



# BUILDING NATIONAL CAPACITIES OF NEPAL TO MEET REQUIREMENTS OF THE ENHANCED TRANSPARENCY FRAMEWORK OF THE PARIS AGREEMENT



May 12, 2022





## WWF GEF

# **PROJECT DOCUMENT**

Cover Page

Project Title:	Building National Capacities of Nepal to meet requirements of the Enhanced Transparency Framework of the Paris Agreement	
Project objective:	To strengthen capacities to meet the requirements of the Enhanced Transparency Framework and track national progress against priority actions identified in Nepal's Nationally Determined Contributions	
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WWF-US Project ID:		
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Project Type:	One Step Medium Sized	
GEF Trust Fund(s):	Capacity Building Initiative for Transparency	
GEF Focal Area(s):	Climate Change	
GEF Focal Area Objective(s):	CCM-3-8	
Implementing Agency:	World Wildlife Fund, Inc.	
Lead Executing Agency:	Ministry of Forests and Environment	
GEF Project Cost:	US\$ 1,651,175	
GEF Agency Fee:	US\$ 148,605	
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Total Project Cost:	US\$ 2,849,316	

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# Acronyms and Abbreviations

Acronyms/Abbreviations	Full name
AEPC	Alternative Energy Promotion Centre
AFOLU	Agriculture, Forestry and Other Land Use
BAU	Business as usual
BUR	Biennial Update Report
CBIT	Capacity Building Initiatives for Transparency
CBS	Central Bureau of Statistic
CCFF	Climate Change Financing Framework
CCMD	Climate Change Management Division
CFUG	Community Forest User Groups
CNI	Confederation of Nepalese Industries
CO <sub>2</sub> e	Carbon dioxide equivalent
CSO	Civil Society Organization
ETF	Enhanced Transparency Framework
F&A	Finance and Administration
FNCCI	Federation of Nepalese Chambers of Commerce & Industry
GCF	Green Climate Fund
GDP	Gross Domestic Product
GEF	Global Environmental Facility
GESI	Gender Equality and Social Inclusion
Gg	Giga gram
GoN	Government of Nepal
ha	Hectare
ICIMOD	International Centre for Integrated Mountain Development
IMCCCC	Inter-Ministerial Climate Change Coordination Committee
INGOs	International Non-Governmental Organizations
IPCC	Intergovernmental Panel on Climate Change
IPPU	Industrial Process and Product Use
KPI	Key Performance Indicator
KU	Kathmandu University
LAPA	Local Adaptation Plan for Action
LDC	Least Developed Country
LDCF	Least Developed Countries Fund
m	Meter
M&E	Monitoring and Evaluation
MCCICC	Multi-Stakeholder Climate Change Initiatives Coordination Committee
MoALD	Ministry of Agriculture and Livestock Development
MoCTCA	Ministry of Culture, Tourism and Civil Aviation

MoE	Ministry of Environment
MoEWRI	Ministry of Energy, Water Resources and Irrigation
MoF	Ministry of Finance
MoFAGA	Ministry of Federal Affairs and General Administration
MoFE	Ministry of Forests and Environment
MoHA	Ministry of Home Affairs
MoICS	Ministry of Industry, Commerce and Supplies
MoITFE	Ministry of Industry, Tourism, Forest and Environment
MoLMAC	Ministry of Land Management, Agriculture and Cooperatives
MoLCPA	Ministry of Land Management, Cooperatives and Poverty Alleviation
MoPIT	Ministry of Physical Infrastructure and Transport
MoU	Memorandum of Understanding
MoUD	Ministry of Urban Development
MRV	Monitoring, Reporting and Verification
NAP	National Adaptation Plan
NAPA	National Adaptation Programme of Action
NAST	Nepal Academy of Science and Technology
NC	National Communication
NCCSP	National Climate Change Support Programme
NDCs	Nationally Determined Contributions
NEFIN	Nepal Federation of Indigenous Nationalities
NGOs	Non-Governmental Organizations
NPC	National Planning Commission
NPD	National Project Director
NPM	National Project Manager
PMU	Project Management Unit
PPCR	Pilot Program for Climate Resilience
PPRs	Project Progress Reports
PRF	Project Results Framework
PSC	Project Steering Committee
REDD	Reducing Emissions from Deforestation and Forest Degradation
SNE	Single National Entity
ТА	Technical Assistance
ToR	Terms of Reference
TU	Tribhuvan University
UN	United Nations
UNFCCC	United Nations Framework Convention on Climate Change
UNITELE	United Ivations Framework Convention on Chillate Change

# **Executive Summary**

**Nepal is one of the most vulnerable countries to climate change** mainly due to its low adaptive capacity, poor socio-economic conditions, and lack of access to various facilities such as education, communication, transportation etc. Although, Nepal's contribution to global Green House Gas (GHG) emissions is very low it faces various negative impacts from climate change. An assessment of the impacts of Climate Change on key sectors (agriculture, hydropower and water-induced disasters) estimated that the direct cost of current climate variability and extreme events are equivalent to 1.5 to 2 percent of the annual Gross Domestic production (GDP).<sup>1</sup> With the support of different multilateral funds, Nepal is implementing various projects to increase the share of renewable energy and to improve the resilience of the country against climate change.

Nepal has demonstrated its commitment to contributing to the global collaboration on climate change actions by ratifying the Paris Agreement in 2016. As per the Agreement, Nepal will have to regularly prepare and communicate its climate change impacts, adaptation and mitigation strategies, actions and plans to United Nations Framework Convention on Climate Change (UNFCCC). However, like many other Least Developed Countries (LDCs), there exist many barriers for Nepal to meet the requirements of the Enhanced Transparency Framework (ETF) outlined in the Paris Agreement. Limited institutional capacity, lack of technical expertise, no dedicated funding, and weak collaboration among the sectors remain the key barriers for the country.

Nepal submitted its communication reports of 2004, 2014, and 2021 with the base years of 1994/1995, 2000/2001, and 2010/11. This clearly indicates the huge gap in data and its effective communication. The newly released Third National Communication report provides baseline information for the project and plays a vital role in developing a framework /tool for timely and effective communication of the nation's GHG scenario over the course of time, the status and progress on adaptation and mitigation. The capacity constraints have been a major challenge in preparing and timely reporting to the UNFCCC. The Government developed the Climate Change Financing Framework in 2017 as a roadmap to systematically strengthen climate change mainstreaming into planning and budgeting and it provides a framework on which the project can build on. Furthermore, the Government has recently endorsed the National Climate Change Policy of 2019 which emphasizes the formulation of a Transparency Framework for tracking climate change actions and investments in the country as a key priority to ensure accountability, improve participation of stakeholders and increase access to information. Nepal has submitted the National Adaptation Plan to UNFCCC in October 2021 to address medium and long-term adaptation needs and reduce climate vulnerabilities. One of the key priorities of the Plan is to prepare a Climate change data management, monitoring and reporting center assess the status and progress. Similarly, Nepal has submitted its Second National Determined Contributions with time-based targets till 2025 and 2030.

Against this backdrop, the project, "Building National Capacities of Nepal to meet requirements of the Enhanced Transparency Framework of the Paris Agreement", has been proposed by the Ministry of Forests and Environment (MoFE). It is a medium size project that will be executed over a three-year period by MoFE with support from WWF-Nepal.

<sup>&</sup>lt;sup>1</sup> IDS-Nepal, PAC and GCAP (2014). Economic Impact Assessment of Climate Change In Key Sectors in Nepal. IDS-Nepal, Kathmandu, Nepal.

This project aims "to strengthen capacities to meet the requirements of the Enhanced Transparency Framework (ETF) and track national progress against priority actions identified in Nepal's Nationally Determined Contributions (NDCs)". The project has four components. The first three components are programmatic pillars that directly lead to achieving the objective of the project while the latter is regarding Monitoring, Evaluation and Knowledge management that tracks and documents the progress and results and challenges/barrier of the project and enables adaptive management while ensuring effective learning and sharing.

**Component 1 "Strengthening national institutions for climate transparency-related activities in line with national priorities and provisions of Paris Agreement's ETF"**, aims to address barriers associated with establishing and maintaining national institutional arrangements for Measuring, Reporting and Verification (MRV) of climate actions for the purposes of meeting the ETF requirements and needs of Nepal for effective climate policy making and implementation. Under this component institutional arrangements for MRV will be established among relevant ministries at federal and provincial level with clear agreed roles and responsibilities to ensure systematic data collection, processing, management, analysis, and reporting and associated coordination among stakeholders.

**Component 2 "Enhancing technical capacity to assess, monitor and report the emissions and removals of GHGs**" aims to improve the overall framework of MRV of GHG emissions from all emission sectors: Agriculture, Forestry and Other Land Use (AFOLU); Energy, Industrial Processes and Product Use (IPPU); and Waste. This component will ensure the effective and innovative design of accounting rules, reporting guidelines, tools and verification which will be essential to ensure that Nepal's GHG emissions and removals are effectively monitored, progress is communicated under the requirements of the Paris Agreement, and that even greater ambition is generated for subsequent NDC updates. This component emphasizes capacity building of key stakeholders related to all GHG emission sectors for data collection, analysis, monitoring, reporting and verification in line with ETF.

**Component 3 "Strengthening national capacity to monitor and report on means of implementation and progress of NDCs**" is designed to address the barrier regarding tracking of NDC implementation and reporting the progress of NDCs in a timely manner. Under this component a mechanism will be set up to track the national climate actions i.e. activities carried out for mitigation and adaptation, and climate finance received and mobilized.

**Component 4** "Monitoring and Evaluation (**M&E**) and Knowledge management" ensures that the project follows Global Environment Facility (GEF)' and WWFs' requirements for effective monitoring and reporting. Under this component, results and lessons learned from the project will be documented and disseminated within and beyond the project intervention through existing information sharing networks and for a while also learning from various CBIT and transparency related projects in countries with similar contexts.

The project is summarized in the table below.

#### TABLE 1: PROJECT DESCRIPTION

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Project Objective: To strengthen capacities to meet the requirements for the ETF and track national progress against priority actions identified in Nepal's NDCs			
Project Component	Financing type	Project Outcome	Project Outputs
1. Strengthening national institutions for climate transparency-related activities in line with national priorities and provisions of Paris Agreement's ETF	TĂ	1.1. Institutional arrangements in place for coordinating, reporting, and communicating progress	1.1.1. Coordinating body for MRV in keeping with the ETF requirements are established and formalized among relevant federal and provincial ministries, as well as other stakeholders for data collection, processing, and management; quality management, data analysis and modelling; reporting; and communications.
2. Enhancing technical capacity to assess, monitor and report the emissions and removals of GHGs	TA	2.1. Strengthened MRV reporting GHGs and assessing progress towards NDC commitments	2.1.1. Develop and/or strengthen processes, methods, and tools for MRV of all emission sectors (AFOLU, Energy, IPPU, Waste).
		2.2. Enhanced national capacity for data collection, analysis, reporting and verification for all GHG emission sectors (AFOLU, Energy, IPPU, Waste)	2.2.1. Develop and roll out a long-term capacity building strategy to build the capacity of key stakeholders related to all GHG emission sectors for data collection, analysis, monitoring, reporting and verification in line with ETF.
3. Strengthening national capacity to monitor and report on	ТА	3.1 Monitoring and reporting of NDCs and means of	3.1.1. Centralized climate action information management system established and functional.
means of implementation and progress of NDCs		implementation strengthened	3.1.2. Tracking mechanism established at Ministry of Finance (MoF) to document public, private, and international finance of mitigation and adaptation efforts.
4. M&E and Knowledge	ТА	4.1. Project M&E system is established	4.1.1. Project outcomes are monitored regularly to track progress
Management		that tracks the progress, assess the results, and timely informs the project	4.1.2. Timely evaluation of the project to identify success, gaps or challenges in meeting the outcomes and to enable adaptive management
	ТА	4.2. Knowledge generated from the	4.2.1. Project knowledge products prepared and disseminated

project implementation is managed through documentation and sharing of lessons learned	4.2.2. ETF lessons learning and sharing at national, regional, and international level.
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# SECTION 1: PROJECT BACKGROUND AND SITUATION ANALYSIS

# 1.1. Project Scope and Environmental Significance

1. **Nepal is administratively divided into seven provinces and 753 local government units.** As of 15 September 2021, the population of Nepal was estimated to be 29,765,696. The majority of the Nepalese population live in rural areas, and depend on agriculture for their livelihood. By 2030, Nepal's population is projected to increase and reach 33,389,536.<sup>2</sup> The increase in population is expected to create pressure on natural resources and increase demand on products and services. In 2020, Nepal's Gross Domestic Product (GDP) was around US\$ 33.657 billion.<sup>3</sup> In the fiscal year 2019/20, the service sector was the main source of GDP (33.6%); followed by the agriculture (32.7%), non-agriculture sector (20.3%) and net tax to goods (10.6%).<sup>4</sup>

2. Nepal is characterized by a rugged topography and variable climatic conditions. The elevation of the country ranges from 60 m to 8,848 meter (m) above sea level and the topography is extremely varied within a small width ranging from 145 to 241 km. The steep physiography makes Nepal susceptible to natural hazards such as landslides, erosion, debris flow etc. Apart from its intrinsic sensitivity to natural hazards, Nepal lies in the topmost category of highly climate vulnerable countries in the world.<sup>5</sup> This is mainly due to low adaptive capacity, poor socio-economic conditions and lack of access to various facilities. Although, Nepal's contribution to global Green House Gas (GHG) emissions is very low (ranked as 166<sup>th</sup> out of 192 countries)<sup>6</sup> it faces various negative impacts of climate change. Millions of people are estimated to be at risk from the impacts of climate change such as reductions in agricultural production, food insecurity, strained water resources, loss of forests and biodiversity as well as damage to infrastructure. An economic assessment of the impacts of climate change estimates the direct cost of current climate variability and extreme events to be equivalent to 1.5 to 2% of the annual GDP (approximately US\$ 270-360 million/year in 2013 prices), and is much higher in extreme years, rising to 5% or more.<sup>7</sup> Nepal, with the support of multilateral funds and development partners, has implemented several programs to increase access to renewable energy, build resilience of climate vulnerable communities to cope with the impacts of climate change, and reduce impacts of climate change related disasters on people and natural resources.

3. Nepal, as a Party to the United Nations Framework Convention on Climate Change (UNFCCC) supports the convention's goal to limit global temperature rise to well below 2°C above pre-industrial level and even further to 1.5°C above pre- industrial levels in order to reduce the risks of adverse impacts from climate change. Nepal has demonstrated its commitment to contributing to the global effort, by ratifying the Paris Agreement in 2016. As the first step to implement the Paris Agreement, Nepal submitted its Nationally Determined Contributions (NDCs) in October 2016 acknowledging the requirements of the Transparency Framework. Nepal will need to continuously update its GHG accounting systems and report its emissions, removals and offsets, climate vulnerabilities, and adaptation actions under various reporting instruments. As per the Paris Agreement, Nepal will have to regularly prepare and communicate its climate change impacts, adaptation and mitigation strategies, actions and plans to UNFCCC on a periodic basis. However, like many other Least Developed Countries (LDCs), Nepal needs

<sup>&</sup>lt;sup>2</sup> https://www.worldometers.info/world-population/nepal-population/

<sup>&</sup>lt;sup>3</sup> <u>https://data.worldbank.org/indicator/NY.GDP.MKTP.CD?locations=NP&view=chart</u>

<sup>&</sup>lt;sup>4</sup> Ministry of Finance (2020). Economic Survey 2019/20. Ministry of Finance, Government of Nepal. Download available at <u>https://www.mof.gov.np/uploads/document/file/Economic%20Survey%202019\_20201125024153.pdf</u>

<sup>&</sup>lt;sup>5</sup>Germanwatch (2019). Global Climate Risk Index 2019. Briefing Paper. Think Tank and Research. Download available at <u>http://www.germanwatch.org/en/cri</u>

<sup>&</sup>lt;sup>6</sup> https://www.indexmundi.com/facts/indicators/EN.ATM.CO2E.PC/rankings

<sup>&</sup>lt;sup>7</sup> CBS (2017). National Climate Change Impact Survey 2016. A Statistical Report. Central Bureau of Statistics, Kathmandu, Nepal.

to build its capacity and resources to support the long-term requirements of the Enhanced Transparency Framework (ETF) outlined in the Paris Agreement. The Capacity Building Initiatives for Transparency (CBIT), of the Global Environmental Facility (GEF) provides an opportunity for Nepal to improve its capacity for transparently reporting and communicating its progress on NDCs. This project will build institutional and technical capacities of the government line agencies at different levels, civil society organizations (CSOs) and relevant private entities to enable them to collect, manage and share the required information to efficiently track the progress of NDCs and support the reporting and communication of climate actions. The project provides opportunities for:

- improved data quality, collection, systematization and archiving that will help to make informed and evidence-based policy decisions,
- frequent engagement of data users and suppliers/providers to ensure consistency and frequency of data quality, relevant reporting format and timely reports,
- increased ownership and usage of the results, particularly to inform policy decisions,
- increased participation of multiple sectors to create synergy around the issue of climate change,
- increased coordination between different governance levels (local, provincial, federal) and sectors considering federal structure,
- enhanced capacity of in-country experts and sectoral government ministries, and
- use of best practice methodologies and emission factors that are based on national circumstances.

# 1.2. Environmental Problem(s), Threats and Root Causes

4. Climate change has emerged as one of the prominent global issues over the past few decades. Shrinking glaciers in the Himalayas, upward shifting of alpine tree, decreasing water availability in subtropics, and frequent storms and heat waves in tropical areas are few examples of impacts of climate change across the globe.<sup>8,9</sup> The nature of vulnerabilities varies across regions and communities over time and depends on the local socio-economic conditions.<sup>10</sup> Developing countries and particularly LDCs, that have fewer resources and less capacity to adapt to a changing climate would be disproportionately affected by the impacts of climate change. Estimates show that "for every 1° C increase in average global temperatures, annual average growth in poor countries could drop by 2-3 percentage points, with no change in the growth performance of rich countries".<sup>11</sup> This estimation generates concerns for a country like Nepal because apart from being an LDC, its topography along with high dependence on natural resources as the main source of livelihoods render Nepal to be highly vulnerable to climate change. Various environmental risk indices place Nepal among the most environmentally vulnerable countries in the world. For example, the Notre Dame Global Adaptation Initiative index, which measures a country's vulnerability to climate change and other global challenges in combination with its ability to improve resilience, ranks Nepal 120th out of 181 countries. Nepal's capacity to adapt to climate change impact is rated even lower, i.e., 136<sup>th</sup> among 192 countries.<sup>12</sup>

<sup>&</sup>lt;sup>8</sup> Kohler T. and Maselli D. (2009). Mountains and Climate Change - From Understanding to Action. Published by Geographica Bernensia with the support of the Swiss Agency for Development and Cooperation and an international team of contributors. Bern.

<sup>&</sup>lt;sup>9</sup> Seneviratne, S.I. et al. (2012). Changes in climate extremes and their impacts on the natural physical environment. In: Managing the Risks of Extreme Events and Disasters to Advance Climate Change Adaptation. A Special Report of Working Groups I and II of the Intergovernmental Panel on Climate Change (IPCC). Cambridge University Press, Cambridge, UK, and New York, NY, USA, pp. 109-230.

<sup>&</sup>lt;sup>10</sup> Hurlbert, M. et al. (2019). Risk Management and Decision making in Relation to Sustainable Development. In: Climate Change and Land: an IPCC special report on climate change, desertification, land degradation, sustainable land management, food security, and greenhouse gas fluxes in terrestrial ecosystems. In press.

<sup>&</sup>lt;sup>11</sup> Ahmad, M. (2011). The Impact of Climate Change in the least Developed Countries, LDC Watch.

<sup>&</sup>lt;sup>12</sup> UN (2018). Vulnerability Profile of Nepal. Committee for Development Policy 20th Plenary Session, United Nations New York.

Nepal is facing several challenges from climate change: shrinking glaciers leading to 5. increasingly frequent glacial lake overflow and flash floods, landslides, more erratic precipitation, and alterations in the pattern of temperatures, winds, fog and hailstorms. The Government of Nepal (GoN) estimates that 1.9 million people in Nepal are highly vulnerable to risks associated with climate change, and that an additional 10 million will increasingly be threatened by the same risks. Overall, about 37% of the country's population is considered to have been exposed to climate-related risks, particularly through economic activities such as agriculture, forestry, and tourism<sup>13</sup> as well as through effected sectors such as water and energy, health, and infrastructure. Under various climate change scenarios for Nepal, mean annual temperatures are projected to increase between 1.3-3.8°C by the 2060s and 1.8-5.8°C by the  $2090s^{14}$  as well as more erratic precipitation. With the increasing intensity of rainfall, the likelihood of occurrence of water-induced disasters can be expected more frequently. More variable precipitation will have negative impacts on agriculture and consequently affect agriculture dependent communities, particularly farmers who rely on rain-fed farming. An observed increase in the intensity of monsoon rain has significantly increased the risk of flash flood, erosion, landslides, and inundation of area in the downstream of the watershed. With limited effective response mechanisms and strategies for dealing with the impacts of climate change, aggravated by a lack of financial resources, the vulnerability in the country is exacerbated. To address the issues outlined above, Nepal will need to access international funds while also mobilize domestic funds more effectively and ensure accountability and transparency of the funds mobilized and results achieved.

# 1.3. Barriers addressed by the project

6. With the growing realization of the urgency to respond to climate change, GoN has prepared and implemented numerous strategic measures (policies, programs, plans) and various projects aimed at incorporating climate resilience through domestic, bilateral, and multilateral funding. Furthermore, Nepal is trying to reduce GHG emissions through "no regret" mitigation actions. These measures are expected to have significant contributions to the national effort to comply with the UNFCCC's decisions. As a signatory to the Paris Agreement, Nepal must transparently report on: (a) Mitigation actions and GHG accounting, (b) Adaptation actions and national vulnerabilities (c) Technical Assistance and Technology transferred for adaptation and mitigation, and (d) International climate finance received, and domestic finance mobilized for mitigation and adaptation on activity data and emission factors are managed with inadequate coordination among different institutions and hence there is a need to build synergy with national and international organizations to improve efficiency and avoid duplication of efforts. Nepal faces many barriers such as absence of institutional arrangement, limited capacity, lack of technical expertise etc. to comply with the requirements of the Paris Agreement. These barriers are briefly described below.

#### i. Absence of institutional arrangements

7. The Ministry of Forests and Environment (MoFE) is the designated focal ministry of the Convention to coordinate overall affairs of climate change, which is facilitated by the Climate Change Management Division (CCMD) as the agency responsible for reporting to the UNFCCC on the climate actions undertaken and its progress through National Communications (NC), Biennial Update Reports (BUR) etc. A climate change coordination committee in the relevant ministries responsible for environment and climate change in each province is being established and needs strengthening. To be able to report in a transparent way on the issues mentioned above, functional legal and institutional arrangements must be developed for all different GHG emitters and players in adaptation efforts. The adaptation plans and targets outlined in the country's NDCs have to be implemented, monitored and reported through different sectoral

<sup>&</sup>lt;sup>13</sup> Ministry of Environment (2010). National Adaptation Programme of Action to Climate Change. Government of Nepal, Kathmandu, Nepal.

<sup>&</sup>lt;sup>14</sup> Ministry of Population and Environment (2016). Nationally Determined Contributions. Government of Nepal, Katmandu, Nepal.

ministries both at federal and provincial level. Achieving mitigation targets is possible only when investment from private sector is secured. Currently these stakeholders (sectoral ministries, line agencies etc.) are not aware of the requirements of the Paris Agreement and henceforth the ETF. Moreover, there are no agreements made with these institutions for collecting and analyzing data, tracking progress and reporting on NDCs. Thus, all the institutions (government or private) working in sectors that emit GHGs are not made responsible or accountable to participate in Monitoring, Reporting and Verification (MRV). Also, adaptation actions are not adequately integrated or reported by sectoral ministries. Thus, absence of institutional arrangement/legal instruments that clearly define the roles, responsibility and coordination mechanisms for regularly collecting, compiling, reviewing, maintaining data is the major hurdle for reporting as required by ETF.

### ii. Limited capacity and technical expertise

8. The quality of data collection, monitoring, verification, and reporting/communication depends on available capacity of the involved institutions. However, there exists a huge capacity gap at national level. The knowledge base and understanding regarding compliance with the Paris Agreement and particularly for the implementation and reporting of its transparency requirements at the national level are at an early stage of development. At MoFE, currently the number of dedicated human resource and skills for MRV coordination, preparation of reports to ensure consistency, accuracy and timely archival of information is inadequate.

9. Moreover, apart from a few, many in-country experts are generally unfamiliar with transparency related activities and the requirements thereof. There is an inadequate number of qualified local experts that can plan, set targets and achieve them in conformity with the transparency requirements of the Paris Agreement.

#### iii. Lack of data and database

10. In the NDCs 2020, it is clearly mentioned that due to the limited data availability, not all sectors were covered, for example the targets for transportation, energy and AFOLU are specific whereas IPPU and Waste have generic targets. Thus, Nepal would need to update its emission inventories, develop emission factors for all sectors, carry out modelling to build sector-specific scenarios and projections, establish a mechanism to collect, store and maintain datasets and account for conditional targets. Currently, the data repositories from data collection to data storage in most of the ministries and line agencies are not well managed. Further, a centralized system for storing, archiving, and retrieving data within or across ministries, and its departments is absent. Thus, there is no mandate for line ministries to share the data periodically with MoFE. MoFE does request Non-Governmental Organizations (NGOs)/ International Non-Governmental Organizations (INGOs) for a yearly update on projects/programs related to climate change for its database. But other actors such as the private sector which is engaged in both GHG emissions and mitigation activities is not adequately engaged in the data collection. The third NC report submitted to UNFCCC in June 2021 has clearly mentioned the lack of current data as one of its limitations. The use of old data does not present the actual GHG emission scenario and consequently avert its commitment on adopting ambitious emission reduction targets.

#### iv. Insufficient tools and processes to calculate emissions

11. The communication reports prepared till now have been heavily depended on the Intergovernmental Panel on Climate Change (IPCC) emission database and European Monitoring and Evaluation Program/European Environment Agency emission (EMEP-EEA) database without being validated at the national level. There are 3 tiers of estimation for emissions and removals used in the national GHG inventory of Nepal. Tier 1 approach employs activity data that is relatively coarse, such as nationally or globally available estimates of deforestation rates, agricultural production statistics, and global land cover maps. Tier 2 uses the same methodological approach as Tier 1 but applies emission factors

and activity data that are defined by the country. Tier 3 approach uses higher order methods, including models and inventory measurement systems tailored to address national circumstances, repeated over time and driven by disaggregated levels. Apart from some cases such as biomass stove combustion in residential sector and livestock enteric fermentation in which Tier 3 method was applied due to availability of national emission factor, for most of the emission sectors the Tier 1 method of the IPCC is followed.<sup>15</sup> Reliance on tier 1 methodologies limits the quality and effectiveness of GHG inventories. For better estimation and to reduce uncertainties, the country aims to move to Tier 2 and Tier 3 for key categories. These tiers demand location-specific data because emissions are determined by factors such as combustion technology and operating conditions. Currently, only the MRV system for the forest sector, mainly for calculating emission reduction from REDD (Reducing Emissions from Deforestation and Forest Degradation) projects, has been properly developed. As Nepal is diverse in terms of its physiographic regions, their climatic variations play a crucial role in GHG emissions. At the same time, several variables such as waste composition, forest types, land-use practices, size of the project and technology have significant impact on GHG emissions by sectors. Therefore, it is crucial to have emission data on activities specific to physiographic zones for pragmatic estimations.

#### v. Lack of dedicated human and financial resource for MRV

12. As of today, planning and implementation of adaptation and mitigation related actions are completed on a project-by-project basis with international funding, by short-term external consultants and with limited quality assurance which generates concern over sustainability. Limited financial resources from the national budget do not allow for regular and continuous transparency-related actions. MRV needs to be integrated into the system of sectoral ministries so that there are dedicated personnel/sections responsible for generating, storing, retrieving data when required.

13. This project aims to address the above-mentioned barriers to be able to transparently report on the Paris Agreement by 1) building institutional mechanism through formal arrangements and coordination mechanisms between relevant ministries, line agencies, private sectors and CSOs, 2) developing guidelines, protocols, and methods for establishing a central climate action management system and 3) building technical capacity to meet the requirements of the ETF. The key requirements of the ETF and barriers the project will address are listed in Table 2.

<sup>&</sup>lt;sup>15</sup> MoFE (2021). Nepal's Third National Communication to The United Nations Framework Convention on Climate Change (UNFCCC). Ministry of Forests and Environment, Government of Nepal, Kathmandu, Nepal.

Requirements for transparency	Current barriers and constraints
National inventory report of GHG emissions, using good practice methodologies accepted by Intergovernmental Panel on Climate Change (IPCC) and agreed upon by Parties to the Paris Agreement	<ul> <li>Lack of research and quality of data across sectors contributing to GHG emissions</li> <li>Unavailability of emission factors for all key emission sources</li> <li>Lack of integration between initiatives to support MRV system</li> <li>Lack of financial support from the national budget</li> <li>Lack of harmonized reporting format</li> <li>No centralized body for data generation, storage, and retrieval</li> <li>Limited quality assurance in preparation of inventories</li> </ul>
Information necessary to track the progress towards achieving the NDCs	<ul> <li>Inadequate sector-specific technical experts for continuous engagement</li> <li>Lack of clear and robust institutional arrangements for monitoring and reporting</li> <li>Lack of adequate information on requirements and guidelines by the key agencies that provide and manages the data</li> <li>Lack of data storage and supply arrangements to ensure the provision of quality datasets as well as for communication</li> </ul>
Information related to climate change impacts and adaptation	<ul> <li>Lack of awareness and understanding to corelate the impacts (e.g., disaster events, loss of lives, loss of agricultural productivity) with climate change</li> <li>Absence of provision for continuous input from national sector expert</li> <li>Limited human and financial resources</li> <li>Lack of collaboration between relevant sectors and academia</li> </ul>
Information on financial support received and mobilized	<ul> <li>Limited financial resources for continuous operation</li> <li>Lack of systems to report on use, impact and estimated results of support received and mobilized</li> </ul>

#### TABLE 2: BARRIERS AND CONSTRAINTS PROJECT AIMS TO ADDRESS

# 1.4. National and Sectoral Context

14. The proposed project's Executing Agency (EA), Ministry of Forests and Environment (MoFE) is designated as the primary agency to coordinate climate change related initiatives in the country as well as serves as the focal point for the UNFCCC process. The Climate Change Management Division (CCMD) of MoFE is primarily responsible to facilitate formulation of policies, plans and programs and the implementation of projects related to climate change. CCMD is the primary agency to facilitate climate change planning, research, and reporting in compliance with the UNFCCC process. The CCMD has created an Emission Measurement Section dedicated to GHG inventory.

15. Among others, key roles of CCMD relevant to the proposed project are16:

<sup>&</sup>lt;sup>16</sup> https://www.mofe.gov.np/climate/content/about-us/

- Carry out research and studies and prepare national and international communication reports on climate change, including GHG inventory and adaptation actions, in coordination with various government and non-government organizations.
- Take the lead in developing climate action plans for both adaptation and mitigation, facilitating the management of climate financing, assisting in the development of climate technology, organizing national and international meetings, and fulfilling international reporting requirements.
- Preparation of periodic reports for greenhouse gases.
- Identify areas that increase greenhouse gas emissions and promote clean energy and green productivity.
- Provide technical assistance to the REDD implementation center.
- Prepare and submit national reports including greenhouse gas emissions in line with international commitments.
- Monitor and evaluate the implementation of national climate change policies and international commitments, in particular, those made under UNFCCC, such as the Kyoto Protocol, and the Paris Agreement on Climate Change.

16. **The CCMD will facilitate the planning of the Climate Change Council meetings** and prepare and implement programs related to climate change adaptation and mitigation actions. The CCMD has five units, namely Climate Change Section, Adaptation Section, Mitigation Section, Climate Technology Section, and Greenhouse Gas Emission Measurement Section.

17. **The third National Communication (NC) report has been submitted by MoFE** to the UNFCCC in June 2021. The report identified four emission sectors (AFOLU, Energy, IPPU, Waste) requiring mitigation efforts.<sup>17</sup> The status and projected scenarios of these emission sectors and prioritized mitigation options based on multi-criteria (8 criteria analyzed: availability, sustainability of the options, emission reduction potential, affordability, level of co-benefit, adoptability, acceptability, accessibility) analysis are briefly explained below.

## 1. Agriculture, Forestry, and Other Land Use (AFOLU) sector

18. Agriculture including forestry and fishery is one of the main economic sectors of the country contributing to 32.7% of the total GDP.<sup>18</sup> However, the AFOLU sector contributes to more than 80% of the total GHG emissions in Nepal. The AFOLU sector comprises emission from livestock, land conversion, and aggregate and non-CO2 emission sources on land such as biomass burning, urea application etc., and removal of carbon dioxide from conversion of other land categories into forest. In base year 2011, a total of 37,984 Gg carbon dioxide equivalent (CO2 eq) was emitted from this sector. The trend in GHG emission and removal from 2001 to 2011 shows that 43.5% increase in emission from livestock sub-category; aggregated sources and non-CO2 emission sources on land contributed 11,499.68 Gg CO2 eq per year, while the land subcategory removed 17,077.81 Gg CO2 eq per year through sequestration of carbon dioxide in forest and non-forest lands. However, total net emission increased by 46.0% from 18,240 Gg in 2001 to 26,621Gg in 2011. If the trend continues under a business-as-usual scenario, emissions will increase up to 25% by 2030. GHG emission projections shows that in 2050 the emission from entire AFOLU sector would increase by around 10% of CO2 eq as compared to 2010 which is mostly caused by an increase in agricultural emissions. However, uncertainties are high in both emissions and removals from the AFOLU due to lack of country specific emission factor. The key mitigation options suggested for the AFOLU sector

<sup>&</sup>lt;sup>17</sup> MoFE (2021). Nepal's Third National Communication to The United Nations Framework Convention on Climate Change (UNFCCC). Ministry of Forests and Environment, Government of Nepal, Kathmandu, Nepal.

