

Establish an integral MRV/M&E system to enhance climate transparency in Paraguay

Review CEO Endorsement and Make a recommendation

Basic project information

GEF ID

10342

Countries

Paraguay

Project Name

Establish an integral MRV/M&E system to enhance climate transparency in Paraguay

Agencies

UNEP

Date received by PM

1/14/2021

Review completed by PM

4/12/2021

Program Manager

Milena Vasquez

Focal Area

Climate Change

Project Type

MSP

PIF
CEO Endorsement

Part I ? Project Information

Focal area elements

1. Does the project remain aligned with the relevant GEF focal area elements as presented in PIF (as indicated in table A)?

Secretariat Comment at CEO Endorsement Request

3/15/2021: Yes, changes from PIF have been well explained in the Project Document.

Please add Focal Area Outcome for CCM-3-8: Foster enabling conditions for mainstreaming mitigation concerns into sustainable development strategies through capacity building initiative for transparency.

4/12/2021: Cleared.

Agency Response

4/5/2021:

This is now updated in the portal.

Project description summary

2. Is the project structure/design appropriate to achieve the expected outcomes and outputs as in Table B and described in the project document?

Secretariat Comment at CEO Endorsement Request 3/15/2021: Please complete the Project Component and Expected Outcome for each row for completeness even if it is the same one.

Agency Response

4/5/2021:

This is now updated in the portal.

3. If this is a non-grant instrument, has a reflow calendar been presented in Annex D?

Secretariat Comment at CEO Endorsement Request N/A

Agency Response

Co-financing

4. Are the confirmed expected amounts, sources and types of co-financing adequately documented, with supporting evidence and a description on how the breakdown of co-financing was identified and meets the definition of investment mobilized, and a description of any major changes from PIF, consistent with the requirements of the Co-Financing Policy and Guidelines?

Secretariat Comment at CEO Endorsement Request 3/15/2021: Yes, co-financing of \$350,000 in-kind from the executing agency, the Ministry of Environment and Sustainable Development has been confirmed.

Agency Response

GEF Resource Availability

5. Is the financing presented in Table D adequate and does the project demonstrate a cost-effective approach to meet the project objectives?

Secretariat Comment at CEO Endorsement Request 3/15/2021: Yes.

Agency Response

Project Preparation Grant

6. Is the status and utilization of the PPG reported in Annex C in the document?

Secretariat Comment at CEO Endorsement Request

3/15/2021: We note that \$27,634 have been spent to date and that an additional \$9,900 have been committed, but this only adds up to \$37,535. Please clarify if the additional unspent and uncommitted resources of \$7,465 would be returned to the GEF.

4/12/2021: Ok. Cleared.

Agency Response

4/5/2021:

Outstanding balances in the consultative workshops and travel lines of the PPG are expected to be executed during the project's first year after endorsement, as these activities were delayed due to the COVID-19 pandemic. This has also been clarified in the Project Document.

Core indicators

7. Are there changes/adjustments made in the core indicator targets indicated in Table E? Do they remain realistic?

Secretariat Comment at CEO Endorsement Request 3/15/2021: Number of direct beneficiaries are unchanged from PIF. Adequate explanation for estimate has been provided.

Agency Response

Part II ? Project Justification

1. Is there a sufficient elaboration on how the global environmental/adaptation problems, including the root causes and barriers, are going to be addressed?

Secretariat Comment at CEO Endorsement Request

3/15/2021: Gaps and barriers are well elaborated.

- A minor comment: We note that the word personal is used multiple times to mean personnel, staff, technicians, experts... (personnel is also used). You may want to check and edit as appropriate.

4/12/2021: Cleared.

Agency Response

4/5/2021:

Thank you for the comment - it has been checked and edited.

2. Is there an elaboration on how the baseline scenario or any associated baseline projects were derived?

Secretariat Comment at CEO Endorsement Request

3/15/2021: The baseline scenario is very well elaborated. Please address comments below:

- Please include reference to the BUR 3/NC 4 project in this section to add context to how needs and gaps identified in the BUR 2 ICA process might have been address in the BUR 3 and what the experience of this reporting cycle might have been. We realize it is included in the table of other relevant projects, but it should be part of the narrative above.

