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**United Nations Development Programme**
GLOBAL ENVIRONMENT FACILITY (GEF)

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From: Richard Hosier 
Principal Technical Adviser
Climate Change

Subject: Submission of proposal for Expedited Financing of Climate Change Enabling Activities (Phase II) - Uzbekistan

We are pleased to submit for your consideration proposals for Expedited Financing of Climate Enabling Activities Phase II for El Salvador and Uzbekistan

We look forward to receiving your comments and possible approval as soon as possible.

Thank you.

**UNITED NATIONS DEVELOPMENT PROGRAM
GLOBAL ENVIRONMENT FACILITY**

Proposal for Review

Country: Uzbekistan

Project Title: Expedited Financing of Climate Change Enabling Activities (Phase II)

GEF Focal Area: Climate Change

Country Eligibility: [x] Eligible under a financial mechanism of the UNFCCC
[x] Eligible under paragraph nine (b) of the Instrument

Date of Ratification: June 20, 1993

GEF Financing (Phase I): US\$ 325,500

GEF Additional Financing (Phase II): US\$ 98,000

Total Costs: US\$ 423,500

GEF Implementing Agency: UNDP

Executing Agency: Main Administration of Hydrometeorology (GLAVGIDROMET)

Local Counterpart Agency: Main Administration of Hydrometeorology (GLAVGIDROMET)

Date of Initial National Communication Submission: November, 1999

Estimated Starting Date: June, 2000

Project Duration: 12 months

1. CURRENT PROJECT STATUS:

In November, 1999 the Initial National Communication of the Republic of Uzbekistan on Climate Change was submitted to the Conference of Parties (Bonn COP-5). This document was developed within the framework of the GEF/UNDP/Uzbekistan Government project: "Uzbekistan: Climate Change Country Study." The project's output information is being widely circulated in the country, including governmental bodies, ministries, departments, and NGO's. A "Summary of the Project of the Initial National Communication on Climate Change" for Uzbekistan is available upon request.

During preparation of the Initial National Communication, a number of problems regarding methodology and technology needs were identified. The framework of the Phase I project did not provide for the identification of technologies for abatement of greenhouse gas (GHG) emissions. Therefore, the implementation of the Phase II project will ensure taking practical steps to assess the potential of technology needs and the identification of the specific technologies required for abatement and adaptation to climate change. Such technologies should be environmentally sound (EST) and should support sustainable development.

In addition, implementation of the Phase I project made it possible to make a preliminary assessment of the vulnerability of both Uzbekistan's natural environment and economy sectors to possible climate changes, outline adaptation approaches, and develop proposals on national strategy of GHG emission reduction. One of the purposes of Phase I work was also to gain experience in assessing the GHG emissions base-line trend (GHG emission levels with "business as usual" (BAU)) as well as the economic assessment of measures to reduce GHG emissions below the levels of BAU trend. It was shown that increasing the efficiency of both energy production and energy use in various economy sectors and modernization of agriculture are the principal methods of achieving GHG emission reduction in Uzbekistan. At the same time, these policies are viewed to be the essential components of the country's sustainable development.

The objectives of Phase II work are the continuation and advancement of scientific and technical researches and studies, development of the observation system, and the strengthening of in-country capacities as well as the opening up of opportunities to participate in international programs, which complies with Article 5, on systematic observation, of the FCCC.

The GEF supported project: "Removing Barriers to Energy Efficiency in Municipal Heat and Hot Water Supply" (targeted at the country's capital – Tashkent, selected as a pilot city) is already underway. At the same time, the preliminary economic assessment of a number of other projects dealing with emissions reduction in various economic sectors showed a very high level of expenditures required.

The framework of the proposed project shall encompass the efforts toward advanced study and assessment of the potentials and costs of emission reduction and economic efficiency of the designed measures and certain projects and the measures to assess their likely environmental effects and identify technical and legal opportunities for their implementation. Taking these steps stipulated by the Article 12, paragraph 4 of FCCC, will establish the conditions for acquiring, introducing, and proliferating environmentally-sound technologies, know-how, and practices and processes addressing climate change consequences. Implementation of the Phase II will strengthen the in-

country potential for realization of stipulations of the FCCC Article 4 (paragraphs 1, 7, and 8) and Articles 5 and 6.

2. ACTIVITIES TO BE INVOLVED IN PHASE II PROJECT:

A. Technology Transfer:

(i) Identification/submission of technology needs

The preliminary assessment of Uzbekistan's needs in technologies and methodology has pointed out the problems in the way of reducing GHG emissions and developing methodologies. To reduce GHG emissions and mitigate climate change consequences, technology and methodology needs of various economy sectors should be identified beforehand.

The biggest potential for emissions reduction lies in the area of energy/power production and consumption. The relevant measures include: lessening losses and wastes and rising the efficiency of the use of raw materials and energy resources in every sector of national economy and by consumers, introducing modern technologies into energy-production sector and other industrial sectors, and further development of renewable energy sources.

