GEF-7 REQUEST FOR CEO ENDORSEMENT / APPROVAL
CHILD PROJECT – MSP ONE-STEP

PROJECT TYPE: MEDIUM-SIZED PROJECT
TYPE OF TRUST FUND: CAPACITY BUILDING INITIATIVE FOR TRANSPARENCY

PART I: PROJECT INFORMATION

Project Title: Building National Capacities of Nepal to meet requirements of the Enhanced Transparency Framework of the Paris Agreement			
Country(ies):	Nepal	GEF Project ID:	10899
GEF Agency(ies):	WWF-US (select) (select)	GEF Agency Project ID:	G0024
Project Executing Entity(s):	Ministry of Forests and Environment	Submission Date:	12/02/2021
GEF Focal Area (s):	Climate Change	Expected Implementation Start	3/1/2022
		Expected Completion Date	6/30/2025
Name of Parent Program	[if applicable]	Parent Program ID:	

A. Focal/Non-Focal Area Elements

Programming Directions	Focal Area Outcomes	Trust Fund	(in $)	
			GEF Project Financing	Confirmed Co-financing
CCM-3-8	Foster enabling conditions for mainstreaming mitigation concerns into sustainable development strategies through capacity building initiative for transparency.	CBIT	1,651,175	1,198,141
	Total project costs		1,651,175	1,198,141

B. PROJECT DESCRIPTION SUMMARY

Project Objective: The project will strengthen capacities to meet the requirements of the ETF and track national progress against priority actions identified in Nepal's NDCs.						
Project Components/ Programs	**Component Type**	**Project Outcomes**	**Project Outputs**	**Trust Fund**	**(in $)**	
					GEF Project Financing	**Confirmed Co-financing**
Strengthening national institutions for climate transparency-related activities in line with national priorities and provisions of Paris Agreement's ETF	TA	1.1 Institutional arrangements in place for coordinating, reporting, and communicating progress	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 and modeling; reporting; and communications	CBIT	146254	106126
Enhancing technical capacity to assess,	TA	2.1 Strengthened MRV reporting GHGs	Output 2.1.1. Develop and/or strengthen	CBIT	779466	565603

monitor and report the emissions and removals of GHGs		and assessing progress towards NDC commitments	processes, methods, and tools for MRV of all emission sectors (AFOLU, Energy, IPPU, Waste)			
		Outcome 2.2. Enhanced national capacity for data collection, analysis, reporting and verification for all GHG emission sectors (AFOLU, Energy, IPPU, Waste)	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 ETF2			
Strengthening national capacity to monitor and report on means of implementation and progress of NDCs	TA	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	CBIT	243172	176453
			Output: 3.1.2 Tracking mechanism established at Ministry of Finance (MoF) to document public, private, and international finance of mitigation and adaptation efforts			
Monitoring and Evaluation (M&E) and Knowledge Management	TA	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 regularly to track progress	CBIT	332369	241177
			Output 4.1.2. Timely evaluation of the project to identify success, gaps or challenges in meeting the outcomes and to enable adaptive management			
		4.2. Knowledge generated from the project implementation is managed through documentation and sharing of lessons learned	4.2.1. Project knowledge products prepared and disseminated			
			4.2.2. ETF lessons learning and sharing at national, regional, and international level			
			Subtotal		1,501,261	1,089,359
			Project Management Cost (PMC)	CBIT	149,914	108,782
			Total project costs		1,651,175	1,198,141

For multi-trust fund projects, provide the total amount of PMC in Table B, and indicate the split of PMC among the different trust funds here: ( )

C. CONFIRMED SOURCES OF CO-FINANCING FOR THE PROJECT BY NAME AND BY TYPE

Please include evidence for co-financing for the project with this form.

Sources of Co-financing	Name of Co-financier	Type of Cofinancing	Investment Mobilized	Amount ($)
Recipient Country Government	Ministry of Forests and Environment	In-kind	Recurrent expenditures	1,000,000
GEF Agency	World Wildlife Fund - US	In-kind	Recurrent expenses	198,141
Total Co-financing				1,198,141

Describe how any "Investment Mobilized" was identified.

D. TRUST FUND RESOURCES REQUESTED BY AGENCY(IES), COUNTRY(IES), FOCAL AREA AND THE PROGRAMMING OF FUNDS

GEF Agency	Trust Fund	Country Name/Global	Focal Area	Programming of Funds	(in $)		
					GEF Project Financing (a)	Agency Fee (b)	Total (c)=a+b
WWF-US	CBIT	Nepal	Climate Change	(select as applicable)	1,651,175	148,606	1,799,781
Total GEF Resources					1,651,175	148,606	1,799,781

E.1. PROJECT PREPARATION GRANT (PPG) *[Skip this section if PPG has previously been requested (as child project)]*

Is Project Preparation Grant requested? Yes ☐ No ☐ If no, skip item E.1.

PPG AMOUNT REQUESTED BY AGENCY(IES), TRUST FUND, COUNTRY(IES) AND THE PROGRAMMING OF FUNDS

GEF Agency	Trust Fund	Country/ Regional/Global	Focal Area	Programming of Funds	(in $)		
					PPG (a)	AgencyFee (b)	Total c = a + b
(select)	(select)		(select)	(select as applicable)			
Total PPG Amount							

E.2. DOES THE PROJECT INCLUDE A "NON-GRANT" INSTRUMENT? No

(If non-grant instruments are used, provide in Annex D an indicative calendar of expected reflows to your Agency and to the GEF/LDCF/SCCF Trust Fund).

F. PROJECT'S TARGET CONTRIBUTIONS TO GEF 7 CORE INDICATORS

Select the relevant sub-indicator values for this project using the methodologies indicated in the Core Indicator Worksheet provided in Annex F and aggregating them in the table below. Progress in programming against these targets is updated at mid-term evaluation and at terminal evaluation. Achieved targets will be be aggregated and reported

any time during the replenishment period. There is no need to complete this table for climate adaptation projects financed solely through LDCF and SCCCF.

Project Core Indicators		Expected at CEO Endorsement
1	**Terrestrial protected areas** created or under improved management for conservation and sustainable use (Hectares)	
2	**Marine protected areas** created or under improved management for conservation and sustainable use (Hectares)	
3	Area of **land restored (**Hectares)	
4	Area of **landscapes under improved practices** (excluding protected areas)(Hectares)	
5	Area of **marine habitat under improved practices** (excluding protected areas) (Hectares)	
	Total area under improved management (Hectares)	
6	**Greenhouse Gas Emissions Mitigated** (metric tons of CO2e)	
7	**Number of shared water ecosystems** (fresh or marine) under new or improved cooperative management	
8	Globally over-exploited **marine fisheries** moved to more sustainable levels (metric tons)	
9	**Reduction**, disposal/destruction, phase out, **elimination** and avoidance of **chemicals of global concern** and their waste in the environment and in processes, materials and products (metric tons of toxic chemicals reduced)	
10	Reduction, avoidance of emissions of **POPs to air** from point and non-point sources (grams of toxic equivalent gTEQ)	
11	Number of **direct beneficiaries disaggregated by gender** as co-benefit of GEF investment	Total: 500 Female: 165 Male: 335

Provide additional explanation on targets, other methodologies used, and other focal area specifics (i.e., Aichi targets in BD) including justification where core indicator targets are not provided.

