

Building National Capacities of Nepal to meet requirements of the Enhanced Transparency Framework of the Paris Agreement

Review CEO Endorsement and Make a recommendation

Basic project information

GEF ID

10899

Countries

Nepal

Project Name

Building National Capacities of Nepal to meet requirements of the Enhanced
Transparency Framework of the Paris Agreement

Agencies

WWF-US

Date received by PM

12/3/2021

Review completed by PM

5/16/2022

Program Manager

Namrata Rastogi

Focal Area

Climate Change

Project Type

MSP

CEO Approval Request

Part I ? Project Information

1. Focal area elements. Is the project aligned with the relevant GEF focal area elements as indicated in Table A and as defined by the GEF 7 Programming Directions?

Secretariat comment at CEO Endorsement Request

12/17/2021: 1. Please revise the Rio Markers as follows: Climate change mitigation: 1; Climate change adaptation: 2. Please check the taxonomy - others from the list can be added such as Knowledge Exchange etc.

5/4/2022: Noted. The Rio Markers are correctly marked.

Agency Response

WWF GEF Agency 4.26.2022:

Thank you for your feedback. The team chose the Rio Marker-2 for mitigation since the project focuses on reporting and tracking of GHG emissions. For instance one outcome is the ?Enhanced national capacity for data collection, analysis, reporting and verification for all GHG emission sectors: AFOLU, Energy, IPPU, and Waste.? Another outcome is ? Strengthened MRV reporting GHGs and assessing progress towards NDC commitments? to improve processes, and tools for applying IPCC methodologies for key emission sectors. The taxonomy has been expanded on, now also including ?Knowledge Exchange?.

2. Project description summary. 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

12/17/2021: Please see comment in Alternative Scenario below.

5/4/2022: This has been addressed. Cleared.

Agency Response

WWF GEF Agency 4.26.2022:

Additional information provided accordingly to address this comment in respective sections.

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

4. Co-financing. Are the confirmed 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, consistent with the requirements of the Co-Financing Policy and Guidelines?

Secretariat comment at CEO Endorsement Request 12/17/2021: Total Co-financing of \$1,198,141 is provided and letters have been provided. Cleared.

Agency Response

5. GEF resource availability. Is the proposed GEF financing in Table D (including the Agency fee) in line with GEF policies and guidelines? Are they within the resources available from (mark all that apply):

Secretariat comment at CEO Endorsement Request 12/17/2021: This project is requesting resources from the CBIT set-aside. The proposed financing is in line with GEF policies and guidelines.

Agency Response

STAR allocation?

Secretariat comment at CEO Endorsement Request N/A

Agency Response

Focal Area allocation?

Secretariat comment at CEO Endorsement Request N/A

Agency Response

LDCF under the principle of equitable access?

Secretariat comment at CEO Endorsement Request N/A

Agency Response

SCCF (Adaptation or Tech Transfer)?

Secretariat comment at CEO Endorsement Request N/A

Agency Response

Focal Area Set Aside?

Secretariat comment at CEO Endorsement Request N/A

Agency Response

Impact Program Incentive?

Secretariat comment at CEO Endorsement Request N/A

Agency Response

6. Project Preparation Grant. If PPG is requested in Table E.1, has its advanced programming and utilized been accounted for in Annex C of the document?

Secretariat comment at CEO Endorsement Request 12/17/2021: No PPG funding has been requested.

Agency Response

7. Non-Grant Instrument. If this an NGI, are the expected reflows indicated in Annex D?

Secretariat comment at CEO Endorsement Request N/A

Agency Response

8. Core Indicators. Are the targeted core indicators in Table E calculated using the methodology in the prescribed guidelines? (GEF/C.54/Infxxx)

Secretariat comment at CEO Endorsement Request

12/17/2021: Please provide an explanation of how the target numbers were derived for men and women. The target for women is fairly low and we would like to encourage the project to be more ambitious.

5/4/2022: The explanation is sufficient. Cleared.

