



United Nations Development Programme
GLOBAL ENVIRONMENT FACILITY

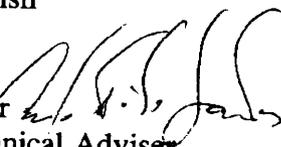


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GEF

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From: *for* Richard Hosier 
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Subject: Revised enabling activity for Paraguay

Please find attached the revised enabling activity proposal for **Paraguay** in which we have addressed your comments dated July 15.

In what regards Paraguay operational focal point, we were informed by our local country office, that Paraguay have already sent a note to Mohamed El-Ashry informing that their operational focal point is the "Secretaria Tecnica de Planificacion".

Thank you

**UNITED NATIONS DEVELOPMENT PROGRAMME
GLOBAL ENVIRONMENT FACILITY**

Proposal for Review

Country: Paraguay

Project Title: Enabling Paraguay to Prepare its First National Communication to the UNFCCC

GEF Focal Area: Climate Change

Country Eligibility: Eligible under financial mechanism of the UNFCCC

GEF Financing: US \$190,550

Government Counterpart Financing: US\$ 230,000 (in kind)

GEF Implementing Agency: UNDP

Executing Agency: Ministerio de Agricultura y Ganaderia
Subsecretaria de Estado de Recursos Naturales y Medio Ambiente

Local Counterpart Agency: Direccion de Ordenamiento Ambiental

GEF Operational Focal Point: Dr Guillermo Sosa
Secretaria Tecnica de Planification
Presidencia de la Republica

FCCC Focal Point: Ing. Derlis M. Galeano Vega, Viceministro
Subsecretaria de Estado de Recursos Naturales y Medio Ambiente
Ministerio de Agricultura y Ganerdia

Project Duration: Eighteen Months

BACKGROUND/CONTEXT

Paraguay is located in Central South America between Argentina and Brazil with a total land area 406,752 sq km and has a population of 5,213,772 (July 1994 est.). The population is growth rate is estimated as 3.1% (1994 est.) and is mestizo (Spanish and Indian) 95%, white and Indian 5%. The official languages are Spanish and Guarani.

The river Paraguay divides the country in two regions with well-defined environmental differences. The Occidental region, Chaco, constitutes 60% of the national territory while Oriental Region constitutes 40%.

Economy

The economy of Paraguay remains largely agricultural. Agriculture, including forestry, accounts for about 25% of GDP, employs about 45% of the labor force, and provides the bulk of exports, led by soybeans, cotton and sugar cane. Other crops produced include cotton, sugarcane, soybeans; other crops - corn, wheat, tobacco, cassava, fruits, vegetables and animal products such as beef, pork, eggs, milk. Paraguay is a surplus producer of timber and is self-sufficient in most foods Paraguay lacks substantial mineral or petroleum resources but possesses a large hydropower potential. Since 1981 economic performance has been somewhat erratic. Factors responsible for the erratic behavior of the economy were the completion of the Itaipu hydroelectric dam, bad weather for crops, and weak export prices for agricultural commodities. In 1987 the economy experienced a minor recovery because of improved weather conditions and stronger international prices for key agricultural exports. The recovery continued through 1990, on the strength of bumper crops in 1988-89. In a major step to increase its economic activity in the region, Paraguay in March 1991 joined the Southern Cone Common Market (MERCOSUR), which includes Brazil, Argentina, and Uruguay. GNP was estimated as US\$1,240 for the year 1990.

Environment

The Government of Paraguay places a high commitment on protection on the environment and is party to a number of international environmental agreements including, inter alia, the United Nations Convention on Biological Diversity, the United Nations Convention to Combat Desertification, the Montreal Protocol, the Basel Convention, the Ramsar Convention, the Montreal Protocol, and the United Nations Framework Convention on Climate Change.

The Government of Paraguay ratified the United Nations Framework Convention on Climate Change on 24 February 1994 and is committed to meeting its obligations under the Convention including the submission of an initial national communications as required under Article 12.