- In the baseline scenario section, there is a reference to an internal improvement proposal developed under the third National Communication. This proposal has been referenced several times in the document. Please provide additional details on the recommendations/needs identified in this proposal in this section.

-The baseline scenario provides a good summary of the current SIAM module and how the Climate Change Module is envisioned in the various sub-systems. However, it is not clear from the description provided what Paraguay might have in place from a technical capacity perspective on MRV of mitigation actions. For example, since it has a BAU NDC, does it have technical capacities and methodologies in place to conduct scenario projections, what indicators, baselines, reference levels to monitor policies/programs are in place, if any.

-Similarly, in the baseline scenario section please include a summary of the existing scenario in relation to tracking support received and needed.

4/12/2021: Cleared.

Agency Response

4/5/2021:

- More information has been added regarding the progress with the BUR 3/NC 4 (see subsection ?transparency reporting? in the baseline). Several of the recommendations made from the BUR 2 process, of which the internal improvement proposals also stemmed from, are being addressed under the BUR3/NC4 project, albeit on an ad-hoc basis. The CBIT project aims to consolidate, formalize, integrate and institutionalize improvements introduced in the past so that they can be readily available for the benefit

of successive reporting. Information on this has been added in the CEO ED. Note however that the BUR3/NC4 are still under development, and drafts of the BUR3 are first planned to be published in May 2021. Thus, not all information is yet available at the time of preparing this response.

- Additional details for the internal improvement proposal have been added to this revision. Please refer to the sub-section 'Paraguay's Current Arrangement for the GHG Inventory' in the baseline section. These recommendations have been taken into account on a case-by-case basis at the time of preparing reports, without a systematic or institutionalized approach. They inform various elements in the CBIT proposal, mainly in Output 2.

- Additional information on the mitigation action system has also been added (sub-section: 'MRV system for mitigation actions?'), including on their technical capacity to conduct scenario projections, baselines, and indicators. This technical capacity is currently lacking, and thus underlines the gap which the CBIT project will fill.

- A specific sub-section 'Support received and needed?' has been added to the baseline. In short, a formalized system for tracking support received and needed does not yet exist.

3. Is the proposed alternative scenario as described in PIF/PFD sound and adequate? Is there sufficient clarity on the expected outcomes and components of the project and a description on the project is aiming to achieve them?

Secretariat Comment at PIF/Work Program Inclusion

3/15/2021: The proposed alternative scenario is well explained. Please address comments below:

- The Climate Change Module is envisioned as an integrated system. We note that Paraguay has certain sub-systems that are more advanced (such as GHG inventory and REDD+) compared to other that might be in the earlier stages. Considering this, please comment on how the different stages of advancement will be managed in a comprehensive, integrated system. For example, inter-linkages between sub-systems, overlapping data, verification of data and others may be impacted due to the different stages of advancement. Will each of these sub-systems be developed in a bottom-up manner and then integrated, or vice versa. Also, please comment on what is envisaged in terms of timeline of getting all these sub-systems at the same level of functionality and comprehensiveness.

? We note that this CBIT project strengthens the technical and institutional capacities for Paraguay to meet the ETF requirements. Please comment on how the CBIT project may assist in increasing the frequency of the reporting to meet the ETF requirements for submitting BTRs every two years? The BUR2 improvement proposals suggests better internal coordination as a key improvement recommendation. Please

provide a brief summary in this section on whether the CBIT project will address this gap, and if so, then how it plans to do it.

- For Activity 1.3, it is unclear if the activity will result in the IT infrastructure required for the implementation of the remaining sub-systems (NDC tracking, etc.) of the Climate Change module, or will it result in a proposal. The deliverables under this activity indicate that this may be a proposal for implementation, while the project results framework indicates that this may be a fully implemented system. Please clarify.

- For Activity 1.2, we note that the proposed approach builds on existing arrangements such as roundtables. Please comment on whether this activity include the establishment of any legal arrangements between the various line ministries that would supply data, such as MOU etc.