<sup>&</sup>lt;sup>18</sup> MoF (2020). Economic Survey 2019/20. Ministry of Finance, Government of Nepal, Kathmandu, Nepal.

are intercropping or successional planting systems; zero tillage; conservation agriculture; forest management; urban forestry; dietary changes in livestock; and grazing land management.

19. In terms of climate risks, agriculture is the sector which is most sensitive to climate change affecting the food security of the nation. Rainfall and other climatic factors are critical to crop yields and livestock production. The sector is affected by extreme weather events (heat stress, hot winds, cold waves, hailstones and snowfall) and climate change induced impacts such as droughts and floods. The observed climate variability has led to rain deficit, drought and floods in different parts of Nepal with significant (more than 10% and up to 30%) decline in agricultural production.<sup>19</sup> Between 1971 and 2007, nearly 850,000 hectares (ha) of crops were lost to weather- and climate-related events: droughts accounted for 38.9% of lost agricultural crops, and floods for 23.2%.<sup>20</sup> A major gap in the agriculture sector is poor access to information, knowledge and services. Although the government has developed climate resilient varieties to cope with droughts and floods, and a few technologies have been introduced, there is additional need to focus more on customization of such technology as per local needs and priority considering the local context. Similarly, farmers have poor access to climate information and services.

The forestry sector is considered as an integral part of rural livelihoods. Moreover, forests in 20. Nepal hold a total carbon stock of 1,054.97 million tonnes (176,95t/ha)<sup>21</sup>, the trading of which could offer an additional economic contribution. Climate extreme events and hazards will degrade, damage, and convert forest areas, and these changes will adversely affect ecosystem services and biodiversity. Changes in temperature and precipitation cause alteration of species' composition and invasion by alien species. This has direct implications on the forest health and thereby its productivity.<sup>22</sup> Despite being a sector which provides ample natural resources and ecosystem-based services, its potential to enhance adaptive capacity has not been adequately explored. There is limited research on assessing vulnerability, exposure and climate change impact on forests and biodiversity since it demands long-term engagement. Both government and non-government agencies, including academic institutions, have not invested adequately in such research to generate and disseminate reliable data and knowledge. This has implications for the development and implementation of proper strategies to enhance resilience to climate change. Addressing climate change issues related to forests and biodiversity become more challenging without specific policies, guidelines, and tools relevant for the sector. Informed decision making also requires good quality, current and contextspecific data achieved through in-situ research.

#### 2. Energy sector

21. **Nepal heavily relies on traditional energy sources with 71% of biomass burning** whereas the share of renewable energy (pico-hydro and micro-hydro power, biomass related biogas, briquettes, gasifier, liquid biofuel, improved cooking stove, solar photovoltaic, solar thermal and wind powered plants) is not significant i.e., only around 3.2 %. In the base year 2011, the energy sector emitted 14,703 Gg CO<sub>2</sub> eq of GHG.

22. The sources of emission from the energy sector are electricity production; manufacturing industries and constructions such as iron, cement, brick etc.; transport such as civil aviation, car, truck etc., and others which include commercial, residential, and agriculture related energy use. Among these, latter has the highest contribution to the total GHG (CO2, CH<sub>4</sub>, and N<sub>2</sub>O) emission i.e., 70% of total GHG emission (9.328 Gg CO2 eq). For calculation of emissions, apart from biomass stove combustion in the residential sector for which a country specific emission factor is available, default emission factor and model (2006

<sup>&</sup>lt;sup>19</sup> TU (2018). Climate Change Vulnerability, Impact, and Adaptation Assessment. A report prepared for TNC. Centre Department of Environmental Science, Tribhuvan University, Nepal.

<sup>&</sup>lt;sup>20</sup> UNDP (2019). Nepal Country Report. Global Assessment of Risk. United Nations Development Programme, Kathmandu Nepal.

<sup>&</sup>lt;sup>21</sup> DFRS (2015). State of Nepal's Forests. Forest Resource Assessment Nepal, Department of Forest Research and Survey (DFRS), Kathmandu, Nepal.

<sup>&</sup>lt;sup>22</sup> FAO (2008). Climate change impacts on forest health. Working Paper FBS/34E.

IPCC guideline) were considered. The total energy consumption in 2011 was 376.3 million GJ. In comparison to 2008 data, the 2011 data shows an increase in the dependency on fossil fuels. The share of fuelwood in the primary energy dropped from 78 % to 71 % while the consumption of petroleum product increased by half and coal doubled. For future projections of GHG emissions, four scenarios were considered in line with Nepal's Energy Sector Vision 2050:

- Business as Usual (BAU) scenario: GDP growth rate is low (4.4%), and energy mix remains same as in base year 2011
- Medium growth scenario: GDP growth rate (5.6%) and energy mix is same as in base year 2011
- High growth scenario: GDP growth rate is high (6.5%), and energy mix is same as in base year 2011
- Combined policy intervention scenario: GDP growth rate is 5.6% and interventions such as replacement of traditional and fossil fuels by clean energy; promotion of electrification in all five sub-sectors for lighting, heating and other purposes; more efficient process technologies in industries; mass transportation systems; introduction of new electric and bio-fuel transportation technologies.

23. In 2030, in a BAU scenario, the total GHG emissions from energy use are set to reach around 20,000 Gg  $CO_2$ eq whereas with the high growth scenario emission might reach around 25,000 Gg  $CO_2$  eq and with policy interventions emissions can be significantly reduced to 15,000 Gg  $CO_2$ eq.

24. The third NC suggests the following key mitigation options for the energy sector: Energy saving policies; enhancing energy efficiency; cogeneration in industries; and using renewable energy options.

25. Climate change impacts in conjunction with other environmental changes can disrupt the energy cycle in multiple ways such as increased demand (more energy for cooling and heating), generation, supply, and use.<sup>23</sup> It can affect energy production dependent on biomass (fuelwood and agriculture residue) and alternative energy sources such as solar and wind. However, the impact is more pronounced in the hydropower sector. Most hydropower systems and barrages in Nepal are exposed to sedimentation caused by landslides and soil erosion. Impacts of climate variability on electricity production indicates that economic costs could be equivalent to 0.1% of GDP per year on average, and 0.3% in very dry years.<sup>24</sup> Thus, adaptation in this sector would be crucial to meet the energy demand in the country.

#### 3. Industrial Processes and Product Use (IPPU) Sector

26. While IPPU sector's contribution to national GHG emission is very low, there has been a gradual increase in emission in past years. The IPCC has identified 8 major subsectors of emissions from IPPU sector i.e. mineral industry, chemical industry, metal industry, non-energy products from fuels and solvent use, electronics industry, product uses as substitute for ozone depleting substances, other product manufacture and use, and others.<sup>25</sup> However, as it is difficult to ascertain emissions from all the subsectors and since the cement industry is the major contributor (92% of GHG emission in IPPU sectors), trends in GHG emissions from the cement industries are only analyzed in the third NC. For projecting GHG emissions from IPPU, emissions are projected according to the low-variant, medium-variant and high-variant population projection scenarios given by CBS (2014) with 17.3% annual growth of cement production. By 2030, cement production could contribute approximately 4,000 (low variant) to 6,000 (high variant) Gg of CO<sub>2</sub> per annum.

<sup>&</sup>lt;sup>23</sup> WECS (2013). National Energy Strategy of Nepal: Current energy Scenario. Water and energy Commission Secretariat, Government of Nepal.

<sup>&</sup>lt;sup>24</sup> IDS GCAP and PAC (2014). Economic Impact Assessment of Climate Change in Key Sectors in Nepal. Policy Brief submitted to MoEST.

<sup>&</sup>lt;sup>25</sup> IPCC (2006). Guidelines for National Greenhouse Gas Inventories, Intergovernmental Panel for Climate Change (IPCC), Switzerland.

27. The GHG emissions projection shows that by 2050, emission from IPPU will increase rapidly than that of the AFOLU and Energy sector as industries will increase in the future. Thus, for low economic development, mitigation measures in IPPU sector should be considered. The key mitigation measures identified for IPPU sector are: energy efficient production process; replacement of high carbon fuels by low carbon fuels; and removal of  $CO_2$  from the flue gases.

## 4. Waste Sector

28. **In Nepal, waste management is one of the major environmental issues in urban areas.** In 2020 5,99 million (21% of the total population) people lived in urban areas<sup>26</sup> that is more than 2.5 times of the urban population of 1991.<sup>27</sup> Population growth has slowed down, but due to rapid urbanization, solid waste generation is increasing every year. Major categories/subsector responsible for GHG emissions are solid waste disposal, biological treatment of solid waste, open burning of waste, wastewater treatment and discharge, domestic wastewater, and industrial wastewater. In 2011, wastewater treatment and discharge contributed 70% of totalGHG emission and 28% of GHG emission was from solid waste disposal. Considering the past trend in waste generation from 1991-2011, it is projected that with an increment of 5% per capita waste generation, total solid waste generation will double by 2030 from the base year 2011. This projection brings urgency to change the current approach on waste management and its policies. The key mitigation options suggested by third NC are: landfilling with landfill gas recovery; proper disposal and treatment of waste; prevention of waste generation; and waste recycling.

# 1.5. Baseline Scenario

29. **The GoN ratified the UNFCCC in 1994 and the Kyoto Protocol in 2005**. In 2009, the GoN constituted a high-level coordinating body, *Climate Change Council* chaired by the Prime Minister. It is comprised of 25 members, including the ministers of all relevant ministries (Forests and Environment; Finance; Foreign Affairs; Home Affairs; Agriculture, and Livestock Development; Energy, Water Resource and Irrigation; Industry, Commerce and Supplies; Health and Population and Law, Justice and Parliamentary Affairs; Federal Affairs and General Administration), the vice-chair of the National Planning Commission (NPC) and nominated experts.<sup>28</sup> The key role of the Council is to provide coordination, guidance and direction for formulating and implementing climate change related policies. It is also responsible for providing guidance on the integration of climate change related aspects in long-term policies, perspectives and programs including accessing additional financial and technical support for implementing climate change actions.

30. **Nepal prepared and communicated the National Adaptation Programme of Action (NAPA)** to UNFCCC in 2010. NAPA was formulated to communicate programs that were of urgent and immediate adaptation needs for the country. The *Multi-Stakeholder Climate Change Initiatives Coordination Committee (MCCICC)* was established through the NAPA process in 2010, to serve as the key national platform for ensuring regular dialogue and consultation on climate change-related policies, plans, finance, projects and activities. Its members include government actors, as well as local bodies, academia, non-governmental and civil society organizations, federations and networks, the private sector, and development

<sup>&</sup>lt;sup>26</sup> World Bank data

<sup>&</sup>lt;sup>27</sup> CBS (2012). National Population and Housing Census 2011 (National Report). Central Bureau of Statistics, GoN.

<sup>&</sup>lt;sup>28</sup> Nepal, P. (2019). Mainstreaming Climate Change Adaptation into Sectoral Policies in Nepal: A Review. The Geographical Journal of Nepal Vol. 12: 1-24, Central Department of Geography, Tribhuvan University, Kathmandu, Nepal.

partners.<sup>29</sup> In the following year, the government introduced the *National Framework on Local Adaptation Plan for Action (LAPA)* to address local adaptation needs.

31. In the same year, the national Climate Change Policy (2011) was formulated with the goal to improve livelihoods by mitigating and adapting to the adverse impacts of climate change. The objectives of this policy were, inter alia, reducing GHG emissions by promoting the use of clean energy; enhancing the climate adaptation and resilience capacity of local communities for optimum utilization of natural resources and their efficient management; and adopting a low-carbon development pathway by pursuing climate- resilient socio-economic development. In line with the policy, the GoN drafted the Low Carbon Economic Development Strategy in 2015. This yet to be approved Strategy provides a pathway to bolster social and economic development by reducing poverty. The major sectors include energy, forestry, agriculture, industry, transport, building and waste with cross cutting sectors: policy, financing, Gender and Social Inclusion (GESI) and institution.

32. In 2019, MoFE revised the National Climate Change Policy and incorporated provisions considering the new federal structure. Nepal has 3 tiers of government, and the revised policy has clearly defined the roles of federal, provincial, and local government for implementation of policy and has also introduced new structure (committees) mainly for coordination. The policy has emphasized the formulation of a Transparency Framework for tracking climate change actions and investments in the country as a key priority to ensure accountability, improve participation of stakeholders and increase access to information.

33. The policy further envisions the formation of a council for the coordination of policy level issues at the national level. The policy also highlights the need and role of an Inter-Ministerial Climate Change Coordination Committee (IMCCCC) under the auspices of MoFE at the national level to facilitate mainstreaming, monitoring and reporting of climate change actions in the country. The IMCCCC has been proposed in the wake of the new federal structure and will supersede the previous MCCICC established for NAPA implementation. IMCCCC will serve as the key national platform on climate change coordination and will facilitate and support the respective ministries to integrate climate change into their development planning and budgeting processes. The overall objective of the IMCCCC is to serve as a national platform for ensuring regular dialogue and consultations on climate change related policies, strategies, plans, financing, programmed/projects and activities.

34. In 2015, Nepal also initiated a process to formulate and implement a National Adaptation Plan (NAP) to address medium and long-term adaptation needs and reduce climate vulnerabilities. It aims to promote integration of climate change adaptation into sectoral policies, strategies, plans and programs. Nepal's NAP formulation process focuses on four major elements which include: laying the groundwork (such as preparation of stocktaking report, stakeholder mapping and actor profile, gap/need/barrier analysis); preparatory work (such as climate change scenario report, risk and vulnerability assessment report, preparation of NAP document); implementation strategy; and reporting, monitoring and review. Nepal is working towards developing an MRV system for adaptation through the NAP formulation process. The proposed CBIT project intends to complement national efforts to meet transparency requirements by addressing the barriers regarding tracking and reporting of mitigation interventions and of climate investments.

35. **The NPC has developed Climate-resilient planning - a tool for long-term climate adaptation** which envisions a society and economy that is resilient to a changing climate. It defines a climate-resilient development plan as one that "takes stock of felt as well as anticipated risks, creates synergy between mitigation and adaptation, improves climate knowledge and the governance of development".<sup>30</sup> It includes

<sup>&</sup>lt;sup>29</sup> Nepal, P. (2019). Mainstreaming Climate Change Adaptation into Sectoral Policies in Nepal: A Review. The Geographical Journal of Nepal Vol. 12: 1-24, Central Department of Geography, Tribhuvan University, Kathmandu, Nepal.

<sup>&</sup>lt;sup>30</sup> NPC (2011). Climate-Resilient Planning. [Working Document], Government of Nepal, National Planning Commission, Kathmandu, Nepal.

a useful format for screening plans, support and institutional systems and will be a baseline for the project to build on. GoN undertook a Climate Public Expenditure and Institutional Review in 2011 to increase the understanding of climate financing mechanisms. In addition to identifying institutions that had climate related programs and assessing the budget allocated to climate activities, the review also noted several gaps in tracking climate finance. The study suggested, among others, to begin using climate budget code in order to facilitate tracking of climate budget and expenditure. To that effect, the NPC developed coding criteria and procedure through series of consultations with the stakeholders and introduced climate budget code in the national budget of the Fiscal Year 2013/14. The national budget announced by the Ministry of Finance (MoF) and published in the Redbook incorporates climate codes, providing an official analytical framework to calculate government funds channeled for programs related to climate change. As per the Climate Change Budget Code, development activities related to any of the following eleven subjects are accounted as climate change related activities:

- Sustainable management of natural resource and greenery promotion
- Land use planning and climate resilient infrastructures
- Prevention and control of climate change-induced health hazards to endangered species and biodiversity
- Management of landfill sites and sewage treatment for GHG emission reduction
- Sustainable use of water resource for energy, fishery, irrigation, and safe drinking water
- Plan/programs supporting food safety and security
- Promotion of renewable and alternative energy
- Technology development for emission reduction and low carbon energy use
- Preparedness for climate induced disaster risk reduction
- Information generation, education, communication, research and development, and creation of data base
- Preparation of policy, legislation and plan of action related to climate change.

36. **In 2016, government estimates showed that almost 20% of the budget allocation was directly or indirectly addressing climate change, including both adaptation and mitigation**. These funds were allocated primarily to the ministries responsible for development of urban, agriculture, irrigation, and finance sector. However, the criteria for applying the climate change code are not clear, and it has been suggested that a more realistic estimate is less than 1%. Further, refinement of the climate change budget code with clearer criteria separating adaptation from mitigation and rolling it out at sub-national levels is required. <sup>31</sup> Also, the coding does not support tracking climate expenditure of community-based organizations, non-governmental organizations (NGOs), and international NGOs (INGOs). <sup>32</sup> This highlights the need to formulate improved codes and reporting mechanisms to track national investments in the sector.

37. The Climate Change Financing Framework (CCFF) developed by MoF in 2017 as a roadmap to systematically strengthen climate change mainstreaming into planning and budgeting provides a framework on which the project can build on. The CCFF shows national commitments in an effort to plan and manage climate finance, where access to finance from domestic and external sources is based on predictability of climate funds required to achieve national targets; track the quality of expenditure with

 <sup>&</sup>lt;sup>31</sup> MoFE (2018). Nepal's National Adaptation Plan Process: Reflecting on lessons learned and the way forward. Ministry of Forests and Environment (MoFE) of the Government of Nepal, the NAP Global Network, Action on Climate Today and Practical Action Nepal.
 <sup>32</sup> NPC (2012). Climate Change Budget Code, Documenting the National Process of Arriving at Multi-sectoral Consensus, Criteria and Method, Government of Nepal, National Planning Commission with support from UNDP/UNEP in Kathmandu, Nepal in September 2012.

respect to impacts on lives and livelihoods of the most vulnerable; and to generate and disseminate information on investments and impacts to strengthen accountability. The framework has also developed a coordination mechanism through the Inter-ministerial Committee to implement CCFF roadmap. The Inter-ministerial Committee coordinates the ministerial climate budget mainstreaming. The CCFF also outlines the roles and responsibilities of key stakeholders in the roadmap. The CCFF enables a systematic response to climate change by linking policy frameworks and strategies with budgeting and ensuring transparent and informed allocations for effective use of available funds. The framework provides a roadmap to integrate climate change into planning and budgeting by identifying entry points based on legal, institutional and process analysis of the existing public finance management system. It also helps to create a monitoring system that enables reporting on the climate change -related expenditures and their effectiveness and thereby provides feedback to the decision makers in directing climate budget to much needed sectors and areas to reach the poor and vulnerable'.<sup>33</sup>

The CCFF is expected to address three main policy challenges to climate finance in Nepal: 38. first, by establishing tools for ensuring that funds are targeted better to the most vulnerable local population groups—a priority under the climate change policy. Second, by improving climate finance readiness by strengthening existing public financial management structures as well as by managing external climate funds through the country systems. And third, by improving effectiveness of existing climate finance through reforms to planning and budgeting guidelines and other tools for more informed decision making. Better public expenditure allocations and resource management and investment decision making will lead to better climate policy outcomes. MoF has also developed an expenditure reporting system to report climate expenditures. Improvements in the guidelines with specific focus on sectoral requirements are needed to address sector specific climate concerns. More capacity building is needed for effective implementation of climate finance. The Climate Change Finance Unit established in MoF under the Green Climate Fund (GCF) readiness project is mandated to deal with all climate finance issues within the ministries. The existing unit provides an excellent opportunity to expand its scope to support the Interministerial Committee proposed under the CCFF in the coordination of the sectoral climate budget planning, monitoring and reporting. GoN recognizes the need to move beyond externally financed projectbased approaches towards scaled up interventions delivered through routine service delivery and overseen by national entities. As climate finance continues to increase in the years ahead, strengthening government capacity to do this, while also meeting the robust standards and procedures of external climate financiers, will be required.

39. Nepal as a party to the UNFCCC submitted its Third NC and is in the process of developing its Biennial Update Report (BUR). Nepal recently released its third NC that elaborates results of inventory of GHG emissions by sources and removals by sinks considering the base year 2011; mitigation and adaptation assessments and interventions required; and constraints and gaps in preparing the communication report. The third NC report highlights the need of addressing data gaps, and inconsistencies and uncertainties in the GHG inventory mainly due to a lack of Nepal-specific emission factors. Furthermore, the insufficient coordination among government institutions regarding climate change and GHG data sharing, integration, and management and lack of legal and institutional arrangement to coordinate among national and provincial government institutions on data collection and reporting have been identified as key challenge to comply with transparency provisions and reporting requirements.

40. The third NC includes inventory of emissions of following gases:

• Direct GHGs: consist of Carbon dioxide (CO<sub>2</sub>), Methane (CH<sub>4</sub>), Nitrous oxide (N<sub>2</sub>O), Hydrofluorocarbons (HFCs), Perfluorocarbons (PFCs), and Sulphur hexafluoride (SF<sub>6</sub>).

<sup>&</sup>lt;sup>33</sup> MoF (2017). Climate Change Financing Framework: A roadmap to systematically strengthen climate change mainstreaming into planning and budgeting. Ministry of Finance, Government of Nepal, Kathmandu, Nepal.

- Indirect GHGs: such as Carbon monoxide (CO), Nitrousoxides (NOx), Non-Methane Volatile Organic Compound (NMVOC), and Sulphur dioxide (SO<sub>2</sub>).
- 41. In the second NC, only CH<sub>4</sub>, CO<sub>2</sub> and NO<sub>2</sub> were considered as direct GHG.

42. For GHG inventory, emissions from the above-mentioned gasses were compiled from 2011-2014. In many sectors, there is lack of high quality, consistent, segregated and time series of data and activity data are not disaggregated as required for comparing with IPCC Emission factor Database. Nevertheless, IPCC Good Practice Guideline was followed to ensure quality control and assurance (QC/QA) of inventory data. In the case of IPPU, quality of the emission data was verified by comparing with regional and global datasets such as Emission Database for Global Atmospheric Research. In the case of AFOLU, the GHG emission and removal from the forest land is extracted from National Forest Reference Level Report (2000-2010).<sup>34</sup> However, FREL report estimations does not consider GHG removals in forest through natural biomass growth and long-term sustainable improvement in management as a result of community-based forest management which is one of the common forest management regimes in Nepal.

43. The calculation of emission in most of the sectors and its sub-sectors, the emission factors have been obtained from the IPCC 2006 emission database and European Monitoring and Evaluation Program/European Environment Agency emission (EMEP-EEA) database as national emission factors for Nepal are not available and data is mostly used from national repository such as data available from CBS and Nepal Energy Efficiency Programme 2012. The trend in emissions were then projected up to 2030 and 2050 using LEAP software. The GHG inventory used both reference approach (uses data of country's energy supply to estimate  $CO_2$  emission from combustion of fossil fuel such as petrol, diesel etc.) and sectorial approach (uses data sources from major energy consuming sector such as industries and commercial). As fuel consumption in all the use sectors is not known, interpolation technique was used.

44. The third NC has reported emissions from four sources namely: AFOLU, Energy, Waste, and IPPU.<sup>35</sup> Based on Nepal's GHG inventory data of 2011, the AFOLU sector had the highest GHG emissions followed by the energy sector. The emission increase from 1993-2013 was more significant in the energy sector than other sectors. However, sector wise GHG emission projections for 2030 show that IPPU is going to be the major emitter of GHGs in the future due to rapid industrialization in Nepal. Similarly, the expected doubling of waste generation by 2030 also requires focusing on mitigation strategies of the waste sector in Nepal.

45. **Nepal ratified the Paris Agreement in 2016**. As a first step to implement the Paris Agreement, Nepal submitted its NDCs in 2016. As mandated by Articles 4.2 and 4.11 of the Paris Agreement, and Decision 1/CP.21 paragraph 23 and 24, and other relevant provisions of the Agreement, the GoN submitted its enhanced NDCs in 2020 for the period of 2021-2030.<sup>36</sup> The mitigation component of the NDCs 2020 includes activity-based targets and policy targets in key sectors, including emission reductions in some sectors. The quantified targets mentioned in the NDCs 2020 is listed in the table below.

<sup>&</sup>lt;sup>34</sup> MoFSC (2017). National Forest Reference Level of Nepal (2000-2010). Ministry of Forest and Soil Conservation, Government of Nepal, Kathmandu.

<sup>&</sup>lt;sup>35</sup> TU (2018). Program to Mitigate Climate Change in Nepal. Report prepared for TNC (Draft). Centre Department of Environment Science, Tribhuvan University, Kritipur, Nepal.

<sup>&</sup>lt;sup>36</sup> Government of Nepal (2020). Second Nationally Determined Contribution (NDC). Government of Nepal, Kathmandu.

#### TABLE 3: NEPAL SECOND NDCs 2020 TARGETS

Emission	Targets	GHG emission reduction
Sectors		
	By 2030, expand clean energy generation from approximately 1,400 MW to 15,000 MW, of which 5-10 % will be generated from mini and micro- hydro power, solar, wind and bioenergy; ensure 15% of the total energy demand is supplied from clean energy sources; develop 200 km of the electric rail network to support public commuting and mass transportation of goods.	
Energy	Sales of electric vehicles (e-vehicles) in 2025 will be 25% of all private passenger vehicles sales, including two-wheelers and 20% of all four- wheeler's public passenger vehicle sales.	With this target, fossil fuel energy demand will decrease up to 9% reducing emissions from a projected business as usual (BAU) of 2,988 Gg CO <sub>2</sub> eq. in 2025 to 2,734 Gg CO <sub>2</sub> eq.
	By 2030, increase sales of e-vehicles to cover 90% of all private passenger vehicle sales, including two-wheelers and 60% of all four-wheeler's public passenger vehicle sales.	Energy demand for fossil fuels will decrease around 28% reducing emissions from a projected BAU of 3,640 Gg CO <sub>2</sub> eq. in 2030 to 2,619 Gg CO <sub>2</sub> eq.
	By 2030, ensure 25% of households use electric stoves as their primary mode of cooking and by 2025, install 500,000 improved cookstoves, specifically in rural areas; install an additional 200,000 household biogas plants and 500 large scale biogas plants.	These three combined targets can reduce emissions from approximately 1,999 Gg CO <sub>2</sub> eq. in BAU in 2025 to approximately 1,774 Gg CO <sub>2</sub> eq., and reduce emissions from approximately 2,064 Gg CO <sub>2</sub> eq. from BAU in 2030 to 1,599 Gg CO <sub>2</sub> eq.
AFOLU	By 2030, maintain 45% of the total area of the country under forest cover; and manage 50% of Tarai and Inner Tarai forests and 25% of middle hills and mountain forests sustainably, including through the use of funding from REDD <sup>+</sup> initiatives.	
Waste	By 2025, 380 million liters/day of wastewater will be treated before being discharged, and 60,000 cubic meters/year of fecal sludge will be managed.	These two activities will reduce around 258 Gg $CO_2$ eq. compared to BAU.

46. The adaptation commitments and targets in the NDCs 2020 includes among others:

- By 2021, GESI and Climate Change Strategy and Action Plan as well as Climate Resilient Planning and Budgeting Guidelines will be formulated.
- By 2025, an institutional mechanism will be established and/or operationalized having representation from federal, provincial and local level; climate change-related education will be included in all secondary schools and 2,000 climate change adaptation resource persons will be mobilized locally; a strategy and action plan on gender-responsive climate-smart technologies and practices will be prepared and implemented; climate-sensitive diseases

surveillance systems will be strengthened through the integration of climate and weather information into existing surveillance systems.

- By 2030, all 753 local governments will prepare and implement climate-resilient and genderresponsive adaptation plans; a multi-hazard monitoring and early warning system covering all the provinces will be established.
- The National Adaptation Plan (NAP) will be updated every ten years. Likewise, a national level Vulnerability and Risk Assessment (VRA) will be carried out every five years to inform climate resource allocation policies.

47. At federal level, there are two main mechanisms for coordination viz. Environmental **Protection and Climate Change Management National Council (EPCCMNC) and IMCCCC.** The EPCCMNC is established by the Environment Protection Act (2019, Article 32) and is chaired by the Prime Minister, with its members comprising four Ministers, seven Chief Ministers (of all provinces), a NPC Member, two professors, three experts, and MoFE Secretary. It is the highest body that directs on "integrating the matters relating to the environment and climate change into the long-term policies, plans and programs." The IMCCCC, established by the MoFE is chaired by its secretary and have members comprising of Joint Secretaries of 22 federal ministries, NPC, and representatives of Nepal Academy of Science and Technology (NAST), National Agriculture Research Council (NARC) and AEPC, and additional members are invited by MoFE secretary as per requirement.

48. At subnational level, the ministry related to forest, environment and climate change is the focal ministry for climate change affairs at the provincial level. The ministry is responsible for implementing and coordinating climate adaptation actions; sharing of adaptation information with sector ministries and local governments; and monitoring the implementation of adaptation planning and budgeting.

49. Furthermore, the **Provincial Climate Change Coordination Committee (PCCCC/PC4) has been envisioned or established in all seven provinces to integrate and mainstream climate adaptation into policies, plans, strategies, programs, and projects.** It comprises of province level government agencies and representatives of civil society and local governments. The coordination committees are chaired by the secretary of the Provincial Ministry which is the focal point for climate change and environment. The responsibility of the PC4 includes coordination with the federal government, facilitate integrated approaches across provinces, and support capacity building for provincial governments. But the coordination committee is not a decision-making or executive structure and only serves as a coordinating body.

50. For vertical coordination, the Constitution of Nepal stipulates that the communication from the federal level to sub-national agencies will happen through the Office of the Prime Minister and Council of Ministers and Ministry of Federal Affairs and General Administration (MoFAGA).

51. The summary of key initiatives, projects and programs that creates a baseline for the proposed project are provided in the Table 4 below.

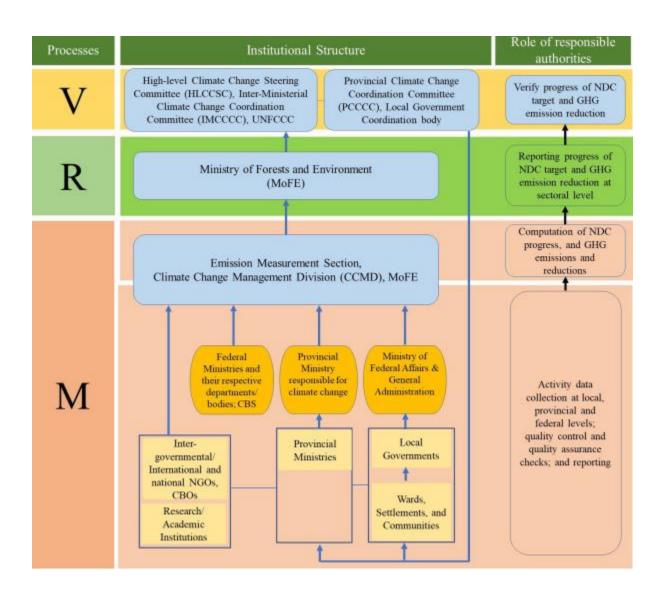
TABLE 4: SUMMARY OF ON-GOING INITIATIVES SUPPORTING THE ENHANCED TRANSPARENCY FRAMEWORK

Baseline initiatives	Areas CBIT project can build off
Long Term Strategy (LTS)	MoFE has developed LTS in 2021 with assistance from UNDP, the NDC
for net zero emission	Partnership, and the Policy and Institutions Facility with the target of
	achieving net zero emission by 2045 by setting up ambitious sector
	specific strategies. The strategy has mentioned the need for an MRV
	system and coordination mechanism for effective implementation and
	monitoring of the strategies and actions that would support meeting the
	target of net zero. The CBIT project will support the monitoring,
	transparently reporting, and tracking progress in reaching the target of
	net zero by 2045.
Second NDC of Nepal	The Second NDC (2021-2030) submitted by Nepal in 2020
	communicates country's vision of achieving socio-economic prosperity
	by building climate-resilient society and the ongoing work on long-term
	low GHG emission development strategy by 2021, which aims to achieve
	net-zero GHG emission by 2050. It has single year 2030 targets for four
	sectors: energy, IPPU, AFOLU, and waste.
	The NDCs 2020 has committed activity-based targets for 2025 and 2030
	in key sectors of emission as well as estimated reduction of CO <sub>2</sub> emission
	with the implementation of those activities. It is assumed in the NDC
	document that Nepal will account for its anthropogenic GHG emissions
	and removals using the 2006 IPCC Guidelines for National GHG. This
	CBIT project will be key to track the achievements of these targets by
	developing emission factors and monitoring the GHG emission reduction
	from each sector within the given timeframe of 2025 and 2030.
Climate Action	The NDC Partnership launched CAEP in 2019 to deliver targeted, fast-
Enhancement Package	track support to countries to enhance the quality, increase the ambition,
(CAEP) of NDC	and implement NDCs to support the objectives of the Paris Agreement.
Partnership.	The donors include Government of Australia, Denmark, UK, Germany,
	Ireland, France, and Netherland. Nepal is one of the countries receiving
	this package.
	Under the CAEP, WWF Nepal has prepared Climate Change Strategy
	and Action Plans for all seven provinces in 2021. The plan constitutes
	short term, mid- term and long-term targets with overall objective of
	building climate resilience and adopting low carbon development
	approach in each province.
	The MRV system developed through the CBIT project will help
	monitoring of the targets at province level, collate and track the
	contribution of each province in achieving the NDC targets.
NAP	With the funding from GCF and technical support of UNEP, Nepal has
	prepared NAP. The objective of this long-term plan is to reduce
	vulnerability to climate change impacts by improving resilience and
	adaptive capacity, and to integrate climate change adaptation into new
	and current policies, programs, activities, and development strategies
	across all sectors and levels of government. The outputs under CBIT
	Component 1 and 3, will build on the tools and frameworks developed
	during the NAP process for climate risks and vulnerabilities.
Reducing Emissions from	Nepal is under REDD+ Readiness Phase 1 supported the establishment
Deforestation and Forest	of a National Forest Monitoring System to monitor forest cover at the
Degradation plus (REDD+)	national level over time as well as an MRV system. Nepal has prepared

Baseline initiatives	Areas CBIT project can build off
	R-package for REDD which includes country's progress, captures
	lessons learned, assessment of remaining gaps, and activities for the
	way forward to transitioning to the implementation of performance-
	based activities. The main objective of R-package is to conduct a
	thorough Assessment of Nepal's Progress on REDD+ Readiness. <sup>37</sup>
	Nepal's Forest Reference Level, one of the four main elements of
	REDD+ according to the UNFCCC has been submitted. The reference
	level sets a benchmark for assessing the performance of forest-related
	mitigation activities allowing countries to measure, report and verify
	emission reductions resulting from their mitigation efforts. <sup>38</sup> CBIT
	Components 1 and 2 will build on the MRV system developed for
	accounting GHG emissions in forest sector.
Nepal Climate Change	GoN is implementing local level adaptation program in selected
Support Programme	districts with the support from Department for International
(NCCSP) Phase 2 (2018-	Development, Government of United Kingdom. The CBIT project will
2023)	complement the outcomes of the project and build on the learning on
	documentation and reporting of adaptation actions implemented, its
	outcomes, financed mobilized in NCCSP under component 3.
Adapting to climate induced	The project is supported by the Adaptation Fund to increase local
threats to food production	capacity on assessing climate risks and developing adaptive strategies
and food security in the	for food security. The CBIT project can learn and build from the
Karnali region of Nepal	information management systems proposed through the project.
Project (2018-2022)	

 <sup>&</sup>lt;sup>37</sup> <u>http://www.redd.gov.np/post/presentation-on-r-package-study</u>
 <sup>38</sup> MoFSC (2016). National Forest Reference of Nepal (2000-2010). Ministry of Forests and Soil Conservation, Government of Nepal.

