

## **Fifth National Communication, Biennial Update Report and Biennial Transparency Reports to the United Nations Framework Convention on Climate Change (UNFCCC)**

GEF Secretariat Review for Enabling Activity – GEF - 7

### **Basic Information**

**GEF ID**

10801

**Countries**

Brazil

**Project Title**

Fifth National Communication, Biennial Update Report and Biennial Transparency Reports to the United Nations Framework Convention on Climate Change (UNFCCC)

**GEF Agency(ies)**

UNDP

**Agency ID**

UNDP: 6385

**GEF Focal Area(s)**

Climate Change

**Program Manager**

Milena Vasquez

## **Non- Expedited Enabling Activity req (PIF)**

### **Part 1: Project Information**

#### **Focal area elements**

**Is the enabling activity aligned with the relevant GEF focal area elements in Table A, as defined by the GEF 7 Programming Directions?**

#### **Secretariat Comment at PIF/Work Program Inclusion**

4/2/2021: If the EA template allows it, please provide the expected submission date to the Convention under the "type of reports". If that works, please add another row to represent the second BTR; so there are four rows showing each report's expected submission date: BUR5 (Dec 2022), 5NC (Dec 2024), BTR1 (Dec 2024), BTR2 (Dec 2026).

4/20/2021: Comment cleared.

**Agency Response** 4/7/2021: The modifications suggested were done as requested

#### **Project description summary**

**Are the components in Table B and as described in the PIF sound, appropriate, and sufficiently clear to achieve the project objectives?**

#### **Secretariat Comment at PIF/Work Program Inclusion**

4/2/2021: Overall, Table B is very clear. Please clarify comments below:

#### Component 1

- There is mention of the 2006 IPCC Guidelines, but no reference to the 2019 refinement. Please clarify.
- Will the improvement plan under 1.1.11 be developed and updated throughout the project to support improvement of each subsequent inventory? We note that for example the inventory year advances to x-3 from BUR5 to BTR1, but for BTR2 it stays that way. If feasible during implementation, informed by continuously updated improvement plan, the inventory under BTR2 could potentially reach x-2.

#### Component 4:

- The title of the component and outcomes 4.2 and 4.3 do not entirely encompass the outputs, which go beyond public awareness and education (component title) and beyond knowledge management (4.2) and gender dimension (4.3). Consider revising to present a more accurate picture of the scope of this component.
- Please clarify what "relevant documents policy briefs" 4.1.1 refers to.
- Please clarify what type of training is intended under 4.1.5.
- Please clarify how 4.2.1 will be carried out ensure capacity-built is sustained over time. Will the project utilize training of trainers? Will it partner with local universities or research institutes?
- Please clarify the intended audience for the database under 4.2.2. Is the goal of it public awareness and education or is it to support the institutionalization of the information that will be tracked through the BTRs?
- Please clarify what the intended audience for the training in 4.3.5 is expected to be and how it will be ensured that it is sustainable.

#### Component 5

- Please comment on the decision to submit the 5NC as a standalone report and whether Brazil may consider submitting in tandem with the BTR for future reports.
- It is not clear why the M&E of the whole project has been linked to this component. Please consider separating out into its own component.

#### Component 6

- Please clarify the difference between outputs 6.3.1 and 6.3.2.
- Please clarify how 6.3.4 relates to training and capacity building under Component 4.

4/20/2021: Comments above have been properly addressed. Cleared.

## Agency response

4/7/2021: Follow below the clarifications requested by component.

Component 1:

- The 2019 IPCC refinement has not yet been appropriately approved by the UNFCCC for use by countries in preparing their National Inventories. Thus, as mentioned in item C, on page 17, paragraph 3, we clarify that “Regarding the methodology considered in this project, it is worth emphasizing that IPCC 2006 will be the initial methodological reference for this component, with the possibility of adopting updated IPCC methodological guidelines approved by UNFCCC, as appropriate, to comply with the principles of improving transparency, accuracy, consistency, comparability, and completeness.”;

We also mentioned a refinement possibility in the output 1.1.4 title (Analysis of the methodology and procedures implemented for inventory development using the 2006 IPCC Guidelines. Evaluation of applicability of subsequent version or refinement, considering the need to improve transparency, accuracy, comparability, and completeness).

