



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

Country Kazakhstan

UNDAF Outcome(s)/Indicator(s):  
Environmental Sustainability (*Link to UNDAF outcome. If no UNDAF, leave blank*)

Expected Outcome(s)/Indicator (s):  
*(CP outcomes linked to the SRF/MYFF goal and service line)*  
The Government, industries and civil society take steps to adapt to Climate Change and mitigation its impact through energy efficiency measures and climate change adaptation policies

Expected Output(s)/Indicator(s):  
Integrated development policies based on successful GEF projects in energy sectors

Programme Period: 2010-2015  
Programme Component: Environment  
PPG Title: Promotion of Energy Efficient Lighting in Kazakhstan  
ATLAS Project ID: Project ID:00075171  
PIMS Project ID:  
Duration: 12 months  
Management Arrangement: DEX

Total budget:	160,000
Allocated resources:	_____
• Government	_____
• Regular	_____
• Other:	_____
○ GEF	70,000
• Co-financing	90,000

AGREED BY UNDP RESIDENT REPRESENTATIVE / UNDP DIRECTOR:  
*(Enter Name, Position)* *Signature*

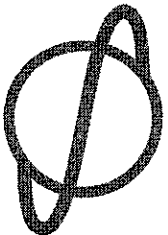
Date: *(Month, day, year)*

Steliana Nedera  
UNDP Kazakhstan Deputy  
Resident Representative

## **Section I. Brief Description of Initiation Plan**

(The PPG will cover the following preparatory activities to be financed by GEF grant and co-financing: (i) Collection of additional data on production capacities and supply characteristics, EE lighting equipment sales and availability, GHG emissions from lighting sector under baseline scenario); (ii) Conduct consultations with government and institutional stakeholders, consultations with market parties and NGOs; (iii) Design of pilot/demonstration projects; (iv) Design supply-chain initiatives; (v) Project strategy and implementation detailing.

**GEF PPG approved grant document and TBWP** (see Section II. and Section III.)



**REQUEST FOR PROJECT PREPARATION GRANT (PPG)**  
**PROJECT TYPE: Full-sized Project**  
**THE GEF TRUST FUND**

**GEF**

Submission date: 5 November 2009  
Re-submission date: 8 December 2009

GEFSEC PROJECT ID<sup>1</sup>: 4166

GEF AGENCY PROJECT ID: 4326

COUNTRY(IES): Kazakhstan

PROJECT TITLE: Promotion of Energy Efficient Lighting in Kazakhstan

GEF AGENCY(IES): UNDP

OTHER EXECUTING PARTNER(S): Ministry of Environmental Protection of Kazakhstan, Ministry of Energy and Mineral Resources, Agency for Construction and Housing

GEF FOCAL AREA(S): Climate Change

GEF-4 STRATEGIC PROGRAM(S): 1 Promoting energy efficient technologies and practices in the appliance and building sectors

NAME OF PARENT/PROGRAM/UMBRELLA PROJECT: UNEP/UNDP "Global Market Transformation for Efficient Lighting"

**A. PROJECT PREPARATION TIMEFRAME**

Start date	January 2010
Completion date	December 2010

**B. PROJECT PREPARATION ACTIVITIES (\$)**

Describe the PPG activities: Preparing and detailing a market transformation project for efficient residential and public lighting in Kazakhstan, including the supply and demand sides of the market and working closely with national and municipal authorities, retailers and other market parties.

**1. Collection of additional data**

Baseline and market structure data has been collected during the preparation of the PIF, but additional data is needed for a careful planning of the full project and accurate estimation of baseline and project GHG emissions. This will be collected during the PPG

**1.1 Production capacities and supply characteristics**

Detailed information will be collected about current market volume, i.e. import volumes of lighting products in Kazakhstan and the characteristics of the products that are currently being used. Data will be collected about main importers and assemblers of equipment. This will primarily take place via an analysis of sales statistics and enquires with supply chain parties.