For indicator #11, the targeted project beneficiaries are the working population, in particular ministry staff, which consists of a majority of 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.

G. PROJECT TAXONOMY

Fill up the table below for the taxonomic information provided at PIF stage. Use the GEF Taxonomy Worksheet provided in Annex G to find the most relevant keywords/topics/themes that best describe the project.

Level 1	Level 2	Level 3	Level 4
Influencing Models	Strengthen institutional capacity/decision making		
Stakeholders	Stakeholder engagement		
Capacity, Knowledge and Research	Capacity Development		
Gender Equality	Gender mainstreaming	Sex-disaggregated indicators	
Focal Area/Theme	Climate Change	United Nations Framework Convention on Climate Change (UNFCCC)	Capacity Building Initiative for Transparency (CBIT)
Rio Markers	Climate Change Mitigation 2 Climate Change Adaptation 1		

PART II: PROJECT JUSTIFICATION

DESCRIBE ANY CHANGES IN ALIGNMENT WITH THE PROJECT DESIGN WITH THE ORIGINAL PIF

1a. *Project Description*. Elaborate on: 1) the global environmental and/or adaptation problems, root causes and barriers that need to be addressed (systems description); 2) the baseline scenario and any associated baseline projects, 3) the proposed alternative scenario with a description of outcomes and components of the project; 4) alignment with GEF focal area and/or impact program strategies; 5) incremental/additional cost reasoning and expected contributions from the baseline, the GEFTF, LDCF, SCCF, and co-financing; 6) global environmental benefits (GEFTF) and/or adaptation benefits (LDCF/SCCF); and 7) innovativeness, sustainability and potential for scaling up.

1) Global environmental and/or adaptation problems, root causes and barriers that need to be addressed (systems description)

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. ' The nature of vulnerabilities varies across regions and communities over time and depends on the local socio-economic conditions. 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". 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., 136th among 192 countries.

Nepal is facing several challenges from climate change: shrinking glaciers leading to 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 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 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.

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 actions. However, currently there is no robust climate change MRV system fully established in Nepal. Information 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.

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 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.

Limited capacity and technical expertise

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 the 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.

Moreover, apart from 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.

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 have are specific whereas IPPU and Waste hasve 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) NGOs/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.

Insufficient tools and processes to calculate emissions

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.[1] 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 Deforestatin 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.

Lack of dedicated human and financial resource for MRV

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

[1] 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.

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 is dedicated personnel/sections responsible for generating, storing, retrieving data when required.

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.

BARRIERS AND CONSTRAINTS PROJECT AIMS TO ADDRESS

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

2) Baseline scenario and any associated baseline programs

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.[2] 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 programmes including accessing additional financial and technical support for implementing climate change actions.

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 partners.[3] In the following year, the government introduced the National Framework on Local Adaptation Plan for Action (LAPA) to address local adaptation needs.

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 developments without compromising environment conservation while achieving the goals of sustainable 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.

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. 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 coordination of MoFE at the national level to facilitate mainstreaming, monitoring and reporting of climate change actions in the country.

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.

In 2015, Nepal also initiated a process to formulate and implement 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 programmes. 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

[2] 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.

[3] 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.

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.

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".[4] It includes 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 programmes 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 channelled for programmes 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/programmes 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.

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.[5] Also, the coding does not support tracking climate expenditure of community based organizations, non-governmental organizations (NGOs), and international NGOs (INGOs).[6] This highlights the need to formulate improved codes and reporting mechanisms to track national investments in the sector.

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;

[4] NPC (2011). Climate-Resilient Planning. [Working Document], Government of Nepal, National Planning Commission, Kathmandu, Nepal.
[5] 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.
[6] 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.

track the quality of expenditure with 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'.[7]

The CCFF is expected to address three main policy challenges to climate finance in Nepal: 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 Inter-ministerial 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 project-based 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.

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.

The third NC includes inventory of emissions of following gases:

- Direct GHGs: consist of Carbon dioxide (CO_2), Methane (CH_4), Nitrous oxide (N_2O), Hydrofluorocarbons (HFCs), Perfluorocarbons (PFCs), and Sulphur hexafluoride (SF_6).
- Indirect GHGs: such as Carbon monoxide (CO), Nitrousoxides (NOx), Non-Methane Volatile Organic Compound (NMVOC), and Sulphur dioxide (SO_2).

In the second NC, only CH_4, CO_2 and NO_2 were considered as direct GHG.

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

[7] 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.

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). 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.

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 CO2 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.

The third NC has reported emissions from four sources namely: AFOLU, Energy, Waste, and IPPU.[8] 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.

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.[9] 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.

TABLE 1: NEPAL SECOND NDCS 2020 TARGETS

Emission Sectors	Targets	GHG emission reduction
Energy	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.	
	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_2 eq. in 2025 to 2,734 Gg CO2 eq.

[8] TU (2018). Program to Mitigate Climate Change in Nepal. Report prepared for TNC (Draft). Centre Department of Environment Science, Tribhuvan University, Kritipur, Nepal.

[9] Government of Nepal (2020). Second Nationally Determined Contribution (NDC). Government of Nepal, Kathmandu.

Emission Sectors	Targets	GHG emission reduction
	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_2 eq. in 2030 to 2,619 Gg CO_2 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_2 eq. in BAU in 2025 to approximately 1,774 Gg CO_2 eq., and reduce emissions from approximately 2,064 Gg CO_2 eq. from BAU in 2030 to 1,599 Gg CO_2 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 $REDD^+$ 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.

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 gender-responsive 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.

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.

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.

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.

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).

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

Summary of on-going initiatives supporting the Enhanced Transparency Framework

[1:52 PM] Lingertat, Heike

Baseline initiatives	**Areas CBIT project can build off**
Long Term Strategy (LTS) fornet zero emission	MoFE has developed LTS in 2021 with assistance from UNDP, the NDC 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_2 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 Enhancement Package (CAEP) of NDC Partnership.	The NDC Partnership launched CAEP in 2019 to deliver targeted, fast-track support to countries to enhance the quality, increase the ambition, and implement NDCs to support the objectives of the Paris Agreement. The donors include Government of Australia, Denmark, UK, Germany, Ireland, France, and Netherland. Nepal is one of the countries receiving this package.

