your fax-letter of 22 September, 1998, please find the attached the duly signed GEF PDF A project document - MON/98/G41.

We have made the following changes in this document:

- The Ministry of Infrastructure Development (MID) of Mongolia is the Government executing agency of the above project, therefore the attached project document has been signed by the Minister of MID.
- In the frame of the budget (Bl -17.01) of signed document, we have decided to hire 2-4 national consultants instead of one.

Please provide us with an authorization for fund, so that we could start arrangements for the workshop and other activities of the project at your earliest convenience.

Thank you for your kind cooperation.

Yours sincerely,

*Douglas Gardner*  
Douglas Gardner,  
Resident Representative,  
UNDP/Mongolia.

Ms. Emma Torres  
Officer-in-Charge and Deputy Executive Coordinator  
Global Environmental Facility/SEED/BDP

c.c. Ms. Nandita Mongia, Regional Coordinator GEF/RBAP

Encl.

INCOMING MAIL UNDP/GEF	
TO:	<u>PALET</u>
ACTION:	<u>N. MONGIA</u> <u>R. HOJIER</u>
DATE	<u>29 SEP 98</u>
RECEIVED	<u>RBAP REGIONAL</u>
SEP 29	
<input type="checkbox"/> ACTION	<input type="checkbox"/> INFORMATION
TO .....	
.....	
.....	
<input type="checkbox"/> ACTION	<input type="checkbox"/> INFORMATION
TO .....	
.....	
.....	
<input type="checkbox"/> ACKNOWLEDGE	
<input type="checkbox"/> NO ACTION NEEDED	

RECEIVED	<u>29 SEP 98</u>
SEP 29	
<input type="checkbox"/> ACTION	<input type="checkbox"/> INFORMATION
TO .....	
.....	
.....	
<input type="checkbox"/> ACKNOWLEDGE	
<input type="checkbox"/> NO ACTION NEEDED	

*EM responded to special*

**Global Environmental Facility  
PROJECT DOCUMENT for PDF Funding (Block A)  
Project of the Government of Mongolia**

**TITLE AND NUMBER:** MON/98/G41 Commercialization of super-insulating building technology in Mongolia

**CONVENTION RATIFICATION:** 30 September 1993

**DURATION:** 4 months

**ACC/UNDP SECTOR AND SUBSECTOR:** 0510 Energy: Planning and Conservation

**GEF THEME:** Climate Change

**EXECUTING AGENCY:** Department of International Cooperation and Economics, Ministry of Infrastructure Development

**ESTIMATED START DATE:** 5 October 1998

**GOVERNMENT ENDORSEMENT:** Ministry of Infrastructure Development. 28 Sept., 1998

**UNDP/GEF INPUT PDF FUNDS:** US\$ 24,650 for PDF Block A funds

**Brief Description:** The objective of this PDF A is to assist the Government of Mongolia to identify the barriers and potentials of widespread commercialization of straw-bale technologies and conduct pre-feasibility study for the demonstration to identify demonstration sites. The output of the mission is a finalized GEF Medium-Size Project brief and project document to submit for GEF financing in commercializing its super-insulated building technologies. The PDF A will cover the costs for:

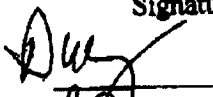
- 1) Hiring an international consultant to formulate and finalize the a GEF Medium Size Project brief and project document to submit for GEF financing;
- 2) Holding a 2 or 3 - day seminar/workshop with all stakeholders involved to identify barriers and potentials of widespread commercialization of straw-bale technologies, review ongoing and previous related projects, assess benefit/cost associated with the new technology, ensure appropriate stakeholder participation, and identify demonstration sites;
- 3) Hiring 2 - 4 national consultants to assist the International Consultant in the project brief development activities, including organizing the seminar/workshop.

APPROVED: On behalf of:


UNDP:

Ministry of  
Infrastructure and  
Development

Signature




---




---

Name / Title

Douglas Gardner  
Resident Representative

S. Zorig, Minister for Infrastructure  
Development of Mongolia

Date

29 / 9 / 98

28.09.98

**UNITED NATIONS DEVELOPMENT PROGRAMME  
 GLOBAL ENVIRONMENTAL FACILITY  
 PDF BLOCK A PROJECT**

**PART 1 - ELIGIBILITY**

<b>PROJECT IDENTIFIERS</b>	
<b>1. Project name:</b> Commercialization of super-insulating building technology in Mongolia	<b>2. GEF Implementing Agency:</b> UNDP
<b>3. Country in which the project is to be implemented:</b> Mongolia	<b>4. Country eligibility:</b> Ratified UNFCCC on 30 September 1993
<b>5. GEF focal area(s):</b> Climate change. (relates to desertification as project will also reduce wood collection in semi-arid areas)	<b>6. Operational Programme:</b> #5, Removal of barriers to energy efficiency and energy conservation
<p><b>7. Project linkage to national priorities, actions plans and programmes:</b></p> <p>The Government of Mongolia attaches great importance to sustainable development and the protection of natural resources. In line with this, the Government has recently prepared and approved several multi-sectoral and sectoral policies, policies and programmes and action plans including: Environmental Action Plan (1995), Law on Environmental Protection (1995), and the Biodiversity Action Plan (1996). The Government is also completing a national Mongolia Agenda 21 Programme, and is preparing its national communication to the UNFCCC.</p> <p>As for all developing countries, energy is a key sector in Mongolia. Given the extreme climate, domestic heating consumes an unusually large percentage of the energy produced. The ongoing <i>Asia Least-Cost GHG Abatement Strategy</i> (ALGAS, financed under UNDP/GEF) estimates that over 50% of Mongolia's CO2 emissions result from heating buildings - residential, industrial and administrative. At the same time, most buildings, including most newly built ones, are not well insulated. Accordingly, ALGAS recommends energy conservation from improved buildings as a priority and least-cost strategy for cutting CO2 emissions and protecting the environment.</p> <p>Until recently coal, electricity and other energy resources were heavily subsidized, the result being a very inefficient and unsustainable use of coal and other energy resources, and a limited understanding of the concept of energy efficiency or conservation. The Government taking steps to correct this. For example, all subsidies to coal have been stopped. Also, both national and provincial governments are allocating some funds to energy efficient initiatives including the use of super-insulating, straw-bale construction.</p>	
<p><b>8. GEF national operational focal point and date of country endorsement:</b> Division of International Cooperation, Ministry of Nature and Environment.</p>	