**1.2 EE lighting equipment sales and availability**

Detailed baseline data about the sales of lighting equipment (volume, types and characteristics of products, prices, availability) in various retail and distribution channels will be collected, to build an accurate overview of the current market. This will be done by means of an analysis of sales statistics and enquires with major suppliers, wholesale distributors and retailers of lighting equipment.

<sup>1</sup> Project ID number will be assigned initially by GEFSEC. If PIF has been submitted earlier, use the same ID number as PIF.  
3

Describe the PPG activities: Preparing and detailing a market transformation project for efficient residential and public lighting in Kazakhstan, including the supply and demand sides of the market and working closely with national and municipal authorities, retailers and other market parties.

#### 1. Collection of additional data

Baseline and market structure data has been collected during the preparation of the PIF, but additional data is needed for a careful planning of the full project and accurate estimation of baseline and project GHG emissions. This will be collected during the PPG

##### *1.1 Production capacities and supply characteristics*

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##### *1.2 EE lighting equipment sales and availability*

Detailed baseline data about the sales of lighting equipment (volume, types and characteristics of products, prices, availability) in various retail and distribution channels will be collected, to build an accurate overview of the current market. This will be done by means of an analysis of sales statistics and enquiries with major suppliers, wholesale distributors and retailers of lighting equipment.

#### *1.3 GHG emissions from lighting sector under baseline scenario*

##### 2. Stakeholder consultation

Stakeholders have been consulted in preparation of the PIF of this project. More detailed consultations, focusing on details of the project and the roles and contributions of the various stakeholders, will take place during the PPG. National and municipal authorities related to this project will be consulted on the detailed objectives of and arrangements for this project. These discussions will be facilitated through bilateral consultations with the relevant parties and workshops at the national and municipal levels.

##### *2.1 Consultations with government and institutional stakeholders*

National and provincial governments related to this project will be consulted to discuss their views on the detailed objectives of and arrangements for this project, to assess whether their involvement in its execution can be enlarged, to secure their commitment to critical outputs and to agree on the activities these government units will undertake as a part of the project. These discussions will be facilitated through bilateral consultations with the relevant parties and workshops at the national and regional levels.

##### *2.2 Consultations with market parties and NGOs*

Some market parties were consulted during the preparation of the PIF, but further consultations with additional stakeholders are needed to detail the cooperation with manufacturers and other suppliers, distributors and retailers of lighting equipment as well as to coordinate arrangements for pilot projects, supply-chain initiatives and marketing of EE lighting. This will also take place via bilateral meetings with the major parties and their associations, and workshops at the national and regional levels.

##### 3. Design of pilot/demonstration projects

As part of the project, various municipalities and market parties will invest in pilot projects to demonstrate the benefits of EE lighting and to take the first steps in the transformation of the

lighting market. These investments need to be detailed and coordinated with other project activities, UNDP CO programme in order to maximise the marketing value of the pilots and to make sure that other marketing efforts are well synchronized with the realisation of the pilots (and their different parts). During PPG a detailed feasibility study and investment plan for a pilot public building and street lighting projects in various provincial cities will be prepared specifying the timing of investments, the type of buildings where the investments will take place, the types of equipment to be used, the monitoring of impacts and the demonstration and outreach programme to communicate the benefits and scale-up the programme to other municipalities.

### 3.1 Detailed investment plans for public buildings

The investments of the municipal governments in efficient lighting will be presented in a detailed investment plan, specifying the timing of investments, the buildings where the investments will take place, the types of equipment to be used, the monitoring of impacts and the demonstration and outreach programme to communicate the benefits. This project planning will be done in close cooperation with the local authorities.

### 3.2 Detailed investment plans for street lighting

As above and applied for the planned pilot projects on street lighting in small towns.

### 4. Design supply-chain initiatives

Some market parties were consulted during the preparation of the PPF, but further consultations with additional stakeholders are needed to detail the cooperation with importers and suppliers, assess their capacity gaps and coordinate arrangements for pilot projects, supply-chain initiatives and marketing of EE lighting. This will also take place via bilateral meetings with the major parties, private sector association, and workshops at the national and municipal levels.