- Please elaborate on ?1.2.1 Report on international good practices for GHG inventories and what the purpose of the report is (especially considering existing resources on this topic), and how the work will inform and link with institutional arrangements.

- Activity 2.1 mentions a research project funded by the National Council for Science and Technology (CONACYT). We would like to understand better the significance of this particular research project. Also comment on what is envisioned for how the CBIT project may complement this work. Would this entail additional research, or assist with data collection etc.

- Please provide some context on what this deliverable is since it is not explained under Activity 2.2. ?2.2.4 Report: information systems that support the preparation of the national GHG inventories, in order to identify the current condition of the systems, opportunities for improvement, mitigation actions, stakeholders involved, flows of information and methodology used.?

- Activity 3.1- Please confirm which sectors this activity will cover (we note it says it will not cover indicators for specific programs but it is not clear which sectoral actions/sectors it will cover, or if it will be by program, and if so which ones). If this has not been decided as yet, please include a deliverable that will address this point.

- Please clarify the role and purpose of ?National System of Non-Refundable International Cooperation?. For tracking support, we note that the CBIT project aims to track support from the CSOs and private sector. Please comment on if the CBIT project will provide capacity building to track support received from the public sector.

- Please provide a short description and purpose of the Sustainable Finance Table.

- For deliverable 3.1.1, we recommend including ETF flexibility provisions to be discussed with the stakeholders here as well. It is unclear why the report 3.1.2 has the flexibility provisions included, but the workshop does not. A few sentences describing what the objective of the workshop and the target audience is will help clarify this.

- Since the M&E system for adaptation is in a nascent stage please comment on how the Paraguay project may learn from other countries that may be in more advanced stages of building the technical capacities and processes, such as Uruguay. Please consider adding workshops or stakeholder engagements as part of the process, and consider placing the international review at the start of the process so it may inform the design of the system (as opposed to the end).

- Output 4 mentions support from DTU. Please elaborate.

- For deliverable 4.1.1 ? please comment on why this is limited to regional best practices only.

4/12/2021: Cleared.

Agency Response

4/5/2021:

- On the development of the Climate Change Module, and timing and interoperation of the different sub-systems: This has been elaborated in more detail in the revised alternative scenario (see e.g. Activity 1.1). In general, the project is expected to follow a mixed, iterative approach, whereby the integral system is first conceptualized and designed in output 1 using a top-down approach, but taking into account progress made in the existing systems during their previous, stand-alone phase. During this stage, the design phase will identify gaps and risks of overlaps and possible interlinkages. In addition, bottom-up feedbacks are expected to inform the fine-tuning of the Climate Change module, e.g. as activities under output 3 are implemented but also as the system evolves (even beyond the CBIT project) and potential synergies become more evident. The timing in the project workplan takes into account the different maturity of the systems and the time needed to bring them to a similar level of maturity. As these are finished, Output 1 consolidate these into a clear roadmap to guide improvements in the post-CBIT phase (activity 1.1.). Note however that the CBIT project (and the resulting roadmap from activity 1.1.) will prioritize the timely preparation of mandatory elements in the required transparency reports over the complete harmonization of the modules. This element is further discussed in the context of the next comment, below.

- The frequency with which BURs are prepared and submitted -around one every three years from the experience of BUR1, BUR2 and BUR3- is now presented explicitly in the ?Transparency reporting? sub-section in the baseline; it is also addressed in a more explicit manner in the project scenario. The detailed design of the transparency system and the implementation and operationalization of institutional arrangements (output 1 of this proposed CBIT project) are expected to contribute to significantly improving inter-ministerial coordination, thus increasing the frequency with which climate reports are submitted to UNFCCC, reducing the current 3-year interval to the 2-year interval

required for BTRs. Likewise, outputs 2 and 3 introduce tools, protocols and trainings aimed at increasing the efficiency of the system, thus contributing to a timely compliance with climate reporting. Changes have been introduced in this revision to reflect this result in a more explicit manner (see e.g. Table 3, which compares current situation versus expected change at the beginning of the alternative scenario section, as well as the paragraphs added in outputs 1 and 3).