<b>PROJECT OBJECTIVES AND ACTIVITIES :</b>	
<p><b>9. Project rationale and objectives :</b> The project is to reduce CO2 emissions from burning coal for heating. This is to be achieved by helping super-insulating, straw-bale building technology to be commercially successful on a large-scale in Mongolia. Also, less wood will be burnt for heating, further reducing CO2 emissions and protecting shrubs and forests.</p>	<p><b>Indicators :</b></p> <ol style="list-style-type: none"> <li>1. Drops in coal sales for household heating</li> <li>2. Increased and sustained demand for certified, straw-bales and super-insulated buildings</li> <li>3. Decreased levels of wood-cutting</li> </ol>
<p><b>10. Project outcomes :</b> By the end of the project there will be :</p> <ol style="list-style-type: none"> <li>1. Awareness of and confidence in straw-bale technology;</li> <li>2. A strong and growing cadre of engineers, businesses and household representatives qualified in designing and constructing super-insulated houses;</li> <li>3. Private, public and household finance allocated to manufacturing straw-bales and constructing super-insulated houses.</li> </ol>	<p><b>Indicators :</b></p> <ol style="list-style-type: none"> <li>1. Increased interest in straw-bale, super-insulated houses;</li> <li>2. All requests for straw-bale buildings are met with quality assurance;</li> <li>3. Model investment contracts for manufacturers; credit lines for customers.</li> </ol>

**PART II. INFORMATION ON BLOCK A PDF ACTIVITIES**

**1. Activities to be financed by the PDF A :**

The objective of this PDF A is to assist the Government of Mongolia to identify the barriers and potentials of widespread commercialization of straw-bale technologies and conduct pre-feasibility study for the demonstration to identify demonstration sites. The output of the mission is a finalized GEF Medium-Size Project brief and project document to submit for GEF financing in commercializing its super-insulated building technologies. The PDF A will cover the costs for :

- 4) Hiring an international consultant to formulate and finalize a GEF Medium-Size Project brief and project document to submit for GEF financing;
- 5) Holding a 2 or 3 -day seminar/workshop with all stakeholders involved to identify barriers and potentials of widespread commercialization of straw-bale technologies, review ongoing and previous related projects, assess benefit/cost associated with the new technology, ensure appropriate stakeholder participation, and identify demonstration sites;
- 6) Hiring one national consultant to assist the International Consultant in the project brief development activities, including organizing the seminar/workshop.

**Expected outputs and completion dates :**

- 1) A GEF Medium - Size Project brief (due 31 October 1998)
- 2) And project document (to be determined)
- 3) A brief mission report (due within one week of mission completion)

**Completion date : 31 December 1998**

**3. Other possible contributions / donors and amounts :**

GEF : US\$ 24.650

The MSP is expected to draw funding from GEF, Government of Mongolia, UNDP, ADRA, and enterprises.

**4. Total budget and information on how costs will be met ( including the Block A grant ):**

Budget line	Components	1998	Total GEF Funds ( \$ )
10.00	Project Personnel International Consultant National Consultant	\$ 9,090	\$ 9,090
11.97		2,340	2,340
17.01			
30.00	Fellowships and Conferences Conferences and Meetings	10,000	10,000
34.00			
50.00	Miscellaneous		
52.01	Documentation	1,500	1,500
53.01	Sundry	1,000	1,000
54.01	Project Direct Cost	720	720
99.9	<b>Project Total</b>	<b>\$ 24,650</b>	<b>\$ 24,650</b>

*Xroadings already under contract can't change here - Do a reversal to remove funds from mon/198/64*

**5. Name : Ministry of Nature and Environment ( MNE )**

**6. GEF Implementing Agency : UNDP**

**7. Mandate/terms of reference :**

See item 13 of the project summary :

**8. Recent activities/programs, in particular those relevant to the GEF :**

MNE has recently been involved in the ALGAS study, and is now involved in preparation of the National Communication to the UNFCCC.

**PART IV. INFORMATION TO BE COMPLETED BY IMPLEMENTING AGENCY**

**9. Project identification number : MON/98/G41**

**10. Implementing Agency contact person : Nandita Mongia, Regional Coordinator for Climate Change, Regional Bureau for Asia and the Pacific**

**11. Project linkage to Implementing Agency program (s) : National Environmental Action Plan**