FIGURE 1: INSTITUTIONAL ARRANGEMENT FOR MRV OF NDC IMPLEMENTATION (SOURCE: NDC IMPLEMENTATION PLAN DRAFT, 2022)



# 1.6. Coordination with other relevant GEF & non-GEF Initiatives

52. **MoFE, the focal ministry for climate change, coordinates climate change planning and reports directly to the National Council for Environment Protection and Climate Change Management** which is the main political body responsible for guiding climate change policies in Nepal. It is chaired by the Prime Minister and comprises members from key national, local and sectoral ministries. MoFE through this council will ensure coordination among all the national level stakeholders on different initiatives on climate change. As per the National Climate Change Policy 2019, IMCCCC chaired by the Secretary of MoFE is also responsible for sectoral coordination which will be key during implementation of this project.

53. **This project will build on the outcomes of other transparency-related initiatives**, especially the work carried out to support the development of the NCs, BUR, and NAP. This project will further build on the GCF-financed support for the preparation of NAP, as it will facilitate the implementation of NAP through transparency. The project will further complement future NAMA related activities and their built-in MRV systems as well as the Technology Need Assessment process.

TABLE 5: SUMMARY OF RELEVANT GEF-FINANCED PROJECTS

GEF initiatives	Description	Areas complementary with CBIT activities
Third NC and BUR	With funding from GEF (UNEP, <u>Umbrella Programme for</u> <u>Preparation of National Communications and Biennial Update</u> <u>Reports to the UNFCCC</u> , #9442), third NC has been submitted in 2021 and is planning to submit its BUR by the end of 2021.	The document provides the framework for preparing GHG inventory, along with recommendations for improvement based on Nepal's current system.
Managing Watersheds for Enhanced Resilience of Communities to Climate Change in Nepal	With the Least Developed Countries Fund (LDCF)/GEF (WWF, <u>Managing Watersheds for Enhanced Resilience of Communities</u> <u>to Climate Change in Nepal (MaWRiN)</u> , #10727), the project aims to enhance climate resilience of Indigenous people and local communities in the Marin watershed through nature-based solutions and livelihood improvement. The concept note has been approved by the GEF as if now.	These projects would support providing information on Component 3.
NAPA and NAPs	With the funding from GEF (UNDP #3412) and GCF (UNEP), Nepal previously prepared the NAPA and is in process of formulating adaptation plans to reduce vulnerability to the impacts of climate change by building adaptive capacity and resilience and facilitate the integration of climate change adaptation, in a coherent manner into relevant new and existing policies, programmes and activities.	The project is related to CBIT components 1 and 3.
Reducing vulnerability and increasing adaptive capacity in the agriculture sector	Under LDCF/GEF (FAO, <u>Reducing Vulnerability and Increasing</u> <u>Adaptive Capacity to Respond to Impacts of Climate Change and</u> <u>Variability for Sustainable Livelihoods in Agriculture Sector in</u> <u>Nepal</u> , #5111) the project aims to strengthen institutional and technical capacities for reducing vulnerability and promoting climate-resilient practices, strategies and plans for effectively responding to the impacts of climate change and variability in the agriculture sector.	These projects would support providing information on Component 3.
Catalyzing Ecosystem Restoration for Climate Resilient Natural Capital and Rural Livelihoods in	Under LDCF/GEF (UNEP, <u>Catalyzing Ecosystem Restoration for</u> <u>Climate Resilient Natural Capital and Rural Livelihoods in</u> <u>Degraded Forests and Rangelands of Nepal.</u> , #5203), Nepal is implementing the project to increase capacity of national and local government institutions to adapt to climate change by implementing ecosystem-based adaptation in degraded forests and rangelands in mid-hill and high mountain area	

GEF initiatives	Description	Areas complementary with CBIT activities
Degraded Forests and Rangelands of Nepal.		
Developing climate resilient livelihoods in the vulnerable watersheds	Supported by LDCF/GEF, (UNDP, <u>Developing Climate Resilient</u> <u>Livelihoods in the Vulnerable Watershed in Nepal</u> , #6989) the project aims to increase adaptive capacity and resilience of vulnerable communities of degraded watershed.	
Ecosystem based Adaptation for climate-resilient development in the Kathmandu Valley	Nepal has received supported from LDCF/GEF (UNEP, <u>Ecosystem-Based Adaptation for Climate-resilient Development</u> <u>in the Kathmandu Valley, Nepal</u> , #8009) to increase urban resiliency in Kathmandu valley.	
GEF CBIT projects and platform	The project will coordinate with the three global CBIT proposals: i) Global capacity-building towards enhanced transparency in the AFOLU sector (CBIT-AFOLU); ii) Building global capacity to increase transparency in the forest sector (CBIT Forest, <u>https://www.thegef.org/projects-operations/projects/10071</u> ); and iii) CBIT Global Coordination Platform ( <u>https://www.thegef.org/projects-operations/projects/9675</u> and its second phase <u>https://www.thcgef.org/projects-operations/projects/9675</u> and its second phase <u>https://www.thcgef.org/projects-operations/projects/9675</u> and its second phase <u>https://www.thcgef.org/projects-operations/projects/9675</u> and its second phase <u>https://www.thcgef.org/projects-operations/projects/9675</u> and its second phase <u>https://www.</u>	The learning from the projects will contribute to overall components but is directly linked with Component 4 (Knowledge management)
GEF CBIT projects and platform	The project will coordinate with the three global CBIT proposals: i) Global capacity-building towards enhanced transparency in the AFOLU sector (CBIT-AFOLU, ); ii) Building global capacity to increase transparency in the forest sector (CBIT Forest, <u>https://www.thegef.org/projects-</u> <u>operations/projects/10071</u> ) ; and iii) CBIT Global Coordination Platform ( <u>https://www.thegef.org/projects-</u> <u>operations/projects/9675</u> and its second phase <u>https://www.thegef.org/projects-10128</u> ). With the CBIT-AFOLU, there is opportunity to learn about the global tools, templates and guidelines to respond to mitigation and adaptation transparency related requirements, while with CBIT- Forest, the project will explore the strategies followed to enhance capacity of countries to collect, analyze and disseminate forest- related data. The project will create linkages with CBIT coordination platform to enhance sharing of best practices through global coordination meetings and a web-based platform.	The learning from the projects will contribute to overall components but is directly linked with Component 4 (Knowledge management)

54. To ensure better coordination of the CBIT project with other GEF-financed initiatives, the project will be uploaded into the existing GEF-financed CBIT Global Coordination Platform that aims to ensure easy tracking of implementation and joint reporting. The project team will participate in sub-regional, regional, and global initiatives to allow regular sharing of lessons and good practices in MRV. The CBIT work will build on other transparency initiatives as outlined in the baseline scenario. The focal ministry for Climate Change which is also the lead Executing Agency for this project will support the coordination with other climate change related GEF/non-GEF financed initiatives implemented in the country.

# SECTION 2: PROJECT EXECUTION STRATEGY

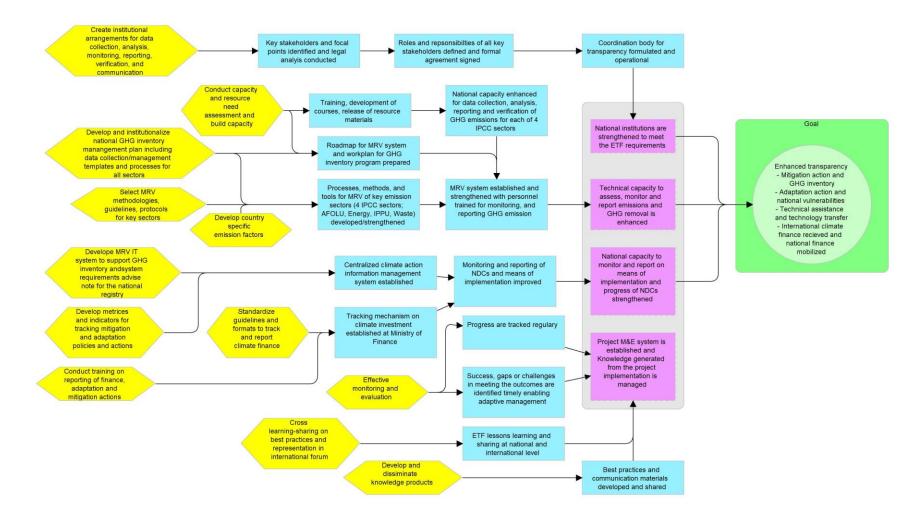
# 2.1. Project Objective and Theory of Change

# 55. The objective of this project is "to strengthen capacities to meet the requirements of the ETF and track national progress against priority actions identified in Nepal's NDCs".

56. The Theory of Change of the project assumes that *if there are institutional arrangements in place created through an enabling environment and supported by technical capacities of relevant institutions working on sectors vulnerable to climate change such as agriculture, forest, water etc. to report climate actions; if emission factors are available for all emission sectors (AFOLU, IPPU, Waster and Energy) and a robust MRV system with a pool of national experts is developed to effectively assess, monitor and report emissions and removals of GHGs; and if a centralized information management system is established in MoFE and MoF that tracks climate change related initiatives and finance mobilized for climate actions, then Nepal will be able to effectively track and report the progress in the implementation of NDCs as per the requirements of the Enhanced Transparency Framework for climate actions as defined under Article 13 of the Paris Agreement which will also open avenues for accessing funds for further improving adaptive capacity of vulnerable sectors and achieving mitigation targets.* 

57. The results chain of the project is illustrated in figure 2 below and the conceptual model is demonstrated in Appendix C.

#### FIGURE 2: RESULTS CHAIN



# 2.2. Project Components and Expected Outcomes

# Component 1: Strengthening national institutions for climate transparency-related activities in line with national priorities and provisions of Paris Agreement's ETF

58. This component will address barriers associated with establishing and strengthening national institutional arrangements for climate related MRV for the purposes of meeting the ETF requirements and needs of Nepal for effective climate policy making and policy implementation. This component is cross-cutting in nature as both the MRV system for GHG emissions (Component 2) and NDC tracking (Component 3) will largely rely on the institutional arrangement established and strengthened.

# Outcome 1.1. Institutional arrangements in place for coordinating, reporting, and communicating progress on NDC implementation US\$ 146,254

59. Sustainable institutional arrangements for MRV will be established among relevant ministries and institutions at federal and provincial level with clear agreed upon roles and responsibilities, to ensure systematic data collection, processing, analysis, coordination among stakeholders, and reporting.

Output 1.1.1. Coordinating body for MRV in keeping with the ETF requirements are established and formalized among relevant federal and provincial ministries, as well as other stakeholders for data collection, processing, and management; quality management, data analysis reporting; and communications **US\$ 146,254** 

60. The CBIT project will review the current database systems in different sectors and identify their gaps/barrier/challenges for the establishment of a MRV system including legal and institutional aspects.

61. While the Climate Change Council was formed to maintain policy coordination (see paragraph 29) and a Multi-stakeholder Climate Change Initiatives Coordination Committee (Chaired by Secretary, MoFE) was formed to coordinate the plans and programs pertaining to climate change (see paragraph 30), these governmental institutional structures were not active and have recently been restructured. Thus, this CBIT project will establish an effective and sustainable institutional arrangement within the MoFE which would be led by CCMD as the division has been nationally appointed as designated focal point for UNFCCC to coordinate with different levels and sectors on overall affairs of climate change.

62. The draft MRV framework and NDC Implementation Plan for Nepal has also identified CCMD as the designated authority for verification whereas relevant ministries have been identified for the Energy, IPPU, LULUCF, Agriculture and Waste sectors. These ministries will have the responsibility to coordinate with their respective departments, divisions and offices to collect data, monitor, report and verify the progress on NDCs.

63. To bring all different stakeholders together into one functioning institution, a coordinating body led by CCMD will be established as guided by the NDC Implementation Plan. The Coordinating body will consist of focal points from the key stakeholders such as sectoral ministries (Under Secretary of Ministry of Finance for funds mobilized internally and internationally; National Planning Commission; Ministry Energy, Water Resources and Irrigation for data on energy; Ministry of Agriculture and Livestock Development for data on agriculture; Ministry of Industry, Supply and Commerce for data on energy use and industrial production processes; Ministry of Home Affairs; Ministry of Physical Infrastructure and Transport for data on transport sector; Ministry of Federal Affairs and General Administration for coordination and reporting from local governments on waste and other climate actions; Ministry of Urban

Development; Ministry of Tourism, Culture and Civil Aviation; Central Bureau of Statistics, line agencies, private sector, CSOs are the primary data sources.

64. For adaptation, NAP has a dedicated section on Monitoring, Reviewing and Reporting which states that monitoring will occur in every 5 years. The NAP document has envisioned an online platform viz Climate Change Data Management, Monitoring and Reporting Centre. Thus, the CBIT project will not create another MRV system but would rather create a link with the online portal, and extract the information related to adaptation component of the NDC to track the progress.

#### 65. *Activities:*

- Conduct a legal analysis of current roles and legal frameworks of the key ministries and other governmental and non-governmental entities that would be part of the institutional arrangement established by the project and provide recommendations on the establishment of a legal act(s) or directive(s) codifying the core aspects of Nepal's MRV system.
- Define roles and responsibilities of all stakeholders in a participatory way, including drafting of MRV program staff job descriptions and Key Performance Indicators (KPIs) for inclusion in MRV program management plan.
- Prepare and implement coordination strategy (Focal points identified from key stakeholders *i.e., each sectoral ministry, line agencies, private sectors and CSOs*).
- Elaborate duties of single national entity/designated authority responsible for GHG inventory & mitigation MRV responsibilities.
- Identify and elaborate duties of entities leading transparency activities for climate adaptation and support.
- Establish formal and/or informal data supplier agreements or Memorandums of Understanding (MOUs) with agencies and stakeholders involved (including IPLCs and women) in data collection, reporting, approval, and submission of climate data reports.

# Component 2: Enhancing technical capacity to assess, monitor and report the emissions and removals of GHGs

66. This component addresses capacity needs, barriers, and issues for improving the overall framework of MRV of GHG emissions from the four key emission sectors: AFOLU, Energy, IPPU, and Waste. To enable the government line agencies and other relevant organizations to provide quality and reliable data that supports the national MRV framework, capacity building strategies will be developed and rolled out. This component will ensure effective design of MRV procedures and tools to monitor, report and verify GHG emissions and removals.

# Outcome 2.1. Strengthened MRV reporting GHGs and assessing progress towards NDC commitments US\$ 386,496

67. Under this outcome, improved processes, and tools for applying IPCC methodologies for key emission sectors will be institutionalized. Improved data collection and data quality management systems will lead to more transparent, accurate, complete, consistent, comparable, and relevant emission and removal data.

# *Output 2.1.1. Develop and/or strengthen processes, methods, and tools for MRV of all emission sectors (AFOLU, Energy, IPPU, Waste)* US\$ 386,496

68. Limitations in developing a robust GHG inventory involve data gaps, data inconsistencies, inconsistent methodologies, and lack of institutional arrangements for continuous improvement of emissions and removal estimates and reporting. To address these barriers; methodologies, guidelines, datasets, and database system will be established in Nepal as part of an improved climate MRV system in emission sectors, in keeping with national circumstances. Data collection and processing tools, mechanisms, and formal arrangements between agencies to collect data will be established. Linkages will be established between data providers (i.e., at province level Ministry of Industry, Tourism, Forest and Environment; Ministry of Land Management, Agriculture and Cooperatives) and data managers (i.e., Nepal Academy of Science and Technology/National REDD Implementation Centre (IC)/CCMD and Central Bureau of Statistics).

69. The REDD IC under the MoFE has developed a Forest Reference Level (FRL) that includes emissions from deforestation and forest degradation and activities that support emission removal and enhance carbon stocks. As FRL sets a benchmark for assessing the performance of forest-related mitigation activities allowing countries to measure, report, and verify emission reductions resulting from their mitigation efforts, this project will rely on the FRL for MRV of emissions from forest sub-sector under AFOLU. Review of FRL will be conducted to assess opportunities for improvement and to adapt the methodology used to create such benchmark in other emission sectors.

70. For the emission inventory, currently Tier 1 and Tier 2 methodology based on the IPCC standard guideline 2006 is being used to estimate emissions or removals due to absence of emission factors and a standardized inventory measurement system. Thus, this project will develop and institutionalize the Tier 3 method for all emission sectors though a consultative process.

71. Further, a regular and systematic data collection, documentation, and archiving process will be established to ensure accuracy and sustainability of the MRV system, including quality assurance and quality control. The implementation of this system will then provide reliable GHG information which will improve national reporting and support domestic policy processes.

## 72. Activities:

- Create, maintain, and formally recognize a national GHG inventory management and improvement plan, including a Quality Assurance/Control plan and procedures manual.
- Select MRV methodologies for key categories based on IPCC guidelines through consultations and workshops with experts and sectoral ministries.
- Develop and institutionalize data collection templates and processes for all sectors based on national circumstances in coordination with the relevant sectoral ministries and other line agencies; and
- Develop and institutionalize higher tier methods for key categories such as cement, brick, road transport, residential, enteric fermentation, manure management by engaging local experts, academic and research institutions.

# Outcome 2.2. Enhanced national capacity for data collection, analysis, reporting and verification for all GHG emission sectors (AFOLU, Energy, IPPU, Waste) US\$ 386,970

73. With the tools, methods and processes for MRV of emission sectors in place, it is also crucial that the country has skilled human resources to make use of such tools/methods and effectively prepare and communicate reports complying with UNFCCC reporting requirements. Thus, under this component, the project will focus on building capacity of the governmental and non-governmental sectors that are related to GHG emission sector (AFOLU, Energy, IPPU, Waste) including CCMD. A comprehensive capacity assessment to properly comply with the ETF modalities of the Paris Agreement, procedures, and guidelines will be conducted. Based on the capacity gap identified, a capacity development plan will be formulated and rolled out so that Nepal has the necessary skilled human resources to effectively track the progress of its NDCs.

Output 2.2.1. Develop and roll out a long-term capacity building strategy to build the capacity of key stakeholders related to all GHG emission sectors for data collection, analysis, monitoring, reporting and verification in line with ETF US\$ 386,970

74. As capacity needs and gaps of different stakeholders be it sectoral ministries, private agencies, or CSOs will be discrete, the project will undertake a detail capacity need assessment with specific details on each stakeholder type disaggregated in terms of the four GHG emission sectors mentioned above. The capacity with respect to data collection, analysis, monitoring, reporting and verification will be analyzed. Accordingly, the project will develop and roll-out a specific capacity building plan for each stakeholder type (government, CSOs, private sector etc.)

75. The CBIT project will collaborate with organizations both internationally (such as Greenhouse Gas Management Institute/GHGMI, Initiative for Climate Action Transparency) and nationally (Tribhuwan University, Central Department of Environmental Science which has been thoroughly engaged supporting the MoFE in preparing national communications) with good experience on GHG inventory and knowledge on ETF to carry forward the capacity building activities.

76. The proposed project will engage with the GHGMI who has previous experience in developing courses on GHG accounting, measurement, reporting, and verification as well as the Tribhuwan University who was involved in the preparation of the third NC and in developing a long-term training strategy for capacity building on ETF which may include Training of Trainers (TOT), E-courses, short term hands-on courses, etc. Short courses will be formulated for developing in-country experts and thus sustaining investments beyond the project. Resource materials such as handbook, course module etc. that include audios, videos, graphics, illustration etc. will be published and distributed during the trainings.

77. GHGMI and TU may be engaged in delivering training based on the capacity building strategy and generating ideas for research to address the gaps in Nepal's MRV system. A roster of certified trainees will be developed and maintained in the online platform created by the project. These trainees will be considered as national professionals to be engaged in MRV-related activities.

78. The project will also assess the capacity of the sectoral ministries in terms of human and technical resources (presence of repository or database system) for data collection and management and provide necessary recommendations. The employee responsible for database management will be the targeted participants for the training courses on MRV.

#### 79. *Activities:*

- Carry out sector specific capacity assessment on current database management (data collection method, storage system, analysis), reporting mechanism, and verification methods; and analyze, gaps, priorities, and opportunities for improvement of GHG inventory in all emission sectors
- Conduct data collection training and consultation workshops for data collectors and sector leads, including on the use and customization of data collection and documentation templates for Nepal.
- Provide online and blended (with onsite instruction, practice, and mentoring) technical training on ETF reporting requirements, methodologies, and guidelines, GHG inventories, modelling, projections, and scenario analysis. mitigation analysis, adaptation M&E, and climate finance tracking.
- Co-develop short courses on GHG inventory at in-country universities.
- Create a roadmap for the development of Nepal's MRV system and a work plan for GHG inventory program development through a consultative process.
- Conduct training on ETF reporting requirements, formats and guidelines on adaptation and mitigation policies and actions.
- Prepare a national MRV roster of experts for Nepal.
- Publish resource materials on ETF.

# Component 3: Strengthening national capacity to monitor and report on means of implementation and progress of NDCs

80. As one of the key ETF requirements to report on the progress of NDCs, Nepal needs to track the progress of commitments mentioned in its NDCs. This component is designed to address the reporting requirement.

# Outcome 3.1 Monitoring and reporting of NDCs and means of implementation strengthened US\$ 243,172

81. Under this outcome, a mechanism will be set up to track national climate actions (i.e. activities carried out for mitigation and adaptation, and climate finance received and mobilized).

# *Output: 3.1.1. Centralized climate action information management system established and functional US\$ 162,904*

82. A centralized climate action information management system will be established in MoFE that tracks federal/provincial climate actions. It will be realized through the establishment of an IT system that can systematically store and retrieve sector specific data. To measure the progress on mitigation and adaptation efforts, metrices and indicators will be developed and operationalized.

83. Activities:

• Develop a MRV IT system/ requirements/advice document to support GHG and other climaterelevant data management and archiving specific to Nepal's national circumstances and NDC considering national context and learning from other CBIT project countries.

- Establish a national information and data management system for key GHG emissions and mitigation activities input and output information. This will focus on MRV of key emission sectors and the processed data will feed into the centralized climate action management system.
- Develop metrices and indicators for tracking mitigation and adaptation policies and actions

# *Output: 3.1.2 Tracking mechanism established at MoF to document public, private, and international finance of mitigation and adaptation efforts US\$ 80,268*

84. Currently, the MoF has online portal that provides information on aid received. The information system is disaggregated in term of different sector such as health, energy, environment protection. To report the financial support received for climate action as required by the ETF, the proposed project will coordinate with MoF to revise the database to include projects related to climate change adaptation and mitigation. To feed such information in the information system, a tracking tool that will provide separate codes for climate change related projects funded by national and international funds will be established in the MoF. to report the progress on public, private, and international climate finance in mitigation and adaptation related programs in line with the priorities of NDCs. Guidelines and formats to track and report climate finance will be formulated and standardized to report financial support received and mobilized at national and international levels. Capacity building activities will be conducted for the relevant stakeholders to provide the required data, and for the focal points in the key ministries to enable them to use the developed tools and automated system.

## 85. *Activities:*

- Standardize guidelines and formats to track and report climate finance.
- Conduct training on financial reporting requirements, formats, and guidelines.

## Component 4: Monitoring and Evaluation (M&E) and Knowledge Management

86. M&E and Knowledge management of the project helps to track result, improve project effectiveness, identify key reasons for success and failure of activities/approaches, and foster sustainability of the project. This component will ensure knowledge management activities are undertaken at inception, planning, execution and closing phase and will be tied up with activities to extract learnings and enable adaptive management.

87. This component comprises of periodic reviews and reflections, adaptive management, documentation of project lessons and inception workshops. Along with the monitoring of activities and outputs, this component will track the achievement of targets and indicators as specified and approved in the project document. It will assess, review, and adjust the project's Results Framework, Gender Mainstreaming Action Plan and Stakeholder Engagement Plan. The M&E framework prepared for the project is based on the WWF Program and Project Management Standards and the GEF Standard. The M&E matrix with activity, responsibility and timeframe and budget is included in Table 9.

# Outcome 4.1. Project M&E system is established that tracks the progress, assess the results, and timely informs the project team on adaptive management US\$ 56,817

88. The Project Management Unit (PMU) is responsible for ensuring that monitoring and evaluation activities are carried out in a timely and comprehensive manner, and for initiating and facilitating key monitoring and evaluation activities. The National Project Manager (NPM) under the guidance of the National Project Director (NPD) will be responsible for conducting M&E activities including tracking project implementation against approved work plans. The Project Officer will support consolidating,

collecting and analyzing information in relation to the project activities, outputs, and outcomes; maintaining the M&E plan and results framework of the project; and knowledge management by preparing reports, learning documents, and policy briefs.

89. The PMU will analyze the data collected to determine whether their strategies are working or whether they need to re-evaluate their strategies or theory of change. In support of this adaptive management approach, an annual exercise will be held so that the PMU and relevant stakeholders can reflect on monitoring data and the validity of the project's theory of change.

## 90. A detail description is available in section 2.7 Monitoring and Evaluation.

Output 4.1.1. Project outcomes are monitored regularly to track progress US\$ 8,536

## 91. Activities:

- Conduct project inception /rollout/compliance orientation meetings
- Periodic tracking of results framework and annual work plan
- *Preparation of progress reports (quarterly, bi-annually, annually)*
- Preparation of project completion report

*Output 4.1.2. Timely evaluation of the project to identify success, gaps or challenges in meeting the outcomes and to enable adaptive management US\$ 48,282* 

- 92. Activities:
  - Conduct annual review and reflection
  - Conduct final project evaluation

# Outcome 4.2. Knowledge generated from the project implementation is managed through documentation and sharing of lessons learned US\$ 275,552

93. During the different phases of project implementation, learning, results, challenges will be documented and disseminated regularly to foster learning and generation of knowledge. The project will identify, analyze and share lessons learned that might be beneficial to the design and implementation of similar projects and disseminate these lessons widely.

94. The proposed project will coordinate with the two global CBIT projects, CBIT-Forest and CBIT- FOLU in the initial phase of the project to gain a deeper understanding on plans and approaches to establish institutional arrangements; improve technical capacities on data collection, analysis, and dissemination processes; and enhance the national MRV system for forests and AFOLU sector in the pilot countries. Cross learning with these pilot countries as well as other countries implementing CBIT project (such as Vietnam, Cambodia, Chile, Uganda) will be facilitated through online medium or international visits. It will provide an opportunity to share in-country best practices and learnings with other countries and enable key actors to explore new possibilities to adopt tested tools and methodologies as they gain a better understanding on the transparency related activities conducted globally.

95. This outcome deals with peer-to-peer exchange among countries and is aimed at fostering knowledge gathering and sharing. It also provides an opportunity for other ministries and institutions beyond the UNFCCC focal ministry to understand the global discourse and requirements of ETF. It will be done through participation in CBIT global coordination platform events, UNFCCC COP and side events and visits to other CBIT implementing countries at various stages of implementation. Peer-to-peer learning and experiences sharing with countries having similar context (emission profile) and capacities as that of Nepal will be targeted so that there is low risk while adopting the framework or mechanism introduced. A regular communication with global CBIT platform will be maintained to ensure alignment of Nepal's CBIT

project with other national, regional, and global transparency initiatives. A detail knowledge management plan along with timeline and deliverables is available in *Appendix D. Knowledge Management and Communications*.

*Output 4.2.1. Project knowledge products prepared and disseminated US\$ 62,152* 

96. *Activities:* 

- Best practices and successful transparency-related activities, identified, documented and shared in the form of learning documents, policy briefs, articles etc;
- Outreach and communication products developed, published and disseminated through online platform and audio-visual medium including website

*Output 4.2.2. ETF lessons learning and sharing at national, regional, and international level US\$* 213,399

- 97. *Activities:* 
  - Cross-learning from countries implementing CBIT projects (such as Vietnam, Cambodia, Chile, Uganda)
  - In-country learning and sharing of lessons among relevant stakeholders at federal and provincial level including CSOs, private sector and academia.
  - Participation of the representatives from thematic ministries in international forums and CBIT platform meetings.

# 2.3. Institutional Arrangement

98. The Ministry of Forest and Environment (MoFE) through its Climate Change Management Division (CCMD) will have the overall executing and technical responsibility for the project with WWF GEF Agency (WWF-US) providing oversight to the project. MoFE will act as the Lead Executing Agency and will be responsible for the day-to-day management of project results.

99. **WWF Nepal** is a key partner of the Government of Nepal and will limited execution support to the government and ensure financial management of the project in close coordination with the NPD and National Project Coordinator.

100. At the request of the government, WWF Nepal will provide limited execution support to the government funded by WWF Nepal (non-GEF) co-financing to the project which includes, financial systems, policies and procedures, and risk assessment and monitoring. Project funding will flow to WWF Nepal from WWF-US (GEF agency), which can then be accessed by the PMU. WWF Nepal will provide the necessary training to the PMU to ensure that project is executed according to the financial stands that WWF Nepal provides. The execution support will include:

- At the direction of MoFE recruitment of staff (to be seconded to the project) and consultants to be assigned to the PMU.
- Financial Management,
- Annual financial audits.

101. All other execution function will be undertaken by MoFE. As Lead Executing Agency of the project MoFE is responsible and accountable to WWF GEF Agency for the timely implementation of the agreed project results, operational oversight of implementation activities, timely reporting, and for effective use of GEF resources for the intended purposes and in line with WWF-US and GEF policy requirements.

102. **Project partners** executing project activities in coordination with MoFE will be different government agencies, academic and research institutions and various civil society organizations. Their expenses will be covered by the PMU and/or sub-granted. MoFE and WWF Nepal will carry out due diligence of sub-grant partners to review past performance and profiles, develop detailed work plans and budgets to be reviewed and approved by MoFE and WWF Nepal in cases where the implementing partner is not a government entity. Contracts will then be developed with each sub-grant partner and countersigned by the partner, WWF Nepal and MoFE. Technical assistants will be competitively procured on the open market. More detailed information on all stakeholders can be found in table 16 of the Stakeholder engagement plan. The Executing agency MoFE as the Chair of the Inter-Ministerial Climate Change Coordination Committee (IMCCCC) will be responsible for inter-ministerial coordination and thus provide necessary support for implementation of project activities by any other government ministry.