- On the IT infrastructure necessary for the integral system: the project plans to acquire the necessary hard- and software for the developed system and sub-systems to operate smoothly. This has been clarified in the text (activity 1.1). This was previously included in the budget under output 3, but it was now relocated to output 1 as this infrastructure is to be used in the entire system and not just for inventories.

- On Activity 1.2: said activity does include the establishment of legal arrangements between line ministries that supply data. Deliverable 1.2.4 aims to do that by drafting ministerial resolutions which operationalize the existing arrangements. This is now clarified in the text of this activity.

- For report 1.2.1, it has now been specified that this report considers international experiences, and highlights what is relevant for Paraguay's context. This report will not only present technical guidelines, but also focus on administrative and political specificities relevant to the country. Furthermore, it is clarified that this will feed into the drafting of the roadmap for the operationalization of the sectoral round tables that will ensure the timely provision of input data for the preparation of inventories.

- The proposed research project funded by CONACYT is no longer going ahead. Thus, the activities proposed under that project, which were to improve the emission factors of sub-categories for livestock, will be addressed predominantly through the CBIT project (activity 2.1). As the CBIT project is designed to prioritize which emission factors to focus on, this change does not affect it. Moreover, the transparency system is expected to coordinate any future work on emission factors that may arise in the future, to avoid duplication of efforts. The CEO ED has been updated accordingly.

- The report formerly included as deliverable 2.2.4 (?information systems that support the preparation of the national GHG inventories...?) was a mistake as this deliverable encompasses the entire GHG Inventory system (and not just the sectors under activity 2.2). The report has now been moved to output 1, where it should have been located; its number is now 1.2.2. It takes stock of the entire system, identifies opportunities, and develops an improvement plan on the back of the CBIT project. The text in the CEO ED was updated accordingly.

- On Activity 3.1. The sectorial coverage is now specified in the text. The National Mitigation Plan includes seven sectorial mitigation plans which are now specified. They

include sectorial plans within the forestry sector which are addressed by baseline projects (not the CBIT project).

- The 'National System of Non-Refundable International Cooperation' is established by Decree N° 6159/2016, which regulates coordination mechanisms for the management of non-refundable international cooperation. However, the system as described by article 8 of the Decree does not go beyond a mere description of its intention. As with the rest of the sub-systems, the support needed & received module is intended to be comprehensive in nature, covering all types of support including national, international, public and private. Thus, capacity building activities will also target support received from the public sector. This information has been updated both in the baseline and in the project sections of the CEO ED. Moreover, it is now clarified that the support module includes both support needed as well as support received.

- Text describing the Sustainable Finance Table has been added to the baseline section, and a reference has been made to that in this section.

- Former deliverable 3.1.1 (now 3.1.4) has changed name slightly to become a validation workshop, thus clarifying its intention and target audience. It is intended to be a workshop to validate the rest of the deliverables in the activity (which are now presented as deliverables 3.1.1 to 3.1.3, thus including the ETF flexibility provisions). This revision of the order in which the (unchanged) deliverables are presented allows for a more logical sequencing in the work plan.

- Indeed, Paraguay can learn from other countries in this process. A face-to-face workshop on the topic of adaptation M&E is foreseen (deliverable 3.2.4), with instances at the beginning and towards the end of the CBIT project, and officials from neighbor countries in the region that have more advanced transparency systems (such as Uruguay) will be invited to attend and present good practices and lessons learned; the modality of their participation will depend on the evolution of the pandemic. Moreover, the product 'Good practices and lessons learned in adaptation M&E, resilience and vulnerability by the member countries of the CBIT Global Coordination Platform' (3.2.6.1) has now been modified to consist in a series of webinars that take place throughout the project lifespan, including at the start of the project. This with the intention to inform the design process with international experiences. The expectation is that the CBIT Global Coordination Platform will facilitate such bi- and multi-lateral exchanges, including forerunners in the region, such as Uruguay. These changes have been reflected in the updated workplan and the CEO ED. Thus, collaboration with other countries will take place along various instances throughout the CBIT project implementation timeline.