In Uzbekistan, the primary ways of adaptation to climate change are related to optimizing the use of irrigation-water resources, making appropriate adjustments to agricultural sector, and mitigating the consequences of the Aral Sea environmental crisis. There is a strong need to consider and assess the key technologies which can be instrumental in minimization of the magnitude of climate change and abatement of its negative consequences.

During the project implementation the key technology needs of the most important sectors of national economy are to be identified. These sectors will also be assessed in terms of their efficiency and opportunities for introduction of new technologies. In other words, the existing barriers will be identified, along with the ways to remove them.

The project activities shall include study, selection, and adaptation of appropriate models, as well as the development of methodology. The scope of activities shall include the assessment of opportunities for GHG emissions reduction and assessment of vulnerability factors and the specific ways of adaptation to climate change open to the country.

(ii) Capacity building to assess technology needs, modalities to acquire and absorb them, design, evaluate and host projects

Accomplishing the tasks mentioned above requires building the capacities for assessment of technology needs. The scope of this job shall comprise the following activities:

- Developing the informational basis for technology needs assessment, including analysis of information presented by international centres/networks;
- Studying, selecting, and elaborating methods for economic assessment of possible measures of GHG emission reduction in the sectors of national economy that directly affect climate (power generation, industry, municipal sector, agriculture, etc.);

- Selection of priority projects followed by the preparation of proposals for their implementation;
- Assessing the potential of solar and wind energy as well as the feasibility and efficiency of the introduction of solar and wind-driven electric plants in the country. Such plants, installed in remote or difficult-to-access locations, may provide both economic and social benefits; and
- Assessing possible trends in energy requirements for heating and air conditioning.

Additional activities involved in capacity building include:

- Identification of experience existing in the country's academic, research, and design institutions, including solicitation of proposals from these organizations and selection of appropriate personnel for cooperative work; and,
- Identification of information sources at both national and regional levels, including information search, and obtaining the information to be used in the works to address climate change.
- Development of a public relations program, and promotion of climate change awareness, particularly ensuring introduction of relevant issues into schools and universities curricula.
- Development of the "downscaling" method to be used with GCMs' outputs (IPCC Data Distribution Center) to decrease the uncertainty level of climatic scenarios;
- Evaluation of the probability of climatic extremes occurrence by various scenarios of climate change;
- Assessment of climate change effects on the levels of heat stress and climatic comfort on the territory of Uzbekistan, applying bio-climatological methods;
- Study of reciprocal relationship between climate change and desertification and the review of possible measures of impact abatement and adaptation;
- Development of approaches to assess the vulnerability of water resources at various variants of development of agriculture and irrigation; and,
- Selection and adaptation of the models evaluating possible change in productivity of basic crops.

The current National Climate Program had already been developed before Uzbekistan's joining the Framework Convention and, thus, it does not include a number of necessary provisions addressing GHG emission reduction and abatement of climate change consequences. This suggests the development of a new National Climate Program, which would comply with the requirements of the UN Framework Convention on Climate Change.

Accomplishing the project tasks outlined above will require conducting several educational workshops (on inventory, economic aspects, and the use of various models). A general initiation workshop that will include educational components is planned. Guest international experts with the relevant experience from designated organizations will be invited to make presentations.

B. Capacity building for participation in systematic observation networks

Activities involved in capacity building for participation in systematic observation networks include:

- assessment of the current situation and identification of technical, technological, and methodological priority needs, for the purpose of participation in global monitoring networks; and,
- development of a concept and a methodological basis for monitoring the climatic system, complying with the Program of Global Monitoring System (analysis of current situation and the prospective of network development; data collection and analysis of their usefulness and reliability, developing ways to present information, etc).

3. PROJECT MANAGEMENT/INSTITUTIONAL ARRANGEMENT

Institutional structure was set up during the implementation of the Phase I project and, at the same time, the teams of national experts were formed to carry out the work on different aspects. These teams, working within this earlier formed structure, are expected to carry out the Phase II project activities. It is assumed that the coordination functions will be the responsibility of the Coordination Committee of the National Commission on Climate Change (in the person of its First Deputy Chairman – the Head of the Main Administration of Hydrometeorology) which will work with administrative and informational support of UNDP (provided through the technical adviser on climate change).

Direct leadership will be the responsibility of the project manager of Phase I project, who will work in the same capacity in the proposed Phase II project. The project manager, workgroup leaders, and the representatives of the Main Administration of Hydrometeorology, the Ministry of Macroeconomics and Statistics, the State Committee for Nature Protection, the Ministry of Energy, and the State Committee for Science and Technology will constitute the Project Steering Committee.

The project work will be carried out in collaboration with the Bureau of Oceans and International Environmental and Scientific Affairs of the US Department of State, the US Country Studies Program, the US Initiative on Joint Implementation, and the Program of Environmental Policies and Institutions for Central Asia (USAID regional program).