103. The implementation arrangement is shown in the figure 3 below.

#### Lead Executing Agency: Ministry for Forest and Environment aef **Project Steering Committee** MoFE (Chair) Project Executive MOALD, MOFAGA, MOLCPA, MOCTCA, MOEWRI, MOHA, MOICS, MoPIT, MoUD, CBS, NPC, Prov. Gov. , NPC, WWF Nepal, CSO, IPLCs Committee (PEC) (IECCD, NPC-CBS, MoFE- REDD IC, MoFE-CCMD, MoEWRI, MoALD, MoLMAC, National Project Director MoICS, MoPIT, MoUD, (MoFE) MoCTCA, AEPC, WWF GEF Agency -MoFAGA) National Project **Technical experts** - Facilitate coordination Coordinator (MoFE) at all levels - input as needed for the AWP/B, preparation and Project Management Unit (PMU) in the CCMD follow-up input as needed into annual reflection WWF Nepal - - workshops • National project Manager Financial and close coordination with • Project Officer with special knowledge on M&E other ongoing climate admin support • Finance and Admin Officer Assistant Flow of funding Flow of reporting Advice • Academic and Gov. agencies TA to be procured CSOs research institutions

#### FIGURE 3: INSTITUTIONAL ARRANGEMENT FOR CBIT PROJECT

104. The Secretary of MoFE will chair the **Project Steering Committee (PSC)** which will be the main governing body of the project. The PSC is responsible for providing strategic guidance and an enabling environment for the effective implementation across all levels of the government, and guidance to the Project Executive Committee (PEC). The PSC oversees the Project Management Unit (PMU) for the overall project delivery according to the Project Document and approves the annual work plan and budget (AWP/B) for project implementation, and the reporting before submission to the GEF Agency. Table 5 below lists its members who will be the Focal Points for the project in their respective agencies. The PSC members will: (i) technically oversee activities in their respective sector; (ii) ensure a fluid two-way exchange of information and knowledge between their respective agency and the project; (iii) facilitate coordination and links between the project activities and the work plan of their respective agency and approve AWP/B; and (iv) facilitate the provision of co-financing to the project. The PSC will meet at a minimum on an annual basis to ensure that all relevant project partners are involved in the decision making and implementation of the project.

105. The key functions of the **Project Executive Committee (PEC)** are to facilitate coordination at all levels (federal, provincial and local) of government.

106. The PEC will meet at least twice per year with the PMU's National Project Manager to ensure: i) Oversight and assurance of technical quality of outputs; ii) Close linkages between the project and other ongoing projects and programs relevant to the project; iii) Timely availability and effectiveness of co-financing support; iv) Sustainability of key project outcomes, including up-scaling and replication; and v) Effective coordination of government partner work under this project.

107. The **National Project Director** (**NPD**) will be designated by MoFE and will be the contact point for the project within the Government of Nepal and responsible for overseeing the project implementation and ensuring all project information is communicated with all relevant national bodies, different project partners and the GEF Agency. He/she will be responsible for supervising the National Project Coordinator.

108. The **National Project Coordinator (NPC)** will be responsible for coordination and will be supervising the National Project Manager of the PMU.

109. The **Project Management Unit** (**PMU**) will be established within MoFE (CCMD). Its main function is the overall efficient management, implementation and monitoring of the project based on the guidance of the PSC. It is responsible for developing AWP/B, implementing and monitoring of activities and fulfilling the monitoring and evaluation (M&E) reporting requirements. It also functions as the secretariat to the PSC and PEC. The PMU will report to and be supervised by the National Project Coordinator (an Under Secretary at CCMD).

110. The PMU will comprise of the following full-time staff:

- National project manager (1);
- Project officer with special knowledge on monitoring and evaluation (1),
- Finance and administration officer (1) and
- Project assistant (1).

111. Apart from the full-time staff, relevant technical experts, communications, and office support staff will be outsourced as appropriate. Terms of Reference (ToR) for all PMU staff is provided in Appendix E.

# 2.4. Stakeholder Engagement

112. The project brings together a diverse group of stakeholders who are engaged in climate change related activities and will seek to build on their existing collaborations, and/or form new ones as necessary.

# 2.4.1. Preparation phase

113. Stakeholders that are key for project design and implementation have been involved since the project preparation phase. To ensure ownership and to facilitate immediate feedback from the government counterpart, a Project Planning Committee (PPC) was formed in October 2018. The committee is chaired by the Chief of CCMD and has representation from MoFE, MoF and WWF-Nepal. The main responsibility of the committee was to provide strategic guidance to the project preparation team and provide feedback in the documents prepared for GEF.

114. During the project preparation phase, various multi-stakeholder consultations were conducted. The findings of the consultations are briefly described below.

## a. Province level consultation workshops

115. With the main objective to inform province level stakeholders about national initiatives on climate change and to identify the sectoral needs for strengthening capacity of diverse stakeholders to meet the requirements of the transparency framework of the Paris Agreement, a series of consultation workshops was organized in six provinces of Nepal. The details are presented in Table 6 below.

Province	Date		Number of participants					
number/name		Bhramin and Chhetri	Indigenous	Marginalized	Others	Total	Female	Male
Province 1	January 21, 2019	40	10	17	1	68	7	61
Province 2	February 20, 2019	21	2	0	80	103	9	94
Bagmati Pradesh	January 28, 2019	55	10	5	17	87	13	74
Gandaki Pradesh	January 17,2019	77	5	0	2	84	11	73
Karnali Pradesh	February 11, 2019	53	10	15	9	87	15	72
Sudur Paschim Pradesh	February 8, 2019	84	30	10	15	139	8	131
Total		330	67	47	124	568	63	505

#### TABLE 6: DETAILS OF PROVINCE LEVEL CONSULTATIONS

116. The series of consultations in the six provinces helped in collating province level information on existing data collection, storage and processing practices, available capacities and gaps, and sources of data at local level which is briefly provided in table below.

Province level information	Disaster	Forest	Industry	Urban Development	Agriculture	Livestock	Water resources	Transport	Energy
at provinces	Types and intensity of disaster Affected area, household and people Hazard Map	Types of forest and forest coverage area Types of tree species REDD related information Forest Fire	No. and types of industry Annual production Carbon emission and pollution scenario (very limited)	Urbanization trend Accessibility of basic need and services urban population and population density No. of hospital, school/college	Total Agricultural land Annual production Sector focus emission estimation (very limited) Types of crops	Annual production (milk and meat) Number of populations involve in livestock	Current irrigated land Current and future irrigation projects Drinking water status	No. of vehicle and its types Emission standard for petrol and diesel vehicle No. of vehicle having green stickers No. of electric vehicles	No of hydropower and electricity generation capacity Total energy mix scenario Amount of energy generated from solar
information	Ministry of Home Affairs (MoHA), District Disaster Relief Committee, Nepal Red Cross Society, National Emergency Operations Centre, Municipality, District Administration Office, Disaster Management Committee	MoFE, Department of Forest, District Forest Office, Community Forest User's Committee, NGO, and INGO	Ministry of Industry Commerce and Supplies, Department of Industry	Ministry of Urban Development, Department of Urban Development & Building Construction	Ministry of Agriculture and Livestock, Department of Agriculture, Agriculture knowledge center, District agriculture office	Ministry of Agriculture and Livestock, Department of livestock services, Agriculture knowledge center, District livestock office	Ministry of Energy, Water Resources and Irrigation and concerned departments	Department of Transport Management Department of Road	Ministry of Energy, Water Resources and Irrigation (MoEWRI), Department of Electricity Developme nt and Alternative Energy Promotion Centre (AEPC)
	During the emergency period Annual basis	Annual basis	Annual basis	Annual basis	Annual basis	Annual basis	Annual basis	Regular	Annual basis

Province	Disaster	Forest	Industry	Urban	Agriculture	Livestock	Water	Transport	Energy
level				Development			resources		
information									
Capacity need	Advance and new technology Awareness and capacity building activities Early warning system Mobile App and applicable online platform	Capacity building training on integrated forest management practices, REDD+ Technology transfer for monitoring and reporting of forest related data	Adoption of Environment friendly technology and approaches Policy dialogue and discussion	Adoption of integrated urban settlement practices Appropriate policy formulation Capacity building on DRR and possible future hazard	Training and capacity building activities on advance agriculture practices Monitoring and Reporting	Training and capacity building activities on livestock farming	Easily accessible and reliable online data management system	Easily accessible and reliable online data management system	Easily accessible and reliable online data managemen t system

#### **b.** Expert interview

117. Bilateral meetings were carried out with key climate change experts in Nepal. The experts were requested to provide their insights on three aspects viz. current institutional capacity, available information, and way forward, which provided a basis to build on the CBIT project. The experts revealed that there is lack of information on emissions from all sources, technical expertise on MRV, central repository of information on climate change related programs, its outcomes and investments, climate change related programs and total amount invested through such programs.

118. The experts pointed out that a lack of awareness and technical expertise and weak coordination between the GHG emission sectors and MoFE are the main barriers for Nepal to collection, storage/retrieval, and reporting of progress on emissions reductions, NDCs and climate finance as required by the Paris Agreement. Many of the experts working in the climate sector do not have adequate knowledge of the requirements of the transparency framework and how to build transparency into climate actions. The recommendations provided by the experts to meet the requirements of ETF are as follows:

- Identification and selection of nationally appropriate GHG emission factors
- Development of a data portal to collect information on Nepal's adaptation, mitigation and climate finance efforts
- Development and management of knowledge, capacity and skills related to climate change with specific focus on tools and techniques for the development of a GHG inventory
- Development of tools and a framework to communicate adaptation and mitigation actions
- Enhance capacity of federal, provincial and local governments on climate change
- Formulate a designated authority that compiles and disseminates all the collected information both nationally and internationally
- Share best lessons learnt at the global climate discussion platform with the national stakeholders including provincial and local governments
- Formulation of a separate unit at provincial ministries that is responsible for data collection and reporting to the designated unit formed in the MoFE.

## c. National consultation and validation workshop

- 119. On May 2, 2019, a national consultation workshop was conducted with the following agenda:
  - Inform national stakeholders about international requirements of CBIT/Paris Agreement and national context.
  - Share the project formulation process.
  - Validate the process and product; and
  - Seek concurrence/feedbacks and suggestions on the project components and its activities.

120. All together more than 70 participants attended the workshop. The key finding of the workshop is described briefly below.

- Improvement of GHG inventory should be carried out through extensive engagements of sectoral government institutions and other concerned stakeholders involved in GHG related data so as to enhance the national inventory for GHG emissions and improve the data quality and reliability.
- There is a need for an effective and innovative design of accounting rules, reporting guidelines, tools and verification which will be essential to ensure that Nepal's NDCs are effectively implemented, and progress is communicated under the requirements of the Paris Agreement.

- Currently, provincial and local governments have very limited knowledge, skills and institutional resources to deal with climate change impacts. For a better understanding of climate finance, NDC, scientific vulnerability assessments, adaptation actions and its communication, capacity building activities play a vital role in all sectors.
- A multi-layer and multi-stakeholder cooperation and collaboration on GHG accounting and vulnerability assessment is required, both nationally and internationally.

121. Thus, capacity building and awareness raising will fill the critical gap and enhance the capacity of CSOs, government institutions and other concerned stakeholders.

122. The consultations at the federal and provincial level were key in identifying the current status and barriers for meeting ETF requirements. As there is less documentation regarding climate change related programs and its outcomes, barrier and gaps were identified through the consultations. The interviews and discussions with all relevant sector experts helped in designing key components building on the existing gaps, challenges, barriers, and opportunities. The key strategies such as the formation of a coordinating body to enable sectoral coordination for data and information flow (in Component 1), developing of a GHG MRV framework (in Component 2), and capacity building was all recommended by the stakeholders. The expert consultations were pivotal in refining and finalizing activities for the project. The consultations also helped with avoiding overlapping of activities with other national level initiatives particularly with NAP and the third NC report formulation process.

# 2.4.2. Stakeholder engagement plan during project execution

123. Gender responsive stakeholder engagement forms a key part of the project development and implementation to ensure the most important issues will be addressed and sustainability of the project assured beyond its closure. Methods/tools that will be employed for engaging multi-stakeholders are:

- Announcements and disclosure of the project summary in English and Nepali on relevant government and agency websites,
- Formal agreements with organizations that will be involved in the implementation of project,
- Meeting/training/workshops which will involve targeted stakeholders,
- Outreach and information dissemination through project flyers/brochures/leaflets in English and Nepali language,
- National media targeted events and reports/announcements.

124. The stakeholders have been prioritized into primary and secondary based on the level of engagement. The primary stakeholders are those who will be directly engaged in the project as execution team and/or constitutes the data/information provider required to achieve the outcomes envisioned. The stakeholders will be engaged in all three phases of the project during inception, implementation, and project completion. The methods and means for engagement are described below.

- a. Inception phase (First quarter of first year of the project):
  - Project launch event to inform stakeholders about project concept, budget, time period, and expected results including international reporting requirements for transparency under climate change actions and support.
  - Project roll out workshop for key stakeholders who would be driving the implementation phase of the project.

b. Implementation phase (second quarter of first year to third quarter of third year): During the implementation phase, various stakeholders will be engaged depending upon the nature of the activity. List of stakeholders, their role and mode of engagement is described in the table 8 below.

# TABLE 8: STAKEHOLDER ENGAGEMENT PLAN

Stakeholders	Reason for engagement	Role in the project	Related	Mode of engagement
			component	and frequency
		Primary Stakeholders	Т	Γ
CCMD, MoFE	MoFE houses the CCMD and leads coordination and communication of climate change related activities in the country. It is also responsible for reporting under the UNFCCC and the Kyoto Protocol and has responsibility for leading Nepal's international climate change negotiations. CCMD is responsible for the coordination and facilitation of all climate change related activities in Nepal. These include the preparation, compilation, and submission of reports to the UNFCCC. The Division is also responsible for managing the compilation and reporting of the national GHG emissions inventory. CCMD through IMCCC will coordinate with different ministries to coordinate for database management and meeting transparency requirements.	MoFE will chair the Project Steering Committee and facilitate coordination among relevant ministries, academia, CSO and private sector as per the requirements of the project. MoFE will house the project. As the focal division for climate change, CCMD is responsible for overall project management. The CCMD will lead annual review and reflection, adaptive management and reporting.	All	<ul> <li>PSC (annually) and PEC (biannually) meeting,</li> <li>Training and workshops (1<sup>st</sup> year of project period)</li> <li>Cross learning and sharing (2<sup>nd</sup> and 3<sup>rd</sup> year of project period)</li> <li>Monitoring</li> <li>Monthly project meetings with PMU.</li> </ul>
International Economic Cooperation Coordination Division (IECCD), MoF	IECCD is the focal point for multilateral funding including GEF and GCF.	The division will support to facilitate activities around tracking of climate finance.	Component 3, 4	<ul> <li>PSC (annually) and PEC (biannually) meetings</li> <li>Training and workshop (1<sup>st</sup> year of project period)</li> <li>Review of tools and</li> </ul>
Central Bureau of Statistic (CBS), NPC	NPC is responsible for coordinating and planning at a national level. CBS is the central data depository	NPC will guide the alignment of GEF project with policies, plans and programs on climate change. The NPC and its	Component 1, 2, 3, 4	<ul> <li>PSC meetings (annually)</li> <li>Training and workshops (1<sup>st</sup> year of project period)</li> </ul>

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		Role in the project	Related	Mode of engagement
1			component	and frequency
government institutions	REDD+ Implementation Center: can provide data on land use, land cover changes and forestry net emissions; MoEWRI: key government agency for energy sector; Ministry of Federal Affairs and General Administration (MOFAGA) for coordination and waste related data from local governments. Ministry of Agriculture and Livestock Development (MoALD)- Federal/ Ministry of Land Management, Agriculture and Cooperatives (MoLMAC)-Provincial: key government agency for agriculture and livestock; MoISC, Ministry of Physical Infrastructure and Transport (MoPIT), Ministry of Urban Development (MoUD), Ministry of Culture, Tourism and Civil Aviation (MoCTCA), MoHA: Sectoral ministries at federal level Alternate Energy Promotion Centre (AEPC): can provide data on renewable energy Ministry of Industry, Tourism, Forest and Environment (MoITFE) or relevant ministry responsible for climate change and environment at provincial	kole in the project agency CBS generate country-wide data for many of the sectors which contribute to climate actions and incorporation of reporting requirements in existing data collection formats will support sustainability. The specific agencies will be engaged in developing GHG inventory tools and templates and generating estimates. Most of these ministries and their line agencies have existing data generation and retrieval systems which will be reviewed and upgraded to adjust the reporting requirements where necessary. These government agencies and are a key part of the national institutional mechanism for ETF and form PSC and PEC.	component	

Stakeholders	Reason for engagement	Role in the project	Related	Mode of engagement
~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~		FJ	component	and frequency
Academic	The academia conducts	Universities will be		•Engagement in
institutions:	research activities on	involved in capacity-	2	research, module
Kathmandu	environmental management	building activities relating		formulation (2nd and
University	and climate change issues.	to MRV and GHG inventory		3 <sup>rd</sup> year of project
(KU),	C	development, and		period)
Tribhuvan		formulation of country		• Training and
University		specific short courses for		workshops (1 <sup>st</sup> year of
(TU)		sustainability of the project.		project period)
		Also, academia would be		
		engaged in conducting		
		research on emission factors		
		and GHG inventory.		
Private sector	The private sector plays a key	Private sector engagement is	Component	<ul> <li>Training and</li> </ul>
such as	role of investing in a range of	required to meet the	2	workshops (1st year of
Production-	climate change mitigation	Outcome 2.1. Capacities of		project period)
based private	technologies including	the private sectors would be		
sector	hydropower, solar power and	built to support in GHG		
(mainly those	wind power generation	inventory and to measure		
of IPPU such	technologies. The private	GHG emissions from		
as cement,	sector can play a role in the	different sources. The		
mineral,	Public Private Partnerships in	FNCCI and CNI represent		
chemical,	some investment initiatives	the industries in Nepal and		
metal, etc.),	and is key to brining in	will be major source of		
Solar and	Foreign Direct Investments. It	information for the		
hydropower	can also incorporate low	emissions from industries,		
associations	carbon development strategies	energy and transport		
etc. that are	as part of the Green Economic	including information on		
represented	Development in their core	domestic and international		
through	policies.	investments. The IPPAN is		
Federation of		the umbrella organization of		
Nepalese		power producers in Nepal		
Chambers of		and a major stakeholder in		
Commerce & Industry		Energy sector.		
(FNCCI) and				
Confederatio				
n of Nepalese				
Industries (C				
NI),				
Independent				
Power				
Producers				
Association,				
Nepal				
(IPPAN).				
Media	Media plays a key role in	Media will be mobilized for	Component	• Workshop
	raising public awareness on	sharing project outcomes	4	• Publications and
	climate change issues and	and to build common		communication (1 <sup>st</sup>
	CBIT project including			
	1 . J	1	I	I

Stakeholders	Reason for engagement	Role in the project	Related	Mode of engagement
	<u>ana</u>	1	component	and frequency
	requirements of the Enhanced	understanding on		and 3 <sup>rd</sup> year of project
	Transparency Framework.	transparency requirements.		period)
	· · ·	condary Stakeholders		I · · · · ·
CSOs	CSOs plays a crucial role in	Coordination with the CSOs	Component	• Workshops (1 <sup>st</sup> year of
working in	advocacy and are usually	and development partners	1, 2 and 3	project period)
climate	organizations that implements	could help in filling the data	-,	• Meetings (as and when
change	project on ground.	gap on climate finance and		required)
sector,	Development partners have	projects implemented under		requirea)
Gender and	mandates to provide official	adaptation and mitigation.		
inclusion in	development assistance for	UN Agencies, particularly		
natural	both financial and technical	UNDP can play an integral		
resources	assistance supporting the	role supporting the		
sector such as	country in achieving its long-	development of the BUR		
Clean Energy	term and short-term plans.	and National		
Nepal,	1	Communication and the		
Prakriti		GHG inventory. UNEP can		
Resources		contribute to knowledge-		
Centre, Nepal		sharing. UNDP through the		
Energy		UN REDD+ programme can		
Foundation,		provide support in providing		
Women		data on Forestry.		
Network for				
Energy and				
Environment				
etc. and				
Development				
partners such				
as World				
Bank, Asian				
Development				
Bank,				
International				
Centre for				
Integrated				
Mountain				
Development				
(ICIMOD),				
United				
Nation (UN)				
Agencies				
(UNDP and				
UNEP)				

c. Completion phase (fourth quarter of third year): During this phase, the results of the project will be widely disseminated across the country through workshops, dissemination of communication materials and media mobilization.

#### Monitoring of Stakeholder engagement

125. CCMD will monitor PMU and project interventions. CCMD will engage relevant stakeholders represented in the PEC through annual review and reflection of the project progress. Further, WWF GEF agency will conduct annual supervision missions during the project period in coordination with CCMD to monitor project implementation. Key findings and recommendations of such events and assessments will be incorporated in project interventions. The Stakeholder Engagement Plan is provided in detail in Appendix F.

# 2.5. Gender

126. With the realization of women's role in development, MoFE is committed to mainstream gender in its plans and programs. Similarly, in line with WWF's Gender Policy (2011) and GEF's Gender Guidelines, the project will strive to ensure gender equity in the different aspects of the project.

127. In order to mainstream gender in the CBIT project, the following methods have been identified:

- Review of existing guidelines and policies that advocates for gender equality,
- Analysis of the project components and theory of change to assess potential negative impacts on women,
- Screening of the project workplan and operational structure to identify strategic points where gender mainstreaming is possible,
- Introducing gender-responsive approaches or targets where applicable.

## a. Review of literature

128. According to the Human Development Report (2019), Nepal has a Gender Inequality Index value of 0.476. The National Women's Commission Report on Socio-Economic Status of Women in Nepal presents evidence that women have lower access to education, health services, property, social security and freedom, as well as decision making processes. Women and girls are more likely to be poor, despite the significant contribution they make to the economy, especially through unpaid care and household work. Widespread disparity still exists between male and female workers in Nepal — women earn 29.45% less than their male counterparts on average, even if the level of education among both genders is the same.39 Women also suffer from gender-based violence and in terms of healthcare, there are still cases of women dying due to lack of healthcare facilities during pregnancy, both pre and post.

129. Progressive legal initiatives have been a major contributor to Nepal's stride towards gender equality. At the international level, Nepal is signatory to different conventions that support the empowerment of women and gender equality. Nepal is a signatory member of the Convention on the Elimination of all forms of Discrimination against Women (CEDAW), and the Beijing Platform for Action among others.

130. At national level, the Constitution of Nepal (2016) has been important to strengthen gender equality. Article 43 of the Constitution of Nepal deals with the rights of women that include equal rights and opportunities in all fields. The Constitution also guarantees 33% seats to women to enhance their participation in political life and policy making; this provision applies to all three levels of the government (federal, provincial and local levels). The Community Forestry Guideline has provision to include women in one of the key positions of the executive committee, include both male and female as member of the Community Forest User Group (CFUG), ensure 50% of the CFUG is women and also state that 30% of the

<sup>&</sup>lt;sup>39</sup> https://nepalindata.com/media/resources/items/20/bNLFS-III\_Final-Report.pdf

CFUG income has to be invested in the most marginal households. Similarly, the National Climate Change Policy (2019) has one of the objectives to mainstream gender equality and social inclusion (GESI) in climate change adaptation and mitigation programs. In line with the policy, MoFE has prepared Strategy and Action Plan for mainstreaming GESI in Climate Change in 2021 which has gender specific indicators across different sectors (Agriculture and food security; Forest, Biodiversity and Watershed Conservation; Water resource and Energy; Disaster Risk Management; Health, Drinking Water and Sanitation; Rural and Urban Settlement; Industry, Transport and Physical Infrastructure; Tourism, Natural and Cultural Resource) to increase their participation and promote leadership.40 As per the action plan, around 50 % of budget in adaptation plans should be allocated for women and vulnerable groups. Also, it is clearly mentioned in the plan to increase participation of women in the international conventions and dialogues related to climate change. Thus, in order to enable women's empowerment and as envisioned in above policies and plans, it is important that women have equal access to knowledge, awareness, capacity building, resources and technology, opportunities and benefits which are prerequisites in influencing climate change.

## b. Gender impact assessment

131. A thorough gender assessment shows that the project will not have major differential negative impact on men and women or their livelihoods. The project will ensure that there is adequate representation of men and women in the institutions established through the project. However, in the context of Nepal, women are marginalized due to existing social and cultural structures, and this deprives women of many opportunities. This might limit women from taking part in opportunities provided by the project. For example, the project will work with climate focal points in various relevant institutions to take part in the project. Due to existing social structures, these focal points might mostly be men. This will automatically put women at a disadvantage from taking part at this level in the project. To ensure gender responsiveness, all focal points will be oriented on gender and the impacts of climate change on the most vulnerable groups, including women, and how to efficiently mainstream gender in this field of work.

132. Since there are fewer number of women in technical fields due to various barriers such as inadequate education and opportunities, the project will focus on issues of equity and ensure separate capacity building sessions for them depending on the nature of the activity; for example, while providing trainings on the use of innovative tools and guidelines for MRV under component 2 of the project. The project will ensure that gender equality is respected by men, and women and specific needs are identified and addressed accordingly.

## c. Gender action plan

133. The proposed project aims to integrate gender issues in programmatic as well as operational aspects of the project. The project has identified four strategic entry points where gender would be integrated.

1. Project steering/executing committee

134. The steering and executive committees are responsible for oversight of the project including approval of workplan and providing strategic guidance. Thus, the presence of women in the committee will provide different perspective and would ensure meaningful participation in the decision-making processes. The project will encourage women representation in the committee, in line with the national context that requires 33 % women representation at various political levels and governance structures.

2. Operational structure

135. The project will try to maintain a balanced gender representation in the Project Management Unit (PMU). While recruitment of the PMU staff and consultants, gender equity will be promoted. The text in the advertisement of vacancies will explicitly encourage women's application and the Terms of Reference

<sup>&</sup>lt;sup>40</sup> MoFE (2021). Strategy and Action Plan for mainstreaming GESI in Climate Change. Ministry of Forests and Environment, Government of Nepal.

(ToR) will be developed using gender-sensitive language to avoid gender stereotypes. The project will provide staff with training on gender sensitivity to increase their understanding of and capacity on gender mainstreaming for the implementation and monitoring of the project in day-to-day project management. Gender-related requirements and results will be integrated into the performance management systems and ToR of the project staffs and consultants to ensure accountability to gender objectives and implementation and monitoring of the Gender Action Plan. Further, an adaptive management approach will be adopted to allow for regular review and adjustment of strategies and activities to address gender-related issues as and when they arise.

## 3. Programmatic components

136. With capacity building as the core focus, the project will adopt strategies to improve women's active participation at every event. Though the pool of participants can be a constraint since the nature of this project demands a specific expertise and level to participate, the project will encourage steps to increase the number and improve the quality of participation of women. It will encourage the government, stakeholders, and partner institutions to send women representatives to attend discussions, forum and workshops to enable effective participation of women. Project will empower and build the capacities of women and men across different government agencies by providing trainings and workshops on gender issues relevant to the project objectives. The project will integrate gender as one of the key components in trainings where relevant and also highlight the role of women and men in climate change related data collection, analysis and dissemination. Finally, the project will encourage inclusion of gender-related achievements, targets and actions in the tools and templates to be developed under the project while ensuring that project-related capacity and gap assessments integrate gender. Through research and case studies, the project, under its knowledge management component, will highlight the role of women and showcase gender issues and successes/gains achieved by the project on gender mainstreaming and women's empowerment. The project will draw attention to successes involving women in all aspects related to climate change and transparency and ensure that various perspectives of women are strongly highlighted.

137. Women led/related organizations will be identified and encouraged to take part in the discussions and workshops. This will provide better understanding of gender specific vulnerabilities and will provide possibility for designing solutions that cater to gender gaps. Using the earlier experience in working on gender issues through several large-scale projects, WWF will promote and apply equitable approaches while working with both women and men, and also ensure that all the activities and processes are gender responsive. It will hold separate capacity building sessions with women only, as appropriate for the context, to ensure their involvement in the project is meaningful where relevant. It will apply gender-sensitive approaches when developing resource and communication materials (training manual, publications etc.) as well as during the delivery of training and facilitation of workshops/meetings/discussions.

## 4. Monitoring and evaluation

138. The project will collect sex-disaggregated data where relevant, develop gender-sensitive indicators and a gender-responsive database in its M&E system. This will help in determining the participation of women, the progress in achieving women's empowerment, gender mainstreaming at various levels of the project and the delivery of gender-sensitive outputs.

139. The project has prepared a monitoring framework to assess implementation of the gender strategies, evaluate achievement of desired outcomes and to enable timely adaptive management. The framework consists of **gender-responsive indicators** where applicable at all strategic entry points as described in the section above. To ensure a gender-responsive budget, gender mainstreaming activities are integrated into the workplan, thus additional budget is not required. The Gender Mainstreaming Action Plan including monitoring framework is attached in Appendix G.

# 2.6. Safeguards

140. In compliance with WWF's Environmental and Social Safeguards Framework (ESSF), as detailed in WWF's Environmental and Social Safeguard Integrated Policies and Procedures (SIPP), this GEF Project was screened according to the Standard on Environmental and Social Risk Management. The Project was categorized as a Low Risk/Category "C" project, given that it is a technical assistance/capacity building project and there are no potential adverse environment or social impacts envisaged under the project.

141. A gender analysis and action plan has been prepared (Section 2.5) as well as the Stakeholder Engagement Plan, including the Grievance Redress Mechanism in (Section 2.4).

# 2.7. Monitoring & Evaluation

142. Monitoring will be carried out by the PMU and the projects executing partners. The national project manager will be responsible for gathering M&E data for the annual results framework tracking. Monitoring and evaluation of the project is critical for the timely achievement of the outputs and outcomes. Along with the monitoring of activities, this project will track the achievement of targets and indicators as specified in the project result framework. However, it will also assess, review, and adjust the project's Results Framework, Gender Mainstreaming Action Plan and Stakeholder Engagement Plan if required based on the results achieved and the changing context during the project implementation period to facilitate adaptive management. A M&E framework has been prepared for the project based on the WWF Program and Project Management Standards and the GEF Standard. The M&E matrix with activity, responsibility and timeframe and budget is included in Table 9 and explained in detail below.

143. Project performance will be monitored using the project results matrix, including indicators (baseline and targets) and annual work plans and budgets. The Results Framework includes 1-2 indicators per Outcome. The baseline has been completed for each indicator along with feasible targets, set annually where relevant. A methodology for measuring indicator targets is provided. Indicator targets are Specific, Measurable, Achievable, Relevant, and Time-bound (SMART), and disaggregated by sex where applicable.

## 144. **Responsible actors:**

- The **Project Management Unit (PMU)** will be responsible for ensuring that monitoring and evaluation activities are carried out in a timely and comprehensive manner, and for initiating and facilitating key monitoring and evaluation activities.
- The **National Project Manager** (**NPM**) under the guidance of the National Project Director (NPD) will be responsible for conducting M&E activities including tracking project implementation against approved work plans. The Project Officer will support consolidating, collecting and analyzing information in relation to the project activities, outputs, and outcomes; maintaining the M&E plan and results framework of the project; and knowledge management by preparing reports, learning documents, and policy briefs.

145. The PMU will analyze the data collected to determine whether their strategies are working or whether they need to re-evaluate their strategies or theory of change. In support of this adaptive management approach, an annual exercise will be held so that the PMU and relevant stakeholders can reflect on monitoring data and the validity of the project's theory of change.

146. GEF Agency M&E: In addition to the M&E activities financed through the GEF project budget, the WWF GEF Agency will also provide a monitoring and evaluation role as part of the GEF agency function, financed by the Agency fee.

147. Project inception: At project inception, the results matrix will be reviewed to validate and, if required, update: i) the project's theory of change; ii) outputs; iii) indicators; and iv) baseline information and targets, based to review and refine the theory of change for the project and each of its components, and to examine whether the project's assumptions and underlying conditions remain correct or may have significantly changed due to COVID-related issues, the national and regional security context, and/or any other contextual considerations. Relevant core indicators have been included to provide a portfolio level understanding of progress towards the Results Framework that build on the specific targets the project established.

- 148. **Reporting requirements:** The PMU and Project Executing Agency is responsible for the following reporting elements to track the progress of the project:
  - Project Results Framework (PRF): The Results Framework (Appendix C) includes objectives, outcomes, and indicators, definitions of indicators, data source and responsibilities, frequency of data collection, baseline information, targets and assumptions. Yearly monitoring of these indicators of the project will be conducted to assess if the project has successfully achieved its expected results.
  - Annual Work Plan Tracking: Towards the end of each project year, the PMU will work with project partners to develop a detailed annual workplan and budget (AWP/B) that includes targets for key activities to achieve the outputs. Where possible, development of the AWP/B will consider suggestions for adaptive management and lessons learned that result from the review and reflection workshop. The AWP/B will be reviewed by the WWF GEF Agency to ensure technical and financial consistency with the project and endorsed by the Project Steering Committee (PSC) prior to start of the next project year. Progress of the plan will be reported annually.
  - Quarterly Progress Reports: The PMU will receive quarterly reports from consultants/grantees, using a Project Progress Report (PPR) template. These reports will track progress on project activities, challenges encountered, expenditures, lessons learned, and adaptive management applied.
  - Six- and 12-month PPR: The PMU under the guidance of NPD and supervision of National Project Coordinator will submit the progress report to the WWF-GEF Agency every 6 months, using the WWF-GEF PPR template. The report will include:
    - Self-rating of project development objective and implementation progress, and risks using WWF-GEF rating criteria. Action plans will be prepared to address sub-optimal ratings.
    - o Summary of project outcomes and impacts based on the project M&E plan
    - Challenges and strengths of the project
    - Progress of project implementation based on approved annual work plan
    - Lessons learned and opportunities for adaptive management
    - Financial progress.
  - Project Completion Report: The Executing Agency and PMU will develop a project completion report, using the WWF GEF Agency template. The report will outline the same areas as the Project Progress Reports (PPRs), but will be cumulative for the whole project period, and will also include information on project equipment handover, an assessment of WWF GEF performance, an exit and sustainability plan, and will focus on key lessons from the project. This report is due within one month of project completion.
- 149. **Project evaluation:** Evaluation will occur through the following process:
  - Annual Review: At the end of each year, the PMU will convene an annual review and reflection and adaptive management workshop intended to improve the strategic direction of the project. It will review M&E data, document project progress and challenges, and reflect on the project's theory of change to assess whether assumptions or strategies need modification. This will provide opportunities for adaptive management. The changes will be reflected and incorporated

into the next AWP/B. All modifications will be reviewed for no objection by the PSC and WWF GEF Agency.