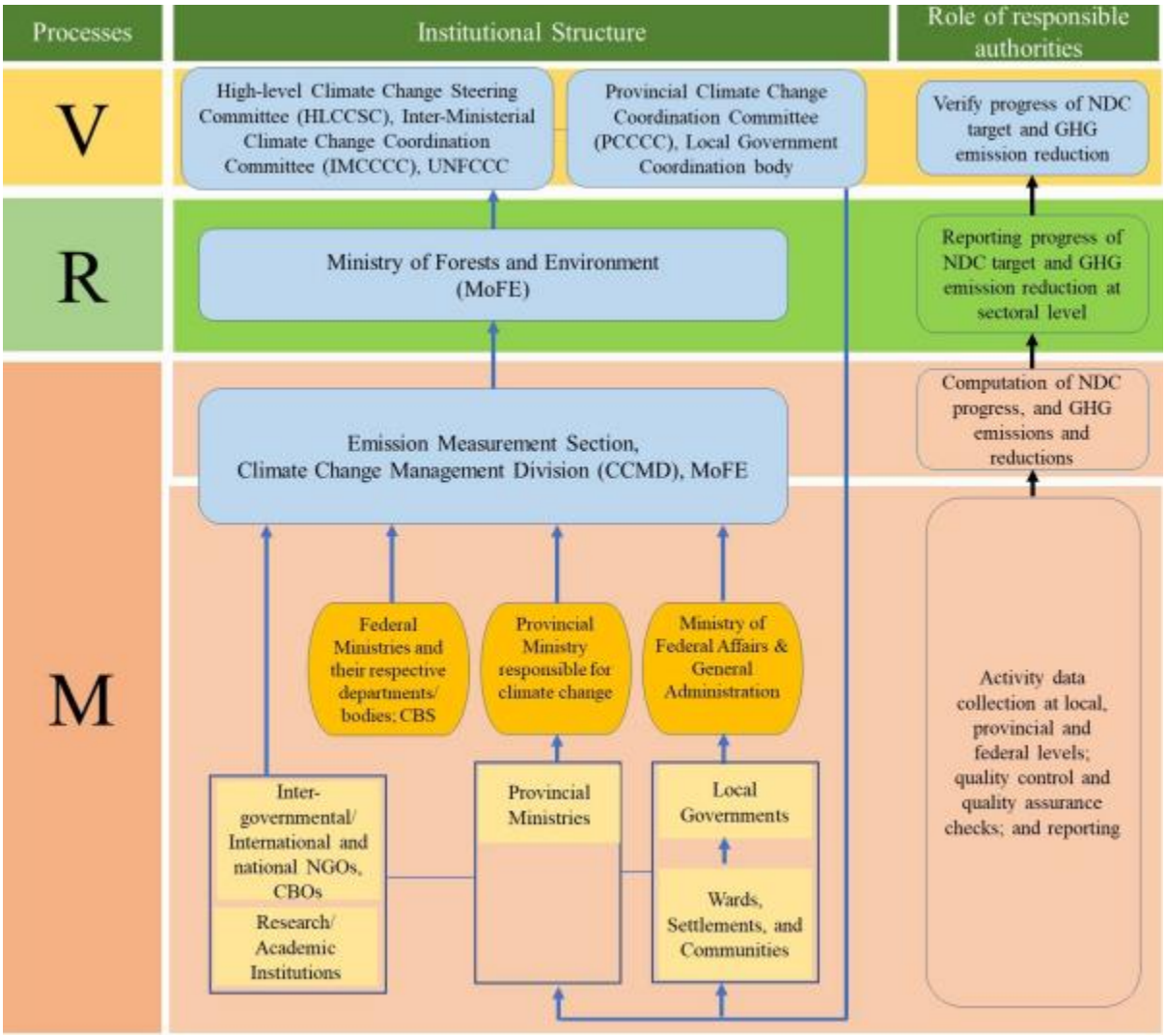
Baseline initiatives	Areas CBIT project can build off
	Under the CAEP, WWF Nepal has prepared Climate Change Strategy and Action Plans for all seven provinces in 2021. The plan constitutes short term, mid- term and long-term targets with overall objective of building climate resilience and adopting low 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 Deforestation and Forest Degradation plus (REDD+)	Nepal is under REDD+ Readiness Phase 1 supported the establishment of a National Forest Monitoring System to monitor forest cover at the national level over time as well as an MRV system. Nepal has prepared 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.[1] 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.[2] CBIT Components 1 and 2 will build on the MRV system developed for accounting GHG emissions in forest sector.
Nepal Climate Change Support Programme (NCCSP) Phase 2 (2018-2023)	GoN is implementing local level adaptation program in selected districts with the support from Department for International Development, Government of United Kingdom. The CBIT project will 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 threats to food production and food security in the Karnali region of Nepal Project (2018-2022)	The project is supported by the Adaptation Fund to increase local capacity on assessing climate risks and developing adaptive strategies for food security. The CBIT project can learn and build from the information management systems proposed through the project.

[1] http://www.redd.gov.np/post/presentation-on-r-package-study

[2] MoFSC (2016). National Forest Reference of Nepal (2000-2010). Ministry of Forests and Soil Conservation, Government of Nepal.

Department for International Development
The Department for International Development has closed. It's been replaced by the Foreign, Commonwealth & Development Office (FCDO).

