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United Nations Development Programme
 GLOBAL ENVIRONMENT FACILITY (GEF)

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 (including this sheet)

From: Richard Hosier
 Principal Technical Adviser
 Climate Change

Subject: Submission of Slovenia, Ukraine and Moldova enabling activity proposals

Please find attached the following Climate Change enabling activity proposals for your consideration and comments:

Slovenia
 Ukraine
 Moldova

**UNITED NATIONS DEVELOPMENT PROGRAMME
GLOBAL ENVIRONMENT FACILITY**

Proposal for Review

Country: Slovenia

Project Title: Enabling Slovenia to Prepare its First National Communication in Response to its Commitments to the UNFCCC

GEF Focal Area: Climate Change

Country Eligibility: Eligible under financial mechanism of the UNFCCC
 Eligible under paragraph 9 (b) of the Instrument

GEF Financing: US \$ 345,000

Government Counterpart Financing: n.a.

GEF Implementing Agency: UNDP

Executing Agency: Ministry of Environment and Physical Planning

Local Counterpart Agency: Ministry of Environment and Physical Planning / Hydrometeorological Institute

GEF Operational Focal Point: Ministry of Environment and Physical Planning ✓

FCCC Focal Point: Ministry of Environment and Physical Planning / Hydrometeorological Institute

Project Duration: 18 months

BACKGROUND AND PROJECT CONTEXT

Slovenia is situated between the south-east Alps and the Adriatic Sea. It is bordered by Italy in the West, Austria in the North, Hungary in the East and Croatia in the East and South. The total land area of the country is 20,256 km².

Slovenia is a heterogeneous country in its relief, climate and vegetation. The climate varies from continental in the north-east Panonian lowlands to alpine in the mountain regions of the north-west, to sub-Mediterranean in the coastal region. There is a strong interaction between these three climates over the interior of Slovenia.

The population of Slovenia is about 2 million according to the 1994 estimate. It is ethnically homogeneous, with Slovenes making up 90% of the population. Small Italian and Hungarian communities constitute officially recognized minorities. The population density is 98 people per km². The capital of the country, Ljubljana accounts for 270,000 people.

The Slovene economy was the most highly industrialized and advanced of those of the six republics of the former Yugoslavia. While accounting for less than 8% of the population, Slovenia was in 1990 responsible for 20% of the gross "social" product, 29% of export and 20% of import. Even before independence, most agricultural and small-scale trade and service activities were run by the private sector, and the larger state owned enterprises often acted in a similar way to western companies.

After declaring independence on 25 June, 1991, Slovenia has managed to relatively quickly overcome the recession that hit the country. GDP has grown since 1993 and GDP growth hit a peak of more than 5% in 1994. In 1995 per capita income was US\$9,000, which is high compared to many eastern European countries. The foreign debt is relatively low and inflation was brought down to 8.6% by the end of 1995. The country is also well integrated into the EU market, which accounts for more than 50% of its foreign trade.

Energy

In 1994, 52% of energy consumption in the residential sector was for liquid fuels, 22.3% for electricity, 15% for district heat, 7.5% for solid fuels and 3.2% for natural gas. Slovenia produces lignite and sub-bituminous coal, but is highly dependent on oil and gas imports. In 1994, oil and gas imports equaled 53% of the country's total primary energy supply (TPES) of 5.2 Mtoe.

In the early 1990's, Slovenia established a disaggregated electricity structure which coped well with temporary difficulties of operating the Slovene network independently from the former Yugoslavia. Currently, the country's electricity requirements are met by four thermal stations, 13 hydroelectric plants and the nuclear power plant in Krsko, that is operated jointly with Croatia. Coal and nuclear power plants represent the main primary energy input into the indigenous production of energy. In 1995, hydropower plants

produced 3.2TWh, thermal power plants 4.7TWh and nuclear power plant 4.8Twh, half of which was exported to Croatia.

Industry

Manufacturing is the most important contributor to GDP, accounting for 24.4% in 1995. Machine-building and metal-working industries employ over 80,000 people and account for around a quarter of manufacturing value-added. Other large sectors include chemicals and pharmaceuticals, footwear, woodworking and furniture. Among the new branches, electrical and electronics industries have been particularly dynamic, with a high proportion of output exported.