• Final Project Evaluation: An independent Terminal Evaluation will take place within six months of project completion to assess project effectiveness and efficiency. This will be organized by the evaluation team at WWF-US in coordination with the PMU. It will document the project impacts, outcomes, challenges and lessons learned and provide recommendations to the Executing Agency and the GEF Agency and its partners for successful implementation of similar projects in the future. The funds for the terminal evaluation will come from the project budget.

Activity	Responsibility	Timeframe	Proposed budget (US\$)	
Inception/rollout/compliance/orientation meeting	PMU, NPM	Within 1 month of the project start up	3,000	
Periodic planning/ review reflection/ adaptive management Review	PMU and Implementing partners	End of every year	5,250	
Inception Report	PMU	within one month of the Inception workshop	5,892	
Sub-recipient/partner progress reports and follow-up	PMU	ongoing	(In built in Salary; budget number 35, 36	
Project Progress Reports (PPRs) with results framework and project tracking including M&E and Core Indicators	PMU, NPM from Consultants or any third party involved in implementation and Executing Entity	Every six months	& 37 as mentioned in column D- Appendix A of budget)	
Quarterly Financial Report	PMU (Finance & Administration - F&A Officer)	Every 3 months		
Project Closeout workshop	PMU and WWF GEF Agency Executing Entity	2 months before project close out	5,000	
Terminal evaluation (TE)	Independent consultant based on TOR developed by PMU and WWF GEF Agency	Six months prior to the actual project completion date	40,000	
Total budget			59,142	

150. A more detailed M&E plan, which builds on the results matrix and defines specific requirements for each indicator (with annual targets for certain indicators, data collection methods, frequency, responsibilities for data collection and analysis, etc.) will be developed during project inception by the project officer appointed to the PMU and reviewed and approved by the PSC and WWF GEF Agency.

# 2.8. Budget

151. Table 10 provides an overview of the overall project budget. The budget was developed in accordance with the expected results of the project and the resources needed to carry out the various activities. This budget complements the existing and projected resources of the various partners executing activities related to the project. The contribution made by the GEF will ensure that the results of the project are achieved with the desired impacts. More detailed budget information, including the budget spreadsheet and the budget notes can be found in Appendix I.

#### TABLE 10: BUDGET BY COMPONENT AND OUTCOME

Component/ Outcome	Budget in USD
COMPONENT 1: Strengthening national institutions for climate transparency-related activities in line with national priorities and provisions of Paris Agreement's ETF	146,254
COMPONENT 2: Enhancing technical capacity to assess, monitor and report the emissions and removals of GHGs	779,466
COMPONENT 3: Strengthening national capacity to monitor and report on means of implementation and progress of NDCs	243,172
COMPONENT 4: M&E and Knowledge Management	332,369
Project Management	149,914
TOTAL PROJECT COSTS	1,651,175

# SECTION 3: GEF ALIGNMENT AND JUSTIFICATION

# 3.1. Incremental Cost Reasoning and Global Environmental Benefits

152. As a Party to the UNFCCC, and by ratifying the Paris Agreement, Nepal has shown commitment to address the issues of climate change. This commitment is reinforced by the implementation of a number of climate change-related initiatives such as the formulation of a Climate Change Policy 2011 and its subsequent replacement with National Climate Change Policy 2019; Chapter 4 for Climate Change Management in National Environment Protection Act 2019, preparation and implementation of NAPA and LAPA framework; launching of National Capacity Needs Self-Assessment, preparation of NAPs, National Communications and the submission of NDCs. Several ministries and departments are actively engaged in the formulation of adaptation and mitigation policies, strategies and programs addressing climate change and associated risks. The third NC report further consolidates Nepal's engagement in this global effort.

153. Nepal is aiming to move towards a climate resilient green economy. However, with the businessas-usual scenario, Nepal cannot identify the gaps, needs, and measures necessary to progress towards a climate resilient pathway due to the absence of an integrated system for tracking investments, monitoring and reporting progress of mitigation and adaptations actions as prioritized in its NDCs including a standardized GHG emission inventory. Also, there will remain a coordination gap between sectors (private and development sector) and actors at all governance levels to support future investment and in addressing barriers. Under a such scenario, it is unlikely to raise enough awareness and build the needed knowledge base and capacity of in-country experts that are critically needed to foster the informed participation in, and the full implementation of, the transparency requirements under the Paris Agreement.

154. In absence of this GEF/CBIT project, Nepal will continue to have underdeveloped institutional mechanisms and capacity to meet the enhanced transparency requirements. As the sectors identified in the project are particularly important to the development of the nation including the resulting emission scenarios, focused attention on improving transparency mechanisms and processes in these sectors needs to be prioritized and the learning from the experiences can be relevant for other sectors. It is highly likely that in absence of the project interventions, emissions from the sectors will be measured using obsolete methodologies resulting in poor monitoring and reporting and thus ill-informed policy decisions. Nepal will also not learn from the knowledge or lessons that could be learned from other countries that are working on ETF. As a result, Nepal will find it challenging to identify and communicate the mitigation/adaptation needs and raise finance for increasing its adaptive capacity and reducing cost of vulnerability to climate change impacts.

155. Global environmental benefits from this project are directly related to supporting Nepal in accounting for and reducing its GHG emissions through the development of institutional arrangement supported by tools, guidelines and capacitated human resources in the focal ministries that can generate, analyze and retrieve information as required to report and communicate the progress of NDCs. This project will build on current climate change initiatives and institutional structures to address existing capacity, technology, information gaps in meeting the transparency requirements specified under Article 13 of the Paris Agreement. The key stakeholders will acquire the required technical capacity and knowledge on gathering accurate data/information, determining sources of emissions and removal, adoption of sector specific national emission factors, analyzing adaptation results in prioritized sectors. With the available baseline, the key stakeholders will be able to plan, coordinate, implement, monitor and report the progress of NDC. Information on support needed, received and utilized in adaptation and mitigation will improve the quality of decision making and will support in strategic investments. Sharing and collaboration at horizontal and vertical levels would be established through the institutional arrangements dedicated for enhancing transparency.

156. Further, a comprehensive MRV system will be established at different levels of government, concerned sectoral line agencies which will result in:

- Updated GHG accounting system including availability of country specific emission factors where relevant for key emission sectors and emission scenarios.
- Clear methodology, tools and templates for data collection and processing to and improve data quality.
- Tracking of progress of NDC implementation, and financial/technological support received in the targeted sectors.
- Improved quality of reports communicated to UNFCCC.

157. The project will increase climate-related knowledge through improved GHG inventories and transparency frameworks and will learn and disseminate good practice to developing countries, which will in turn allow informed decisions making. Furthermore, capacity improvements related to climate change adaptation and guidance on including and tracking robust adaptation goals in Nepal's NDCs will generate adaptation-related benefits. This project will ultimately contribute to tracking enhanced ambitions in reducing GHG emissions. Improved coordination will generate synergies, avoid duplication, and promote effective and efficient use of resources. Similarly, the improved availability of knowledge through standardized and transparent processes will support Nepal to track the progress of its NDCs and provide strategic directions for long-term policy planning, providing for increased ambition.

# 3.2. Alignment with GEF Focal Area and/or Impact Program Strategies

158. The GEF-7 Climate Change Focal Area Strategy aims to support developing countries to make transformational shifts towards low emission and climate-resilient development pathways. Specifically, the Capacity-building Initiative for Transparency (CBIT) was created to "help strengthen the institutional and technical capacities of developing countries to meet the enhanced transparency requirements defined in Article 13 of the Paris Agreement" (GEF 2018). It is expected that this project will enable Nepal to regularly generate information that will: track the implementation progress of the NDC and inform national GHG inventory reports hence improve transparency over time. Table x below demonstrates this project's alignment with the GEF Climate Change focal area.

159. The proposed project will strengthen the national effort to reduce the emission and shift towards a low carbon development pathway by providing a framework to measure the emission and track the progress of reaching net zero following methods that are suited to the national context. Moreover, the project is directly contributing to GEF-7 Climate Change Mitigation Focal Area Strategy that aims to support projects that build institutional and technical capacity to meet the enhanced transparency requirements in the Paris Agreement. The investments under the proposed project will strengthen national and sectoral capacities for tracking progress against the national GHG emission reduction targets, as well as the effective and efficient use of data and information for decision making. In this sense, the project is aligned with all the priority activities mentioned in the CBIT programming direction:

- Strengthen national institutions for transparency-related activities in line with national priorities
- Provide relevant tools, training, and assistance for meeting the provisions stipulated in Article 13
- Improve transparency with time

GEF Focal	Objectives of CBIT	Objective of Project
Area		
Climate Change	To help strengthen the institutional and technical capacities of developing countries to meet the enhanced transparency requirements defined in Article 13 of the Paris Agreement.	"To strengthen capacities to meet the requirements for the ETF and track national progress against priority actions identified in Nepal's NDCs"
	1. Strengthening national institutions for climate transparency-related activities in line with national priorities and provisions of Paris Agreement's ETF	<ol> <li>Strengthening national institutions for climate transparency- related activities in line with national priorities and provisions of Paris Agreement's ETF by         <ul> <li>Establishing a Coordinating body for MRV in keeping with the ETF requirements for data collection, processing, and management; quality management, data analysis and modelling; reporting; and communications.</li> </ul> </li> </ol>
	2. Provide relevant tools, training, and assistance for meeting the provisions	2. Enhancing technical capacity to assess, monitor and report the emissions and removals of GHGs by

## TABLE 11: Alignment of the Nepal CBIT project with the CBIT objectives

GEF Focal Area	Objectives of CBIT	Objective of Project
	stipulated in Article 13 of the Agreement.	<ul> <li>Developing and/or strengthen processes, methods, and tools for MRV of all emission sectors (AFOLU, Energy, IPPU, Waste).</li> <li>Enhanced national capacity for data collection, analysis, reporting and verification for all GHG emission sectors (AFOLU, Energy, IPPU, Waste)</li> </ul>
	3. Assist in the improvement of transparency over time.	3. Strengthening national capacity to monitor and report on means of implementation and progress of NDCs as a basis for monitoring, and improving transparency over time.

# 3.3. Socioeconomic Benefits

Capacity building of government at different levels (federal and provincial) and multi-stakeholders 160. such as private sectors, academia, etc. through training and technical support would significantly improve the national capacities to transparently and regularly report on progress in implementing Nepal's NDC targets including monitoring and reporting on (a) GHG emissions or reductions attributed to a particular mitigation action; (b) climate-related support provided by the Government of Nepal or received from donors or the market in a form of finance and its impact in terms of technological enhancement, capacity building, or implementation of a certain action or as a result of an action taken in a particular sector of the economy; (c) policy support to identify alternatives to achieve climate resilient development. This would also address the capacity gap and dependency on international experts. Improvements in data collection, monitoring, analysis, reporting and validation will support policy decisions and their implementation, and in the longer run establish a low carbon development pathway for the country. GHG data and information generated will help government agencies to design appropriate measures to mitigate and adapt to climate change. Further, the required data collection, analyzes, monitoring and reporting would create new local jobs. In addition, transparent reporting and data-based decision-making will enhance climate resilience and coping strategies of the local people which increases their adaptive capacity and resilience to climate change generating less loss and hire income.

# 3.4. Risks and proposed Mitigation Measures

161. Safeguards screening and mitigation measures are detailed in the chapter 2.6 Safeguards. All other project risks and mitigation strategies are summarized in table 11 below. Since the COVID pandemic poses the main risks to the project a detailed risk matrix has been developed (Table 12 below).

Risk	Level	Mitigating Strategies and Actions
Duplication of activities by other projects	Low	• MoFE will form a Steering Committee (PSC) that will have representation from all the key ministries. Regular meetings and coordination will avoid duplication/overlap of the objectives, targets and outputs with any other projects.
Insufficient institutional coordination	Moderate	• Additional ministries at federal and provincial levels will be engaged from the project onset in line with the vision of the National Climate Change Policy 2019. As envisioned in this policy, an inter-

 TABLE 12: RISK MITIGATION PLAN
 Plan

Risk	Level	Mitigating Strategies and Actions
		<ul> <li>ministerial coordination committee formed under the MoFE will ensure coordination among the ministries. All of the relevant ministries are part of the PSC. Thus, regular PSC meetings will assure flow the information and progress with all relevant stakeholders.</li> <li>Specific buy-in strategies will be designed for different stakeholders (i.e. sector ministries, industrial operators, businesses and NGOs)</li> <li>Inter-ministerial working groups/committees will be established and. strengthened as also envisioned by the National Climate Change Policy 2019.</li> <li>The National Planning Commission and Ministry of Finance who play the key role in the country's long-term planning and resources allocation are key stakeholders in the project.</li> <li>Mechanisms for effective and regular communication and coordination between PMU and relevant stakeholders will be established from the onset of project and a National Project Coordinator (NPC) will be assigned to the project.</li> <li>Clear guidelines, roles and responsibilities will be established for the implementation and tracking of NDCs.</li> </ul>
Data quality and availability constraints	Moderate	<ul> <li>The project will build on the existing national data collection tools, methods and infrastructure and make adjustments in tools and templates only where mandatory to ensure quality and ownership.</li> <li>Academic/ research institutions will be involved in the technical working group to facilitate data access where appropriate.</li> <li>Formal collaboration arrangements will be established with institutions that are data repositories.</li> <li>The project will expand participation of data providers to cover new areas that will be required by the new MRV task.</li> </ul>
Limited skillset across all the GHG emitting sectors (government and non- government) for GHG inventory and MRV	Moderate	<ul> <li>Existing capacities and skill sets will be assessed at institutional level and addressed through long-term capacity building strategies and packages.</li> <li>Where consultants are to be recruited, they will be paired with local experts to facilitate knowledge transfers.</li> <li>Where possible experts from national academic/research institutions, CSO and private sector will be engaged.</li> </ul>
Staff turnover	Moderate	• The project will aim to have two dedicated focal points in each department or ministry so that there is institutional memory. Frequent communication with the focal points and teams will also help mitigate the risk. The PMU will communicate regularly with the senior management in the respective government offices to

Risk	Level	Mitigating Strategies and Actions
		<ul> <li>provide updates on the progress, challenges or issues towards delivery of activities based on the agreed workplan. All the steps, procedures and expected deliverables and results will be documented so that the incoming staff will be able to understand the activity and take forward the responsibilities effectively.</li> <li>Should staff change occur, meetings and workshops will be organized to familiarize new staff with the project strategy and operational arrangements.</li> <li>The PMU will maintain detailed and up-to-date documentation on project implementation so that there is no information gap for continued project implementation. Furthermore, the PMU will try to engage in-country human resources to the extent possible.</li> </ul>
Potential impacts of Covid-19	High	• Considering that fact that the project largely focuses on capacity building through trainings and workshops, Covid-19 is likely to affect larger gatherings. Organizations in Nepal have also started conducting virtual workshops and the project will also put additional capacity and resources on conducting virtual sessions. The executing agency and PMU will ensure health and safety standards are met as per health guidelines of the country to conduct any workshops.
Climate Risk	N/A	• Since this is a capacity-building project, we do not expect impacts of any climate related risks that will affect the delivery of activities and objectives. In case where there are impacts of training locations, the project will have a list of alternate locations to conduct events safely and possible local travel will also be managed accordingly.

# TABLE 13: COVID-19 RISK TABLE

Risk category	Potential Risk	Mitigations and Plans
Availability of	High	The project will follow GEF Agency and
technical expertise and	Continued or renewed efforts	government COVID guidelines and develop
capacity and changes	in COVID-19 containment	COVID risk mitigation measures as
in timelines	measures (such as travel and	necessary. GEF Agency COVID guidelines
	meeting restrictions) are likely	can be found in Appendix L. Technical
	during implementation.	expertise will be thought primarily through
		digital means and the project will make sure
		that the required activities to implement the
		project successfully can be executed
		remotely, if needed.
		Capacity building activities will be shifted
		to online training as much as possible.
	High	The Executing Agency MoFE and other
		executing partner have limited experience

Risk category	Potential Risk	Mitigations and Plans
	Capacity and experience for	coordinating remotely but have done so
	remote work and online	during the COVID pandemic. The ministry
	interactions as well as limited	will have to adapt its processes to move to
	remote data and information	more digital processing which also presents
	access and processing	for the ministries an opportunity.
	capacities that projects will	
	need to strengthen.	
	Moderate Changes in project implementation timelines including delays in recruitment of the PMU, procurement and delivery of hardware.	The project implementation timeline has been designed to take into account the effects of the COVID 19 pandemic. Nevertheless, delays can happen depending on potential future COVID strains and supply chain constraints. Quarterly technical and financial reports submitted to WWF-GEF Agency should indicate project implementation progress, any delays, and adaptive measures being put in place by project teams. This measure will enable the Agency to guide how best to adapt to the situation on the ground from technical and financial perspectives.
		The project team will develop and implement the project's Adaptive Management Plan for the COVID-19 situation. This plan will also include activities that will be implemented by the project manager to ensure that the team delivers selected project activities while working remotely.
		During implementation, the project budget will cover procurement and recurrent costs of PPE and utilities such as hand sanitizers, face masks, gloves among others, for project staff.
		COVID-19 will be integrated into the communication strategy for disseminating information related to COVID19 with project teams and stakeholders. This measure will also entail communicating to stakeholders the impact that COVID-19 will have on the project and the adaptive measures required.
	Low	The co-finance identified for this project is
	Changes in baseline and	stable and committed.
	potential co-financing sources	
	identified may change due to	

Risk category	Potential Risk	Mitigations and Plans
	changed government/project partner priorities for existing funding, reduced funding availability.	
Stakeholder Engagement Process	Moderate Mobility and stakeholder engagement, including where necessary risk mitigation measures for both project staff and stakeholders.	The range of stakeholders for the CBIT project are based in Nepal and governmental institutions and universities will be able to engage effectively in consultations for the project remotely via videoconferencing, webinars and document sharing, as they have done throughout the process of developing the project. The project will continuously engage with the relevant institutions, provide regular reporting, monitoring of progress, and acknowledgment of efforts and achievements by each institution. Participating institutions will be actively involved from the beginning in design, implementation, and management decisions and roles and responsibilities will be explicit, and participants allowed to transparently implement while sharing regular updates on the progress. Communication plans and stakeholder requirements and expected outputs will be fully developed and regular progress and monitoring meetings will be held.
iii) Enabling Environment	Government focus on climate change during crisis	The COVID-19 crises may divert political attention away from climate change for some other government targets, however on the basis of progress to date there is overall confidence of sufficient government support for the CBIT project, especially with the government participation during COP26 and the acknowledgement that the pandemic is closely related to our current climate crises.

# 3.5. Consistency with National Priorities or Plans

162. This project is aligned with Nepal's national policies and plans.

163. **National Climate Change Policy (2019):** Nepal's National Climate Change Policy 2019 has emphasized the development of a transparency framework for tracking of climate change actions and investments in the country as a key priority. To ensure accountability, improve participation of stakeholders and increase access to information, the national policy proposes a framework of transparency and accountability. As per the policy, National Communication Report, Nationally Determined Contributions, Adaptation Communication and other reports will be prepared in conformance with international commitment. The policy further envisions the formation of a council for the coordination of policy issues at the national level which will be led by the MoFE, also the focal ministry for UNFCCC and Executing Agency for this project. The policy also highlights the need and role of an inter-ministerial coordination committee under the leadership of MoFE at the national level to facilitate mainstreaming, monitoring and reporting of climate change actions in the country.

164. **Fifteenth Development Plan (2019/20-2023/24):** The plan recognizes the impact of climate change on agriculture and food security, forests and biodiversity, human health, energy, irrigation, settlements and infrastructure and also emphasizes the importance of managing hazards to increase the country's resilience. A key strategy for achieving this is through the development of sectoral plans, some of which relate to natural resources management, disaster risk reduction and climate change adaptation. The 15th plan acknowledges inadequate mainstreaming of disaster risks in development planning while also emphasizing the need to implement Nepal's NDCs.

165. **National Energy Strategy of Nepal (2013):** The project will directly contribute to Nepal's National Energy Strategy which provides the enabling environment for the achievement of a secure and sustainable energy supply for the country, the diversification of energy supply and promotion of energy efficiency and conservation, while ensuring emissions reduction and resiliency. The National Energy Efficiency Strategy 2018 of Nepal has the objective of decreasing energy intensity while creating and maintaining environmental balance.

166. **NAPs and NDCs:** Many of the outputs of this project are closely linked with the NAPs and the NDCs. Nepal's NDCs emphasize the importance of mitigation, adaptation and resilience building. The NDC envisions to diversify the country's energy mix and energy consumption pattern to more renewable and economically productive sectors. The project will support Nepal with the challenges of tracking NDCs and NAPs by developing appropriate methodologies and indicators to assess the progress of implementation.

167. **BUR and NCs:** This project is aligned with the national priorities and needs explained in the last National Communications and it is complementary to the on-going BUR and the third NC.

168. **National Adaptation Programme of Action (2010):** The National Adaptation Programme of Action to Climate Change (NAPA) was formulated in 2010 by the GoN in an effort to counteract the effects of climate change on the national development. This report is also essential to fulfill UNFCCC requirements. Among the major achievements of NAPA, is the evaluation of vulnerabilities of Nepal to climate change and the determination of priority adaptation options and the development of nine adaptation profile projects.

169. **National Action Plan to Combat Desertification and Land Degradation (2016):** This Action Plan was prepared as part of addressing the United Nations Convention on Desertification. The activities identified in the action plan include, but are not limited to, (i) control of soil erosion by diverse means including construction of bench terraces where feasible; (ii) tree planting to increase the forest cover and hence improve the climate; (iii) sustainable forest management; (iv) development of alternative energies to

replace or to complement wood and hence to reduce or to halt deforestation and (v) improvement of agricultural technologies and techniques.

# 3.6. Innovativeness, Sustainability & Potential for Scaling up

#### Innovation

170. The innovation of this project is the synergy it plans to bring among existing monitoring systems, their development and the inclusion of many indicators to report at national and international scale. Through this project, Nepal will implement an integrated monitoring, reporting, and verification system. Rather than sector wise reporting, the project will put in place a platform that will integrate data sets from various sources. Data sources, definitions, methodologies and assumptions will be clearly documented to enhance understanding, ensure consistency, increase transparency and facilitate replication and assessment.

171. The proposed CBIT project will facilitate scientific innovation through building the basis for providing technical assistance to institutions update and upgrade MRV capacities of the Government, local technical staff and research institutions. The institutional arrangements will ensure that the existing sector or national M&E system is able to monitor and report on (a) GHG emissions or reductions attributed to a particular mitigation action; (b) climate-related support provided by the Government of Nepal or received from donors or the market in a form of finance and its impact in terms of technological enhancement, capacity building, or implementation of a certain action or as a result of an action taken in a particular sector of the economy; and (c) policy support to identify alternatives to achieve climate resilient development.

#### Sustainability

The key objective of the project is to establish an effective and efficient institutional coordination 172. mechanism supported by required technical capacities to ensure greater collaboration among relevant ministries led by MoFE, and relevant ministries at provincial level working across key emission sectors. The CCMD of MoFE will be strengthened to carry out necessary coordination among all levels of government and with stakeholders that will be crucial to achieve adaptation and mitigation targets. A coordination strategy for transparency (under component 1) that gives direction for all stakeholders will be formulated and implemented, and a Memorandum of Understanding (MoU) will be signed among the stakeholders to ensure their ownership and accountability. With the project support, Nepal will be able to formulate a clear plan of action with regard to national reporting of GHG inventories and tracking progress of its NDCs utilizing the monitoring and reporting roadmap, coordination mechanisms, and technical guidelines prepared by the project. CCMD will continue the working arrangement established with relevant line ministries, as well as undertake continuous efforts in training its personnel and practitioners on any new guidance of the international transparency processes. Key stakeholders at various levels, federal and provincial will be capacitated to access, archive, analyze, and monitor the required information. Capacitated human resources would be another asset of this project to contribute to its sustainability.

173. The development of protocols and guidelines for data collection that ensure the reliability and quality of information will continue or improve over time through the well capacitated human resources resulting from the capacity building activities. The pool of experts created through series of training and accountability of multiple stakeholders (e.g. public and private sector, local line agencies, and non-government organizations) through awareness on the importance of a transparent MRV system will be the basis to ensure sustainability. Regarding financial sustainability, this project will ensure full integration of the MRV framework in the operational and legal procedures of the key ministries. The information system that tracks the climate finance will be embedded into the online portal of MoF and linked with MoFE. Thus, the regular funding sources of government will be enough to run such system. The project focuses on setting-up an institutional arrangement, building capacity at relevant levels and areas and strengthening in-

country expertise and establishing a sustainable mechanism in which the country can invest/ co-finance as the project comes to an end so that the outcomes are sustainable.

174. Nepal's commitments to the Paris Agreement can be reflected in the Second NDC and the recently released Long Term Strategy for Net Zero which makes it obligatory to monitor and report emissions so as to achieve the targets set on the national documents communicated to UNFCCC. The proposed institutional arrangements which are in line with the recently formulated National Climate Change Policy 2019 will further reinforce an effective coordination mechanism to ensure all the stakeholders stay committed to share the data on emission even after the project ends. Although, managing financial resources for covering all the sub-sectors that contributes to GHG emission will be a challenge for Nepal being a LDC, the successful MRV and central information management system developed under this project will help build a case for garnering national and international investment.

## Scaling-up

Considering the relative importance of agriculture, industries, energy, forestry and land-use sectors 175. to the Nepalese economy and the significant technical challenges and capacity gaps for enhanced transparency in these sectors necessitates a focused, sector specific approach. By evaluating, strengthening and improving the institutional arrangements (under component 1) which will be established for building transparency of climate change actions, the project will be able to better facilitate this process of scaling out project-developed systems and processes. With the enhanced institutional capacity and engagement with the international process, the Government of Nepal will be capacitated to identify potential partners to further develop scaling-up actions and investment opportunities for further improving transparency over time, as well as to benefit other countries in the region to develop more transparent, accurate, complete, consistent and comparable monitoring and reporting systems. The government will use a combination of national budget and planned international support for fulfilling its reporting requirements to the Convention and ensure continued application and sustainability of the transparency systems and infrastructure for other sectors. Due to the similarity between Nepal's challenges and other LDCs, important lessons learnt during implementation will support scaling up. The engagement of partners with global presence and the knowledge products developed (under component 1 and 4 Knowledge Management) will also enhance opportunities for scaling up of these interventions. The peer-exchange program will make it possible to identify ways of replicating some of the elements of this project in other countries in the region or other LDC countries as well as identify best practices from other countries to be applied in Nepal. Nepal has identified sectoral emission factors based on their feasibility and relative priority for country-specific emissions. The project can set a roadmap for moving from 'high' priority and relevance emission factors to 'medium' priority and relevance ones which are based on the necessity of NDC targets, current share in GHG emissions and future emission potential.

# 3.7. Lessons learned during project preparation and from other relevant projects

- 176. The key lessons learned during the project preparation phase are as follows:
  - The PPC led by the government facilitates the preparation of the project and also enhances country ownership of the process and product.
  - Understanding of climate change impacts, adaptation and mitigation options, GHG emissions and monitoring and reporting is still in the early stages for most stakeholders except for some key focal government agencies and CSOs. Thus, capacity building to improve their understanding of climate change and the need of a transparent mechanism for data collection, reporting and monitoring should be a key priority.

- There have been efforts to set up multi-sectoral institutional arrangements such as the Climate Change Council and MCCICC. The council is led by the Prime Minister and due to political instability and changes in the Government, it has not been functional. In the case of MCCICC, although it is operational, due to lack of interest and knowledge on climate change, the sectoral government has not fully mainstreamed climate change in its policies and plans. <sup>41</sup> Thus, this project will need to build capacity of all the sectoral ministries to collect the data from the respective sector, store in database and report as required in ETF and engage them through a formal process.
- Review of other GEF project documents helped in drawing out the following lessons which have been integrated into this project:
  - Knowledge sharing on best practices, exchange of practitioners, etc. constitute a substantial potential in advancing the national transparency systems and should therefore be systematically fostered<sup>42</sup>;
  - $\circ$  In order to avoid duplication of activities across sectors, coordination within sectors should be strengthened, and when stakeholders are provided with relevant and practical information of the value of the intervention, they provide new ideas<sup>43</sup>;
  - Most of the obstacles encountered are often linked to lack of awareness and lack of capacity, hence capacity building is very crucial<sup>44</sup>;
  - Engagement with the Global CBIT Platform will help the project improving knowledge and capacity by getting insights from regional and global transparency initiatives<sup>45</sup>.

<sup>&</sup>lt;sup>41</sup> Nepal, P. (2019) Mainstreaming climate change adaptation into sectoral policies in Nepal: A review. The Geographical Journal of Nepal Vol. 12: 1-24, 2019 Central Department of Geography, Tribhuvan University, Kathmandu, Nepal

<sup>&</sup>lt;sup>42</sup> Capacity Building Initiative for Transparency (CBIT) Global Coordination Platform: ProDoc submitted by UNDP

<sup>&</sup>lt;sup>43</sup> Strengthening the Capacity of Institutions in Uganda to Comply with the Transparency Requirements of the Paris Agreement: ProDoc submitted by Conservation International

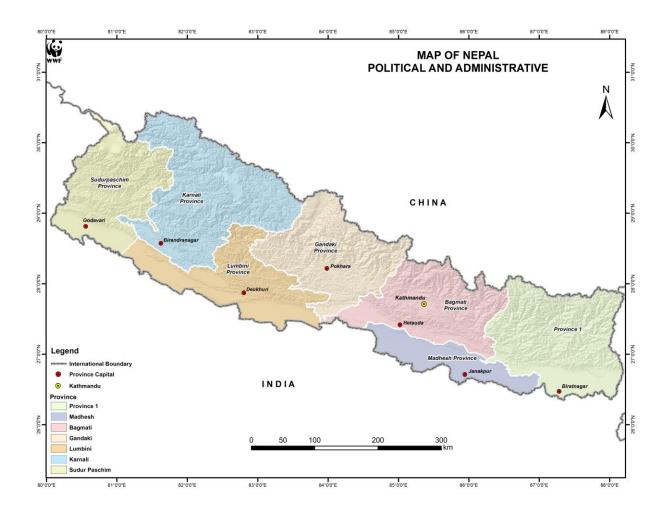
<sup>&</sup>lt;sup>44</sup> Building and strengthening Liberia's national capacity to implement the transparency elements of the Paris Climate Agreement: ProDoc submitted by Conservation International

<sup>&</sup>lt;sup>45</sup> Strengthening Chile's Nationally Determined Contribution (NDC) Transparency Framework: Project Approval Request form submitted by UNEP

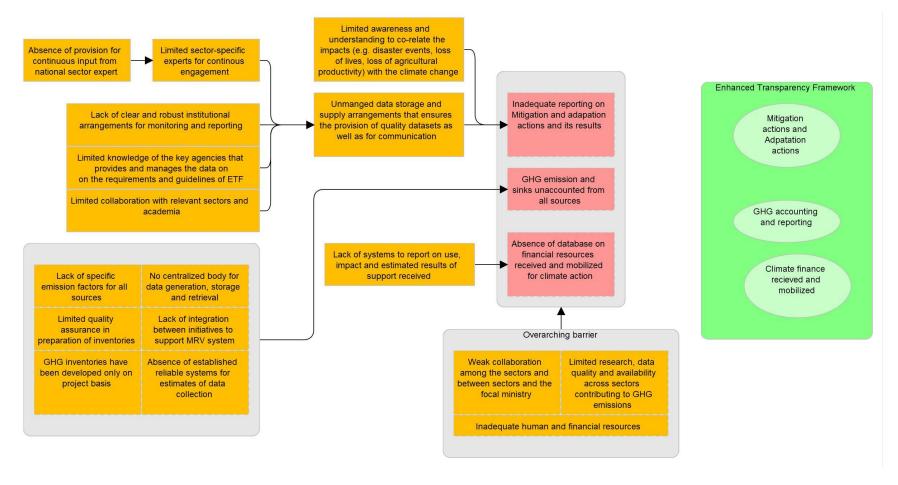
# Section 4: TECHNICAL APPENDICES Appendix A: Nepal Country Map with geo-coordinates

Longitude:  $80^{\circ}4'E$  to  $88^{\circ}12'E$ 

Latitude:  $26^{\circ}22$ 'N to  $30^{\circ}27$ 'N



## Appendix B: Conceptual Model



## Appendix C: Results Framework

#### TABLE 14: RESULTS FRAMEWORK

							(anr	Target nual and		
Indicator / unit	Definition (note if cumulative)	Method/ source		Responsible	00 0	Baseline	YR1	YR2	YR3	Notes/ Assumptions
Project objective: To stre Determined Contributions	ngthened capacities to meet the r	equirements of the	e Enhanced Trar	sparency Fran	nework (ETF) and t	rack national progress	against p	oriority a	ctions ider	ntified in Nepal's Nationally
<b>Objective indicator 1:</b> Timely reporting and communication on climate actions	Nepal will timely prepare and submit update - and communication reports to the UNFCCC following the transparency framework	UNFCCC website MoFE website	BUR: 2021 and every 2 years NC: every four year	MoFE	N/A	No BUR submitted till now (planned to be submitted in 2021)	BUR		BUR	If BUR is submitted in 2021
	(relevant information on national circumstances, GHG inventories, a vulnerability and adaptation assessment, financial resources and transfer of technology, and education, training and public awareness)		year NDC: every 5 years			First NC submitted on Sep 1, 2004 Second NC submitted on Dec 4, 2015 Third NC Aug 25, 2021 (Original submission date: 27 Jul 2021) First NDC submitted in 2016 and Second NDC submitted in 2020			Fourth NC Tracki ng/rev iew of Secon	Timely availability of data and monitoring supported by this project will contribute to preparation of periodic communication reports Availability of data to track achievements of second NDC
									d NDC	
GEF Core Indicators		I			I	1		1	1	
<b>Core Indicator 11</b> Number of direct beneficiaries disaggregated by gender as co-benefit of GEF investment	<b>Beneficiary</b> : 500 numbers of staff of each ministry, CSOs, academia, that are involved directly in the implementation of the ETF framework (direct benefits) and those that benefits from the delivery of the Erromourcher, guidence and	M&E report cumulative	6 months	PMU	By gender	Total: 0 Female: 0 Male: 0	100 33 67	380 125 255	500 165 335*	It is expected that a total of five different kinds of stakeholders (governmental organizations, CSOs, development partners, private sectors, academia) will directly benefit from the delivery of the ETF, guidence and knowledge
	Framework, guidance and knowledge products									guidance and knowledge products by end of project.