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

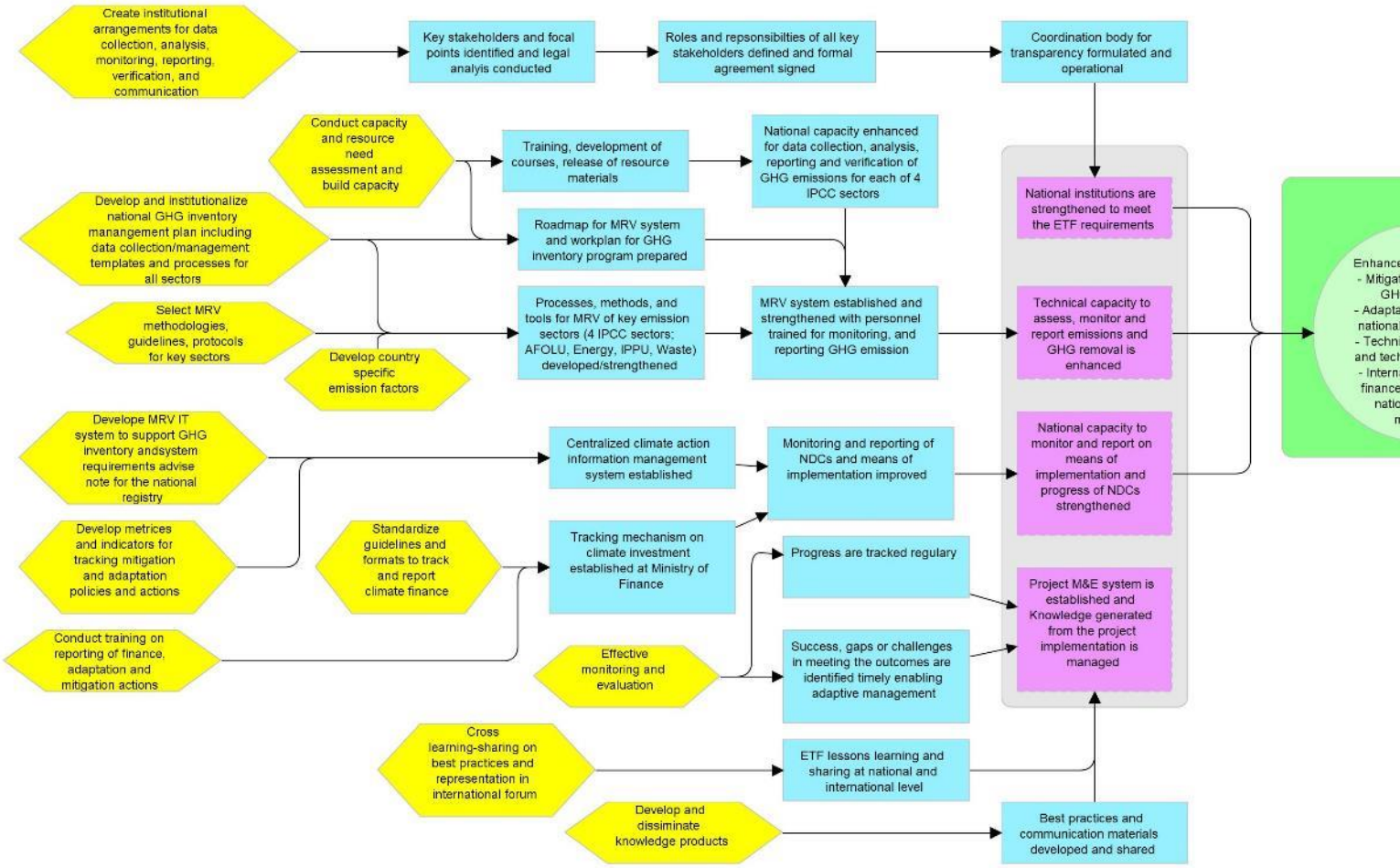


Proposed alternative scenario with a description of outcomes and components of the project

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 removal 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.

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



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

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

Sustainable institutional arrangements for MRV will be established among relevant ministries and institutions[10] 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 ~~and modeling~~; reporting; and communications ***US$ 146,254***

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.

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.

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.

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.

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.

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.

[10] Ministries and institutions at federal level: MoFE; Ministry of Finance; National Planning Commission; Ministry Energy, Irrigation and Water Resource; Ministry of Agriculture and Livestock Development; Ministry of Industry, Supply and Commerce; Ministry of Home Affairs; Ministry of Physical Infrastructure and Transport; Ministry of Urban Development; Ministry of Tourism, Culture and Civil Aviation; Central Bureau of Statistics
Ministry at provincial level: Ministry of Land Management, Agriculture and Cooperatives; Ministry of Industry, Tourism, Forest and Environment; Ministry of Physical Infrastructure and Development

- 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

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

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***

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).

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 emissions 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.

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.

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.

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

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***

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.)

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.

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.

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.

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.

Activities:

- Carryout sector specific capacity assessment on current database management (data collection method, storage system, analysis), reporting mechanism, and verification methods; and analyze, gaps
- 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, 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

As one of the key ETF requirement 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*

Under this outcome, 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).

Output: 3.1.1. Centralized climate action information management system established and functional

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.

Activities:

- Developing an MRV IT system requirements/advice document to support GHG and other climate-relevant data management and archiving specific to Nepal's national circumstances and 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 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

Currently, the MoF has an 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 code 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 (MoFE and MoF) to enable them to use the developed tools and automated system.

Activities:

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

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

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..

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

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.

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.

A detailed description is available in section **2.7 Monitoring and Evaluation.**

Output 4.1.1. Project outcomes are monitored regularly to track progress

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

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

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.

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.

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

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

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.

3) Alignment with GEF focal area and/or impact program strategies

55. 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.

56. 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

TABLE 2: ALIGNMENT OF THE NEPAL CBIT PROJECT WITH THE CBIT OBJECTIVES

GEF Focal Area	Objectives of CBIT	Objective of Project
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	1. Strengthening national institutions for climate transparency-related activities in line with national priorities and provisions of Paris Agreement's ETF by - 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.
	2. Provide relevant tools, training, and assistance for meeting the provisions stipulated in Article 13 of the Agreement.	2. Enhancing technical capacity to assess, monitor and report the emissions and removals of GHGs by - Developing and/or strengthen processes, methods, and tools for MRV of all emission sectors (AFOLU, Energy, IPPU, Waste). - Enhanced national capacity for data collection, analysis, reporting and verification for all GHG emission sectors (AFOLU, Energy, IPPU, Waste)
	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.

4) Incremental/additional cost reasoning and expected contributions from the baseline, the GEFTF, LDCF, SCCF, and co-financing

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.

Nepal is aiming to move towards a climate resilient green economy. However, with the business-as-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.

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.

5) Global environmental benefits (GEFTF) and/or adaptation benefits (LDCF/SCCF);

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.
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.

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.

6) Innovativeness, sustainability and potential for scaling up

Innovation

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.

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 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.

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.

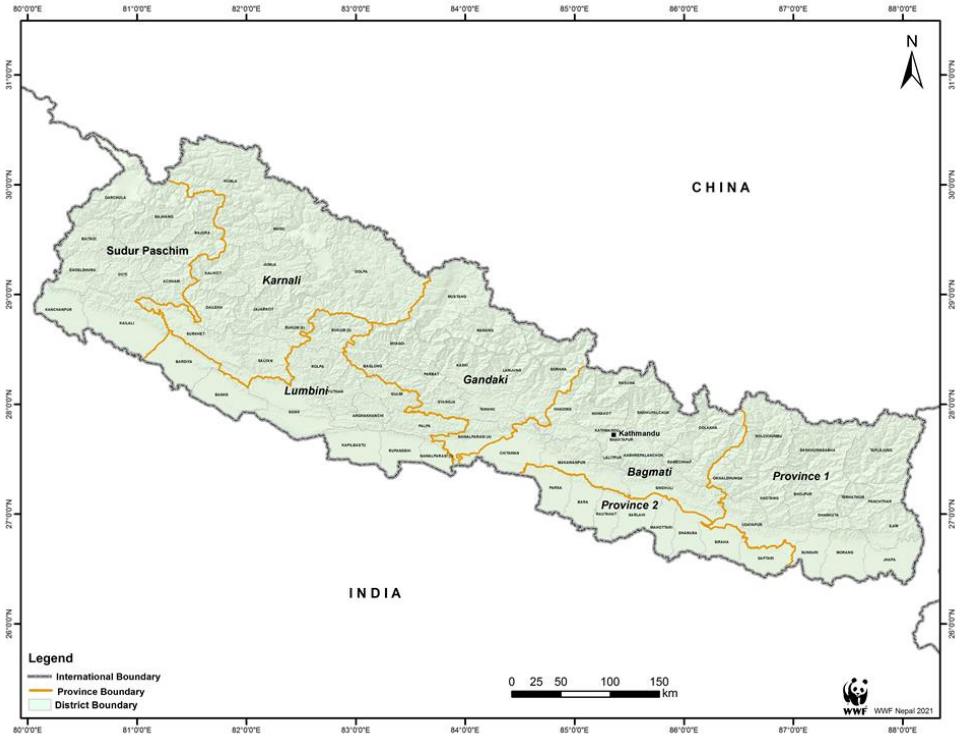
Nepal’s commitments to the Paris Agreement can be reflected in the Second NDC and the recently released Long Term Strategy for Net Zero which makes it obligatory to monitor and report emissions so as to achieve the targets set on the national documents communicated to UNFCCC. The proposed institutional 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 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 M&E 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 with their feasibility and relative priority for country-specific emissions and the project can set a road-map for moving from 'high' priority and relevance emission factors to 'medium' priority and relevance ones by the end of this project which are based on the necessity in NDC targets, current share in GHG emissions and future emission potential potentials.

1b. Project Map and Geo-Coordinates. Please provide geo-referenced information and map where the project interventions will take place.