Agriculture and Forestry

Agriculture, forestry and fishing contribute 4.3% in gross domestic product. The properties of Slovenia's landscape do not allow Slovenia to compete with other developed European countries in the area of large-scale food production. More than 50% of the country is covered by forests, and over 70 % of the existing agricultural land is located in areas of limited production capacities. Agriculture has therefore developed mostly in flatlands (valleys, Prekmurje, the Drava Field, etc.) Conventional farming remains the predominant method in Slovenia, followed by a small share of traditional farms and even a smaller share of organic farms. Productivity and incomes of private farms are very low and cultivators have been demanding state support. Maize and wheat are the most important crops, followed by potatoes, grapes, fruits and vegetables.

Current Environmental Situation

The emissions of hazardous substances from thermal power plants, industrial plants, numerous boilers, individual fireplaces, machinery and vehicles excessively pollute the atmosphere over the major part of Slovene territory. The main polluters are the thermal power plants (TPPs). In 1993, TPPs emitted 147.814 kt of SO₂, 15.056 kt of NO_x, and 5.944 Mt of CO₂. However, it is expected that the situation will improve by the end of 1999.

For the NO_x emissions traffic contributes the largest share. In 1993, traffic was responsible for 37.409kt of NO_x, 2.810kt of SO₂, and 3.296Mt of CO₂. Industry, household and other sources also contribute significantly to air pollution.

Environmental Legislation

Slovenia is fully committed to several international agreements and conventions, the most important of which are:

- Convention on Climate Change
- Convention on Biological Diversity
- Convention of Early Notification of a Nuclear Accident

- Convention for the Protection of the Mediterranean Sea against Pollution
- Vienna Convention for the Protection of the Ozone Layer
- Montreal Protocol on Substances that Deplete the Ozone Layer
- Convention on Long-Range Transboundary Air Pollutions (CLRTAR)
- Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal
- Convention of Civil Liability for Damage Resulting from Activities Dangerous to the Environment

The Environmental Protection Act was adopted in 1993 and represents the main legislative framework of environmental protection. It is based on the principles of the UN Declaration of Environment and Development, considering at the same time the requirements of the European Union directives. The law considers the principles of the Code on Environmental Protection passed by the European Council as an example of administrative regulation of environmental protection in the member states.

An Environmental Impact Assessment (EIA) has to be carried out for all intended activities that are subject to approval and could significantly affect the environment. These activities include:

- the exploitation and use of soil, water, forests, mineral and other natural resources;
- the construction, change of operation, or removal of certain facilities and equipment;
- technological and other changes relating to the extraction, production, storage, transport, and use of raw materials, semi-products, finished products and energy;
- the trial introduction of new products and technologies;

The assessment itself is based on the environmental impact report, which is an integral part of the application for obtaining a licence for environmental encroachment. Specific ordinance for this purpose determine:

- categories of activities for which an environmental impact assessment (EIA) is always mandatory;
- categories of activities which, if certain conditions and criteria are fulfilled, require a mandatory EIA; and
- categories of activities for which an EIA requires only a report containing particular analyses of nature, or partial accounts.

Environmental policy relevant to the energy sector is carried out and regulated by the Ministry of Economic Affairs and the Ministry of Environment and Physical Planning. The existing energy law approved in 1981 is outdated and only partly in force. The new Energy Law has been under preparation for a few years. However, under the Environmental Protection Act (EPA) which represents the core of all environmental acts in Slovenia, several Decrees dealing with energy issues have been issued. For instance, in November 1994 a number of Ordinances and Decrees dealing with burning devices were adopted, following the rules adopted in the EU. The most important of these were:

- Ordinance of air emissions from burning devices;
- Ordinance on emissions into the air from engines, turbines, etc.; and

■ Ordinance on emissions into the air from waste burning

The regulations concerning water pollution, waste disposal, soil pollution and noise and radiation are also derived from the corresponding ordinances .

Institutional Framework and Initiatives Relevant to Climate Change

Slovenia ratified the United Nations Framework Convention on Climate Change on October 19, 1995. As a Party to the Convention, Slovenia has committed to produce a national communication to the Conference of the Parties (CoP) within three years of entry into force of the Convention for Slovenia, or upon the availability of financial resources in accordance with article 4, paragraph 3 of the Convention. In order to fulfill its commitments under the UN FCCC, the Government of Slovenia has requested financial and technical support from GEF for preparing its first national communication to the CoP.