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							(anı	Target nual and		
Indicator / unit	Definition (note if cumulative)	Method/ source	Frequency	Responsible	Disaggregation	Baseline	YR1	YR2	YR3	Notes/ Assumptions
	(indirect benefits). Where possible numbers will be disaggregated by gender (at least 33% of the total beneficiaries will be female).* cumulative	source								The indicative breakdown per stakeholder group is: 15 governmental organizations, 10 CSOs, 5 development partners, 4 private sectors, 2 universities. The project will ensure that at least 33%
										of the project beneficiaries is women.
Component 1: Strengthenin	g national institutions for clima	te transparency-rel	ated activities i	n line with nati	onal priorities and p	provisions of Paris Agr	reement's	s ETF		is women.
	l arrangements in place for co									
Outcome 1.1: Institutiona	r arrangements in place for co	orumating, repor	ung, and com	numcating pro	<u> </u>		_		-	
Outcome 1.1 indicators Establishment of institutional structure that has representation from key organizations (sectoral ministries, line agencies, private sector, CSOs and academia)	The institutional structure established includes a coordination body with defined roles and responsibilities of institutions/focal persons through formally endorsed ToR and guidelines.	Formal decision/ endorsed minutes/ documents - MoFE secretary level for coordination strategy	One time	PMU	N/A	Provision for high level Climate Change Council and Inter- Ministerial Climate Change Coordination Committee (IMCCCC) is defined in the climate change policy, 2019 but not fully functional	1			The concerned ministries and other key organizations agree to be part of the coordination mechanism and contribute as and when required
Output 1.1.1 indicators Preparation and implementation of coordination strategy	TOR for single national entity/designated authority responsible for GHG inventory & mitigation MRV responsibilities and Data supplier agreements established. Non-cumulative	Review of Strategy document Agreement/ ToR Meeting minutes	Meeting to occur Quarterly	PMU	While nominating the focal person, women will be encouraged	No specific strategy plan in place for data transparency and reporting from government and non-government agencies	4	4	4	Although meeting will occur quarterly, exchange of data and other communication can be done as and when required

<sup>\*</sup> the targeted project beneficiaries are the working population, in particular ministry staff, which consists of mostly males. This accounts for the higher number of males reached through this project than females. The project will aim to include as many women as possible, given the lower numbers.

							(anı	Target nual and		
Indicator / unit	Definition (note if cumulative)	Method/ source	Frequency	Responsible	Disaggregation	Baseline	YR1	YR2	YR3	Notes/ Assumptions
Component 2: Enhancing te	echnical and institutional capacit	y to assess, monite	or and report er	nissions and rea	movals of GHG		<u> </u>		<b></b>	
Outcome 2.1. Strengthene	d MRV reporting GHGs and a	assessing progres	s towards NDC	C commitment	s					
CBIT indicator: Quality of MRV Systems (Outcome indicator 2.1)	Improvement in the quality MRV system based on GEF core 1 to 10 as per Annex III of CBIT programming directions. While this is a subjective rating, the guidance for the ratings provides direction for benchmarking the quality of the MRV system	Stakeholders ' feedback reports on the quality / ability of the National MRV system in tracking GHG emission from the key sectors, NDC progress and support received. - Project Manager's monitoring reports - Assessment report on the tracking system's functionality, including inputs from climate change focal points within ministries and key sectors: AFOLU,	In the midterm and after project completion as required in CBIT tracking tool	PMU	N/A	Baseline rate: 1 i.e. very little measurement is done; reporting is partial and irregular		4	8	In mid-term, the target rate is 4 i.e., Measurement systems are strong in a limited set of activities however, analyses still needs improvement; periodic monitoring and reporting although not yet cost/time efficient; verification is only upon specific request and limited. After the project termination, target rate is 8 i.e. Strong standardized measurements processes established for key indicators and mainstreamed into institutional policy implementation; reporting is widely available in multiple formats; verification is done for a larger set of information
Output 2.1.1 indicator MRV System established for 4 Emission sectors	A tailored inventory management plan, jointly drafted with government,	Energy, IPPU, Waste. MoFE website (MRV system will be	One time	PMU	N/A	0		4		Political commitment from the federal gov., sectoral ministries willing to provide

							(anı	Target nual and		
Indicator / unit	Definition (note if cumulative)	Method/ source	Frequency	Responsible	Disaggregation	Baseline	YR1	YR2	YR3	Notes/ Assumptions
(AFOLU, Energy, IPPU, Waste)	with QA/QC procedures manual/guidelines/ protocol and inventory improvement plan for Nepal, including consultation process with stakeholders.	uploaded)								necessary support to sustain, strengthen and fund the emission inventory and reporting.
Output 2.2.1 indicators Implementation of capacity building package	Capacity building plan identifies capacity and resource needs through formal, participatory assessments involving key ministries (MoFE, MoF, MoHA, Ministry of Federal Affairs and General Administration (MoFAGA), MoALD, Ministry of Land Management, Cooperatives and Poverty Alleviation (MoLCPA), MoCTCA, MoEWRI, MoPIT, MoUD, Ministry of Industry, Commerce and Supplies (MoICS), MoLMAC, MoITFE). Cumulative	Annual workplan monitoring	Annually	PMU	N/A	Zero Capacity Plan prepared and implemented	1	2	3	Relevant sectorial ministries prioritize their commitments towards ETF
	g national capacity to monitor a and reporting of NDCs and m	•	*	· •	ess of NDCs					
<b>CBIT Indicator:</b> <b>Quality of the</b> <b>institutional capacity</b> for transparency based on GEF score 1 to 4 as per Annex IV of CBIT	Improvement in the quality of the capacity of the institutions for monitoring and reporting of NDC	Questionnaire survey on the quality / ability of the capacity of the institutions	In the midterm and after project completion as required	PMU	N/A	Baseline rate: 2 i.e., Designated transparency institution exists, but with limited staff and capacity		3	4	In midterm of project period, target rate is 3 i.e., Designated transparency institution has an organizational unit with standing staff with some

							(anı	Target nual and		
Indicator / unit	Definition (note if cumulative)	Method/ source	Frequency	Responsible	Disaggregation	Baseline	YR1	YR2	YR3	Notes/ Assumptions
programming directions (Outcome indicator 3.1)		related to key emission sectors for data sharing and reporting; and CCMD for monitoring, verification and communicatio n.	in CBIT tracking tool			to support and coordinate implementation of transparency activities under Article 13 of Paris Agreement. Institution lacks authority or mandate to coordinate transparency activities under Article 13				capacity to coordinate and implement transparency activities under Article 13 of the Paris Agreement. Institution has authority or mandate to coordinate transparency activities under Article 13. Activities are not integrated into national planning or budgeting activities. After project termination, target rate is 4 i.e., Designated transparency institution(s) has an organizational unit with standing staff with some capacity to coordinate and implement transparency activities. Institution(s) has clear mandate or authority to coordinate activities under Article 13 of the Paris Agreement, and activities are integrated into national planning and budgeting activities.
Output 3.1.1 indicator: MoFE's centralized climate action information management system	Climate action information management system is established in CCDD, MoFE	MoFE's digital platform - Climate Action Information Management System	One time	MoFE	N/A	No "Climate Action Information System" established			1	
Output 3.1.2 indicator: MoF's Tracking Mechanism	Mechanism to track climate finance (national and international) established in MoF	MoF annual budget brief	Annual	MoF	N/A	MoF annual budget brief includes insufficient			1	Political commitment from the federal gov., sectoral ministries willing to provide necessary support to sustain,

							(anr	Target ual and		
Indicator / unit	Definition (note if cumulative)	Method/ source	Frequency	Responsible	Disaggregation	Baseline	YR1	YR2	YR3	Notes/ Assumptions
	(Target at the end of the project)					information on public, private and international finance in mitigation and adaptation				strengthen and fund the emission inventory and reporting.
	g and Evaluation (M&E) and kno M&E system is established that									
Outcome 4.1 indicator: Percentage of M&E plan implemented	Implemented: refers to completion of project progress reports (PPR) and Project Closeout Report (PCR), quarterly financial reports (QFR), reflection exercise (RE) completed with Results Framework and ToC assessed and validated or modified, and midterm and terminal evaluations (MTE and TE)	Tracking of development and implementatio n of M&E Plan by PMU	Continuous	PMU	n/a	0	100 % 2PP R, 4 QFR	100 % 2PP R, 4 QFR	100% 2PPR , 4 QFR	
Output 4.1.1 indicator: Number and type of monitoring activities conducted that ensures regular tracking of project results	completed. Monitoring of Project results framework, annual plan and preparation of quarterly progress report, PPR and project completion report	Tracking by PMU Monitoring and progress report review	Results framework, annual workplan: yearly Progress report: quarterly, biannually and annually	PMU	N/A	0	1 PRF moni torin g 1 Ann ual plan moni torin g 4 quart erly repo rts	1 PRF mon itori ng 1 Ann ual plan mon itori ng 4 quar terly repo rts	1 PRF monit oring 1 Annu al plan monit oring 4 quarte rly report s 2 biann	

							(ann	Target ual and		
Indicator / unit	Definition (note if cumulative)	Method/ source	Frequency	Responsible	Disaggregation	Baseline	YR1	YR2	YR3	Notes/ Assumptions
							2 bian nual PPR 1 annu al PPR	2 bian nual PPR 1 annu al PPR	ual PPR 1 annua 1 PPR	
Output 4.1.2 indicator: Number of review reflection, adaptative learning workshop etc., conducted that evaluate the project outcomes at least on an annual basis	Conduct annual review Conduct final technical evaluation Non-cumulative	Review report, minute of review reflection workshop Evaluation report	Review to conduct annually Project evaluation will take place within 6 months of project completion	PMU WWF US	N/A	0	1	1	1	Evaluation report will be available only after the termination of the project. This is an annual target.
Outcome 4.2. Knowledge Output 4.2.1 indicator: Different types and number of knowledge and communication materials prepared and disseminated	e generated from the project im Types: audio-visuals, leaflets, technical brief, case study, articles Target: Gender friendly language will be used Non-cumulative	plementation is n Tracking by PMU Communicatio n & Knowledge Management Strategy (prepared in 1 <sup>st</sup> year) Communicatio n & KM materials (10 product in each 2 <sup>nd</sup> and 3 <sup>rd</sup> year)	nanaged throu Annually	gh document: PMU	ation and sharing o	f lessons learned	5	10	5	Materials produced will be designed to reflect target groups as part of the project's Communication & Knowledge Management Strategy.

							(anr	Target nual and		
Indicator / unit	Definition (note if cumulative)	Method/ source	Frequency	Responsible	Disaggregation	Baseline	YR1	YR2	YR3	Notes/ Assumptions
Outcome 4.2.2 indicator: Number of learning and sharing events organized/participated	Relevant project stakeholders will attend cross lessons learning and sharing conference/workshops at national, regional, and international level	Workshop attendance sheet Travel settlement record Travel report	Annually	PMU	Number of female attendees	0	2	2	3	International and regional travel will be possible as COVID related risks subsides

## Appendix D: Knowledge Management and Communications

177. Utilizing available knowledge to apply best practices and lessons learned is important during both project design and implementation to achieving greater, more efficient, and sustainable conservation results. Sharing this information is then useful to other projects and initiatives to increase effectiveness, efficiency, and impact among the conservation community. Knowledge exchange is tracked and budgeted in Component 4 of the Results Framework. Section 3.7 provides lessons and how they were utilized.

178. During project implementation and before the end of each project year, knowledge produced by or available to the Project will be consolidated from project stakeholders and exchanged with MoFE, relevant stakeholders of the project such as other ministries, and academia, in international forums and CBIT platform meetings including CBIT-Forest and CBIT AFOLU by the project management unit (PMU). This collected knowledge will be analysed alongside project monitoring and evaluation data at the annual Adaptive Management meeting. It is at this meeting that the theory of change will be reviewed, and modifications to the annual work plan and budget will be drafted. Making adjustments based on what works and what does not work should improve project results.

179. The PMU national project manager will ensure that relevant stakeholders, such as OFPs, PSC, project partners, other stakeholders are informed of the Adaptive Management meeting, formal evaluations, and any documentation on lessons and best practices. These partners will receive all related documents, such as Evaluation Reports and relevant knowledge outputs to ensure the sharing of important knowledge products. Further, for communicating about the project and its results, PMU will make use of websites (MoFE, GEF, WWF), publication of brochures and posters on the project, social media, press articles and press conferences.

180. A strategic knowledge and communications plan has been budgeted for this Project which is depicted in the table below

#### TABLE 15: KNOWLEDGE MANAGEMENT AND COMMUNICATION PLAN

S	Knowledge management &	Tools/Channel/medium	Targeted stakeholder	Budget (USD)		Yea	ar 1			Yea	ar 2			Yea	<b>r 3</b>	
N	communication activities and products	to deliver or disseminate			Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4
1	Inform about the project and its expected outcomes	Website, social media, launch event, brochure, newspaper, press release	Like minded organizations/individuals working in the field of climate change, key stakeholders identified by the project, media	15000												
2	Review reports (annual progress review)	Upload in website of MoFE	Like minded organizations/individuals working in the field of climate change, key stakeholders identified by the project	Part of staff salary												
3	Publish resource materials on ETF	Handbooks, modular course books, audio visuals, infographics, brochures etc.	Like minded organizations/individuals working in the field of climate change, key stakeholders identified by the project	7500												
4	Cross-learning and sharing of best practices internationally (including CBIT global platform, CBIT Forest and AFOLU)	Workshops, seminars, conferences, webinars, meeting etc.	MoFE, MoF, Government of Nepal relevant ministries, PMU staff	170000												
5	In-country learning and sharing	Workshops, webinars, meeting, blog writing	Relevant stakeholders at federal and provincial level including CSOs, private sector and academia, media	30000												
6	Prepare learning documents, policy briefs, articles, case studies	Articles in newspapers, journals, social media Policy brief, case studies and learning document: shared in website and social media, hard copies distributed to all key stakeholders	Like minded organizations/individuals working in the field of climate change, key stakeholders identified by the project, media	38750												

7	Survey on capacities generated on ETF	Online questionnaire		Part of staff salary						
8	Inform about project results	Close out event (workshop)	Like minded organizations/individuals working in the field of climate change, key stakeholders identified by the project, media	5000						
	Total			266250						

## Appendix E: Draft ToRs for GEF funded Key PMU Positions

### 1. Project Manager

Duration: Three years (full-time)

Date required: with project start

Duty station: Kathmandu

**Reports to:** National Project Coordinator, Climate Change Management Division, Ministry of Forests and Environment

**Supervisory responsibility:** Finance and Administrative Officer, Project Officer, Assistant, and any directly recruited staff or grantee/consultants.

#### Background

The 2015 Paris Agreement put forward a new <u>"Enhanced Transparency</u> Framework" (ETF) to monitor, report and review information relevant to the implementation of the United Nations Framework Convention on Climate Change (UNFCCC). Each country is required to formulate and implement the Nationally Determined Contributions (NDCs) to achieve the worldwide goal of reducing emissions of greenhouse gases. The purpose of the ETF is to provide a clear understanding of climate change actions and track progress towards achieving Parties' NDCs. Each Party is required to provide a <u>national</u> <u>inventory</u> report of human generated <u>emissions</u> by sources and removals by sinks of greenhouse gases, information necessary to <u>track progress</u> made in implementing and achieving its NDCs and information on <u>climate change impacts and adaptation</u>. To support the Parties to meet the transparency (CBIT) Fund with Global Environment Facility (GEF) as the operating entity. The objectives of CBIT are to strengthen <u>national institutions</u> for transparency-related activities in line with national priorities, provide relevant <u>tools, training and assistance</u> for meeting the provisions stipulated in Article 13 of the Agreement and assist in the improvement of transparency over time.

Ministry of Forests and Environment (MoFE) through the GEF Capacity-building Initiative for Transparency (CBIT) aims to build Nepal's capacity to meet the transparency requirements. The Climate Change Management Division (CCMD) of MoFE will be implementing the project in close coordination with key sectoral ministries (Federal and Provincial). A Project Management Unit (PMU) will be established under the CCMD at Federal level that will be responsible for planning, implementation, monitoring and reporting of the project.

Under the direct supervision of the **National Project Coordinator**, the National Project Manager is responsible for the overall project planning, implementation, monitoring and reporting. S/he works in close coordination with implementing partners and other stakeholders. The position may require travel.

#### Major responsibilities

The national project manager will be in charge of daily implementation, management, administration, and technical supervision of the project, on behalf of the Project Steering Committee (PSC) and in coordination with the Project Executive Committee (PEC). He/she will have relevant qualifications and experience in the climate change and transparency areas and will provide oversight to other PMU staff and consultants. He/she will be responsible, among others, for:

#### 1. Project Planning

- The overall planning in close consultation with National Project Coordinator and implementing partners.
- Developing the Annual Workplan and budget (AWP/B) and the annual procurement plan, for endorsement by the PSC and/or PEC, and coordinate with WWF GEF Agency where required.
- Organizing the inception workshop, other project-level periodic planning meetings/sessions and annual/semi-annual PSC meetings and annual/semi-annual/quarterly PEC meetings and the annual reflection meeting.

#### 2. Project Implementation and Reporting

- Liaise between grantees/ consultants and any technical implementing partner and the CCMD.
- Providing technical leadership and assessing products generated by the project, including by project consultants
- Coordination and monitoring of the implementation of project activities
- In close coordination with F&A Officer ensuring proper financial management, including requests for provision of financial resources, and reporting of the project resources
- Oversee the preparation and disbursement of sub-grants according to the annual procurement plan according to WWF GEF Operational Guidelines
- Ensuring compliance with all sub-agreements to project partners provisions during the implementation, including on timely reporting and financial management and reporting
- Ensuring compliance with GEF and WWF project management procedures and standards;
- Submitting the six-monthly Project Progress Reports (PPRs) with the AWP/B and the annual procurement plan to the PSC and WWF GEF Agency, and ensuring fluid communication between the executing and implementing agencies;
- Inform the PSC and the WWF GEF Agency of any delays and difficulties as they arise during the implementation to ensure timely corrective measure and support;
- Preparing the first draft of the Project Implementation Review (PIR);
- Overall responsibility for implementation of Stakeholder Engagement Plan (SEP) in collaboration with PMU staff;
- Overall responsibility for ensuring compliance with WWF Environment and Social Standards and implementation of the Gender Action Plan;
- Supporting the organization of the mid-term and final evaluations in close coordination with the WWF GEF Agency;
- Maintaining documentation and evidence that describes the proper and prudent use of project resources as per sub-agreement provisions, including making available this supporting documentation to the WWF GEF Agency and designated auditors when requested;
- Ensure submission of quarterly financial reports to the WWF GEF Agency;
- Ensure submission of annual co-finance reporting to WWF GEF Agency, including collection of letters of co-finance from relevant partners as required.

#### 3. Coordination and communication

- Coordinate and liaise with all key ministries and project partners;
- Ensure transparent communication among all project partners and manage stakeholders, as stipulated in the project's Stakeholder Engagement Plan;

- Represent the project, as needed, at various meetings and workshops;
- Support National Project Coordinator in establishing and enhancing coordination with federal and provincial ministries, WWF GEF Agency, other CBIT projects and relevant experts and institutions.
- Identify gaps, barriers and bottlenecks and coordinate with relevant partners for the effective project implementation.

# 4. Climate Change technical input with specific focus on the transparency requirements of the Paris agreement

- Technical delivery of activities under all four components with specific focus on delivery of Inception report, periodic review and adaptive management reports, project progress reports, conduction and delivery of project close-out workshop report. Additionally, all activities of ME&L components will be under the supervision of the Project Manager;
- Provide technical and operational guidance and feedback to PMU and all project partners on climate change and specifically on the transparency requirements of the Paris agreement;
- Provide technical input on the annual workplan and budget;
- Assure that project deliverables are in line with IPPC and UNFCC guidelines;
- Provide technical input into capacity building activities;
- Technical supervision of national and international consultancies;
- Review all technical deliverables.

#### 5. Monitoring, Evaluation, Learning and Knowledge Management

- Ensuring proper M&E of project progress and ensuring timely delivery of inputs and outputs in collaboration with Operations Manager;
- Lead the periodic review and the progress of AWP/B, Result Framework, Gender Action Plan and Stakeholder Engagement Plan including annual reflection workshops/meetings to identify lessons learned and potential adjustments in the AWP as part of adaptive management practice;
- Implementing and managing the project's Knowledge Management and Communications Strategy in collaboration with Operations Officer;
- Ensure that communication and education materials are developed, and success stories are documented and published;
- Responsible for cross-learning and knowledge sharing within GEF and other CBIT projects;
- Provide support for project supervisions and internal and external reviews/evaluations during project completion report and terminal evaluation.

#### 6. Human Resource Management

- Will supervise all (directly recruited or part time consultants) project staff;
- In consultation with National Project Coordinator prepare TORs to recruit consultants and sub-contracts, seek WWF GEF Agency approval where required.
- Conduct staff performance evaluations jointly with National Project Coordinator for all project staff;
- Identify and implement staff capacity building needs ensuring gender and social inclusion aspects.

#### 7. Other Duties

This job description covers the main tasks and conveys the spirit of the tasks that are anticipated proactively. Other tasks may be assigned as necessary according to the project needs.

#### **Minimum Working Requirements**

Qualifications: A Master's degree in Environment Science, Forestry, Climate change or a related field.

Experience:

- At least 8 years of working experience in the field of climate change mitigation and adaptation, including 3 years at managerial level.
- Demonstrated knowledge of UNFCCC, IPCC Guidelines for National Greenhouse Gas Inventories and/or Enhanced Transparency Framework is highly required.
- Engagement n national climate change policy and program discourse including Nationally Determined Contributions, National Adaptation Plans and climate finance.
- Experience in delivering technical and financial reports to donor agencies.
- Experience with GEF Projects will be a strong advantage.
- Experience in project planning, monitoring and evaluation.
- Proven experience of working closely with governments, aid agencies, academia and civil society.
- Demonstrated experience in integration and monitoring of gender and social inclusion in projects.

#### Skill and Abilities:

- Excellent English and Nepali language skills.
- Skilled in Microsoft office package.
- Excellent cross-cultural, inter-personal skills.
- Adaptive management skills.
- Strong facilitation, communication, coordination and mobilization skills.
- Strong analytical skills.
- Ability to work in a multidisciplinary and multicultural team.

## 2. Finance and Administration Officer

**Duration:** Three years (full-time)

Date required:

**Duty station:** Kathmandu

Reports to: Project Manager

Supervisory responsibility: Finance and Administration Associate

#### Background

The 2015 Paris Agreement put forward a new <u>"Enhanced Transparency Framework" (ETF)</u> to monitor, report and review information relevant to the implementation of the United Nations Framework Convention on Climate Change (UNFCCC). Each country is required to formulate and implement the Nationally Determined Contributions (NDCs) to achieve the worldwide goal of reducing emissions of greenhouse gases. The purpose of the ETF is to provide a clear understanding of climate change actions and track progress towards achieving Parties' NDCs. Each Party is required to provide a <u>national</u> <u>inventory</u> report of human generated <u>emissions</u> by sources and removals by sinks of greenhouse gases, information necessary to <u>track progress</u> made in implementing and achieving its NDCs and information on <u>climate change impacts and adaptation</u>. To support the Parties to meet the transparency (CBIT) Fund with Global Environment Facility (GEF) as the operating entity. The objectives of CBIT are to strengthen <u>national institutions</u> for transparency-related activities in line with national priorities, provide relevant tools, training and assistance for meeting the provisions stipulated in Article 13 of the Agreement and assist in the improvement of transparency over time.

Ministry of Forests and Environment (MoFE) through the GEF Capacity-building Initiative for Transparency (CBIT) aims to build Nepal's capacity to meet the transparency requirements. The Climate Change Management Division (CCMD) of MoFE will be implementing the project in close coordination with key sectoral ministries (Federal and Provincial). A Project Management Unit (PMU) will be established under the CCMD at Federal level that will be responsible for planning, implementation, monitoring and reporting of the project.

Under the direct supervision of the National Project Manager (NPM), the F&A Officer will be responsible for all financial and accounting aspects of the Project including project budgeting, contracting, subrecipient monitoring and evaluations, and financial tracking and reporting in line with GEF and WWF GEF Agency requirements. In particular he/she will:

#### **Major Duties and Responsibilities**

- 1. Project Planning, Budgeting and Implementation
  - Prepare, administer, and maintain the GEF project budget, ensuring that financial data is accurate and updated;
  - Review and monitor status of the budget, against the AWP/B and procurement plan in coordination with the Project Manager;
  - Ensure spending levels are appropriate, expenses are backed up with proper documentation and booked with correct codes in the accounting system;
  - Periodically review progresses, identify problems, and recommend corrective action;

- Assists the national project manager in drafting proposed budget reallocations or revisions and obtaining approval by the Steering Committee as well as the WWF GEF Agency to formalize these annually as part of the GEF budget reconciliation.

#### 2. Procurement, Grant and contracts administration

- Ensure that project procurements, grants and consultancies adhere to the standards and guidelines as approved in the Project Document, annual workplans and WWF GEF standards and procurement policies.
- Review all documentation received from potential and proposed vendors, subrecipients per the pre-award process, perform subrecipient risk analysis and develop a risk mitigation plan for the project.
- Support, prepare and monitor grant and consultant agreements ensuring compliance with agreement terms and conditions and ensure agreements and payments are processed timely and in accordance with WWF GEF policy and procedures.
- Ensure that the compliance orientations are provided to subrecipients and third-party contractors if any.
- Ensure timely logistics support for the implementation of the project activities.

#### **3.** Financial monitoring and reporting

- Ensure periodic financial/compliance monitoring of sub-grantees;
- Assist in the final evaluations by providing all requested financial information;
- Coordinate and prepare financial reports for submission to the WWF GEF Agency, ensuring the GEF requirements;
- Review and analyze sub-recipient's financial reports to ensure compliance by sub-recipients with WWF GEF Agency reporting requirements including project partner co-financing if any;
- Support WWF GEF Agency supervision missions by providing requested documentation and other assistance as needed;
- In charge of the day-to-day bookkeeping;
- Process payments and documents such as invoices, journal vouchers, employee reimbursements, and statements;
- Verify and process employee expense claims;
- Enter, update, and/or retrieve accounting data from automated systems;
- File and/or remove records and reports;
- Assist in the timely closing of monthly account by ensuring cash management, accounts payable and General Ledger data is up to date;
- Draft consultancies contracts and grants according to the procurement plan and do proper follow up to ensure contract terms are respected;
- Prepare cost recovery journals and upload in the Oracle system;
- Perform assigned roles in the different tools (AP, GL, AGIS, Oracle, Bridger, GFS, Panda Pays, etc.);
- Prepare bank reconciliations and conduct analysis of general ledger accounts manually and in the Oracle system;
- Assign code to data;
- Monitor vendor advances and other receivables and ensure timely clearance of vendor outstanding items, taking corrective follow up actions where required;

- Maintain proper control over various financial records such as commitments and expenditures against budgeted amounts; initiate actions related to the following: general financial information, travel payments, and procurement transactions;
- Provide feedback where relevant on evaluation reports and will ensure that corrective actions based on the periodic reviews and evaluation recommendations are taken when related to financial issues.

#### 4. HR Management

- Provide HR Management support to the project. This includes project staff hiring/termination, leave records, pay-roll information, conducting annual appraisal, handling staff safety, securities issues, complaint and grievances of project staffs and other HR related support as needed.
- Ensure that the personal profiles, timesheet, and annual appraisal are timely updated and confidentially documented.
- Maintain information and files pertaining to all financial and administrative aspects of the project including agreements;
- Provide assistance to all staff services such as travel, expense claims, document retrieval, etc;
- Perform other related duties as required;
- Ensure that all project reports are acknowledged and routed to appropriate individuals for review.

#### 5. Coordination

- Support in the coordination required for day-to-day administrative operations;
- Identify, coordinate and expedite the communication of information within PMU, as well as externally with subrecipients, the PEC, the WWF GEF Agency and independent evaluators as necessary.
- Coordinate the auditing of project accounts, disseminate audit reports to partners and appropriate recipients on a timely basis, and take follow-up actions to implement audit/monitoring recommendations.

#### 6. Other Duties

This job description covers the main tasks and conveys the spirit of the tasks that are anticipated proactively. Other tasks may be assigned as necessary according to the project needs.

#### **Minimum Working Requirements**

<u>Qualifications:</u> A Bachelor's (Master's preferred) degree in Finance, Accounting, Business Administration or related field with thorough knowledge of computerized accounting systems.

Experience: At least 6 years of relevant working experience including demonstrated engagement in donor reporting and proven experience of working closely with government.

#### Skills and Abilities:

- This position requires attention to detail, the ability to keep accurate financial records and the ability to effectively prioritize and work accurately under time constraints.
- Good coordination and English language skills and should be a self-starter.
- Strong interpersonal and team-player skills are essential.

- Skilled in Microsoft Office Package.
- Updated with financial reporting software and tools.

### 3. Project Officer with special knowledge on monitoring and evaluation

**Duration:** Three years (full-time)

#### Date required:

Duty station: Kathmandu

Reports to: National Project Manager

#### Background

The 2015 Paris Agreement put forward a new <u>"Enhanced Transparency Framework" (ETF)</u> to monitor, report and review information relevant to the implementation of the United Nations Framework Convention on Climate Change (UNFCCC). Each country is required to formulate and implement the Nationally Determined Contributions (NDCs) to achieve the worldwide goal of reducing emissions of greenhouse gases. The purpose of the ETF is to provide a clear understanding of climate change actions and track progress towards achieving Parties' NDCs. Each Party is required to provide a <u>national</u> <u>inventory</u> report of human generated <u>emissions</u> by sources and removals by sinks of greenhouse gases, information necessary to <u>track progress</u> made in implementing and achieving its NDCs and information on <u>climate change impacts and adaptation</u>. To support the Parties to meet the transparency (CBIT) Fund with Global Environment Facility (GEF) as the operating entity. The objectives of CBIT are to strengthen <u>national institutions</u> for transparency-related activities in line with national priorities, provide relevant tools, training and assistance for meeting the provisions stipulated in Article 13 of the Agreement and assist in the improvement of transparency over time.

Ministry of Forests and Environment (MoFE) through the GEF Capacity-building Initiative for Transparency (CBIT) aims to build Nepal's capacity to meet the transparency requirements. The Climate Change Management Division (CCMD) of MoFE will be implementing the project in close coordination with key sectoral ministries (Federal and Provincial). A Project Management Unit (PMU) will be established under the CCMD at Federal level that will be responsible for planning, implementation, monitoring and reporting of the project.

Under the direct supervision of the National Project Manager (NPM), the Project Officer will support in overall implementation of the project with special focus on monitoring and evaluation (M&EThis position may require travel at the national, provincial and local level for meetings, data collection and verification.). S/he will provide technical support to the NPM and other PMU staff in adaptive management practices and knowledge management and communications and will be responsible for:

#### Major Duties and responsibilities

#### 1. Project Planning and Implementation

- Support the planning process in coordination with NPM and implementing partners;
- Prepare detailed Annual Workplan and budget (AWP/B) that includes targets and key activities for the achievement of project's outputs and outcomes;

- Support organization of workshops, other project-level periodic planning meetings/sessions and annual/semi-annual PSC meetings and annual/semi-annual/quarterly PEC meetings;
- Support the preparation and disbursement of sub-grants and consultancies.