Project planning and management will be the responsibility of the project manager and the leaders of the above mentioned specialized workgroups of national experts. The organizational structure by tasks is as follows:

A. Technology Transfer

(i) Identification/submission of technology needs

- Leading organization: Main Administration of Hydrometeorology
- Co-executive organizations: The Ministry of Energy, the Ministry of Agriculture and Irrigation Water Management, the Department of Oil and Natural Gas, the Ministry of Municipal Services, and the State Committee for Science and Technology

(ii) Capacity building to assess technology needs, modalities to acquire and absorb them and design, evaluate, and host projects

- Leading organization: Main Administration of Hydrometeorology
 - Co-executive organizations: The Ministry of Energy, the Ministry of Agriculture and Irrigation Water Management, the Department of Oil and Natural Gas, the Ministry of Municipal Services, and the Central Asian Research Institute of Hydro-Meteorology
- B. Capacity building for participation in systematic observation networks**
- Leading organization: Main Administration of Hydrometeorology
 - Co-executive organizations: the Central Asian Research Institute of Hydrometeorology, Department of Information Collection and Processing, and the Hydrometeorological Center of the Republic of Uzbekistan

To avoid duplication of efforts, the team leaders will carry out the review of work plans and reports. Use of the latest data (relating to observation, prices, etc.) will be considered as the criterion of the novelty of outputs. Enlisting the services of the Phase I project staff will ensure efficient use of the information collected at that stage and the continuity of work. Activity plans will be submitted for external review.

4. MONITORING AND EVALUATION

The project manager, jointly with workgroup leaders, is currently preparing the project's work plan. Once a detailed plan is developed, the next steps will follow: the project will be submitted for external review to reveal its possible shortcomings and identify potential gaps that could hamper the implementation process; then, in the course of further elaboration, potential partners and sources of additional project information shall be identified.

Continuous monitoring of project progress will be done by the Coordination Committee of the National Commission on Climate Change and a representative of UNDP, to whom brief interim reports on project progress will be submitted by the project manager every 3 months. These reports will be supplemented with expert reviews for every area of the activities. Reviewing these brief reports will allow timely identification of possible barriers and taking appropriate measures. Meetings of the project's Steering Committee to discuss project progress will be held monthly with the participation of all experts (separately for each area of activities). Project progress will also be discussed at the workshops conducted by activity areas.

Prior to the release of GEF additional financing by the UNDP for Phase II activities, standard UNDP monitoring and evaluation practices will be followed for Phase I. In particular, the UNDP will receive a copy of the latest (i.e., within the past six months) Annual Programme/Project Report (APR) and the Tripartite Review (TPR) Report. At the end of Phase II, a Terminal Report on Phase II will be submitted to the UNDP Headquarters. The final project report will be submitted for TPR no later than 12 months from the date of commencement.

TABLE C 2

ACTIVITY MATRIX FOR PHASE II OF CLIMATE CHANGE ENABLING ACTIVITIES:
Priority activities for additional (interim) funding

Note: × denotes activities covered by the proposed project

Activity	Planning and Execution	Capacity Maintenance/Enhancement		
		Data Gathering and Research	Institutional Strengthening	Training, Education and Public Awareness
2. A (i) Identification and submission of technology needs	×	×	×	×
2. A. (ii) Capacity building to assess technology needs, modalities to acquire and absorb them, design, evaluate and host projects	×	×	×	×
2. B. Capacity building for participation in systematic observation networks	×	×	×	×
2. C. Preparation of programs to address climate change				

Table D 2

PROJECT BUDGET ACCORDING TO GEF ACTIVITY NORMS IN US DOLLARS
Cost estimates for (interim) priority activities

Activity	Planning and Execution	Capacity Maintenance/ Enhancement			Technical and Administrative Support	Cost Estimates
		Data Gathering and Research	Institutional Strengthening	Training, Education and Public Awareness		
2.A (i) Identification and submission of technology needs	12,000		8,000	9,000		29,000
2. A (ii) Capacity building to assess technology needs, modalities to acquire and absorb them, design, evaluate and host projects	28,000		7,000	9,000		44,000
2. B. Capacity building for participation in systematic observation networks	5,000		3,000	5,000		13,000
2. C. Preparation of programs to address climate change						
3. Project management					10,000	10,000
4. Monitoring & Evaluation					2,000	2,000
Total	45,000		18,000	23,000	12,000	98,000

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VAZIRLAR MAHKAMASI
HUZURIDAGI
GIDROMETEOROLOGIYA BOSH
BOSHQARMASI
(BOSHGIDROMET)**



**REPUBLIC OF UZBEKISTAN
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AJF

Dear Mr. Hosier,

On behalf of the recipient country – Uzbekistan I would like to express my agreement with the budget of the proposal: "Expedited financing of enabling activities Part 1): Expedited financing for capacity-building activities in priority areas." I have reviewed the cost estimate and found the items and figures to be reasonable from the point of view of the project goal and objectives. The prioritization coincides with Uzbekistan's current policy priorities to address Climate Change. The project will use the same institutional structure and staff which were involved in preparation of the First National Communication on Climate Change. I would like also to declare here my strong support of the proposal and assert my belief that it will, if funded, greatly contribute to strengthening Uzbekistan's capacity to address the issues related to Climate Change.

Sincerely,

Victor Chub
First Deputy Chairmen of the National Commission on Climate Change
National Focal Point on Climate Change