Longitude: 80°4'E to 88°12' E
Latitude: 26°22'N to 30°27'N



1c. Child Project? If this is a child project under a program, describe how the components contribute to the overall program impact.

2. *Stakeholders*. Provide the Stakeholder Engagement Plan or equivalent assessment.

Previous Engagement:

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 described in Appendix G: The Stakeholder Engagement Plan in the Project Document.

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 in the Stakeholder Engagement Plan in the Project Document.

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, non-government 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.

National sharing and validation workshop

On May 2, 2019, a national consultation workshop 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 presented in the Stakeholder Engagement Plan in the Project Document.

SEP

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.

STAKEHOLDER ENGAGEMENT PLAN

Stakeholders	Reason for engagement	Role in the project	Related component	Mode of engagement and frequency
Primary Stakeholders				
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	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	PSC (annually) and PEC (biannually) meeting, Training and workshops (1st year of project period) Cross learning and sharing (2nd and 3rd year of project period) Monitoring Monthly project meetings with PMU.

Stakeholders	Reason for engagement	Role in the project	Related component	Mode of engagement and frequency
	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.			
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	PSC (annually) and PEC (biannually) meetings Training and workshop (1st year of project period) Review of tools and templates
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 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	PSC meetings (annually) Training and workshops (1st year of project period) Technical review
Key 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;	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	Component 1, 2, 3	PSC (annually) and PEC meeting (biannually), Training and workshops (1st year of project period)

Stakeholders	Reason for engagement	Role in the project	Related component	Mode of engagement and frequency
	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 level: province level date and information on industry, forest and environment related projects/plans	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.		Cross learning & sharing (2nd and 3rd year of project period) Technical review
Academic institutions: Kathmandu	The academia conducts research activities on	Universities will be involved in capacity-building activities relating to MRV	Component 2	Engagement in research, module formulation (2nd

Stakeholders	Reason for engagement	Role in the project	Related component	Mode of engagement and frequency
University (KU), Tribhuvan University (TU)	environmental management and climate change issues.	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.		and 3rd year of project period) Training and workshops (1st year of project period)
Private sector such as Production-based private sector (mainly those under the IPPU such as cement, mineral, chemical, metal, etc.), Solar and hydropower associations etc. that are represented through Federation of Nepalese Chambers of Commerce & Industry (FNCCI) and Confederation of Nepalese Industries (CNI), Independent Power Producers Association, Nepal (IPPAN).	The private sector plays a key role of investing in a 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 brining in Foreign Direct Investments. It can also incorporate low carbon development strategies as part of the Green Economic Development in their core policies.	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. The FNCCI and CNI represent the industries in Nepal and will be major source of information for the emissions from industries, energy and transport including information on domestic and international investments. The IPPAN is the umbrella organization of power producers in Nepal and a major stakeholder in Energy sector.	Component 2	Training and workshops (1st year of project period)

Stakeholders	Reason for engagement	Role in the project	Related component	Mode of engagement and frequency
Media	Media plays a key role in raising public awareness on climate change issues and CBIT project including requirements of the Enhanced Transparency Framework.	Media will be mobilized for sharing project outcomes and to build common understanding on transparency requirements.	Component 4	Workshop Publications and communication (1st and 3rd year of project period)
Secondary Stakeholders				
CSOs working in climate change sector, Gender and inclusion in natural resources sector such as Clean Energy Nepal, Prakriti Resources Centre, Nepal Energy Foundation, Women Network for Energy and Environment etc. and Development partners such as World Bank, Asian Development Bank, International Centre for Integrated Mountain Development	CSOs plays a crucial role in advocacy and are usually organizations that implements project on ground. Development partners have mandates to provide official development assistance for both financial and technical assistance supporting the country in achieving its long-term and short-term plans.	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 development of the BUR and National Communication and the GHG inventory. UNEP can contribute to knowledge-sharing. UNDP through the UN REDD+ programme can provide support in providing data on Forestry.	Component 1, 2 and 3	Workshops (1st year of project period) Meetings (as and when required)

Stakeholders	Reason for engagement	Role in the project	Related component	Mode of engagement and frequency
(ICIMOD), United Nation (UN) Agencies (UNDP and UNEP)				

a. 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

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.

Select what role civil society will play in the project:

☐Consulted only;

☒Member of Advisory Body; contractor;

☐Co-financier;

☐Member of project steering committee or equivalent decision-making body;

☐Executor or co-executor;

☒Other (Please explain) Civil society will play a key role in disseminating the learning and advocating for enhanced transparency of support received and mobilized.

3. Gender Equality and Women's Empowerment. Provide the gender analysis or equivalent socio-economic assessment. (Type response here; if available, upload document or provide link)

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

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.

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

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.11 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.

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 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.12 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

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.

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

[11] https://nepalindata.com/media/resources/items/20/bNLFS-III_Final-Report.pdf
[12] MoFE (2021). Strategy and Action Plan for mainstreaming GESI in Climate Change. Ministry of Forests and Environment, Government of Nepal.

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

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

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

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 (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

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.

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

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.

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.

Does the project expect to include any gender-responsive measures to address gender gaps or promote gender equality and women's empowerment? (yes ☒ /no☐) If yes, please upload gender action plan or equivalent here.
If possible, indicate in which results area(s) the project is expected to contribute to gender equality:
☐ closing gender gaps in access to and control over natural resources;
☒ improving women's participation and decision making; and or
☐ generating socio-economic benefits or services for women.
Does he project's results framework or logical framework include gender-sensitive indicators? (yes ☒ /no☐)

4. **Private Sector Engagement**. Elaborate on the private sector's engagement in the project, if any.
A key actor such as the private sector which is engaged in both GHG emissions and mitigation activities is not adequately engaged in climate finance, adaptation, mitigation or accounting of their contribution in any way or in the data collection. The private sector plays a key role of investing in a 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 brining in Foreign Direct Investments. It can also incorporate low carbon development strategies as part of the Green Economic Development in their core policies. Private sector engagement is required to meet the Outcome 2.1. Capacities of the private sectors will be built to support in GHG inventory and to measure GHG emissions from different sources. The capacity building of relevant private entities will 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 will work closely wit the private sector to improve data quality, collection, systematization and archiving that will help to make informed and evidence-based policy decisions by engaging data users and suppliers/providers to ensure consistency and frequency of data quality, relevant reporting format and timely reports. Since the private sector is the key sector for bringing in technologies, it is pertinent for them to understand their role and contribution in achiving the targets of Nepal's NDC leading to increased ownership and usage of the results, particularly to inform policy decisions, and increased participation of multiple sectors to create synergy around the issue of climate action.

5. **Risks**. Elaborate on indicated risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved, and, if possible, the proposed measures that address these risks at the time of project implementation.(table format acceptable):

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

Table 5: Risk Mitigation Plan

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.