In 1996, the process of integrating climate change issues into the institutional structure of the State Subsecretary of Natural Resources and Environment began. At the same time, Paraguay began to solicit international funding through the interim financing mechanism to the Convention, the GEF, for climate change related projects.

There is currently one other international initiative under implementation in Paraguay related to climate change. Paraguay is currently participating in the second phase of the US\$2.7 million UNDP/GEF CC:TRAIN project being implemented by UNITAR along with Cuba, Ecuador, Paraguay, and Peru from the Latin America region. CC:TRAIN is a programme created to assist developing countries to implement the United Nations Framework Convention on Climate Change (UNFCCC). It is designed to help establish national teams in the participating countries to lead in the formulation of national implementation strategies and initial communications (Article 12, UNFCCC) which could 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. Under CC:Train, Paraguay has established a multi-sectoral and multi-disciplinary national country team on climate change, which is responsible for the management and oversight of all climate change related activities in Paraguay. In addition, technical working group has been established by the country team to prepare a 1990 GHG inventory and pre-liminary work has been undertaken related GHG mitigation and vulnerability and adaptation.

Assistance to the Latin American countries through CC:TRAIN is being provided by the Fundacion Futuro Latino Americano (FFLA). The second phase of CC:TRAIN began in September 1996 and activities are expected to finish by September, 1999. Paraguay will receive approximately US\$118,946 through CC:TRAIN directly. An additional US\$33,580 is being administered by FFLA for participants travel to regional workshops, logistics for workshops, and for consultant fees. The total amount budget for Paraguay under CC:TRAIN comes to US\$152,526. The resources being provided by CC:Train to Paraguay is not sufficient to enable the Government to complete its initial national communications.

Aside from CC:Train, there are no other climate change related activities being funded by international organizations or bi-lateral donors in Paraguay. This project aims to fill the gaps left by the CC:Train project and enable Paraguay to complete its initial national communications.

Institutional Arrangements related to Environment

The Governmental Organizations in Paraguay which deal with climate change related issues include the Ministry of Agriculture and Livestock through the Subsecretary of Natural Resources and Environment, the Ministry of National Defense through the Meteorological Division, and different departments of the National Universities of Asuncion and Pilar including the Faculty of political science and mathematics and the faculty of agrarian sciences.

PROJECT OBJECTIVE

The immediate objective of the project is to facilitate the preparation of the first national communication of Paraguay to the Conference of the Parties (CoP) in accordance with the Article 12 of the UN Framework Convention on Climate Change, and following the guidelines adopted by the CoP 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 can be seen as an essential exercise to enhance general awareness and knowledge of climate change related issues in Paraguay thus enabling Paraguay 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, non-governmental, academic, private and "grassroots" sectors. Last but not least, the project will establish an institutional framework, and build endogenous capacity preparing 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 and hiring a competent Project Coordinator; (ii) confirming the national country team on climate change as the Project Steering Committee of the Project and modify membership if necessary; (iii) preparing a detailed work plan for the project; and (iv) organizing a project initiation workshop with participants from all the relevant sectors to present the objectives of the project, to clarify links to other relevant ongoing national and international activities, and to clarify the institutional and other practical arrangements to facilitate a successful implementation of the project.
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 internationally available information on climate change related issues (e.g., from the USCSP and other bilateral programmes, 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 on climate change for Paraguay in close collaboration of 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 Paraguay to learn about other national or international activities, and facilitating interested individuals and institutions outside Paraguay to get information on ongoing, planned or finalized climate change related activities in Paraguay.