#### 2. Communication and Coordination

- Coordinate and communicate with key stakeholders and project partners under the guidance of NPM;
- Represent the project, as needed, at various meetings and workshops;
- Support the NPM in coordinating PEC meetings with key government partners;
- Support the NPM getting endorsement of AWP/B and procurement plan during PEC meeting.
- S/he will update programmatic and financial data to Project Manager for PEC and PSC meetings.
- Identify gaps, barriers and bottlenecks and coordinate with relevant partners for the effective project implementation.

# **3.** Climate Change technical input with specific focus on the transparency requirements of the Paris agreement

- Provide technical and operational guidance and feedback to PMU on climate change and specifically on the transparency requirements of the Paris agreement;
- Provide technical input on the annual workplan and budget;
- Assist the Project Manager in assuring that project deliverables are in line with IPPC and UNFCC guidelines;
- Provide technical input into capacity building activities;
- Supervise national consultants and grants under the guidance of National Project Manager,
- Support the delivery of Inception report, Periodic review, reflection and adaptive management, project close-out workshop report;

Assist Project manager in reviewing all technical deliverables.

#### 4. Monitoring, Evaluation and Reporting

- Support annual reviews workshops/sessions/meetings to identify lessons learned and potential changes in the AWP/B as part of adaptive management practice which includes the preparation of annual adaptive management/reflection meeting;
- Follow-up on M&E findings to ensure that corrective actions are taken and/or adjustments are made to program responses as required;
- Responsible for aggregation and analysis of programmatic data to update performance/ outcome indicators;
- Provide support for project supervisions and internal and external reviews/evaluations during project completion report and terminal evaluation;
- Develop and assist in the implementation of a gender-sensitive/responsive knowledge management and communications strategy and associated actions in close collaboration with the NPM and WWF;
- Coordinate with government line agencies and sub-grantees for effective implementation of project result-framework.
- Support the preparation of semi-annual and annual project progress report (PPR);
- Update, revise and maintain project's results framework;

- Review deliverables from consultants, and sub-grantees, and ensure quality of the reports in line with the WWF GEF standards and policies;
- Monitoring all project activities from the workplan, expenditures and progress towards achieving the project outcomes and outputs;
- Carrying out regular monitoring visits to the project sites and provide feedback to the PM and other PMU staff and partners on project strategies and activities.

#### 5. Learning and knowledge management

- Develop and update monitoring plans and adaptive management schedules along with formats and checklists;
- Support regular monitoring (performance and result) visits to ensure effectiveness of strategies;
- Conduct initial analysis that identifies potential opportunities for adaptive management and communicate regularly within the team;
- Ensure that communication and education materials are developed, and success stories are documented and published;
- Ensure lessons learned are systematically documented, widely shared, and reflected in periodic reports and in the next planning cycle.

#### 6. Other Duties

This job description covers the main tasks and conveys the spirit of the tasks that are anticipated proactively. Other tasks may be assigned as necessary according to the project needs.

#### **Minimum Working Requirements**

<u>Qualification:</u> A Masters' degree in Environment Science/Management, Forestry, Natural Resource management, Climate Change or other related fields.

#### Experience:

- At least 5 years of experience in project implementation of which at least 2 years must be in climate change related projects.
- Knowledge of UNFCCC, IPCC Guidelines for National Greenhouse Gas Inventories and/or Enhanced Transparency Framework is highly desirable.
- Knowledge of national plans and policies in Climate Change sector.
- Proven experience in monitoring, analysis and report writing.
- M&E experience or adaptive management/results-based management experience
- Experience of working with GEF projects will be an added advantage.

#### Skills and Abilities:

- Strong analytical and excellent communication skills that include report writing, facilitation and presentation.
- Excellent cross-cultural and people skills and ability to interact with government, and NGO staff.
- Adaptive Management Skills.
- Ability to work in a multidisciplinary and multicultural team.

### 4. Project Assistant

**Duration:** Three years (full-time)

#### Date required:

Duty station: Kathmandu

Reports to: National Project Manager

#### Background

The 2015 Paris Agreement put forward a new <u>"Enhanced Transparency Framework" (ETF)</u> to monitor, report and review information relevant to the implementation of the United Nations Framework Convention on Climate Change (UNFCCC). Each country is required to formulate and implement the Nationally Determined Contributions (NDCs) to achieve the worldwide goal of reducing emissions of greenhouse gases. The purpose of the ETF is to provide a clear understanding of climate change actions and track progress towards achieving Parties' NDCs. Each Party is required to provide a <u>national</u> <u>inventory</u> report of human generated <u>emissions</u> by sources and removals by sinks of greenhouse gases, information necessary to <u>track progress</u> made in implementing and achieving its NDCs and information on <u>climate change impacts and adaptation</u>. To support the Parties to meet the transparency (CBIT) Fund with Global Environment Facility (GEF) as the operating entity. The objectives of CBIT are to strengthen <u>national institutions</u> for transparency-related activities in line with national priorities, provide relevant tools, training and assistance for meeting the provisions stipulated in Article 13 of the Agreement and assist in the improvement of transparency over time.

Ministry of Forests and Environment (MoFE) through the GEF Capacity-building Initiative for Transparency (CBIT) aims to build Nepal's capacity to meet the transparency requirements. The Climate Change Management Division (CCMD) of MoFE will be implementing the project in close coordination with key sectoral ministries (Federal and Provincial). A Project Management Unit (PMU) will be established under the CCMD at Federal level that will be responsible for planning, implementation, monitoring and reporting of the project.

#### Major duties and responsibilities

Under the direct supervision of the National Project Manager (NPM), the project assistant will support the NPM and other PMU staff in the overall implementation of the project in carrying out their duties, in particular through the following tasks:

- Provide organizational and logistical support related to project execution to the National Project Manager, PMU staff and consultants as per GoN and WWF guidelines and procedures;
- Assist PMU staff and consultants in the organization of project activities, meetings and events, as well as travel and logistical arrangements;
- Assist the NPM and PMU staff in preparing and monitoring consultancy contracts and subagreements;
- Assist the NPM and Finance and Administration Officer in preparing and updating of project work plans and reports; and
- Keep record of project documents.

#### **Other Duties**

This job description covers the main tasks and conveys the spirit of the tasks that are anticipated proactively. Other tasks may be assigned as necessary according to the project needs.

#### **Minimum Working Requirements**

<u>Qualification:</u> A Bachelors' degree in Environment Science/Management, Forestry, Natural Resource management, or other related fields.

#### Experience:

- At least 2 years of experience in project implementation

#### Skills and Abilities:

- Organizational skills with ability to multi-task and keep track of priorities.
- Strong inter-personal and diplomatic skills.
- A self-starter with ability to take initiative as needed and work well under minimal supervision.
- Good communication skills including written English.
- Experience with donor reporting and project compliance monitoring will be an advantage.

## Appendix F: Gender Mainstreaming Action Plan

## WWF GEF Projects

#### Gender Mainstreaming Action Plan

#### 1. Brief Project introduction, its main goal and objectives:

This Gender Mainstreaming Action Plan (GMAP) is prepared for the proposed project "Building National Capacities of Nepal to meet requirements of the Enhanced Transparency Framework of the Paris Agreement." It is a three-year project that will be executed by the Ministry of Forests and Environment (MoFE), Government of Nepal (GoN). WWF-US is the GEF agency for the project.

The objective of this project is "to strengthen capacities to meet the requirements of the ETF and track *national progress against priority actions identified in Nepal's NDC*". The project has 4 components. Component 1 "Strengthening national institutions for climate transparency-related activities in line with national priorities and provisions of Paris Agreement's ETF", aims to address barriers associated with establishing and maintaining national institutional arrangements for climate related Monitoring, Reporting and Verification (MRV) for the purposes of meeting the ETF requirements and needs of Nepal for effective climate policy making and policy implementation. This component is cross-cutting in nature as it emphasizes on capacity building and knowledge management which would support in achieving the outputs of other components. Component 2 "Enhancing technical capacity to assess, monitor and report the emissions and removals of GHG" aims to improve the overall framework of MRV of GHG emission from four emission sectors: Agriculture, Forestry and Other Land Use (AFOLU); Energy, Industrial Processes and Product Use (IPPU); and Waste. Component 3 "Strengthening national capacity to monitor and report on means of implementation and progress of NDCs" is designed to address the barrier regarding reporting the progress of NDCs in a timely manner. Under this component a mechanism will be set up to track the national climate actions i.e. activities carried out for mitigation and adaptation, and climate finance received and mobilized. Component 4 "M&E and Knowledge management" ensures effective monitoring and reporting, and results and lessons learned from the project will be documented and disseminated.

The GMAP is prepared to ensure gender is not only integrated into all the components of the project but also into monitoring and evaluation. The project will also encourage the inclusion of female staff in its project management unit. The strategies for gender mainstreaming have been identified based on the desktop review of the relevant policies and thorough analysis of project activities. Additionally, to ensure the GMAP is implemented, the project has developed a gender responsive monitoring and evaluation framework and integrated gender mainstreaming activities into the workplan of the project so that budget is gender responsive.

#### 2. General gender conditions in the Project country/countries or region:

Women constitute more than 50% (50.4) of the total population of Nepal. The adult literacy rate for the country is 67.9% with the male and female literacy rate being 71.6% and 44.5% respectively. About 29.0% of adult women have reached at least a secondary level of education compared to 44.2% of their male counterparts.<sup>46</sup> More than 8.1 million Nepali, approximately 27% of the population, live in poverty<sup>47</sup>.

<sup>&</sup>lt;sup>46</sup> <u>https://tradingeconomics.com/nepal/literacy-rate-adult-total-percent-of-people-ages-15-and-above-wb-data.html</u>

<sup>&</sup>lt;sup>47</sup> Oxfam (2019). Fighting Inequality in Nepal. The road to prosperity.

Nepal has been successful in reducing its poverty level in the last few years and has progressed over the last three decades on women's equality issues. In Nepal, 33.5% of parliamentary seats are held by women. Female participation in the labor market is 81.7% compared to 84.4% for men. However, disparities and inequality still exist between different social groups and regions. The country has made progress in other areas such as life expectancy, literacy rate, etc. for women, however Nepal still has a long way to go before it attains gender equality.

According to the 2019 Human Development Report, Nepal still has a Gender Inequality Index (GII) value of 0.476. The National Women's Commission Report on Socio-Economic Status of Women in Nepal presents evidence that women have lower access to education, health services, property, social security and freedom, as well as decision making process. Women and girls are more likely to be poor, despite the significant contribution they make to the economy, especially through unpaid care and household work. Widespread disparity still exists between male and female workers in Nepal — women earn 29.45% less than their male counterparts on an average, even if the level of education among both the genders is the same.<sup>48</sup> Women also suffer from gender-based violence and in terms of healthcare, there are still cases of women dying due to lack of healthcare facilities during pregnancy, both pre and post.

Progressive legal initiatives have been a major contributor to Nepal's stride towards gender equality. At the international level, Nepal is signatory to different conventions that support the empowerment of women and gender equality. Nepal is a signatory member of the Convention on the Elimination of all forms of Discrimination against Women (CEDAW), and the Beijing Platform for Action among others. Nepal is also committed to the United Nations Sustainable Development Goals (SDGs), of which goal number 5 aims to achieve gender equality and empower all women and girls.

Constitution of Nepal (2016) has been important to strengthen gender equality. Article 43 of the Constitution of Nepal deals with the rights of women that include rights to lineage, right to safe maternity and reproduction, right against all forms of exploitation, and equal rights in family matters and property. The constitution also guarantees 33% seats to women to enhance their participation in political life and policymaking; this provision applies to all three levels of the government (federal, provincial and local levels).

The then Ministry of Forest and Soil Conservation (MoFSC), identified four change areas to ensure its vision to promote equitable access of the socially excluded to forest resources and benefits: 1) Gender and equity sensitive policy and strategy; 2) Equitable governance; 3) Gender and equity sensitive organizational development and programming; and 4) Equitable access to resources and benefits. To operationalize this vision, the Ministry developed a Gender Equality and Social Inclusion (GESI) Strategy for the Forestry Sector (2007/2008). This strategy identified actions to assist government, non-government, donor and private sector bodies working in the forestry sector to institutionalize social inclusion in their organization and in programming; and guide all organizations working in the forestry sector to be responsive and inclusion sensitive.

The Community Forestry Guideline has provision to include women in one of the key positions of the executive committee, include both male and female as member of the Community Forest User Group (CFUG), ensure 50% of the CFUG is women and also state that 30% of the CFUG income has to be invested in the most marginal households. However, the implementation of GESI in community forestry at the local level is still challenging due to poor linkage between policy and its implementation in the field due to

<sup>&</sup>lt;sup>48</sup> https://nepalindata.com/media/resources/items/20/bNLFS-III\_Final-Report.pdf

institutional and socio-cultural barriers. Forest management tasks are gendered with women performing most of the unpaid tasks, and men being involved more in decision making roles and processes.

The GoN has prepared Climate Change Gender Action Plan in 2012. The Plan acknowledges that incorporating a gender perspective successfully and effectively requires that men and women understand the process of climate change. Thus, it is important that women have equal access to knowledge, awareness, capacity building, resources and technology, which are prerequisites in influencing climate change. The action plan has identified 6 key sectors in which gender issues has to be integrated: Agriculture, Forest, Water, Energy, Health, and Urbanization. The National Climate Change Policy (2019) has one of the objectives to mainstream GESI in climate change adaptation and mitigation programs. As per the policy, concerns of women, Dalit, indigenous people, Madheshi, Tharu, Muslim, oppressed groups, backward class, minorities, marginalized, farmers, laborer, youths, children, senior citizens, persons with all forms of disability, pregnant women, incapacitated and disadvantaged persons or groups should be addressed in matters related to climate change.

#### 3. Project-specific gender information and considerations:

The project will not have major differential negative impact on men and women or their livelihoods. The project will ensure that there is adequate representation of men and women in the institutions established through the project. The project will try to ensure that 33% of the participants in any capacity building training consists of women depending upon availability of suitable trainees. However, in the context of Nepal, women are marginalized due to existing social and cultural structures, and this deprives women of many opportunities. This might limit women from taking part in opportunities provided by the project. For example, the project will work with climate focal points in various relevant institutions to take part in the project. Due to existing social structures, these focal persons might mostly be men. This will automatically prevent women from being part of the project. To ensure gender sensitivity, all the focal points will be oriented on gender and the impacts of climate change. Since there are fewer number of women in technical field due to various barriers such as inadequate education and opportunities, the project will focus on issues of equity and ensure separate capacity building sessions for them depending on the nature of the activity; for example, while providing trainings on the use of innovative tools and guidelines for MRV under component 2 of the project. The project will ensure that gender equality is respected by men, and women and specific needs are identified and addressed accordingly.

# 4. Describe Project-specific strategies and opportunities for gender mainstreaming and desired impact

Following the GEF Gender Policy, WWF Gender Policy and other prevailing national plans and policies that provide guidance on gender mainstreaming, the proposed project aims to integrate gender issues in programmatic as well as operational aspects of the project. The project has identified four strategic entry points where the gender would be integrated.

#### **Project steering/executing committee:**

The steering and executive committees are responsible for oversight of the project including approval of workplan and providing strategic guidance. Thus, the presence of women in the committee will provide different perspective and would ensure meaningful participation in the decision-making process. The project will encourage women representation in the committee, in line with the national context that requires 33 % women representative.

#### Management:

Project will try to maintain an acceptable gender representation in the Project Management Unit (PMU). While recruitment of the PMU staff and consultants, gender equity would be encouraged. The text in the advertisement of vacancies will explicitly encourage women application and the Terms of Reference (ToR) will use gender friendly languages to avoid gender stereotypes. The project will provide staff with basic training on gender sensitivity to the increase their understanding and capacity on gender mainstreaming for the implementation and monitoring of the project in day-to-day project management. Gender related requirements and results will be integrated into the performance management systems and ToR of the project staffs and consultants to ensure accountability to gender objectives. Further, an adaptive management approach will be adopted to allow for regular review and adjustment of strategies and activities to address gender related as and when they arise.

#### **Programmatic components:**

With **capacity building** as the core focus, the project will adopt strategies to improve women's participation at every event. Though the pool of participants can be a constraint since the nature of this project demands a specific expertise and level to participate, the project will encourage steps to increase the number and improve the quality of participation of women. It will encourage the government and institution to send women representative in discussions, forum and workshops to enable effective participation of women. Project will empower and build the capacities of women and men across different government agencies by providing trainings and workshop on gender issues. The project will integrate gender as one of the key components in trainings where relevant and also highlight the role of women and men in climate change related data collection, analysis and dissemination. Finally, the project will encourage inclusion of gender related achievements, targets and actions in the tools and templates to be developed under the project while ensuring that project related capacity and gap assessments integrate gender. Through research and case studies, the project under its knowledge management component will highlight the role or women and showcase gender issues. The project will draw attention to successes involving women in all aspects related to climate change and transparency and ensure that various perspectives of women are strongly highlighted.

Women led/related organizations would be part of the discussions and workshops. This will provide better understanding of gender specific vulnerabilities and will provide possibility for designing solutions that cater gender gaps. Using the earlier experience in working on gender issues, WWF will apply the equity approach while working with women and also ensure that all the activities and processes are gender sensitive. It will hold separate capacity building sessions with women only to ensure their involvement in the project is meaningful where relevant. It will apply a gender sensitive language in the resource materials (training manual, publications etc.) as well as during the delivery of training and facilitation of workshops/meeting/discussions.

#### Monitoring and evaluation:

Project will develop a gender sensitive indicator and gender responsive database in its M&E system. This will help in determining the participation of women and the delivery of gender sensitive outputs.

#### 5. Monitoring and evaluation of gender-responsive activities

The project has prepared a monitoring framework to assess implementation of the gender strategies, evaluate achievement of desired outcomes and to enable timely adaptive management. The framework

consists of **gender responsive indicators where applicable** at all strategic entry points as described in the section above. To ensure a gender-responsive budget, gender mainstreaming activities are integrated into the workplan, thus additional budget is not required. Currently, the inclusions of women in government agencies are less as compared to male representatives, thus, although the project will encourage the inclusion and active participation of women, there is a risk of achieving targets as set in the workplan.

#### TABLE 16: GENDER MAINSTREAMING ACTION PLANS

<b>Outcome/Outputs</b>	Activities	Unit	Indicators	Target	Responsibility
		Project Steeri	ng and Executing Committee	•	
Formulation of committee for project oversight and execution		Committee	Percentage of female committee members	33% women	Since Government ministries and line agencies may already have Climate change focal points, an effort will be made to ensure this.
Operations					
Project Management Unit	Hiring of staff	Staff structure	Number of female staff	1 woman where possible	EA
	<u>*[1]Training on</u> <u>Gender issues</u>	Events	Number of gender related training conducted	2 times	EA
Programmatic com	ponents				
Component 1: Stre provisions of Paris		institutions for climat	e transparency-related activit	ies in line with national prior	ities and
Outcome 1.1. Institutional			Institutions are gender inclusive	Gender inclusive – Target: 33%	PMU and all project
arrangement in place for		Adopt a genderGender Sensitive –sensitive approach75%		Gender Sensitive – Target: 75%	partners

coordinating, reporting and communicating progress					
Output 1.1.1. Institutional arrangements for MRV in keeping with the ETF are established and formalized among relevant federal and provincial ministries, as well as other stakeholders for data collection, processing, and management;	Prepare and implement coordination strategy (Focal points identified from key stakeholders i.e. each sectoral ministry, line agencies, private sectors and CSOs)	Strategy	Percentage of female focal point from the key agencies	Target: At least 33% women	Since Government ministries and line agencies may already have Climate change focal points, an effort will be made to ensure this and encourage women's involvement from other agencies such as the private sector and CSOs.
quality management, data analysis and modelling; reporting; and communications.	Define roles and responsibilities of all stakeholders, including drafting of MRV program staff job descriptions and KPIs for inclusion in MRV program; management plan	Standard Operating Procedure/ Management Plan	Description of roles and responsibility contain tasks which relate to ensuring that stakeholders take into consideration gender sensitivity in MRV program and management plan	Not applicable	EA and PMU

Identify and elaborate duties of SNE charged with GHG mitigation MRV responsibilities. Identify and elaborate duties of entities leading transparency activities for climate adaptation and support	ToR	Description of roles and responsibility contain tasks which relate to ensuring that stakeholders take into consideration gender sensitivity in MRV program and management plan	Not applicable	EA and PMU
Conduct a legal analysis that provides recommendations on the establishment of a legal act(s) or directive(s) codifying the core aspects of Nepal's MRV system	Document			

COMPONENT 2:	Establish formal and/or informal data supplier agreements or Memorandums of Understanding (MOUs) with agencies and stakeholders involved in data collection, reporting, approval, and submission of climate data reports	MoU	Use of Gender sensitive approach or and report emissions an	Not applicable	PMU
Outcome 2.1. Strengthened MRV reporting GHGs and assessing progress towards NDC commitments			Percentage of women involved in MRV activities	At least 33% women	Since Government ministries and line agencies may already have Climate change focal points, an effort will be made to ensure this. And for other participants, PMU will try where applicable.

Output 2.1.1. Develop and/or strengthen processes, methods, and tools for MRV of all emission sectors (AFOLU, Energy, IPPU, Waste)	Create, maintain, and formally recognize a national GHG inventory management and improvement plan, including QA/QC plan and procedures manual	Plan/Procedure/Manual	Use of Gender sensitive language in the document	Document contains gender sensitive language and approach	PMU
	Select MRV methodologies, guidelines and protocols for key sectors based on IPCC guidelines				
	Develop and institutionalize data collection templates and processes for all sectors based on national circumstances.	Template	Number of templates that has sex disaggregated data	All templates contain sex- disaggregated data	PMU
	Develop and institutionalize higher tier methods for key categories such as cement, brick, road transport, residential, enteric fermentation,				

	manure management by engaging local experts, academic and research institutions.				
Outcome 2.2. Enhanced national capacity for data collection, analysis, reporting and verification for all GHG emission sectors (AFOLU, Energy, IPPU, Waste)			Percentage of women engaged in capacity building events	At least 33% women	
Output 2.2.1. Develop and roll out a long-term capacity building strategy to build the capacity of key stakeholders related to all GHG	Carryout sector specific capacity assessment on current capacities, gaps, priorities, and opportunities for improvement of GHG inventory in all emission sectors	Report	Percentage of female officials interviewed or reached out for capacity needs assessment	At least 40% women	PMU
emission sectors for data collection, analysis, monitoring, reporting and verification in line with ETF	Conduct data collection training and consultation workshops for data collectors and sector leads, including on the use and customization	Conduct data collection training and consultation workshops for data collectors and sector leads.	Events/meetings	Percentage of female participants attending the event	33% women

of data collection				
and documentation				
templates for				
Nepal;				
**Separate training				
will be conducted		Training focused on		
focusing on women	Events	only women	At least 1	PMU
representatives	Livents	representatives in	At least 1	1 1010
from the key		different organizations		
sectors				
Provide online and				
blended (with				
onsite instruction,				
practice, and				
mentoring)				
technical training				
on ETF reporting		Use of gender sensitive		
requirements,	<b></b>	approach in the training	Target: At least 33% of	
methodologies, and	Training sessions	and ensure women's	women	PMU
guidelines, GHG		active participation in		
inventories, modelling,		the training sessions.		
projection, scenario				
analysis, mitigation				
analysis, adaptation				
M&E, and climate				
finance tracking;				
Co-develop short				
courses on GHG				
inventory at in-				
country				
universities.				
Create a roadmap		Women are integrated		Insert a no
for the development		into the stakeholder	Target: At least 33% of	on
of Nepal's MRV		process to develop the	stakeholders are women	responsibil
system and a work		roadmap		responsion

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	plan for GHG inventory program development through a consultative process;				here relevant to this activity
	Prepare a national MRV roster of experts for Nepal;	Roster	Use of Gender friendly language in the document	100% of resource materials on EFT are gender-sensitive	PMU
	Assess staffing and resource needs to properly comply with the Paris Agreement ETF modalities, procedures, and guidelines;	Report	Percentage of female officials interviewed or reached out for need assessment	Target: At least 33% women	PMU
	Publish resource materials on ETF.	Document	Use of Gender sensitive language in the document	100% of resource materials on EFT are gender-sensitive	PMU
Component 3: Stre	ngthening national ca	pacity to monitor and re	port on means of implem	entation and progress of NDC	s
Outcome 3.1 Monitoring and reporting of NDCs and means of implementation strengthened					
Output: 3.1.1. Centralized climate action information management system established and functional	Developing an MRV IT system requirements/advice document to support GHG and other climate- relevant data management and	Data management system			PMU

**Separate training will be conducted focusing on women representatives from the key sectors	Events	organizations/individual women Training focused on only women representatives in different organizations	At least 1	PMU
system Develop metrices and indicators for tracking mitigation and adaptation policies and actions;	Tracking tool	Number of gender friendly policies and actions taken by the government Number of "actions" that are conducted by women-led organizations/individual	NA	PMU
NDC;Establish a national information and data management system for key GHG emissions and mitigation activities input and output information. This will focus on MRV of key emission sectors and the processed data will feed into the centralized climate action management				
archiving specific to Nepal's national circumstances and				

	Standardize guidelines and formats to track and report climate finance;				
Output: 3.1.2 Tracking mechanism established at MoF to document public, private, and international finance of mitigation and adaptation efforts	Conduct training on financial reporting requirements, formats, and guidelines.	Event	Percentage of female participants who participate in training sessions	At least 33% women	Since Government ministries and line agencies may already have Climate change focal points, an effort will be made to ensure this. And for other participants, PMU will try where applicable.
M&E and Knowle	dge Management		•		
Outcome 4.1. Project M&E system is established that tracks the progress, assess the results, and timely informs the project team on adaptive management					
Output 4.1.1. Project outcomes are monitored	Conduct project inception /rollout/compliance				

regularly to track the progress	orientation meetings				
the progress	Periodic tracking of results framework and annual work plan		Number of women participations in different capacity building activities	At least 33% of the total participants	PMU
	Preparation of progress reports (quarterly, bi- annually, annually)				
Output 4.1.2. Timely evaluation of the project to	Conduct annual review and reflection				
identify success, gaps or challenges in meeting the outcomes and to enable adaptive management	Conduct final project evaluation				
Outcome 4.2. Knowledge generated from the project implementation is managed through documentation and sharing of lessons learned					
Output 4.2.1. Project knowledge products prepared and disseminated	Best practices and successful transparency- related activities, identified, documented and shared in the form of learning	No. of knowledge products published	No. of documents that primarily focuses on gathering and reporting on challenges, success and lessons learned relating to gender	At least 2 documents	PMU

	documents, policy				
	briefs, articles etc;				
	Outreach and				
	communication				
	products developed,				
	published and				
	disseminated		Use of gender friendly		
	through online		language		
	platform and audio-				
	visual medium				
	including website.				
	Cross-learning from		Percentage of female		
	countries	Events	participants attending	At least 33% women	EA and PMU
	implementing CBIT		the event		
	projects				
	In-country learning				
	and sharing among relevant				
Output 4.2.2. ETF	stakeholders at			At least 33% women	EA and PMU
lessons learning	federal and	Events	Number of CSOs		
and sharing at	provincial level	Lvents	headed by women	At least 55% women	
national, regional,	including CSOs,				
and international	private sector and				
level	academia;				
	Participation of the				
	representatives		Percentage of female		
	from MoFE in	Events		At least 33% women	EA and PMU
	international	r r r r r r r r r r r r r r r r r r r	the event	At least 55% wolliell	LA and FIVIU
	forums and CBIT				
	platform meetings.				

## Appendix G: Stakeholder Engagement Plan

## 1. Introduction.

The proposed project "Building National Capacities of Nepal to meet requirements of the Enhanced Transparency Framework (ETF) of the Paris Agreement", is a three-year project that will be executed by the Ministry of Forests and Environment (MoFE), Government of Nepal (GoN) and implemented by WWF. The objective of this project is "to strengthen capacities to meet the requirements of the ETF and track national progress against priority actions identified in Nepal's Nationally Determined Contributions (NDC)".

The project has three programmatic components, and the fourth component is related to monitoring and evaluation (M&E). Component 1 Strengthening national institutions for climate transparencyrelated activities in line with national priorities and provisions of Paris Agreement's ETF, aims to address organizational and policy barriers associated with establishing and functioning of national institutional arrangements for climate related Monitoring, Reporting and Verification (MRV) for the purposes of meeting the ETF requirements and needs of Nepal. Component 2 Enhancing technical capacity to assess, monitor and report the emissions and removals of GHG aims to improve the overall framework of MRV by introducing innovative method of accounting rules, guidelines, and tools to effectively monitor and report emissions and removals of Green House Gases (GHG) from four emission sectors: Agriculture, Forestry and Other Land Use (AFOLU); Energy; Industrial Processes and Product Use (IPPU); and Waste. Component 3 Strengthening national capacity to monitor and report on means of implementation and progress of NDCs is designed to address the barrier regarding reporting the progress of NDCs in a timely manner by setting up mechanism to track the national climate actions i.e. activities carried out for mitigation and adaptation, and climate finance received and mobilized. Component 4 "M&E and Knowledge management" ensures that the project follows agreed upon standards. Under this component, results and lessons learned from the project will be documented and disseminated within and beyond the project intervention through existing information sharing networks and fora.

## 2. Regulations and Requirements.

## WWF Standard on Stakeholder Engagement

The WWF GEF Agency requires all GEF projects comply with GEF and WWF standards on Stakeholder Engagement, specifically the WWF <u>Standard on Stakeholder Engagement</u> and the associated <u>Procedures</u> for Implementation of the Standard on Stakeholder Engagement. Stakeholder engagement is an overarching term that encompasses a range of activities and interactions with stakeholders throughout the project cycle and is an essential aspect of good project management.

The WWF Standard on Stakeholder Engagement requires the Executing Agency to engage stakeholders throughout the life of the project; communicate significant changes to project stakeholders and consult on potential risks and impacts; establish a grievance redress mechanism and register and respond to grievances throughout project execution, and; disseminate information in a way that is relevant, transparent, objective, meaningful, easily accessible. The Standard on Stakeholder Engagement promotes an inclusive process to support the development of strong, constructive and responsive relationships that help to identify and manage risks, and which encourage positive outcomes for stakeholders and project activities.

## 3. Summary of any previous stakeholder engagement activities.

Different stakeholders have been engaged since the project preparation phase. To ensure the ownership and to facilitate the immediate feedback mechanism from the government counterpart, a Project Planning Committee (PPC) was formed in October 2018. The committee is chaired by the Chief of Climate Change Management Division (CCMD), MoFE and has representation from other sections of MoFE, Ministry of Finance (MoF) and WWF Nepal. The main responsibility of the committee was to provide strategic guidance to the project preparation process. Apart from this, various consultations were conducted with multiple stakeholders. The findings of the consultations are briefly described below.

#### **Province level consultation workshops**

With the main objective to inform province level stakeholders about national initiatives on climate change and to identify the sectoral need for strengthening capacity of multi-stakeholders to meet transparency framework of the Paris Agreement, series of consultation workshops were organized in six provinces of Nepal. The details of the workshops are presented below.

Province	Date	Number of participants						
number/name		Bhramin and Chhetri	Indigenous	Marginalized	Others	Total	Female	Male
Province 1	January 21, 2019	40	10	17	1	68	7	61
Province 2	February 20, 2019	21	2	0	80	103	9	94
Bagmati Pradesh	January 28, 2019	55	10	5	17	87	13	74
Gandaki Pradesh	January 17,2019	77	5	0	2	84	11	73
Karnali Pradesh	February 11, 2019	53	10	15	9	87	15	72
Sudur Paschim Pradesh	February 8, 2019	84	30	10	15	139	8	131
Total		330	67	47	124	568	63	505

#### TABLE 17: DETAILS OF PROVINCE LEVEL CONSULTATIONS

Members of Provincial Assembly; Province Minister; Secretary of Ministry of Industry, Tourism, Forest and Environment (MoITFE); representatives from province level ministries (MoITFE, Planning Commission; Ministry of Internal Affairs and Law), academic institutions, local governments, nongovernment organizations and the media were participants of the workshops. The series of consultations in different provinces helped in collating province level information on existing data collection, storage and processing practices, available capacities and gaps, baseline of the emission sectors and sources of data at local level.