Risk	Level	Mitigating Strategies and Actions
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-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. • Specific buy-in strategies will be designed for different stakeholders (i.e. sector ministries, industrial operators, businesses and NGOs) • Inter-ministerial working groups/committees will be established and strengthened as also envisioned by the National Climate Change Policy 2019. • 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. • 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. • Clear guidelines, roles and responsibilities will be established for the implementation and tracking of NDCs.
Data quality and availability constraints	Moderate	• 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. • Academic/ research institutions will be involved in the technical working group to facilitate data access where appropriate. • Formal collaboration arrangements will be established with institutions that are data repositories. • The project will expand participation of data providers to cover new areas that will be required by the new MRV task.
Limited skillset across all the GHG emitting sectors (government and non-government) for GHG inventory and MRV	Moderate	• Existing capacities and skill sets will be assessed at institutional level and addressed through long-term capacity building strategies and packages. • Where consultants are to be recruited, they will be paired with local experts to facilitate knowledge transfers. • Where possible experts from national academic/research institutions, CSO and private sector will be engaged.

Risk	Level	Mitigating Strategies and Actions
Staff turnover	Moderate	• The project will aim to have a dedicated focal point of two in each department or ministry so that there is institutional memory. Frequent communication with the focal points and teams will also help in mitigating the risk. The PMU will communicate regularly with the senior management in the respective government offices to 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 staffs will be able to understand the activity and take forward the responsibilities effectively. • Should staff change occur, events will be organized to orientate new staff to the project strategy and operational arrangements. • 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.
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 change		• 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 6: Covid 19-Risk Table

Risk category	Potential Risk	Mitigations and Plans
Availability of technical expertise and capacity and changes in timelines	High Continued or renewed efforts in COVID-19 containment measures (such as travel and meeting restrictions) are likely during implementation.	The project will follow GEF Agency and government COVID guidelines and develop COVID risk mitigation measures as necessary. GEF Agency COVID guidelines can be found in Appendix L. Technical 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 Capacity and experience for remote work and online interactions as well as limited	The Executing Agency MoFE and other executing partner have limited experience coordinating remotely but have done so during the COVID pandemic. The ministry will have to adapt its processes to move to more digital

Risk category	Potential Risk	Mitigations and Plans
	remote data and information access and processing capacities that projects will need to strengthen.	processing which also presents for the ministries an opportunity.
	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 Changes in baseline and potential co-financing sources identified may change due to	The co-finance identified for this project is stable and committed.

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.

6. Institutional Arrangement and Coordination. **Describe the institutional arrangement for project implementation. Elaborate on the planned coordination with other relevant GEF-financed projects and other initiatives.**

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(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.

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

At the request of the government WWF Nepal will provide limited execution support funded by (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:

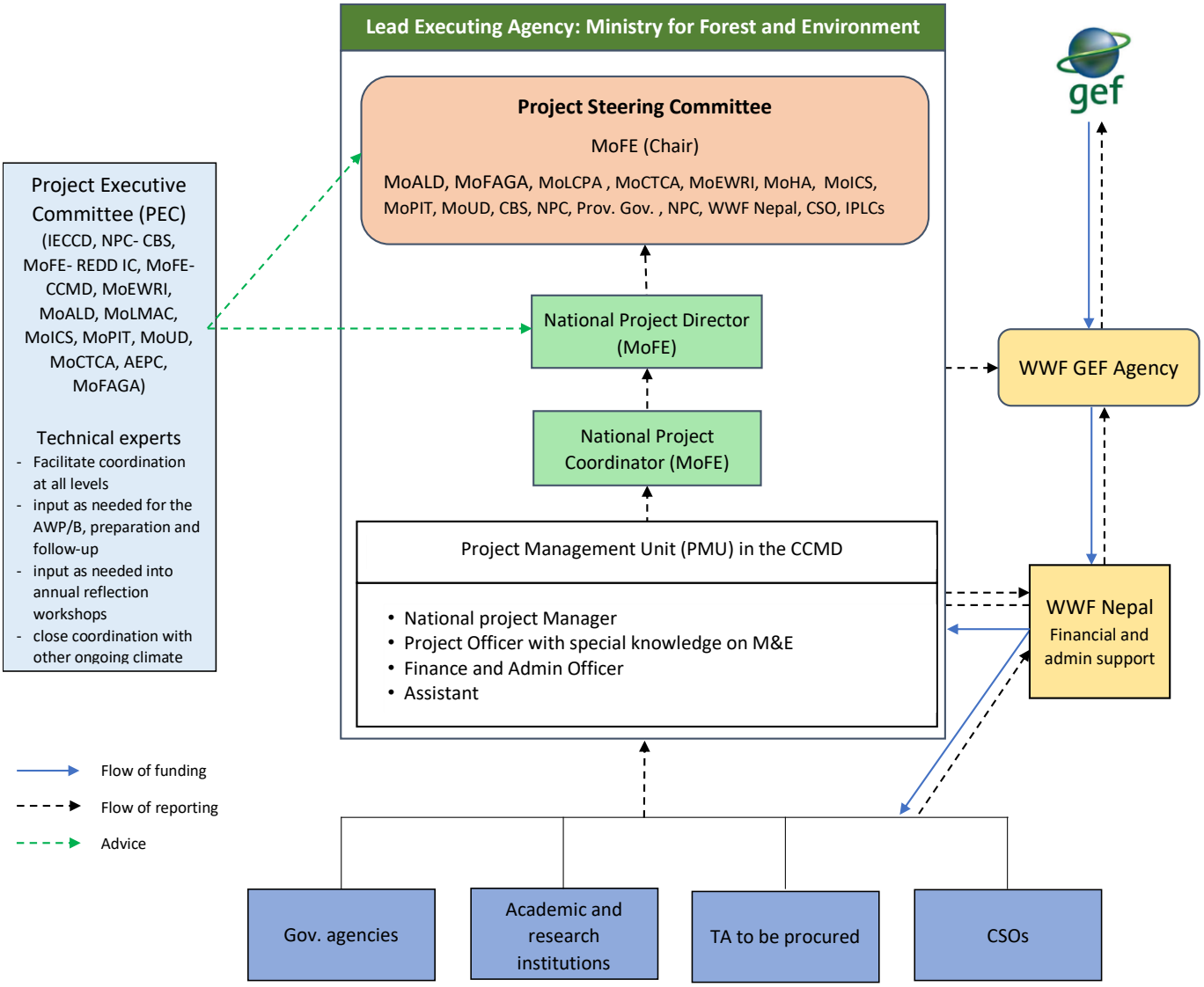
a. At the direction of MoFE recruitment of staff (to be seconded to the project) and consultants to be assigned to the PMU.
b. Financial Management,
c. Annual financial audits.

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.

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.

The implementation arrangement is shown in the figure below.

INSTITUTIONAL ARRANGEMENT FOR CBIT PROJECT



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.

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

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.

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.

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

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).

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).

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.

Coordination with other Relevant GEF and Non GEF Initiatives

1. **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.
2. **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 3: Summary of relevant GEF-financed projects

GEF initiatives	Description	Areas complementary with CBIT activities
Third NC and BUR	With funding from GEF (UNEP, Umbrella Programme for Preparation of National Communications and Biennial Update	The document provides the framework for preparing GHG

GEF initiatives	Description	Areas complementary with CBIT activities
	Reports to the UNFCCC, #9442) , third NC has been submitted in 2021 and is planning to submit its BUR by the end of 2021.	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, Managing Watersheds for Enhanced Resilience of Communities to Climate Change in Nepal (MaWRiN), #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, Reducing Vulnerability and Increasing Adaptive Capacity to Respond to Impacts of Climate Change and Variability for Sustainable Livelihoods in Agriculture Sector in Nepal, #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 Degraded Forests and Rangelands of Nepal.	Under LDCF/GEF (UNEP, Catalyzing Ecosystem Restoration for Climate Resilient Natural Capital and Rural Livelihoods in Degraded Forests and Rangelands of Nepal., #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	
Developing climate resilient livelihoods in the vulnerable watersheds	Supported by LDCF/GEF, (UNDP, Developing Climate Resilient Livelihoods in the Vulnerable Watershed in Nepal, #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, Ecosystem-Based Adaptation for Climate-resilient Development in the Kathmandu Valley, Nepal, #8009) to increase urban resiliency in Kathmandu valley.	