Agency Response

WWF GEF Agency 4.26.2022:

The target numbers were derived from estimated number of participants in capacity building events during the life of the project and based off the % women in government staff positions. The target of 33% women participants is based off the actual % of women in government civil services in Nepal, and as such essentially requires participation by 100% of the female government staff, which is indeed ambitious.

9. Project taxonomy. Is the project properly tagged with the appropriate keywords as in Table G?

Secretariat comment at CEO Endorsement Request

12/17/2021: Please see comment related to this above.

5/4/2022: Cleared.

Agency Response

WWF GEF Agency 4.26.2022:

Thank you for the above comment. The taxonomy has been expanded on, now also including ?Knowledge Exchange?.

Part II ? Project Justification

1. Project Description. Is there 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

12/17/2021: We would request, however, that throughout the document, acronyms are spelt out when first used (especially those that are country specific - like MoF, MoFE etc.).

5/4/2022: Cleared.

Agency Response

WWF GEF Agency 4.26.2022:

Thank you for this request. All acronyms have been spelled out the first time.

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

Secretariat comment at CEO Endorsement Request

12/17/2021: Please address comments below:

1. The previous section provides some information on the existing systems/processes in place for transparency/MRV in the context of the barriers. However, a detailed summary is missing. Please elaborate further on how NC/BUR processes have been set up, how data collection and QA/QC has been conducted in the past, what IPCC methodology is used, if any NDC tracking exists, etc. Also in the section above, under Lack of data and database it mentions that due to limited data availability not all sectors were covered. Can you clarify which sectors were covered?

3. We note the mention of the Transparency Framework for tracking climate change actions and investments as a key priority. Has the council and IMCCCC been set up? Please provide additional details of the current status, who the council and IMCCCC comprises and its responsibilities, and where it sits within the government. Additionally, under the section on the CCFF an Inter-Ministerial Committee is mentioned. Is this the same? Please clarify as it is not clear from the description what is proposed, what exists and what the purpose of each of these committees are.

4. Please clarify the role of the CCMD (please spell all acronyms out when first used) and whether it has played any role in MRV/transparency initiatives and how this may link to the council or IMCCCC mentioned. We note that some national and sectoral context is in the prodoc - please include in portal.

5. We note the short description provided on emission trends. However, please provide a figure (or additional information) on the emission trends by sector and its projected growth to see how the trends may change. We note that some information is provided in the prodoc, please include in the portal document.

6. For the table under baseline initiatives, only include initiatives/projects that Nepal is engaged in that is relevant to climate change and transparency. For example, it is not clear if the NDC (2021-2030) is a project, and if so, who is the donor etc or is this referring to Nepal's NDC? Please provide information on who the donor is, time-frame of the project, and clearly state how it relates to the CBIT project or/and how the CBIT

project may build on the project's work (i.e. for CAEP highlight specifically what the project is doing in relation to NDC/transparency and how CBIT project may build on that work etc.). Also note that it mentions in several places here, and in the document that the CBIT project will build on adaptation. This is confusing since in the baseline scenario section it states " Nepal is working towards developing an MRV system for adaptation through the NAP formulation process, this CBIT project intends to the address barriers regarding .. mitigation actions...". Please clarify.

5/4/2022: Most comments have been addressed. However, we note that for #5 the information has not been provided in the portal document. Please ensure that this information is in the portal document.

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.

5/16/2022: This has been addressed. Cleared.

Agency Response

WWF GEF Agency 5.12.2022:

Thank you for this comment

5. Emission trend by sector and other additional information has been added in the **Baseline** section of CEO ER document. In the ProDoc you can find this information in the section 1.4. National and Sectoral Context. **(see paragraph 14)**

A highlighted/track change version of the CEO Endorsement Request has been uploaded to the Portal to facilitate the review process.

WWF GEF Agency 4.26.2022:

1. 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.

The following additional information has been provided in the ProDoc and CEO ER in the Portal.