- The improvement plan under 1.1.11 will be a dynamic plan, developed and updated to support each subsequent inventory’ improvement. Initially, a 3-year interval will be adopted for BTR inventories between the last inventoried years. However, the focus will be on national capacity development, considering implementing improvements, mainly related to generation and official data availability, to reduce this interval to 2 years. Item 1.1.11 was renamed to “Improvement plan developed and updated for the subsequent inventories” to clarify what is expected to be performed.

Component 4:

- Aiming to present an accurate picture of this component scope, the component and outcomes 4.2 and 4.3 titles were modified to:

4 – Public Awareness, Development of national capacity, and Gender mainstreaming in mitigation policies and measures;

4.2. Development of national capacity and institutional arrangements improvement for implementation and monitoring of climate actions;

4.3. Gender mainstreaming in planning and implementing climate change mitigation policies and measures.

The relevant documents in this item 4.1.1 would include technical and special reports published by the IPCC and other documents, such as technical analyses and good practice guidance generated by other countries that could assist in discussions on the country's climate agenda. What is proposed here is to promote the translation into Portuguese and the wide dissemination of these documents, sometimes with limited access by a diverse national audience, due to the language barrier, as well as unknown existence;

- Item 4.1.5 would include, for example, training for educators with appropriate technical and pedagogical subsidies so that the topic of climate change could be incorporated appropriately, in an increasingly comprehensive manner, in school schedules and curricula. It is also intended to generate, through the project, educational material that can be directed to children and young people;

- In item 4.2.1, the proposal is to improve the capabilities inherent to the future project team to be structured by several specialists so that everyone is duly aligned with the country's objectives and commitments to the UNFCCC.

In addition, pieces of training will be carried out for the different technical teams of government partners and other partners to be involved in the project, with the support of national and international experts, in order to guarantee the exchange of experiences and good practices to comply with the analyzes, monitoring and reporting of GHGI, mitigation actions, and others.

These training and exchange of experiences will allow the appropriate development and future improvement of the activities provided for

These training and exchange of experiences will allow the appropriate development and future improvement of the activities provided for items 4.2.2, 4.2.3, and 4.2.4. The intention is that through the structuring of these databases and systems, we can ensure the perpetuity,

organization, and security of information for continuity of work in the long term;

- In item 4.2.2, the objective is to ensure the systematization of information required for reporting in BUR and BTR and the adequate publication of this information to the general public, with respective analyzes that contribute to the development of knowledge ;

- The training cited in item 4.3.5 has not yet been appropriately structured. It will be developed during the project, based on discussions with different partners such as UN Women, representatives of Universities, and national and international organizations involved with the theme of Gender. However, we identified the possibility of targeting this training to different audiences - female leaders, the most vulnerable communities, the private sector, and others, depending on the final scope definition of the training;

Component 5:

- The Brazilian government previously adopted the position to submit BURs and NCs as standalone reports; since NCs do not go through international evaluation or review processes, it is considered more appropriate to maintain the BUR and future BTRs submissions separately;

- Item 5.2 was incorporated into Component 5 only because we complied with the adjustment request previously proposed during the PIF review process. However, we agree that it makes more sense to treat it as a separate component. Then, a separate M&E component was included in Table B (component 7) ;

Component 6:

- We recognize that outputs 6.3.1 and 6.3.2 are duplicated. Output 6.3.2 "Constraints and gaps, and related financial, technical, and capacity building needs updated" was excluded and replaced by "Information on support received updated and development of a consistent database" previously annotated as 6.3.3;

- Item 6.3.4 was excluded since we realize its activities are already covered in item 4.2.1.

## Co-financing

**Are the indicative expected amounts, sources and types of co-financing adequately documented and consistent with the requirements of the Co-Financing Policy and Guidelines, with a description on how the breakdown of co-financing was identified and meets the definition of investment mobilized?**

**Secretariat Comment at PIF/Work Program Inclusion 4/2/2021:** Co-financing is not required for EA's; however, co-financing from the government of \$52,536,909 is listed to support the project through recurrent expenditures.

**Agency Response 4/7/2021:** Although we are aware co-financing is not required for EA's, we indicated co-financing through investment mobilized and recurrent expenditures in order to emphasize the country's commitment with the EA requested and, mainly, with the climate agenda.