GEF initiatives	Description	Areas complementary with CBIT activities
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, https://www.thegef.org/projects-operations/projects/9864); ii) Building global capacity to increase transparency in the forest sector (CBIT Forest, https://www.thegef.org/projects-operations/projects/10071) ; and iii) CBIT Global Coordination Platform (https://www.thegef.org/projects-operations/projects/9675 and its second phase https://www.thegef.org/projects-operations/projects/10128). 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)

***7. Consistency with National Priorities*. Describe the consistency of the project with national strategies and plans or reports and assessments under relevant conventions from below:**
- Others

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

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.

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.

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.

NAPs and NDCs
Many of the outputs of this project are closely linked with the NAPs and the NDCs. The NDCs 2020 has committed activity-based targets for 2025 and 2030 in key sectors of emission as well as estimated reduction of CO_2 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. 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.

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.

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.

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.

8. Knowledge Management. **Elaborate the "Knowledge Management Approach" for the project, including a budget, key deliverables and a timeline, and explain how it will contribute to the project's overall impact.**

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.

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.

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.

A strategic knowledge and communications plan has been budgeted for this Project which is depicted in Appendix D: Knowledge Management and Communications in the project document.

9. Monitoring and Evaluation. Describe the budgeted M & E plan.

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.

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.

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.

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.

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.

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.

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.
    - 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.

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.

TABLE 4: M&E PLAN

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 (In built in Salary; budget number 35, 36 & 37 as mentioned in column D- Appendix A of budget)
Sub-recipient/partner progress reports and follow-up	PMU	ongoing	
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	
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

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.

10. *Benefits.* Describe the socioeconomic benefits to be delivered by the project at the national and local levels, as appropriate. How do these benefits translate in supporting the achievement of global environment benefits (GEF Trust Fund) or adaptation benefits (LDCF/SCCF)?

Capacity building of government at different levels (federal and provincial) and multi-stakeholders 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.

PART IV: ANNEXES

Annex A: Project Results Framework (either copy and paste here the framework from the Agency document, or provide reference to the page in the project document where the framework could be found).

Annex B: Response to Project Reviews if applicable (from GEF Secretariat and GEF Agencies, and Responses to Comments from Council, and responses to comments from the Convention Secretariat and STAP).

Annex C: Status of Utilization of Project Preparation Grant (PPG) (If requesting for PPG reimbursement, please provide details in the table below:

Project Preparation Activities Implemented	*GETF/LDCF/SCCF Amount ($)*		
	Budgeted Amount	*Amount Spent Todate*	*Amount Committed*
Total	1	1	1

Annex D: Calendar of Expected Reflows (if non-grant instrument is used)
Provide a calendar of expected reflows to the GEF/LDCF/SCCF Trust Funds or to your Agency (and/or revolving fund that will be set up)

Annex E: Project Map(s) and Coordinates
Please attach the geographical location and map of the project area, if possible.

Annex F: GEF 7 Core Indicator Worksheet
Use this Worksheet to compute those indicator values as required in Part I, Table F to the extent applicable to your proposed project. Progress in programming against these targets for the program will be aggregated and reported at anytime during the replenishment period. There is no need to complete this table for climate adaptation projects financed solely through LDCF and SCCF.

Annex G: GEF Project Taxonomy Worksheet
Use this Worksheet to list down the taxonomic information required under Part I, item G by ticking the most relevant keywords/ topics/themes that best describe this 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 financial instruments		
☒ Stakeholders			
	☐ Indigenous Peoples		
	☒ Private Sector		
		☐ Capital providers	
		☐ Financial intermediaries and market facilitators	

		☐ Large corporations	
		☐ SMEs	
		☐ Individuals/Entrepreneurs	
		☐ Non-Grant Pilot	
		☐ Project Reflow	
	☒ **Beneficiaries**		
	☒ **Local Communities**		
	☒ **Civil Society**		
		☒ Community Based Organization	
		☒ Non-Governmental Organization	
		☒ Academia	
		☐ Trade Unions and Workers Unions	
	☒ **Type of Engagement**		
		☒ Information Dissemination	
		☒ Partnership	
		☒ Consultation	
		☒ 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**		
		☒ Knowledge Management	
		☐ Innovation	
		☒ Capacity Development	
		☒ Learning	
	☒ **Stakeholder Engagement Plan**		
☒ **Gender Equality**			
	☒ **Gender Mainstreaming**		
		☒ 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 ([13]Good Growth Partnership)	
			☐ Sustainable Commodities Production
			☐ Deforestation-free Sourcing
			☐ Financial Screening Tools
			☐ High Conservation Value Forests
			☐ High Carbon Stocks Forests

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			☐ Soybean Supply Chain
			☐ Oil Palm Supply Chain
			☐ Beef Supply Chain
			☐ 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
			☐ Smallholder Farming
			☐ Small and Medium Enterprises
			☐ Crop Genetic Diversity
			☐ Food Value Chains
			☐ Gender Dimensions
			☐ Multi-stakeholder Platforms
		☐ Food Systems, Land Use and Restoration	
			☐ Sustainable Food Systems
			☐ Landscape Restoration
			☐ 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
			☐ Buildings
			☐ Municipal waste management
			☐ Green space
			☐ Urban Biodiversity
			☐ Urban Food Systems
			☐ Energy efficiency
			☐ Municipal Financing
			☐ Global Platform for Sustainable Cities
			☐ Urban Resilience
	☐ **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
			☐ Infrastructure
			☐ Certification (National Standards)
			☐ Certification (International Standards)
		☐ Species	
			☐ 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
			☐ Rivers
			☐ Lakes
			☐ Tropical Rain Forests
			☐ Tropical Dry Forests
			☐ Temperate Forests
			☐ Grasslands
			☐ Paramo
			☐ Desert
		☐ Financial and Accounting	
			☐ 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
			☐ 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
			☐ Sustainable Fire Management
			☐ 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**		
		☐ Ship	
		☐ Coastal	
		☐ Freshwater	
			☐ Aquifer
			☐ River Basin
			☐ Lake Basin
		☐ Learning	
		☐ Fisheries	
		☐ 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 Analysis and Strategic Action Plan preparation	
		☐ Strategic Action Plan Implementation	
		☐ Areas Beyond National Jurisdiction	
		☐ Large Marine Ecosystems	
		☐ Private Sector	
		☐ Aquaculture	
		☐ 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	
		☐ Cement	
		☐ Non-Ferrous Metals Production	
		☐ Ozone	
		☐ Persistent Organic Pollutants	
		☐ Unintentional Persistent Organic Pollutants	
		☐ Sound Management of chemicals and Waste	
		☐ Waste Management	
			☐ 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 Change**		
		☒ **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
			☒ Innovation
			☐ Complementarity
			☐ Community-based Adaptation
			☐ Livelihoods
		☒ **Climate Change Mitigation**	
			☒ Agriculture, Forestry, and other Land Use
			☐ Energy Efficiency
			☐ Sustainable Urban Systems and Transport
			☐ Technology Transfer
			☐ Renewable Energy
			☒ Financing
			☐ Enabling Activities
		☐ **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 Contribution