## **Expert interviews**

Bilateral meetings and consultations were carried with the key climate change experts in Nepal. The experts were requested to provide their insights on three aspects viz. current institutional capacity, available information and way forward; which provided a basis to build on the CBIT project. The experts emphasized that there is lack of information on emissions from all sources, inadequate technical expertise

on MRV and absence of a central depository of information on climate change related programs, its outcomes and investments along with weak coordination between the key ministries overseeing GHG emission sectors/activities and MoFE are the main barriers for Nepal. The key issues and recommendations provided by the experts to meet the requirements of ETF are summarized follows:

Current institutional	Available Information	Way forward
Capacity		
<ul> <li>Lack of adequate information on climate change and its sectoral impacts</li> <li>Limited domestic budget is allocated to Climate Change issue indicating that the climate is not subject of interest</li> <li>Very limited coordination mechanism between the concerned ministries</li> <li>Scattered information on project and programs related to Climate change</li> <li>Lack of adequate information, especially local climatic data</li> <li>Lack of technical resources to deal with research and data generation</li> <li>Limited participation in international climate change negotiation</li> <li>Irregular GHG inventory mechanism</li> <li>Limited capacity building activities on UNFCCC processes and major decisions</li> <li>Lack of ownership and functioning of current institutional arrangement like Climate Change Council, MCCICC etc.</li> </ul>	<ul> <li>Average Temperature and precipitation data from DHM stations</li> <li>Agricultural pattern and annual production of crop</li> <li>Area of forest and land cover</li> <li>Annual consumption of fossil fuel</li> <li>Number of vehicle registration each year (emission per vehicle is not accounted)</li> <li>Government implemented program and projects related to climate change</li> <li>Fuel mix scenario of Nepal</li> <li>Incidences of disaster and number of affected people/communities</li> <li>Numbers of industries and their ISO certification</li> <li>Urban area and urbanization rate</li> <li>Annual budget code for Climate Change related activity (if allocated)</li> </ul>	<ul> <li>Development of nationally appropriate GHG emission factors</li> <li>Development of data portal (Adaptation, Mitigation and climate finance)</li> <li>Development and management of knowledge, capacity and skill related to climate change with specific focus on tools and technique for GHG inventory</li> <li>Development of tools and framework to communicate adaptation and mitigation actions</li> <li>Enhance capacity of federal, provincial and local government on climate change</li> <li>Formulate a designated authority that compiles and disseminates all the collected information both nationally and internationally</li> <li>Share the best lesson learn at the global climate discussion platform to the national stakeholders including provincial and local government</li> <li>Formulation of separate unit at Province ministries that looks after data collection and reporting to the designated unit formed in the MoFE</li> </ul>

#### TABLE 18: INPUTS FROM EXPERT INTERVIEW

#### National sharing and validation workshop

On May 2, 2019, a <u>national consultation workshop</u> was conducted with the following agenda:

- Inform national stakeholders on requirements of Enhanced Transparency Framework and existing support mechanism through Capacity Building Initiative for Transparency.
- Share the project formulation process.
- Validate the process and product; and
- Seek concurrence/feedbacks and suggestions on the project components and its activities.

The workshop was chaired by Secretary of MoFE and facilitated by the Chief of CCMD. Representatives from National Planning Commission, various ministries, department, academic institutions, expert groups, non-government organizations and the media participated in the workshop. All together 71 participants attended the workshop. The key findings of the workshop are described briefly below.

### National capacity and GHG inventory:

GHG inventory should be carried out through extensive engagements of sectoral government institutions and other concerned stakeholders involved in GHG related data to enhance the national inventory for GHG emissions and improve the validity and reliability of the data. There is a need of effective and innovative design of accounting rules, reporting guidelines, tools and verification which will be essential to ensure that Nepal's NDC is effectively implemented, progress is communicated under the requirements of the Paris Agreement. This falls in line with the recommendations on designing of GHG inventory plan, which ensures that quality data are documented with adequate tools and methodologies.

## Vulnerability assessment and Adaptation Communication:

Nepal's NAP has set 2018-2030 period as the medium-term and up to 2050 as the long-term plan to identify and prioritize adaptation options and prepare a plan with implementation strategy, reporting, monitoring and review. With good policies and plans in place as one of the immediate responses to the climate change, there is a need for broader consensus and strategic vision. Currently, Province and Local government have very limited knowledge, skills, resources and institutional mechanism to deal with climate change impacts. Scientific vulnerability assessments, adaptation actions and its communication, capacity buildings activities play a vital role in all sectors at all tiers of governments. Thus, capacity building and awareness raising will fill the critical gap and enhance the capacity of Civil Society Organizations (CSOs), government institutions and other concerned stakeholders, which will further help to meet all the aspects of transparency framework.

#### Promote collaboration and cooperation:

A multi-tier and multi-stakeholder cooperation and collaboration on GHG accounting and vulnerability assessment is required, both nationally and internationally. As there are several institutional mechanisms and if the government applies the push factor such as CBIT project, the existence of such network makes possible to establish a peer exchange programs for sharing information regarding guidelines, protocols and tools.

## 4. Project Stakeholders.

The stakeholders that would be engaged during the project implementation have been divided into primary and secondary based on the level of engagement. The primary stakeholders are those who will be directly engaged in the project as execution team and/or constitutes the data/information provider required to achieve the outcomes envisioned. The list of stakeholders and the reason for their engagement is briefly described below.

#### **Primary stakeholders**

<u>MoFE</u>: MoFE houses the CCMD and leads coordination and communication of climate change related activities in the country. It is also responsible for reporting under the UNFCCC and the Kyoto Protocol and has responsibility for leading Nepal's international climate change negotiations. CCMD is

responsible for the coordination and facilitation of all climate change related activities in Nepal. This includes the preparation, compilation, and submission of reports to the UNFCCC. The Division is also responsible for the compilation and reporting of the national GHG emissions inventory.

MoF, International Economic Cooperation Coordination Division (IECCD): MOF is the central authority responsible for all economic and financial affairs of the country. IECCD of MoF mobilizes required foreign aid in an efficient and effective manner in order to finance development projects in the prioritized sector. It is also focal point for multilateral funding including GEF and Green Climate Fund (GCF). MoF introduced Climate Change Financing Framework (CCFF) in 2017 to mainstream climate change into planning and budgeting by identifying entry points based on legal, institutional and process analysis of the existing public finance management system.

<u>National Planning Commission (NPC)</u>: NPC is the apex advisory body of government for formulating national vision, periodic plans and policies for development. NPC developed Climate Resilient Planning Framework in 2011 that identifies various issues of climate change, including its drivers and impact vulnerability, and proposes mitigation and adaptation measures to ensure sustainable development. NPC introduced Climate budget coding in 2012 to track allocations to climate change relevant programmes and projects at national level. Since then, MoF has been tracking the alignment and allocation of national budget for climate change.

Key government institutions at federal and provincial level:

- REDD+ Implementation Center (REDD IC): provides data on net emissions from land use, land use cover changes and forestry.
- Ministry of Home Affairs (MoHA): undertakes programme in responding to disasters and manages database for the same.
- Ministry of Energy, Water Resource and Irrigation (MoEWRI): key government agency for energy sector and irrigation sector under which Alternate Energy Promotion Centre (AEPC) also operates.
- Ministry of Agriculture and Livestock Development (MoALD) and Ministry of Land Management, Agriculture and Cooperatives (MoLMAC): key government agency for agriculture and livestock at Federal and Provincial level respectively.
- Ministry of Industry, Supply and Commerce (MoISC), Ministry of Physical Infrastructure and Transport (MoPIT), Ministry of Urban Development (MoUD), Ministry of Culture, Tourism and Civil Aviation (MoCTCA): sectoral ministries at federal level
- Ministry of Industry, Tourism, Forest and Environment (MoITFE) of all seven provinces.

<u>Academic institutions</u> (Tribhuvan University/ Kathmandu University) conduct research activities on environmental management and climate change issues. Currently, Tribhuvan University is supporting government in preparation of Third National Communication Report. The private sector plays a key role in investing range of climate change mitigation technologies including hydropower, solar power and wind power generation technologies. The private sector can play a role in the Public Private Partnerships in some investment initiatives and is key to bring in foreign direct investments. It can also incorporate low carbon development strategies. Media will play a key role in raising public awareness on climate change issues and support in disseminating information on CBIT project including requirements of the Enhanced Transparency Framework.

#### Secondary stakeholders:

CSOs working in the field of climate change adaptation and mitigation have years of experience and lessons gathered that could be helpful while designing the MRVs and tracking adaptation results. Women-led organizations or organizations working for women can provide insights on role of women in the project. Nepal Federation of Indigenous Nationalities (NEFIN) as an autonomous representative umbrella organization of 59 indigenous nationalities of Nepal can articulate the voices of indigenous communities in the project.

Development partners such as GIZ, the World Bank, the Asian Development Bank, ICIMOD, IUCN, UN Agencies (United Nations Development Programme, FAO and United Nations Environment Programme) have mandates to provide official development assistance through various funding mechanisms for climate actions.

## 5. Stakeholder Engagement Plan.

This Stakeholder Engagement Plan (SEP) is prepared to ensure that stakeholders are effectively and efficiently engaged throughout the project period are form a key part from project formulation to completion and sustainability. Methods/tools that will be employed for engaging multi-stakeholders are:

- Announcements and disclosure of project summary in English and Nepali on government and agency website,
- Formal agreement with organizations (mainly primary stakeholders) that will be involved in implementation of project,
- Meeting/training/workshops which will involve targeted stakeholders,
- Outreach and information dissemination through project flyers/brochures/leaflets including in Nepali language,
- National media targeted events and reports/announcements.

In line with the Gender Action Plan, the stakeholder engagement activities will involve women-led organization/women representatives from different organization to enhance equity and avoid gender gap. The content of the publication materials and any activities related to public outreach will use gender and socially sensitive language. Also, all the media publications used for outreach will be translated in Nepali language and published.

The stakeholders identified in section 4 will be engaged in three phases of project period i.e. inception, implementation, project completion. The methods and means for engagement are described below.

## A. Inception phase (First quarter of first year of project):

- Project launch: The project will be launched through an event in which all primary and secondary stakeholders as well as other relevant government/non-government organizations will be invited. The main objective of this event is to inform stakeholders about project concept, budget, time period, and expected results including international reporting requirements for transparency under climate change actions and support.
- Roll out workshop: A roll out workshop will be organized for key stakeholders who would be driving the implementation phase of the project. This group includes the relevant ministries which will be the members of Project Steering and Executive Committees, project staff (PMU), implementation partner, focal ministries at federal and provincial level. The project roll-out workshops will focus on providing detailed information on theory of change, project components,

overall workplan, budget and deliverables and sustainability of the outcomes while highlighting the roles and responsibilities of the stakeholders and plan for their engagement in the project. The workshop will also provide an overview of GEF process and its requirements including safeguards and gender mainstreaming. The roll-out workshop will also seek inputs and feedbacks for adaptive management in the workplan and try address them before going into implementation.

**B.** Implementation phase (second quarter of first year to third quarter of third year): During the implementation phase, various stakeholders will be engaged depending upon the nature of the activity. List of stakeholders, their role and mode of engagement is described in the table below.

Stakeholders	Role in the project	Related component	Mode of engagement
CCMD, MoFE	MoFE will chair the Project Steering Committee and facilitate coordination among relevant ministries, academia, CSO and private sector as per the requirements of the project. MoFE will house the project. As the focal division for climate change, CCMD is responsible for overall project management. The CCMD will lead annual review and reflection, adaptive management and reporting. CCMD will coordinate with sectoral ministries through IMCCCC.	All	<ul> <li>PSC and PEC meeting</li> <li>Training and workshops</li> <li>Cross learning and sharing</li> <li>Monitoring</li> <li>Monthly project meetings</li> </ul>
International Economic Cooperation Coordination Division (IECD), MoF	The division will support to facilitate activities around tracking of climate finance.	Component 3, 4	<ul> <li>PSC and PEC meetings</li> <li>Training and workshop</li> <li>Review of tools and templates</li> </ul>
National Planning Commission, Central Bureau of Statistics (CBS)	NPC will guide the alignment of GEF project with policies, plans and programs on climate change. The NPC and its agency CBS generate country-wide data for many of the sectors which contribute to climate actions and incorporation of reporting requirements in existing data collection formats will support sustainability.	Component 1, 2, 3, 4	<ul> <li>PSC meetings</li> <li>Training and workshops</li> <li>Technical review</li> </ul>

#### TABLE 19: STAKEHOLDER ENGAGEMENT FOR IMPLEMENTATION

Stakeholders	Role in the project	Related component	Mode of engagement
Key ministries: Federal and Provincial level (REDD IC, MoEWI, MoALD, MoLMAC, MoISC, MoPIT, MoUD, MoCTCA, AEPC, MoITFE)	The specific agencies will be engaged in developing GHG inventory tools and templates and generating estimates. Most of these ministries and their line agencies have existing data generation and retrieval systems which will be reviewed and upgraded to adjust the reporting requirements where necessary. These government agencies and are a key part of the national institutional mechanism for ETF and form PSC and PEC.	Component 1, 2, 3, 4	<ul> <li>PSC and PEC meeting</li> <li>Training and workshops</li> <li>Cross learning and sharing</li> <li>Technical review</li> </ul>
Academic institutions (Kathmandu University/Tribhuv an University)	Universities will be involved in capacity- building activities relating to MRV and GHG inventory development, and formulation of country specific short courses for sustainability of the project. Also, academia would be engaged in conducting research on emission factors and GHG inventory.	Component 2	<ul> <li>Engagement in research, module formulation</li> <li>Training and workshops</li> </ul>
Private sector	Private sector engagement is required to meet the Outcome 2.1. Capacities of the private sectors would be built to support in GHG inventory and to measure GHG emissions from different sources.	Component 2	Training and workshops
Media	Media will be mobilized for sharing project outcomes and to build common understanding on transparency requirements.	Component 4	<ul><li>Workshop</li><li>Publications and communication</li></ul>
Ministry of Home Affairs (MoHA)	MoHA could support in sharing existing templates and methodologies to collect the information on disaster and could also provide information for communicating impacts of climate induced disasters.	Component 3	<ul> <li>PSC and PEC meetings</li> <li>Training and workshops</li> </ul>
NEFIN	The project will coordinate and communicate with NEFIN in relevant areas as per the requirement.	Component 1 and 3	• Training and workshops
CSOs and Development partners such as GIZ, FAO, the World Bank, the Asian Development Bank, ICIMOD,	Coordination with the CSOs and development partners could help in filling the data gap on climate finance and projects implemented under adaptation and mitigation. UN Agencies, particularly UNDP can play an integral role supporting the	Component 2 3, and 4	<ul><li>Workshops</li><li>Meetings</li></ul>

Stakeholders	Role in the project	Related component	Mode of engagement
IUCN, UN	development of the BUR and National		
Agencies (United	Communication and the GHG inventory.		
Nations	UNEP can contribute to knowledge-		
Development	sharing. UNDP through the UN REDD+		
Programme and	programme can provide support in		
United Nations	providing data on Forestry.		
Environment			
Programme)			

## C. Completion phase (fourth quarter of third year)

During this phase, the results of the project will be widely disseminated across the country through different methods as described below:

- Closing workshop: All the stakeholders described in the section 4 will be invited in the project closing workshop.
- Distribution of brochures: Brochures summarizing the project outcomes, achievements, challenges, lessons learned will be produced and disseminated to all the stakeholders at federal level.

Mobilization of media: Different mediums of communications like radio, newspaper, TV channels, websites, will be used to inform about the project closure and results/milestones achieved.

## 6. Timetable

### TABLE 20: TIMETABLE

		Yea	ır 1			Yea	ar 2			Yea	ar 3			
Activities	Stakeholders	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Location
Project Launch/Inception	All Primary and Secondary stakeholders													Event venue, Kathmandu
Roll out workshop	MoFE, MoF, NPC, MoHA, MoFAGA, MoALD, MoLCPA, MoCTCA, MoEWRI, MoPIT, MoUD, CBS, NPC, MoICS, MoLMAC, MoITFE													Workshop venue, Kathmandu
Formulation of coordinating body	MoFE, MoF, NPC, MoHA, MoFAGA, MoALD, MoLCPA, MoCTCA, MoEWRI, MoPIT, MoUD, CBS, NPC, MoICS, MoLMAC, MoITFE													MoFE
Publication and dissemination of knowledge management and communication products	Media													NA
PSC meetings	MoFE, MoF, NPC, MoHA, MoFAGA, MoALD, MoLCPA, MoCTCA, MoEWRI, MoPIT, MoUD, CBS, NPC, MoICS													Kathmandu
PEC meetings	MoFE, MOF, MOFAGA, MoALD, MoLCPA, MoCTCA, MoEWRI, MoHA, MoICS, MoPIT, MoUD, CBS													Kathmandu

		Yea	Year 1		Yea	ar 2			Yea	ar 3				
Activities	Stakeholders		Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Location
Training and workshops	MoFE, MoF, NPC, REDD IC, MoEWRI, MoALD, MoLMAC, MoISC, MoPIT, MoUD, MoCTCA, AEPC, MoITFE, Media, NEFIN, MoHA, Development partners, CSOs, private organizations													Training/ workshop venue at different provinces
Cross learning and sharing	MoFE, MoF and key individuals engaged in MRV and central information management system established under this projectMoFE, REDD IC, MoEWI, MoALD, MoLMAC, MoISC, MoPIT, MoUD, MoCTCA, AEPC, MoITFE, MoITFE, MoLMAC, private organizations													International and regional (location TBD)
In country learning and sharing	MoFE, REDD IC, MoEWI, MoALD, MoLMAC, MoISC, MoPIT, MoUD, MoCTCA, AEPC, MoITFE, MoITFE, MoLMAC, private organizations													Kathmandu
Monitoring and Evaluation	MoFE													NA
Project closure workshop	All Primary and Secondary stakeholders													Event venue, Kathmandu

## 7. Resources and Responsibilities.

Under the guidance of CCMD, the Project Management Unit (PMU) will be responsible for stakeholder engagement activities. The project launch and roll out workshops planned within the first month of project implementation will inform and invite all the relevant stakeholders. Similarly, all key government agencies are part of PSC and PEC, hence the regular meetings will ensure that issues and concerns of stakeholders are addressed in a timely manner. Other stakeholders, such as academia, private sectors, media, and development partners, will be engaged through capacity building workshops, cross learning and sharing meetings etc. As most of the activities are embedded as a part of the workplan, additional resources are not required.

## 8. Grievances Mechanism.

The project is categorized as Safeguard Category "**C**" since the activities do not negatively affect the environment and communities. Thus, the project does not foresee need of project-specific Grievance Redress Mechanism (GRM). However, in line with the WWF's Standard on Accountability and GRM, the project will ensure that the inquiries, complaints or clarifications regarding the project are received and addressed efficiently and effectively under the supervision of the Chief of Climate Change Management Division.

For inquiry, the contact information (phone number, email, mailing address) will be disclosed in the website of the project. The NPM will be the contact point for any query or complaint. The person or group filing the complaint must provide concrete evidence of any negative impact. Once a complaint is submitted, NPM will acknowledge receipt and within 10 working days, assess the eligibility of the complaint and provide a response as to whether it is eligible in consultation with the National Project Coordinator. In case the complaint is deemed valid, it will be communicated to MoFE through NPD and clear action plan will be developed to address it. The entire process, from the filling of the complaint to the resolution, will be documented, monitored and reported.

#### WWF GEF Agency Grievance Mechanism

Project-affected communities and other interested stakeholders may raise a grievance at any time to the WWF GEF Agency. Contact information of the WWF GEF Agency will be made publicly available.

A grievance can be filed with the Project Complaints Officer (PCO), a WWF staff member fully independent from the WWF GEF Agency, who is responsible for the WWF Accountability and Grievance Mechanism and who can be reached at: Email: <u>SafeguardsComplaint@wwfus.org.</u>

#### Mailing address:

Project Complaints Officer Safeguards Complaints,

World Wildlife Fund

1250 24th Street NW

Washington, DC 20037

Complaints may be submitted in the Affected Party's native language and should include the following information:

- Complainant's name and contact information;
- If not filed directly by the complainant, proof that those representing the affected people have authority to do so;
- The specific project or program of concern;
- The harm that is or may be resulting from the project;

- The relevant Environmental and Social Safeguards policy or provision (if known);
- Any other relevant information or documents;
- Any actions taken so far to resolve the problem, including contacting WWF;
- Proposed solutions; and
- Whether confidentiality is requested (stating reasons).

The PCO will respond within 10 business days of receipt, and claims will be filed and included in project monitoring.

Stakeholders may also submit a complaint online through an independent third-party platform at <a href="https://secure.ethicspoint.com/domain/media/en/gui/59041/index.html">https://secure.ethicspoint.com/domain/media/en/gui/59041/index.html</a>.

## 9. Monitoring and Reporting.

NPD in coordination with MoFE will monitor PMU and project interventions. NPD will engage relevant stakeholders represented in the PEC through annual review and reflection of the project progress. Further, WWF GEF Agency will conduct annual supervision missions during the project period in coordination with NPD and, where required, will also engage independent expert to monitor project implementation. Key findings and recommendations of such events and assessments will be incorporated in project interventions.

## Appendix H: High Level Work Schedule

TABLE 21: HIGH-LEVEL WORK SCHEDULE

Outcomes	Outputs	Activities		Yea	ır
Outcomes	Outputs	Activities			
Component 1: Stren Agreement's ETF	ngthening national in	stitutions for climate transparency-related activities in line with national priorities and provisions	of ]	Par	is
	1.1.1. Coordinating body for MRV in	Prepare and implement coordination strategy (Focal points identified from key stakeholders i.e. each sectoral ministry, line agencies, private sectors and CSOs)			
	keeping with the ETF are established and	Define roles and responsibilities of all stakeholders, including drafting of MRV program staff job descriptions and KPIs for inclusion in MRV program management plan			
1.1. Institutional arrangement in place for	formalized among relevant federal and provincial ministries, as well	Identify and elaborate duties of SNE charged with GHG mitigation MRV responsibilities.			
coordinating, reporting and communicating	as other stakeholders for data collection,	Identify and elaborate duties of entities leading transparency activities for climate adaptation and support			
progress	processing, and management; quality	Conduct a legal analysis of current roles and legal framework and provide recommendations on the establishment of a legal act(s) or directive(s) codifying the core aspects of Nepal's MRV system			
	management, data analysis and modelling; reporting; and communications.	Establish formal and/or informal data supplier agreements or Memorandums of Understanding (MOUs) with agencies and stakeholders involved in data collection, reporting, approval, and submission of climate data reports			

2.1. Strengthened MRV reporting	2.1.1. Develop and/or strengthen	Create, maintain, and formally recognize a national GHG inventory management and improvement plan, including QA/QC plan and procedures manual	
GHGs and assessing progress towards NDC	processes, methods, and tools for MRV of	Select MRV methodologies for key categories based on IPCC guidelines through consultations and workshops with experts and sectoral ministries	
commitments	all emission sectors (AFOLU, Energy, IPPU, Waste)	Develop and institutionalize data collection templates and processes for all sectors based on national circumstances in coordination with the relevant sectoral ministries and other line agencies Develop and institutionalize higher tier methods for key categories by engaging local experts, academic and research institution	
	2.2.1. Develop and roll out a long-term capacity building strategy to build the capacity of key stakeholders	Carryout sector specific capacity assessment on current capacities, gaps, priorities, and opportunities for improvement of GHG inventory in all emission sectors	
		Conduct data collection training and consultation workshops for data collectors and sector leads, including on the use and customization of data collection and documentation templates for Nepal	
Outcome 2.2. Enhanced national capacity for data		Provide online and blended (with onsite instruction, practice, and mentoring) technical training on ETF reporting requirements, methodologies, and guidelines, GHG inventories, modelling, projection, scenario analysis mitigation analysis, adaptation M&E, and climate finance tracking	
collection, analysis,	related to all GHG	Co-develop short courses for GHG inventory at in-country universities	
reporting and verification for all	emission sectors for data	Create a roadmap for the development of Nepal's MRV system and a work plan for GHG inventory program development through a consultative process;	
GHG emission sectors (AFOLU,	collection, analysis, monitoring	Build capacity for GHG projections and scenario analysis based on GHG inventory outputs through hands-on training to MoFE staff;	
Energy, IPPU, Waste)	monitoring, reporting and verification in line	Conduct training on ETF reporting requirements, formats and guidelines on adaptation and mitigation policies and actions.	
	with ETF	Prepare a national MRV roster of experts for Nepal;	
		Assess staffing and resource needs to properly comply with the Paris Agreement ETF modalities, procedures, and guidelines;	
		Publish resource materials on ETF.	

COMPONENT 3: St	rengthening nationa	al capacity to monitor and report on means of implementation and progress of NDCs	
	3.1.1. Centralized climate action	Developing an MRV IT system requirements/advise document to support GHG and other climate- relevant data management and archiving specific to Nepal's national circumstances and NDC.	
	information management	Develop system requirements advise note for the national registry to include data inputs needs and IT requirements.	
3.1. Monitoring and reporting of	system established and functional	Develop metrices and indicators for tracking mitigation and adaptation policies and actions	
- 0	3.1.2 Tracking	Standardize guidelines and formats to track and report climate finance	
NDCs and means     mechanism       of implementation     strengthened       MoF to document     public, private		Conduct training on financial reporting requirements, formats, and guidance	
COMPONENT 4: M	&E and Knowledge	Management	
Outcome 4.1.	Output 4.1.1.	Conduct project inception /rollout/compliance orientation meetings	
Project M&E system is established that	Project outcomes are monitored	Periodic tracking of results framework and annual work plan	
tracks the progress, assess the results,	regularly to track	Preparation of progress reports(quarterly, bi-annually, annually)	
and timely informs	Output 4.1.2.	Preparation of project completion report	
the project team on	Timely evaluation		

**\_** 

adaptive management	of the project to identify success, gaps or challenges in meeting the outcomes and to enable adaptive management	Conduct annual review and reflection	
Outcome 4.2. Knowledge generated from the project implementation is	4.2.1. Project knowledge products (learning documents, policy briefs, articles etc.) prepared and disseminated	Best practices and successful transparency-related activities, identified, documented and shared in the form of learning documents, policy briefs, articles etc; Outreach and communication products developed, published and disseminated through online platform and audio-visual medium including website.	
managed through	4.2.2. ETF lessons	Cross-learning from countries implementing CBIT projects	
documentation and sharing of lessons learned	learning and sharing at national, regional,	In-country learning and sharing among relevant stakeholders at federal and provincial level including CSOs, private sector and academia;	
	and international level	Participation of the representatives from MoFE in international forums and CBIT platform meetings.	

# Appendix I: Detailed Project Budget



## Appendix J: Taxonomy worksheet

Appendix J: Please identify the taxonomic information required by ticking the most relevant keywords/ topics/themes that best describe the project.

Level 1	Level 2	Level 3	Level 4
⊠Influencing models			
	⊠Transform policy and		
	regulatory		
	environments		
	Strengthen institutional		
	capacity and decision- making		
	Convene multi-		
	stakeholder alliances		
	Demonstrate innovative		
	approaches		
	Deploy innovative		
<u> </u>	financial instruments		
Stakeholders			
	Indigenous Peoples		
	Private Sector		
	+	Capital providers	
		market facilitators	
		Large corporations	
		Individuals/Entrepreneurs	
		Non-Grant Pilot	
		Project Reflow	
	Beneficiaries		
	Local Communities		
	Civil Society		
		Community Based Organization	
		Non-Governmental Organization	
		Academia	
	☐ ☐ Type of Engagement		
		☐ Information Dissemination	
		⊠Partnership	
		Participation	
	Communications		
		Awareness Raising	
		Education	
		Public Campaigns	
_		Behavior Change	
⊠Capacity, Knowledge and Research			
	Enabling Activities		
	Capacity Development		
	Knowledge Generation and Exchange		
	Targeted Research		
	Learning		
		Theory of Change	
		Adaptive Management	
		Indicators to Measure Change	
	Innovation		
	Knowledge and Learning		
	Learning	Knowledge Management	1
		Capacity Development	
		⊠Learning	
	Stakeholder		
	Engagement Plan		
Gender Equality			

	Gender Mainstreaming	1	1
		Beneficiaries	
		Women groups	
		Sex-disaggregated indicators	
		Gender-sensitive indicators	
	Gender results areas		
		Access and control over natural resources	
		Participation and leadership	
		Access to benefits and services	
		Capacity development	
		Awareness raising	
		Knowledge generation	
Focal Areas/Theme			
	☐Integrated Programs		
		Commodity Supply Chains ( <sup>49</sup> Good Growth Partnership)	
			Sustainable Commodities
			Production
			Deforestation-free Sourcing
			Financial Screening Tools
			High Conservation Value Forests
			High Carbon Stocks Forests
			Soybean Supply Chain
		+	Oil Palm Supply Chain
		1	Smallholder Farmers
		+	Adaptive Management
		Food Security in Sub-Sahara	
		Africa	
			Resilience (climate and shocks)
			Sustainable Production Systems
			Agroecosystems
			Land and Soil Health
			Diversified Farming
			Integrated Land and Water
			Management
			Small and Medium Enterprises
			Crop Genetic Diversity
			Food Value Chains
			Multi-stakeholder Platforms
		Food Systems, Land Use and	
		Restoration	Sustainable Er - 1 Sustaine
		+	Sustainable Food Systems
			Sustainable Commodity
			Production
			Comprehensive Land Use Planning
		+	Integrated Landscapes
			Food Value Chains
			Deforestation-free Sourcing
			Smallholder Farmers
		Sustainable Cities	
			☐ Integrated urban planning
			Urban sustainability framework
			Transport and Mobility
			Municipal waste management
			Green space
			Urban Biodiversity
			Urban Food Systems
			Energy efficiency
			Municipal Financing

		Global Platform for Sustainable Cities
Biodiversity		
	Protected Areas and Landscapes	
		Terrestrial Protected Areas
		Coastal and Marine Protected Areas
		Productive Landscapes
		Productive Seascapes
		Community Based Natural
		Resource Management
	Mainstreaming	
		Extractive Industries (oil, gas, mining)
		Forestry (Including HCVF and REDD+)
		Tourism
		Agriculture & agrobiodiversity
		Fisheries
		Standards)
		Standards)
		Illegal Wildlife Trade
		Threatened Species Wildlife for Sustainable
		Development
		Crop Wild Relatives
		Plant Genetic Resources
		Animal Genetic Resources
		Livestock Wild Relatives
		Invasive Alien Species (IAS)
	Biomes	
		Mangroves
		□Coral Reefs □Sea Grasses
		Wetlands
		Lakes
		Tropical Rain Forests
		Tropical Dry Forests
		Temperate Forests
		Grasslands
		Paramo Desert
	Financial and Accounting	Desen
		Payment for Ecosystem Services
		Natural Capital Assessment and Accounting
		Conservation Trust Funds
		Conservation Finance
	Supplementary Protocol to the CBD	
		Biosafety
		Access to Genetic Resources Benefit Sharing
Forests	Forest and Landscape Restoration	
		REDD/REDD+
	Forest	
		Amazon
		Congo
		Drylands
Land Degradation	Sustainable Land Management	
		Restoration and Rehabilitation of Degraded Lands

ĺ	1	Ecosystem Approach
		Integrated and Cross-sectoral
		approach
		Community-Based NRM
		Sustainable Livelihoods
		Income Generating Activities
		Sustainable Agriculture
		Sustainable Pasture Management
		Sustainable Forest/Woodland Management
		Improved Soil and Water
		Management Techniques
		Drought Mitigation/Early
		Warning
	Land Degradation Neutrality	
		Land Productivity Land Cover and Land cover
		change
		Carbon stocks above or below ground
	Food Security	
International Waters		
	Coastal	
	Freshwater	
		River Basin
	Persistent toxic substances	
	SIDS : Small Island Dev States	
	Targeted Research	
	Pollution	
		Persistent toxic substances
		Plastics
		Nutrient pollution from all sectors except wastewater
		Nutrient pollution from Wastewater
	Transboundary Diagnostic	Wastewater
	Analysis and Strategic Action Plan	
	preparation Strategic Action Plan	
	Implementation	
	Areas Beyond National Jurisdiction	
	Large Marine Ecosystems	
	Marine Protected Area	
	Biomes	
		Mangrove
		Coral Reefs
 		Seagrasses
		Polar Ecosystems
		Constructed Wetlands
Chemicals and Waste	Mercury	
	Artisanal and Scale Gold Mining	
	Coal Fired Power Plants	
	Coal Fired Industrial Boilers	
	Non-Ferrous Metals Production	
	Ozone	
	Ozone Persistent Organic Pollutants	
	Ozone           Persistent Organic Pollutants           Unintentional Persistent Organic	
	Ozone Persistent Organic Pollutants	

1 1	Waste Management	1
		Hazardous Waste Management
		Industrial Waste
		e-Waste
	Emissions	
	Disposal	
	New Persistent Organic Pollutants	
	Polychlorinated Biphenyls	
	Plastics	
	Eco-Efficiency	
	Pesticides	
	DDT - Vector Management	
	DDT - Other	
	Industrial Emissions	
	Open Burning	
	Best Available Technology / Best	
	Environmental Practices	
	Green Chemistry	
Climate C		
	Climate Change Adaptation	
		Climate Finance
		Least Developed Countries
		Small Island Developing States
		Disaster Risk Management
		Sea-level rise
		Climate Resilience
		Climate information
		Ecosystem-based Adaptation
		Adaptation Tech Transfer
		National Adaptation Programme of Action
		National Adaptation Plan
		Mainstreaming Adaptation
		Private Sector
		XInnovation
		Community-based Adaptation
	Climate Change Mitigation	
		Agriculture, Forestry, and other
		Land Use
		Energy Efficiency Sustainable Urban Systems and
		Transport Technology Transfer
		Renewable Energy
<u>├</u>		Financing Enabling Activities
	Toobyoloon Tureefer	
	Technology Transfer	
		Poznan Strategic Programme on Technology Transfer
		Climate Technology Centre & Network (CTCN)
		Endogenous technology
		Technology Needs Assessment
		Adaptation Tech Transfer
	United Nations Framework on Climate Change	
		Nationally Determined
1		Contribution

Number investm	• of direct beneficiaries disa ent	ggregated by g	gender as co-b	enefit of GEF	(Number)
				Number	
		Expe	ected	I	Achieved
		PIF stage	Endorsement	MTR	TE
	Female		165		
	Male		335		
	Total		500		

# Appendix K: Core Indicator worksheet

# Appendix L: WWF Covid-19 Generic Field Work Guidelines