### **GEF Resource Availability**

**Is the proposed GEF financing in Table D (including the Agency fee) in line with GEF policies and guidelines?**

**Secretariat Comment at PIF/Work Program Inclusion 4/2/2021:** Yes, Table D is properly filled out.

### **Agency Response**

**Are they within the resources available from (mark all that apply):**

**The STAR allocation?**

**Secretariat Comment at PIF/Work Program Inclusion 4/2/2021:** Yes, Brazil has these resources available in its CCM STAR.

**Agency Response**

**The focal area allocation?**

**Secretariat Comment at PIF/Work Program Inclusion**

4/2/2021: Yes, Brazil has these resources available in its CCM STAR.

**Agency Response**

**The LDCF under the principle of equitable access?**

**Secretariat Comment at PIF/Work Program Inclusion**

N/A

**Agency Response**

**The SCCF (Adaptation or Technology Transfer)?**

**Secretariat Comment at PIF/Work Program Inclusion** N/A

**Agency Response**

## **Focal area set-aside?**

### **Secretariat Comment at PIF/Work Program Inclusion**

4/2/2021: Brazil has chosen to fund this project from STAR.

### **Agency Response**

## **Is the financing presented adequate and demonstrate a cost-effective approach to meet the project objectives?**

### **Secretariat Comment at PIF/Work Program Inclusion**

4/2/2021: We note that the project grant of \$7,500,000 is relatively the same as the last EA that was supported (GEF ID 5378). According to the latest PIR of that project submitted September 2020, only \$4,415,772 (58%) had been disbursed as of June 30, 2020. Considering the project has been under implementation for 4 years and already completed 3 BURs and is almost done with the NC and that it has a planned closing date of August 2021, most likely the project will not utilize all of the resources.

Based on this, we do not believe this project is properly costed out, even considering that BTRs are more complex than BURs, it is unlikely that the project will disburse the budgeted amount within 5.5 years. Please comment on the low disbursement and how this project was costed.

We note that M&E budget is not necessary for EA projects per GEF guidelines. In addition, we note that financial audits are not part of M&E budgets but rather PMC.

4/20/2021: The country wishes to pursue this project at the level of funding endorsed. The justifications provided on the disbursement of the previous EA are well reasoned, particularly considering the COVID pandemic. Based on that, PM agrees to the financing presented.

Considering the size of the EA, M&E is considered appropriate in this case, while not required. PMC costs have been properly moved under PMC. Cleared.

### **Agency Response**



4/7/2021: We recognize that by December 2020, the project was executed just over 60% of the budget. However, it is worth taking into account the following aspects that were justified during the execution of the current project:

1. In recent years, Brazil has experienced some economic recessions that have contributed to a huge exchange rate variation (40% at last year). It caused the project's resources (received in USD) in local currency to be proportionally far beyond what was initially planned. This exchange rate variation is not predictable for the period of execution of the project, which may face an opposite scenario, causing the donated resources to be insufficient in the future;
2. The year 2020 was absolutely atypical due to the COVID-19 pandemic, which made it impossible to carry out numerous planned activities, such as hiring some services and spending on travel to participate in UNFCCC and IPCC international meetings - which represent relevant expenses to the project and could not be executed. But it is expected to occur in the future, and it will be essential to be prepared for that;
3. Some technical activities, such as GHGI and V&A, must undergo methodological improvements to contemplate the biennial periodicity of the reports that can be carried out only after the formalization of new partnerships and services;
4. Based on the lessons learned in the current project, we identified the relevance of having the project team permanently structured throughout the entire project's execution. The costs associated with these contracts are high due to the high specialization and technical capacity required to perform the respective functions;
5. Structuring and improvement of databases are planned in an innovative way that, according to our forecast, will also compromise a considerable part of the project budget.

A project extension (4NC) until February 2022 was requested to execute actions delayed due to the COVID19 crisis in Brazil and disburse the remaining budget.

In this way, we understand that the amount to be granted will be necessary to comply with all activities, in order to honor within the required deadlines of the commitments assumed with the UNFCCC.