3. Update and finalize the national inventory of greenhouse gases from 1990 to 1994 following the guidelines adopted by the CoP. The atmospheric gases to be addressed in the study will include carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O). Other greenhouse gases included in the IPCC methodology will be addressed as seen appropriate. Review the national GHG inventory in a national workshop, which will determine which elements to include in the national communications;
4. Organize and undertake an analysis of potential options to abate the increase in greenhouse gas emissions and to enhance removals by sinks. Review the national GHG mitigation strategy in a national workshop, which will determine which elements to include in the national communications;
5. Study the potential impacts of climate change on the following sectors: agriculture, livestock, public health, and hydrology.
6. By building on the results of the analysis of potential impacts of climate change in the country (vulnerability assessment), organize and undertake an analysis of potential options to adapt to climate change with respect to the specific geographical and climatological characteristics of Paraguay.
7. Organize a workshop (with wide local participation and relevant international partners) to present the results of the project, together with results or status of other ongoing national projects relevant to the issue, and to discuss the results with the objective of formulating a national program / action plan for effective response measures to climate change (focusing on "win-win" abatement and adaptation measures).
8. Prepare and finalize a national program / action plan 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.
9. 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 articles 4 and 12; b) projects for financing; and c) material relevant for calculation of global emission trends.

10. Using the outputs of this project as well as results of other ongoing projects, prepare, translate (as appropriate), publish, and submit to the UNFCCC Secretariat the initial national communication of Paraguay following the guidelines adopted by the Conference of Parties.

INSTITUTIONAL FRAMEWORK AND PROJECT IMPLEMENTATION

The Executing Agency of the project will be Ministry of Agriculture and Livestock through the Subsecretary of Natural Resources and Environment. To facilitate co-ordination, participation and sustainability of the results of the project, and to avoid duplication the Project will utilise the National Country Team on climate change, established by the CC:Train project as its Project Steering Committee. The composition of the National Country Team is as follows:

Ministry of Agriculture and Livestock	(chair)
Ministry of National Defense	
Ministry of Industry and Commerce	
Ministry of External Relations	
Technical Secretariat of Planning	
National University of Asuncion	
University of Pilar	
National Commission for Defense of Natural Resources	
Ministry of Public Utilities and Communications	
Altervida (NGO)	
Moises Bertoni Foundation (NGO)	
UNDP	(observer)

The National Country Team will be charged with overseeing and advising the project execution and will have decision making power over all aspects of the project. The Project Coordinator will be a member of the Direccion de Ordenamiento Ambiental and a member of the National Country Team.

Regarding international collaboration, working links with relevant regional and international expert institutions will be created (especially in the MERCOSUR region), and they will be consulted when selecting the methodologies for, and implementing the specific activities of the project. The project will also utilise results and lessons learnt from other ongoing or finalised international projects like UNEP Country Case Studies on Climate Change Impacts and Adaptation Assessment, CC:TRAIN

and US Country Study Programme to avoid duplication of effort. Links to other countries in the region such as Argentina and Uruguay, which have already completed his initial national communications, will be established and areas for collaboration with other countries and international projects through regional training or information exchange workshops will be identified.

The activities will be carried out in sequence so that 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 action plan 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.

As means of identifying and disseminating information, the project will utilise, to the extent feasible, electronic networks such as Internet and cooperate with the CC:INFO/Web initiative of the FCCC Secretariat

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/co-ordination 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.

Monitoring and evaluation

After the detailed work plan has been prepared, an external review on 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 together with the National Country Team will be responsible for monitoring the project on a continuous basis. In order to do this, the project manager, 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 Paraguay under the UNFCCC, the "agreed full costs" of the project will be funded by GEF. The Government of Paraguay is requesting US\$190,550 of funding from GEF in order to complete its initial national communications to the UNFCCC. This amount is consistent with the GEF cost norms for climate change enabling activities taking into account other climate change related activities in Paraguay from the CC:Train project. A detailed project budget for expedited processing of the proposal is presented in Annex II.

ANNEX I

**COVERAGE OF THE ACTIVITIES IN PARAGUAY TO PREPARE
THE INITIAL NATIONAL COMMUNICATION**

Information to be included into the national communication	Enabling activity to produce the information needed	Type of Activity		
		Planning ¹ and execution	Capacity Building	
			Institutional	Human
1. National circumstances	Compilation of the information from existing sources	-	-	-
2. Greenhouse gas inventory (incl. CO ₂ , CH ₄ and N ₂ O) 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	CTT
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; d) building capacity to integrate climate change concerns into planning; e) programs to address climate change and its adverse impacts, including the abatement of increase in GHG emissions and enhancement of sinks	An analysis of potential options to abate the increase in GHG emissions and enhance the sinks.	X/CCT	CCT	CCT
	An assessment of potential impacts of climate change in Paraguay	X/CCT	CCT	CCT
	An analysis of potential options to adapt to the impacts of climate change.	X/CCT	CCT	CCT
	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 Paraguay 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