The establishment of a National Climate Change Committee (NCCC) is currently underway in Slovenia. The NCCC has been envisioned to include representatives from the: Ministry of Environment and Physical Planning, Ministry of Economic Affairs, Ministry of Economic Relations and Development, Ministry of Finance, Ministry of Foreign Affairs, Ministry of Transport and Communications, Ministry of Agriculture, Forestry and Food, Ministry of Science and Technology, Ministry of Education and Sports, and Ministry of Health as well as representatives from two NGOs, Academy of Science, local University and the Chamber of Commerce.

The role of the different institutions with respect to climate change related issues is as follows:

Ministry of Environment and Physical Planning deals with all the environment related matters. It is the GEF operational focal point in Slovenia and is also responsible for the UNFCCC in Slovenia, mostly through the Hydrometeorological Institute which is a part of the Ministry. A GHG Inventory for the year 1990 has already been prepared by the Hydrometeorological Institute, and it is expected that they will also be responsible for the inventory work in the context of this project.

Ministry of Economic Affairs deals with energy related issues. A part of this Ministry is the Agency for Efficient Energy Use which deals with demand-side energy efficiency and has been working on a National Program for Energy Efficiency in cooperation with the EU/PHARE. It has been agreed that in the context of the GEF project, the Agency for Efficient Energy Use will contribute to the GHG abatement analysis dealing with demand side energy efficiency. On the supply side, the state owned electricity company "Elektrogospodarstvo" will contribute to the work.

Ministry of Economic Relations and Development deals with pricing policy, macroeconomics research, development projections and international co-operation in the field of economy.

Ministry of Finance plays an important role in financing different projects.

Ministry of Education and Sports incorporates in its educational programs climate change issues and helps to raise public awareness.

Ministry of Foreign Affairs supports international co-operation related to climate change.

"Agencija za Prestrukturiranje Energetike" (ApE) works on projects dealing with renewable energy sources, such as biomass.

In addition, there are several NGOs dealing with environmental issues, such as Umanotera (The Foundation for Sustainable Development), Climate Change Institute, and Slovenian E Forum.

The only activity undertaken in Slovenia so far to fulfill its communication obligations to the CoP is the inventory of greenhouse gases for the year 1990, the preparation of which was funded by the Government itself.

PROJECT OBJECTIVES

The immediate objective of the project is to facilitate the preparation of the first national communication of Slovenia to the Conference of the Parties (CoP) in accordance with 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 Convention¹.

In addition to meeting Slovenia's communication obligations, the project can be seen as an essential exercise to enhance general awareness and knowledge of climate change related issues in Slovenia thus enabling Slovenia 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.

¹ Slovenia is currently listed as a non-Annex I country to the Convention. However, the Government has indicated that it might apply to be included as an Annex I country to the Convention. Therefore, it was concluded that the proposed project should include all the basic activities that will facilitate Slovenia to prepare its first national communication either following the guidelines for Annex I countries or non-Annex I countries depending on the situation at the end of the project.

PROJECT DESCRIPTION

During project preparation the following components were 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 manager; (ii) establishing a Project Steering Committee (PSC); (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.). The potential to use Internet/World Wide Web is evaluated and, to the extent feasible, will be used to save travel costs and enhance the geographical coverage of available information. In that context, the project will cooperate, as appropriate, with the UNDP's SDNP (Sustainable Development Network Programme) and UNFCCC Secretariat's CC:INFO/Web initiatives.
- It is foreseen that the network will continue to operate after the project, enabling interested parties in Slovenia to learn about other national or international activities, and assisting interested individuals and institutions outside Slovenia to obtain information on ongoing, planned or finalized climate change related activities in Slovenia.
3. Organize and undertake a national inventory of greenhouse gases in 1994 (eventually prepare a time series starting from 1990) following the guidelines adopted by the CoP for Annex I countries.
 4. Organize and undertake an analysis of potential options to abate the increase in greenhouse gas emissions and to enhance removals by sinks.
 5. Study the potential impacts of climate change on the following sectors: agriculture, water resources, coastal zone, forestry and natural ecosystems.
 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 Slovenia.

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 an 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), and publish the first national communication of Slovenia following the guidelines adopted by the CoP.

INSTITUTIONAL FRAMEWORK AND PROJECT IMPLEMENTATION

The Executing Agency of the project will be the Ministry of Environment and Physical Planning.

While the establishment of the National Climate Change Committee (NCCC) is still in process, the need for the establishment of a separate Project Steering Committee (PSC) and its eventual role and composition is still to be defined. However, it is expected that the NCCC will be in place at the time that the final project document is prepared and therefore the issue can be addressed at that stage.