- DTU's support in outputs 3 and 4 is explained in detail in Annex K, specifying the terms of reference for their support (please refer to 'Consulting 3.1 - NDC indicators' and 'Consulting 4.1 - Alignment between the transparency system and national

planning?). The specific products to be provided by DTU are also clearly stated in the main body of the text.

- For deliverable 4.1.1., this has been changed to encompass international experiences in general, thus incorporating regional experiences and those from further afield.

4. Is there further elaboration on how the project is aligned with focal area/impact program strategies?

Secretariat Comment at CEO Endorsement Request

3/15/2021: Yes.

Agency Response

5. Is the incremental reasoning, contribution from the baseline, and co-financing clearly elaborated?

Secretariat Comment at CEO Endorsement Request

3/15/2021: Yes, this project will help Paraguay implement its 2020-2030 MRV plan by developing the climate change module in their Environmental Information System.

Agency Response

6. Is there further and better elaboration on the project's expected contribution to global environmental benefits or adaptation benefits?

Secretariat Comment at CEO Endorsement Request

3/15/2021: Yes.

Agency Response

7. Is there further and better elaboration to show that the project is innovative and sustainable including the potential for scaling up?

Secretariat Comment at CEO Endorsement Request

3/15/2021: Yes.

Agency Response

Project Map and Coordinates

Is there an accurate and confirmed geo-referenced information where the project intervention will take place?

Secretariat Comment at CEO Endorsement Request

3/15/2021: Yes, map and coordinates are provided for the capital city.

Agency Response

Child Project

If this is a child project, is there an adequate reflection of how it contributes to the overall program impact?

Secretariat Comment at CEO Endorsement Request

N/A

Agency Response

Stakeholders

Does the project include detailed report on stakeholders engaged during the design phase? Is there an adequate stakeholder engagement plan or equivalent documentation for the implementation phase, with information on Stakeholders who will be engaged, the means of engagement, and dissemination of information?

Secretariat Comment at CEO Endorsement Request

3/15/2021: Yes, the project was developed with wide consultation and an adequate stakeholder engagement plan has been developed.

Agency Response

Gender Equality and Women's Empowerment

Has the gender analysis been completed? Did the gender analysis identify any gender differences, gaps or opportunities linked to project/program objectives and activities? If so, does the project/program include gender-responsive activities, gender-sensitive indicators and expected results?

Secretariat Comment at CEO Endorsement Request

3/15/2021: Yes, Paraguay has a National Gender and Climate Change Strategy that this project will support including in the development of indicators and data. The project will also mainstream gender considerations in its management.

Agency Response

Private Sector Engagement

If there is a private sector engagement, is there an elaboration of its role as a financier and/or as a stakeholder?

Secretariat Comment at CEO Endorsement Request

3/15/2021: Yes, private sector actors will be involved as data providers and consulted in the development of indicators.

Agency Response

Risks to Achieving Project Objectives

Has the project elaborated on indicated risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved? Were there proposed measures that address these risks at the time of project implementation?

Secretariat Comment at CEO Endorsement Request

3/15/2021: Yes, including COVID and climate related risks.

Agency Response

Coordination

Is the institutional arrangement for project implementation fully described? Is there an elaboration on possible coordination with relevant GEF-financed projects and other bilateral/multilateral initiatives in the project area?

Secretariat Comment at CEO Endorsement Request

3/15/2021: Yes, the institutional arrangements and coordination with other projects are well described.

Agency Response

Consistency with National Priorities

Has the project described the alignment of the project with identified national strategies and plans or reports and assessments under the relevant conventions?

Secretariat Comment at CEO Endorsement Request

3/15/2021: Yes, this project is well aligned with Paraguay's climate change plans.

Agency Response
Knowledge Management

Is the proposed Knowledge Management Approach for the project adequately elaborated with a timeline and a set of deliverables?

Secretariat Comment at CEO Endorsement Request
3/15/2021: Yes.

Agency Response
Environmental and Social Safeguard (ESS)

Are environmental and social risks, impacts and management measures adequately documented at this stage and consistent with requirements set out in SD/PL/03?