The M&E budget was included since this project (5NC) is a full-sized project in which M&E plan execution is essential to fully comply with the proposed activities; concerning financial audit costs, it is covered by the PMC, as recommended.

## **Part 2: Enabling Activity Justification**

### **Background and Context.**

**Are the achievements of previously implemented enabling activities cited since the country(ies) became a party to the Convention?**

#### **Secretariat Comment at PIF/Work Program Inclusion**

4/2/2021: Yes, this is well and clearly described.

#### **Agency Response**

#### **Goals, Objectives, and Activities.**

#### **Is the project framework sufficiently described?**

#### **Secretariat Comment at PIF/Work Program Inclusion**

4/2/2021: See comments on Table B regarding the project activities.

Regarding the proposed implementation through the NIM modality with support from the UNDP Country Office in Brazil. Please provide an estimate for the resources expected as "direct project services" to UNDP. Please also submit a letter from the GEF OFP that provides an explanation for the need for these extraordinary arrangements, specifying the execution support expected.

4/20/2021: The direct execution amounts to 2.8% of total GEF resources, which is relatively low. The letter submitted provides all the relevant information. These arrangements have been discussed with GEF management. Cleared.

#### **Agency Response**

4/7/2021: The estimated costs for direct project support services are USD 210,130.

A letter from the GEF OFP will be submitted by UNDP.

#### **Stakeholders.**

**Does the PIF include indicative information on Stakeholders engagement to date? If not, is the justification provided appropriate? Does the PIF include information about the proposed means of future engagement?**

Secretariat Comment at PIF/Work Program Inclusion 4/2/2021: Yes.

#### Agency Response

Gender equality and women's empowerment.

Is the articulation of gender context and indicative information on the importance and need to promote gender equality and the empowerment of women, adequate?

Secretariat Comment at PIF/Work Program Inclusion 4/2/2021: Yes.

#### Agency Response

### Part III. Endorsement/Approval by OFP

#### Country endorsement

Has the project been endorsed by the country's GEF Operational Focal Point and has the name and position been checked against the GEF database?

Secretariat Comment at PIF/Work Program Inclusion 4/2/2021: Yes, the project has been endorsed by the OFP.

#### Agency Response

## **Response to Comments**

**Are all the comments adequately responded to? (only as applicable)  
Gef Secretariat comments?**

**GEF Secretariat Comment**

**Agency Response**

**Other Agencies comments?**

**Secretariat Comment at PIF/Work Program Inclusion**

**Agency Response**

This project is considered exempted from the SESP screening, due to meeting the following exemption criteria from the 'Social and Environmental Screening Procedure' from UNDP guidelines:

- a. Preparation and dissemination of reports, documents and communication materials (preparation, printing and submission of NC, BUR and BTRs to UNFCCC) and
- b. Organization of an event, workshop, training (Inception Workshop, Stakeholders consultations, Validation workshops, etc.)

Even without screening, UNDP's Social and Environmental Standards remain relevant. The implementation of the project will not imply any stress or damage to the environment, marginalized groups, neither will cause deterioration of the social and/or environmental situation in Brazil. The design of the trainings and workshops will reflect application of human rights principles, gender equality and women's empowerment, and environmental sustainability

Exemption will be re-assessed during CEO Endorsement stage once full Project Document is developed.

## **GEFSEC DECISION**

## **RECOMMENDATION**

**Is CEO clearance/approval recommended?**

### **Secretariat Comment at PIF/Work Program Inclusion**

4/2/2021: Please address comments above.

4/23/2020: Please provide information on whether an Environmental and Social Safeguards screening has been carried out and or provide a brief justification why not. All other comments have been addressed.

4/29/2021: Comment above has been addressed. PM recommends technical clearance.

### **Additional Comments**

**Additional recommendations to be considered by Agency at the time of CEO endorsement/approval.**

### **Secretariat Comment at PIF/Work Program Inclusion**

### **Review Dates**

	PIF Review	Agency Response
First Review	4/2/2021	
Additional Review (as necessary)	4/20/2021	
Additional Review (as necessary)	4/23/2021	
Additional Review (as necessary)	4/29/2021	
Additional Review (as necessary)		

**PIF Recommendation to CEO**

**Brief reasoning for recommendations to CEO for PIF Approval**