Regarding international collaboration, working links with relevant regional and international expert institutions will be created, 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 finalized 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 with ongoing or finalized enabling activities, or ones about to start will be created, and areas for collaboration such as 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 will only be 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 a 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/coordination workshops more for the people who are actually conducting the studies or who 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 will be undertaken on it. The purpose of the review is to identify in the early stages of the project the eventual gaps, overlaps and other risks to successful implementation, as well as to identify potential partners and sources of information from which the project could benefit.

The executing agency, together with the Project Steering Committee, 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 Slovenia under the UNFCCC, the "agreed full costs" of the project will be funded by GEF. A detailed project budget for expedited the processing of the proposal is presented as Annex II.

ANNEX I
COVERAGE OF THE ACTIVITIES IN SLOVENIA TO PREPARE
THE INITIAL NATIONAL COMMUNICATION

Information to be included into the national communication	Enabling activity to produce the information needed	Type of Activity ²		
		Planning ³ & execution	Capacity Building	
			Institutional	Human
1. National circumstances	Compilation of the information from existing sources	-	-	-
2. Greenhouse gas inventory (incl. CO₂, CH₄ and N₂O) for: - all energy sources - industrial processes - agricultural processes - land use change & forestry - other sources	Data gathering and inventory of GHG emissions from: - all energy sources - industrial processes - agricultural processes - land use change & forestry - other sources	X	X	X
3. General description of steps				
(a) programs related to sustainable development, research, public awareness, etc.;	An assessment of potential impacts of climate change in the country	X	X	X
(b) policy options for monitoring systems and response strategies for impacts;	An analysis of potential options to adapt to the impacts of climate change.	X	X	X
(c) policy frameworks for implementing adaptation measures and response strategies;	An analysis of potential options to abate the increase in GHG emissions and enhance the sinks.	X	X	X
(d) building capacity to integrate CC 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	Formulation of programs and policy frameworks for implementing the identified response measures.	X	X	X
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.	Based on the results of the studies compilation and preparation of the additional information that the country wants to present in its national communication	X	X	X
b) projects for financing				
c) material relevant for calculation of global emission trends				
5. Compilation and production of the initial national communication	Preparation, translation (as appropriate), and publication of the national communication	X	X	X

² X activities covered by the proposed project

³ 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 SLOVENIA**

Information to be included into the national communication	Enabling activity to produce the information needed	Type of Activity			Total Costs in US \$
		Planning & 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	65,000	5,000	17,000	87,000
3. General description of steps					
(a) programs related to sustainable development, research, public awareness, etc.;	An assessment of potential impacts of climate change in the country	25,000	5,000	10,000	40,000
(b) policy options for monitoring systems and response strategies for impacts;	An analysis of potential options to adapt to the impacts of climate change	20,000	5,000	5,000	30,000
c) policy frameworks for implementing adaptation measures and response strategies; d) building capacity to integrate climate change concerns into planning;	An analysis of potential options to abate the increase in GHG emissions and enhance sinks.	20,000	5,000	5,000	30,000
e) programs to address climate change and its adverse impacts, including the abatement of increase in GHG emissions and enhancement of sinks	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 techn. needs and constraints associated with the implementation of the Convention under articles 4 & 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 country 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		5,000	20,000
Project management		55,000	5,000	8,000	68,000
Monitoring/Evaluation		15,000			15,000
Subtotal					335,000
Project support services (3%)		10,000			10,000
GRAND TOTAL		255,000	30,000	60,000	345,000

FROM RBEC

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P. 1



REPUBLIC OF SLOVENIA
MINISTRY OF THE ENVIRONMENT AND PHYSICAL PLANNING
MINISTER'S OFFICE

Number: 922-00-19/97
Date: July 8, 1997

Mr. David Vausden
GEF Regional Coordinator for RBEC
UN Development Programme
304, E 45th Street,
New York
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<input type="checkbox"/> ACKNOWLEDGE	
<input type="checkbox"/> NO ACTION REQUIRED	
INITIALS: _____	

Dear Sir,

As the designated GEF Focal Point for the Republic of Slovenia, we kindly request assistance from UNDP/GEF for the preparation of the project "Enabling Slovenia to Prepare its First National Communication in Response to its Commitments to the UNFCCC".

With the kind support of UNDP/GEF, sufficient capacity will be achieved to prepare the first national communication of Slovenia.

We appreciate your cooperation in this regard!

Yours faithfully,



Emil Verjancic
Emil VERJANČIČ, M.A.
International Cooperation Dept.



MESSAGE CONFIRMATION

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