However, currently there is no robust climate change MRV system fully established in Nepal. Information on activity data and emission factors are properly managed while there is 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. **(see paragraph 6 of the ProDoc).**

There are 5 barriers identified for Nepal to meet the transparency requirements **(explained in paragraphs 7-12 of the ProDoc) :**

- Absence of institutional arrangement
- Limited capacity and technical expertise
- Lack of data and database
- Insufficient tools and processes to calculate emissions
- Lack of dedicated human and financial resources of MRV

NC/BUR set up: 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. **(See paragraph 7 of the ProDoc)**

The following additional information has been provided in the ProDoc and CEO ER in the Portal.

Methodology/Data Collection/Quality control: There are 3 tiers of estimation 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 mostly followed. **(See paragraph 11 of the ProDoc)** In the third NC the AFOLU, Energy, IPPU, Waste sectors were covered. **(See paragraph 18-28 of the ProDoc).** The third NC includes inventory of emissions of following gases: Direct GHGs: Carbon dioxide, Methane, Nitrous oxide, Hydrofluorocarbons, Perfluorocarbons, and

Sulphur hexafluoride; Indirect GHGs: Carbon monoxide, Nitrous oxides, Non-Methane Volatile Organic Compound, and Sulphur dioxide. **(See paragraph 40 of the ProDoc)**

For GHG inventory, emissions from the above-mentioned gasses were compiled from 2011-2014. IPCC Good Practice Guideline was followed in third NC to ensure quality control and assurance (QC/QA) of inventory data. In the case of IPPU, quality of the emission data was verified by comparing with regional and global datasets such as Emission Database for Global Atmospheric Research. **(See paragraph 42 of the ProDoc)**

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 specific whereas IPPU and Waste has generic targets. **(See paragraph 10 of the ProDoc)**

3. The Council 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. The key role of the Council is to provide coordination, guidance and direction for formulating and implementing climate change-related policies. It is also responsible for providing guidance on the integration of climate change related aspects in long-term policies, perspectives and programs including accessing additional financial and technical support for implementing climate change actions. **(See paragraph 29 of the ProDoc)**

The following additional information has been provided in the ProDoc and CEO ER in the Portal. The Climate Change policy 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 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. **(See Paragraph 33 of the ProDoc)**

The Climate Change Financing Framework (CCFF) developed by MoF envisions establishment of coordination mechanism through the formulation of Inter-ministerial Committee to implement CCFF roadmap. The Inter-ministerial Committee coordinates

the ministerial climate budget mainstreaming. (See Paragraph 38 of the ProDoc). However, the committee has not been established yet.

4. The following additional information has been provided in the ProDoc and all information has been included in the CEO ER in the Portal. The **Climate Change Management Division (CCMD)** of MoFE is primarily responsible for the formulation of policies, plans and programs and their implementation of projects related to climate change. CCMD is the primary agency to facilitate climate change planning, research, and reporting in compliance with the UNFCCC process. The CCMD has created an Emission Measurement Section dedicated to GHG inventory. (See paragraph 14 of the ProDoc). One of the key responsibilities of CCMD is to prepare and submit national reports including greenhouse gas emissions in line with international commitments. (See paragraph 15 of the ProDoc)

It is also responsibility of CCMD to facilitate the planning of the Climate Change Council meetings and make the necessary coordination for climate actions. (See paragraph 16 of the ProDoc)

IMCCCC is established by MoFE and chaired by the Secretary of MoFE under which CCMD is operational. (See paragraph 52 of the ProDoc)

5. The following additional information has been provided in the ProDoc and CEO ER in the Portal. **Agriculture, Forestry, and Other Land Use (AFOLU) sector:** In base year 2011, a total of 37,984 Gg CO₂ eq was emitted from this sector. GHG emission projections shows that in 2050 the entire AFOLU sector would emit around 36.7 million tons of carbon dioxide equivalent (CO₂ eq) which is mostly caused by an increase in agricultural emissions (63 Mt CO₂ eq). (See paragraph 18 of the ProDoc)

