



**INITIATION PLAN
FOR A GEF PROJECT PREPARATION GRANT (PPG)**

Country: Georgia

UNDAF Outcome(s)/Indicator(s):

Progress towards ensuring environmental sustainability demonstrated

Expected Outcome(s)/Indicator (s):

Sustainable environmental and natural resources management practices adopted at the national and community level

Expected Output(s)/Indicator(s):

Access to sustainable energy increased through utilisation of natural renewable energy resources

Programme Period: 2006-2010
Programme Component: Energy and Environment for Sustainable Development
PPG Title: Promotion of Biomass Pellet Production and Utilization in Georgia
ATLAS Project ID: 00075624
ATLAS Award ID: 00060153
PIMS Project ID: 4335

Total budget: **USD 165,000**
Allocated resources: _____
• Government _____
• Regular _____
• Other: _____
 ○ GEF **USD 75,000**
• In kind contributions **USD 90,000**

AGREED BY UNDP RESIDENT REPRESENTATIVE / UNDP DIRECTOR:

Jamie McGoldrick

Signature

Date:

Section I. Brief Description of Initiation Plan

The Project Preparation Grant envisages gathering of baseline information, preliminary assessment of stored (sawdust) and annual production of biomass (nutshells, sawdust) in Georgia, identification of barriers to which need to be removed to promote investment in biomass energy in Georgia, preparation of prefeasibility study for pilot project, assessment of incremental cost of proposed barrier removal, and coordination of stakeholder consultation process. A log frame matrix with project goal and objectives, with detailed activities related to each outcome should be identified and the preliminary cost of implementation of each activity should be evaluated. Timelines and success indicators for each planned activity will also be developed.

Approved work-plan within the preparatory phase includes four milestones activities:

- a) Assessment of baseline information and preparation of pre-feasibility study on establishing pellet plant in pilot area, including identification of potential pellet consumers.
- b) Consultation with stakeholders on institutional, implementation/ management, co-financing arrangements.
- c) Reporting on identified barriers for promoting investment in biomass wood pellet projects in Georgia.
- d) Preparation of the project strategy, including partnership strategy, incremental cost analysis and log frame defining the project goal, objective, outcomes, outputs and activities, including success indicators, targets and means of verifications.

Implementation Arrangement

The PPG funded project will start in July 2010 and last for 4 months. Total budget equals to USD 75,000 allocated through GEF IV.

Planned work will be conducted by the team of short-term experts (international and national) coordinated by the national team leader. All involved experts will be hired by UNDP. Overall supervision rests with the UNDP Program Analyst. All activities will be done in agreement between involved parties (Ministry of Environmental Protection and Natural Resources of Georgia, UNDP, Regional Technical Advisor on Climate Change Mitigation in BRC).

Section II. GEF PPG approved grant document and TBWP



REQUEST FOR PROJECT PREPARATION GRANT (PPG)

**PROJECT TYPE: MEDIUM-SIZED PROJECT
THE GEF TRUST FUND**

Submission date: August 14, 2009
Resubmission Date: September 25, 2009
2.Resubmission Date: October 16, 2009

GEF PROJECT ID¹: 4048
GEF AGENCY PROJECT ID: 4335
COUNTRY(IES): Georgia
PROJECT TITLE: Promotion of Biomass Pellet Production and Utilization in Georgia
GEF AGENCY(IES): UNDP
OTHER EXECUTING PARTNER(S): Ministry of Environment Protection And Natural Resources
GEF FOCAL AREA(s): Climate Change
GEF-4 STRATEGIC PROGRAM(s): CC-SP4-Promoting Sustainable Energy Production from Biomass
NAME OF PARENT/PROGRAM/UMBRELLA PROJECT (if applicable):

A. PROJECT PREPARATION TIMEFRAME

Start date of PPG	October 2010
Completion date of PPG	February 2011

B. PAST PROJECT PREPARATION ACTIVITIES (\$) N/A

List of Past Project Preparation Activities	Output of the Activities	Project Preparation Amount (a)	Co-financing (b)	Total c = a + b
Total Project Preparation Financing				

C. PROPOSED PROJECT PREPARATION ACTIVITIES (\$)

Describe the PPG activities and justifications: The project document preparation process considers gathering of baseline information, preliminary assessment of stored (sawdust) and annual production of biomass (nutshells, sawdust) in Georgia, identification of barriers to which need to be removed to promote investment in biomass energy in Georgia, preparation of prefeasibility study for pilot project, assessment of incremental cost of proposed barrier removal, and coordination of stakeholder consultation process. A log frame matrix with project goal and objectives, with detailed activities related to each outcome should be identified and the preliminary cost of implementation of each activity should be evaluated. Timelines and success indicators for each planned activity will also be developed. The project document will be prepared and submitted to the GEF Council.

¹ Project ID number will be assigned by GEFSEC. If PIF has already been submitted, please use the same ID number as PIF.