Secretariat Comment at CEO Endorsement Request
3/15/2021: Yes, the project has been assessed as having low ESS risks.

Agency Response
Monitoring and Evaluation

Does the project include a budgeted M&E Plan that monitors and measures results with indicators and targets?

Secretariat Comment at CEO Endorsement Request
3/15/2021: Please add budgeted M&E plan (table) to portal section.

4/12/2021: Cleared.

Agency Response
4/5/2021:
The table with the budgeted M&E plan has now been added into the portal in the M&E section.

Benefits

Are the socioeconomic benefits at the national and local levels sufficiently described resulting from the project? Is there an elaboration on how these benefits translate in supporting the achievement of GEBs or adaptation benefits?

Secretariat Comment at CEO Endorsement Request

3/15/2021: Yes.

Agency Response

Annexes

Are all the required annexes attached and adequately responded to?

Secretariat Comment at CEO Endorsement Request

3/15/2021: Yes all annexes have been attached.

Regarding the budget, please make sure the budget in the GEF format as presented in the Portal is also included in the agency's Project Document.

4/12/2021: Cleared.

Agency Response

4/5/2021:

The budget in GEF format is now included as part of Annex I-1 of the Project Document.

Project Results Framework

Secretariat Comment at CEO Endorsement Request

3/15/2021: See comments below:

- Please consider re-evaluating the baseline for the MRV systems target, while subjective, a baseline of 1 seems low for Paraguay.
- Output 3, Assumptions and Risks. It is unclear why this output would not materialize if Output 1 does not, or slows down. Consider the development of tools, guidelines etc as stand alone documents, even if not uploaded or integrated within the CC Module.
- While the project has a relatively short implementation period, we note that including some medium term targets might be beneficial.

4/12/2021: Cleared.

Agency Response

4/5/2021:

- Targets have been re-assessed, as suggested.
- The assumptions / risks for output 3 indicators has been modified.
- Medium-term targets have been included for all indicators.

GEF Secretariat comments

Secretariat Comment at CEO Endorsement Request 3/15/2021: Yes.

Agency Response

Council comments

Secretariat Comment at CEO Endorsement Request N/A

Agency Response

STAP comments

Secretariat Comment at CEO Endorsement Request N/A

Agency Response

Convention Secretariat comments

Secretariat Comment at CEO Endorsement Request N/A

Agency Response

Other Agencies comments

Secretariat Comment at CEO Endorsement Request N/A

Agency Response

CSOs comments

Secretariat Comment at CEO Endorsement Request N/A

Agency Response

Status of PPG utilization

Secretariat Comment at CEO Endorsement Request

3/15/2021: Yes - see comment above.

4/12/2021: Cleared.

Agency Response

Project maps and coordinates

Secretariat Comment at CEO Endorsement Request 3/15/2021: Yes.

Agency Response

Does the termsheet in Annex F provide finalized financial terms and conditions? Does the termsheet and financial structure address concerns raised at PIF stage and that were pending to be resolved ahead of CEO endorsement? (For NGI Only)

Secretariat Comment at CEO Endorsement Request

N/A

Agency Response

Do the Reflow Table Annex G and the Trustee Excel Sheet for reflows provide accurate reflow expectations of the project submitted? Assumptions for Reflows can be submitted to explain expected reflows. (For NGI Only)

Secretariat Comment at CEO Endorsement Request N/A

Agency Response

Did the agency Annex H provided with information to assess the Agency Capacity to generate and manage reflows? (For NGI Only)

Secretariat Comment at CEO Endorsement Request N/A

Agency Response

GEFSEC DECISION

RECOMMENDATION

Is CEO endorsement recommended? (applies only to projects and child projects)

Secretariat Comment at CEO Endorsement Request

3/15/2021: Please address comments.

4/12/2021: Comments have been addressed. PM recommends endorsement.

Review Dates

	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
First Review	3/15/2021	
Additional Review (as necessary)	4/12/2021	
Additional Review (as necessary)		
Additional Review (as necessary)		
Additional Review (as necessary)		

CEO Recommendation

Brief reasoning for CEO Recommendations