Energy sector: In the base year 2011, energy sector emitted 14,703 Gg CO₂ eq of GHG. In 2030, in BAU scenario, the total GHG emissions from energy use is set to reach around 20,000 Gg CO₂eq whereas with the high growth scenario emission might reach around 25,000 Gg CO₂ eq and with policy interventions emissions can be significantly reduced to 15,000 Gg CO₂eq. (See paragraph 22-23 of the ProDoc)

Industrial Processes and Product Use (IPPU) Sector: The IPCC has identified 8 major subsectors of emissions from IPPU sector i.e. mineral industry, chemical industry, metal industry, non-energy products from fuels and solvent use, electronics industry, product uses as substitute for ozone depleting substances, other product manufacture and use, and others. However, as it is difficult to ascertain emissions from all the subsectors and since the cement industry is the major contributor (92% of GHG emission in IPPU sectors), trends in GHG emissions from cement industries is only analyzed in the third NC. By 2030, the GHG projection for Nepal shows that cement production could

contribute approximately 4,000 to 6,000 Gg of CO₂ per annum by 2030. (See **paragraph 26**)

Waste sector: In 2011, wastewater treatment and discharge contributed 70% of total GHG emission and 28% of GHG emission was from solid waste disposal. It is projected that with an increment of 5% per capita waste generation, total solid waste generation will double by 2030 from the base year 2011. (See **paragraph 28 of the ProDoc**)

6. Baseline initiatives revised accordingly ? please see Table 4 in the ProDoc
NDC (2021-2030) is not a project but refers to Nepal's NDCs.

Regarding adaptation, NAP has a dedicated section on Monitoring, Reviewing and Reporting which states that monitoring will occur 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. (see **paragraph 64 of the ProDoc**)

Nepal is working towards developing an MRV system for adaptation through the NAP 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. (see **paragraph 34 of the ProDoc**)

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

Secretariat comment at CEO Endorsement Request

12/17/2021: Please address comments below:

1. Please provide more specificity and detail for the alternative scenario section. There seems to be duplicative activities, and sometimes it is not clear what the output is aiming to achieve. Specific examples are provided in comments below and consider reorganizing the outputs accordingly. It is also not clear if this CBIT project will address adaptation or not.

2. Component 1, Output 1.1.1: Please clarify how this coordinating body will engage/align with the other councils/committees mentioned. Clarify what level this will be - minister level, technical etc., and which ministries, organizations etc. will it engage with. Provide additional information, either here, or in the baseline scenario, on the PC4

and its role. Clarify how this coordinating body will not be duplicative - and provide a rationale as to why a new body is needed (if there are already other coordinating bodies in place or being set up). Under activities, please clarify what is meant by Single National Entity in this context.

3. Since this project will not focus on NDC adaptation tracking, clarify if this coordinating body will engage on adaptation issues. If not, then consider how it may be integrated or what the implications may be for a separate body that does not include adaptation.

4. Output 1.1.2: We note that importance of a capacity building plan for this project. Please clarify how the plan will address the different needs of the NGO sector vs government sector and how the objectives of these may differ.

5. Provide additional details on proposed universities and models for partnership for capacity building. Will this include developing curricula, ToT programs, exchange programs. How may this capacity building engage with outside universities/institutes to build capacity. Please provide additional details on what is envisioned.

6. It is also not clear what is meant by "assess staffing needs" and "publish resource materials". Please be specific as this remains fairly vague. Also clarify what additional the capacity assessment may achieve given that this has already been done in the past. What is included specifically in "NDC tracking and other MRV aspects".

7. Output 1.1.3: Provide details on how this project will engage with CBIT-Forest and CBIT-AFOLU, and what peer learning the project may encourage in terms of engagement with other LDCs, and other regional fora, and specify the forums that may be used. One model to consider would be where Nepal may identify one/few countries that have similar national circumstances and emissions profile etc with an ambitious CBIT project where a focused peer learning may be developed.