List of Proposed Project Preparation Activities	Output of the PPG Activities	Project Preparation Amount (a)	Co-financing (b)	Total c = a + b
Assessment of baseline information and preparation of pre-feasibility study on establishing pellet plant in pilot area	Report on baseline situation focused on availability of stored and annually produced in Samegrelo pilot region biomass (sawdust and nutshells); Pre-feasibility study on establishing pellet plant in pilot area; Identification of potential pellet consumers.	25,000	75,000	100,000
Meetings on institutional, implementation/management, co-financing arrangements and stakeholder consultation process	Report on implementation arrangement and co-financing options and how the stakeholder comments have been taken into consideration in the final document.	7,000	5,000	12,000
Barrier analysis	Report on identified barriers to removing barriers to promote investment in biomass wood pellet projects in Georgia	19,000	2,000	21,000
Preparation of project strategy, including partnership strategy, incremental cost analysis and log frame defining the project goal, objective, outcomes, outputs and activities, including success indicators, targets and means of verifications	Incremental cost analysis, strategy - log frame matrix;	24,000	8,000	32,000
Total Project Preparation Financing		75,000	90,000	165,000

D. FINANCING PLAN SUMMARY FOR PROJECT PREPARATION GRANT: (\$)

	Project Preparation	Agency Fee
GEF financing	75,000	7,500
Co-financing	90,000	
Total	165,000	7,500

E. PPG REQUESTED BY AGENCY(IES), FOCAL AREA(S) AND COUNTRY(IES) 1 : N/A

GEF Agency	Focal Area	Country Name/ Global	(in \$)		
			PPG (a)	Agency Fee (b)	Total c = a + b

(select)	(select)				
Total PPG Requested					

¹ No need to provide information for this table if it is a single focal area, single country and single GEF Agency project.

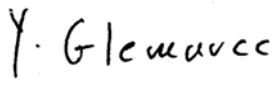
F. PPG BUDGET REQUEST

Cost Items	Total Estimated Person Weeks for GEF Grant (PW)	GEF (\$)	Co-financing (\$)	Total (\$)
Local consultants *	45	24,000	4,000	28,000
International consultants*	16	48,000	85,000	133,000
Miscellaneous		3,000	1,000	4,000
Total PPG Budget		75,000	90,000	165,000

* Annex A for Consultant cost details should be prepared first before completing this table. See notes on Annex A for the required detailed information. This table is the sum of all local and international consultants presented in Annex A.

G. GEF AGENCY(IES) CERTIFICATION

This request has been prepared in accordance with GEF policies and procedures and meets the GEF criteria for project identification and preparation.

Agency Coordinator, Agency name	Signature	Date (Month, day, year)	Project Contact Person	Telephone	Email Address
Yannick Glemarec UNDP/GEF Executive Coordinator		10/16/2009	John O'Brien, Regional Technical Advisor – Climate Change Mitigation	+421 917 415 017	john.obrien@undp.org

Annex A

Consultants Financed by the Project Preparation Grant (PPG)

Position / Titles	\$/ Person Week¹	Estimated PWs²	Tasks to be performed
Local			
Team Leader	600	15	Coordination of negotiations for co-financing. Design of the project activities. Organization of stakeholder discussions; barrier analysis; risk analysis
National Expert	500	30	Assessment of baseline information focusing on biomass (nutshells, sawdust) availability; identification of potential pellet producers
International			
Pre-feasibility study expert	3000	8	Development of pre-feasibility study on availability of stored and annually produced in Samegrelo pilot region biomass (sawdust and nutshells) and establishing the pellet plant there;
International biomass (pellet) expert	3000	8	Incremental cost analysis, preparation of project strategy, including partnership strategy, risk mitigation strategy log frame defining the project goal, objective, outcomes, outputs and activities, including success indicators, targets and means of verifications

¹ Provide dollar amount per person week.

² Provide person weeks needed to carry out the task and corresponds to the dollar amount per person week in the previous column.

Section III: PPG Budget

Award ID: 00060153		PIMS no.4335						
Project ID: 00075624								
Award Title:		GEF-4335 CC PPG: Promotion of Biomass Pellet Production and Utilization in Georgia						
Business Unit:		GEO 10 (UNDP Georgia)						
Project Title:		GEF-4335 CC PPG: Promotion of Biomass Pellet Production and Utilization in Georgia						
Implementing Partner (Executing Agency)		Government of Georgia						
GEF Outcome/Atlas Activity	Responsible Party/ Implementing Agent	Fund ID	Donor Name	Atlas Budgetary Account Code	ATLAS Budget Description	Amount Year 1 (USD)	Total (USD)	
OUTCOME 1: Baseline Assessment and Feasibility Study	Ministry of Environment of Georgia	62000	GEF	71200	International Consultants	18,000	18,000	
			GEF	71300	Local Consultants	6,000	6,000	
			GEF	74500	Miscellaneous	1,000	1,000	
						Total Outcome 1		25,000
OUTCOME 2: Stakeholder Consultations	Ministry of Environment of Georgia	62000	GEF	71200	International Consultants	3,000	3,000	
				71300	Local Consultants	3,500	3,500	
			GEF	74500	Miscellaneous	500	500	
						Total Outcome 2		7,000
OUTCOME 3: Barrier Analysis	Ministry of Environment of Georgia	62000	GEF	71200	International Consultants	12,000	12,000	
			GEF	71300	Local Consultants	6,000	6,000	
			GEF	74500	Miscellaneous	1,000	1,000	
						Total Outcome 3		19,000
OUTCOME 4: Project Elaboration	Ministry of Environment of Georgia	62000	GEF	71200	International Consultants	15,000	15,000	
			GEF	71300	Local Consultants	8,500	8,500	
			GEF	74500	Miscellaneous	500	500	
						Total Outcome 4		24,000
PROJECT TOTAL						75,000	75,000	