X activities covered by the proposed project

CCT activities covered by CC:TRAIN

¹ 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 PARAGUAY

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	10,000	2,500	2,500	15,000
3. General description of steps (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; (d) building capacity to integrate climate change concerns into planning; (e) programs to address climate change and its adverse impacts, including the abatement of increase in GHG emissions and enhancement of sinks	An analysis of potential options to abate the increase in GHG emissions and enhance sinks.	10,000	5,000	5,000	20,000
	An assessment of potential impacts of climate change in Paraguay	15,000	5,000	5,000	25,000
	An analysis of potential options to adapt to the impacts of climate change	20,000	5,000	10,000	35,000
	Formulation of programs and policy frameworks for implementing the identified response measures.	20,000	5,000	10,000	35,000
4. Other information: a) Financial and technological needs and constraints associated with the implementation of the Convention under art. 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 Paraguay wants to present in its national communication	10,000	-	-	10,000
5. Compilation and production of national communication	Preparation, translation (as appropriate), and publication of the national communication.	15,000	-	-	15,000
Project management		10,000	5,000	5,000	20,000
Monitoring/Evaluation		10,000	-	-	10,000
Subtotal		120,000	27,500	37,500	185,000
Project support services (3%)		3,600	825	1,125	5,550
GRAND TOTAL		123,600	28,325	38,625	190,550

ANNEX III

Project endorsement by the GEF operational focal point in the Paraguay "acknowledging project goal of sufficient capability in areas covered by the project".

ANNEX IV**A BRIEF SUMMARY OF THE GUIDELINES ADOPTED BY THE COP2 FOR THE CONTENT OF THE NATIONAL COMMUNICATIONS FROM NON-ANNEX I COUNTRIES**

The guidelines for the communications of non-annex 1 countries were adopted by the CoP in July 1996. In accordance with the article 12 of the UNFCCC, and following the detailed guidelines presented in the document FCCC/CP/1996/L.12, the communications of the Parties not included in Annex I should include the following elements:

- a) Information on national circumstances
- b) A national inventory of anthropogenic emissions by sources and removals by sinks of the following greenhouse gases: carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O), to the extent the Party's capacities permit. Other greenhouse gases may be included at the discretion of the Parties. The guidelines and simplified default methodologies adopted by the IPCC should be used to the extent possible, and the best available data should be provided, being either for the year 1994 or alternatively for the year 1990.
- c) General description of steps taken or envisaged by the Party to implement the Convention including, as appropriate: (i) programmes related to sustainable development, research and systematic observation, education and public awareness, training, etc.; (ii) policy options for adequate monitoring systems and response strategies for climate change impacts on terrestrial and marine ecosystems; (iii) policy frameworks for implementing adaptation measures and response strategies in the context of coastal zone management, disaster preparedness, agriculture, fisheries and forestry, with a view to integrate climate change impact information, as appropriate, into national planning processes; (iv) in the context of undertaking national communications, building of national, regional and/or sub-regional capacity, as appropriate, to integrate climate change concerns in medium and long term planning; and (v) programmes containing measures the Party believes contribute to addressing climate change and its adverse impacts, including the abatement of increase in greenhouse gas emissions and enhancement of removals by sinks.
- d) Any other information that the Paraguay considers relevant to the achievement of the objective of the Convention and suitable for inclusion in its communication. This may include: proposals for projects for financing, including specific technologies, materials, equipment, techniques or practices that would be needed to implement such projects, along with, if possible, an estimate of all incremental costs, of the reductions of emissions and increments of removals of greenhouse gases, as well as an estimate of the consequent benefits; material relevant for calculation of global emission trends; constraints and obstacles; etc.