### 5. Project strategy and implementation detailing

Based on the activities described above, the detailed planning of the full project will be completed. Collaboration with the GEF global lighting project will be ensured in particular when designing project strategies and defining scope and activities for two projects. The PPG activities will include further study and information collection on:

- the existing policy framework and required additions;
- a detailed overview of existing and necessary legislative and standardisation regulations;
- the market structure, sales characteristics, and barriers emerging from this;
- national and global environmental benefits sought;
- social, economic and financial sustainability of proposed project activities;
- a set of viable outcomes, outputs and activities that constitute the most cost effective response to the identified barriers;
- costing of expected project outcomes and outputs, co-financing sources and co-financing commitments in compliance with the GEF incrementality principle;
- a monitoring and evaluation plan, including a set of impact indicators to track the project's progress and effectiveness, baseline and target values on indicators;
- a cost-effectiveness analysis.

List project preparation activities	GEF Grant	Co-financing	Total
Collecting additional data about the market structure, production, imports, distribution, sales and demand for efficient lighting technologies, and GHG emissions under baseline	22,000	20,000	42,000
Consulting with public and private sector stakeholders about the regulatory, technical and marketing activities	8,000	20,000	28,000
Detail design of the EE lighting	25,000	15,000	40,000

pilot/demonstration projects in public buildings and street lighting				
Design supply-chain initiatives	15,000	25,000	40,000	
Detailing final project design, estimation of project GHG emission reduction, implementation arrangements and M&E plan		10,000	10,000	
<b>Total project preparation financing</b>	<b>70,000</b>	<b>90,000</b>	<b>160,000</b>	

The Provincial Governments, UNDP CO and national governmental agencies have all pledged their commitment to this project and their willingness to co-finance this. No PPG management costs will be financed from the GEF grant

**C. PPG BUDGET REQUESTING FINANCE BY GEF**

Cost Items	Total Estimated Person Weeks (PW)	GEF (\$)	Co-financing (\$)	Total (\$)
Local consultants *	43 (GEF only)	13,000	70,000	83,000
International consultants*	15	42,000	0	42,000
Travel		15,000	20,000	35,500
<b>Total PPG Budget</b>		<b>70,000</b>	<b>90,000</b>	<b>160,000</b>

\* Split between local and international consultants might be indicative and subject to the procurement guidelines

of the Agencies. Additional information regarding consultants should be provided in Annex A.

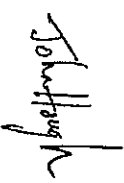
**D. GEF AGENCY(IES) CERTIFICATION**

**A. RECORD OF ENDORSEMENT OF GEF OPERATIONAL FOCAL POINT (S) ON BEHALF OF THE GOVERNMENT(S):** (Please attach the country endorsement letter(s) or regional endorsement letter(s) with this template).

Eldana Sadvakassova GEF Operational Focal Point Deputy Minister of Environmental Protection	Date: 11 August 2009
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**B. 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.

 John Hough, UNDP/GEF Deputy Executive Coordinator	Marina Olshanskaya Project Contact Person Tel. +421 259 337 285 Email: <a href="mailto:marina.olshanskaya@undp.org">marina.olshanskaya@undp.org</a>
Date: December 8, 2009	

**Section III. Total Budgets and Work Plans**

Award ID:		00059919					
Award Title:		PIMS 4326 CC PPG: Promotion of Energy Efficient Lighting in Kazakhstan					
Business Unit:		KAZ 10 (UNDP Kazakhstan)					
Project Title:		PIMS 4326 CC PPG: Promotion of Energy Efficient Lighting in Kazakhstan					
Project ID: PIMS no.4326		00075171					
Implementing Partner (Executing Agency)		UNDP CO					
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:	UNDP	62000	GEF	71300	Local Consultants	13 000	13 000
				71200	International Consultants	42 000	42 000
				71600	Travel	15 000	15 000
Total Outcome 1						70,000	70,000
PROJECT TOTAL						70,000	70,000