							Targets (annual and close)			
Indicator / unit	**Definition (note if cumulative)**	**Method/ source**	**Frequency**	**Responsible**	**Disaggregation**	**Baseline**	**YR1**	**YR2**	**YR3**	**Notes/ Assumptions**
Project objective: To strengthened 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 (NDC)										
Objective indicator 1: Timely reporting and communication on climate actions	Nepal will timely prepare and submit update - and communication reports to the UNFCCC following the transparency framework (relevant information on national circumstances, GHG inventories, a vulnerability and adaptation assessment, mitigation assessment, financial resources and transfer of technology, and education, training and public awareness)	UNFCCC website MoFE website	BUR: 2021 and every 2 years NC: every four year NDC: every 5 years	Mo FE	N/A	No BUR submitted till now (planned to be submitted in 2021) 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)	BUR		BUR Fourth NC Tracking /review of Seco	If BUR is submitted in 2021 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

							Targets (annual and close)			
Indicator / unit	**Definition (note if cumulative)**	**Method/ source**	**Frequency**	**Responsible**	**Disaggregation**	**Baseline**	**YR1**	**YR2**	**YR3**	**Notes/ Assumptions**
						First NDC submitted in 2016 and Second NDC submitted in 2020			nd NDC	
GEF Core Indicators										
Core Indicator 11 Number of direct beneficiaries disaggregated by gender as co-benefit of GEF investment .	**Beneficiary**: 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 Framework, guidance and knowledge products (indirect benefits). Where possible numbers will be disaggregated by gender (at least 33% of the total beneficiaries will be female).* cumulative	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, guidance and knowledge products by end of project. 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: Strengthening national institutions for climate transparency-related activities in line with national priorities and provisions of Paris Agreement's ETF										
Outcome 1.1: Institutional arrangements in place for coordinating, reporting, and communicating progress										
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

* 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.

							Targets (annual and close)			
Indicator / unit	**Definition (note if cumulative)**	**Method/ source**	**Frequency**	**Responsible**	**Disaggregation**	**Baseline**	**YR1**	**YR2**	**YR3**	**Notes/ Assumptions**
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
Component 2: Enhancing technical and institutional capacity to assess, monitor and report emissions and removals of GHG										
Outcome 2.1. Strengthened MRV reporting GHGs and assessing progress towards NDC commitments										
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, Energy, IPPU, Waste.	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	A tailored inventory management plan, jointly drafted with	MoFE website (MRV system	One time	PMU	N/A	0		4		Political commitment from the federal gov., sectoral ministries willing to

							Targets (annual and close)			
Indicator / unit	**Definition (note if cumulative)**	**Method/ source**	**Frequency**	**Responsible**	**Disaggregation**	**Baseline**	**YR1**	**YR2**	**YR3**	**Notes/ Assumptions**
established for 4 Emission sectors (AFOLU, Energy, IPPU, Waste)	government, with QA/QC procedures manual/guidelines/ protocol and inventory improvement plan for Nepal, including consultation process with stakeholders.	will be uploaded)								provide 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
Component 3: Strengthening national capacity to monitor and report on means of implementation and progress of NDCs										
Outcome 3.1: Monitoring and reporting of NDCs and means of implementation strengthened										
CBIT Indicator: Quality of the institutional capacity for transparency based on GEF score 1 to 4 as per Annex IV of CBIT programming directions **(Outcome indicator 3.1)**	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 related to key emission sectors for data sharing and reporting; and CCMD for monitoring, verification and communication.	In the midterm and after project completion as required in CBIT tracking tool	PMU	N/A	Baseline rate: 2 i.e., Designated transparency institution exists, but with limited staff and capacity to support and coordinate implementation of transparency activities under Article 13 of Paris Agreement. Institution lacks authority or mandate to coordinate		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 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

							Targets (annual and close)			
Indicator / unit	**Definition (note if cumulative)**	**Method/ source**	**Frequency**	**Responsible**	**Disaggregation**	**Baseline**	**YR1**	**YR2**	**YR3**	**Notes/ Assumptions**
						transparency activities under Article 13				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 (Target at the end of the project)	MoF annual budget brief	Annual	MoF	N/A	MoF annual budget brief includes insufficient information on public, private and international finance in mitigation and adaptation			1	Political commitment from the federal gov., sectoral ministries willing to provide necessary support to sustain, strengthen and fund the emission inventory and reporting.
Component 4: Monitoring and Evaluation (M&E) and knowledge 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										
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) completed.	Tracking of development and implementation of M&E Plan by PMU	Continuous	PMU	n/a	0	100% 2PPR, 4 QFR	100% 2PPR, 4 QFR	100 % 2PPR, 4 QFR	

							Targets (annual and close)			
Indicator / unit	**Definition (note if cumulative)**	**Method/ source**	**Frequency**	**Responsible**	**Disaggregation**	**Baseline**	**YR1**	**YR2**	**YR3**	**Notes/ Assumptions**
Output 4.1.1 indicator: Number and type of monitoring activities conducted that ensures regular tracking of project results	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 monitoring 1 Annual plan monitoring 4 quarterly reports 2 biannual PPR 1 annual PPR	1 PRF monitoring 1 Annual plan monitoring 4 quarterly reports 2 biannual PPR 1 annual PPR	1 PRF monitoring 1 Annual plan monitoring 4 quarterly reports 2 biannual PPR 1 annual 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 generated from the project implementation is managed through documentation and sharing of lessons learned										
Output 4.2.1 indicator: Different types and number of knowledge and communication materials	Types: audio-visuals, leaflets, technical brief, case study, articles Target: Gender friendly language will be used Non-cumulative	Tracking by PMU Communication & Knowledge Management Strategy	Annually	PMU	NA	0 (0%)	5	10	5	Materials produced will be designed to reflect target groups as part of the project's Communication & Knowledge Management Strategy.

							Targets (annual and close)			
Indicator / unit	**Definition (note if cumulative)**	**Method/ source**	**Frequency**	**Responsible**	**Disaggregation**	**Baseline**	**YR1**	**YR2**	**YR3**	**Notes/ Assumptions**
prepared and disseminated		(prepared in 1st year) Communication & KM materials (10 product in each 2nd and 3rd year)								
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

FEEDBACK TO ADDRESS:

- We would also request that a highlighted/track changes version of the portal document is uploaded for the next round to make the review process easier.
- KM: Please include the table 15 from the Prodoc into the portal document and as per GEF guidelines please include a budget. Also include the lessons learned section (either in entirety or a brief summary) in the portal document.
- The budget is still not legible in the portal document as the font is too small. Please revise. Additionally, please upload the revised budget as a separate spreadsheet on the "documents" tab.