8. Component 2: Provide details on how this output and the capacity development plan (output 1.1.2) will align. It seems duplicative (both have a GHG inventory plan, needs assessment etc.) and not clear what the different objectives are. We recommend potentially merging activities or restructuring to be clear what the objectives and how they are different.

9. Provide details on how experts and others will be brought into this project. Will experts and academic institutions be local? or will overseas expertise be leveraged. Provide potential candidates for the universities and the models that may be used to anchor and avoid loss of knowledge due to turnover. How may this be done without relying on international consultants?

10. Provide details on how this outcome will build on the REDD work underway in Nepal. Provide details on IPCC guideline and which higher tiers. From the current

description for the two outcomes it seems that output 2.1.1 will focus on GHG inventories, and Output 2.1.2 will focus on NDC mitigation tracking. There is mention in Output 2.1.2 on other aspects of NDC tracking such as a finance, adaptation and GHG inventories. It is also not clear how this aligns with the title of this output "Enhances national capacity... for all GHG emission sectors" (ie if it is beyond mitigation tracking the title of this output and the previous one needs to be revised).

11. What is the aim of the national information and data management system and how does this differ from what is proposed in Component 3.

12. Component 3: Consider placing the building capacity for GHG projections and scenario analysis in one of the previous outputs in Component 2 (see comments above). It is not clear why it is under this output. Similarly, it is not clear why developing metrics and indicators is in this component. Please clarify and provide additional details. We recommend considering reorganizing this.

13. Output 3.1.1: Provide details on the national registry, what it is, and how it aligns with this system. Does the registry already exist? if yes, provide a brief description in the baseline scenario section.

14. Output 3.1.2: Clarify what this tracking tool is - will this be a IT system, methodology, or something else. And how will this interact with Output 3.1.1. As mentioned above, clarify that training this is, and why it is separate from previous components. It seems duplicative as the training is on ETF requirements... on adaptation and mitigation.

15. The links to the footnotes provided in this section do not work. Please check.

16. Output 4.1.3 - clarify how this will be different from Output 1.1.2 (publish resources on ETF) and Output 1.1.3.

5/4/2022: Most comments have been addressed. Please address the pending comments.

1. We note the changes made to the outcomes/outputs. However, it seems that during the revision process, outputs/outcomes related to building capacities for modeling, projection, scenario analysis has been removed (for eg see Output 3.1.1 in the previous portal document). Please clarify. We would encourage the Agency to keep these important elements within the project scope.

2. For #9, please highlight where the response has been presented in the portal document. It seems to be missing.

5/16/2022: This has been addressed. Cleared.

Agency Response

WWF GEF Agency 5.12.2022:

1. Thank you for this comment As suggested we have added modelling, projection, scenario analysis into the third activity under Output 2.2.1 which is about providing technical training on ETF. We have not altered the original output title.
2. We have highlighted in blue in the CEO ER document that has been uploaded, and in blue in the portal where the changes were made under Output 2.2.1

WWF GEF Agency 4.26.2022:

1. The components/outcomes and outputs and the activities have been revised accordingly to mitigate duplication.

The activities under previously proposed Output 1.1.2. Capacity building plan developed and rolled out to inform key stakeholders on ETF have now been merged in Output 2.2.1 **(See paragraph 79 of the ProDoc)**

Similarly, activities under previously proposed Output 1.1.3. ETF lesson learning and sharing with national, regional and international level have been merged into Output 4.2.2 **(See paragraph 97 of the ProDoc)**

CBIT project will not address adaptation directly, but will create linkages with the NAP data portal for making reporting on NDC easier. Please check the response in **section 2.5 above.**

2. The Climate Change Council, led by the Prime Minister, and the Multi-Stakeholder Climate Change Initiatives Coordination Committee (MCCICC) have been established in the context of the NAPA process but never became effectively functional. Due to recent changes of the federal structure, , the Inter-Ministerial Climate Change Coordination Committee(IMCCCC) has been proposed to supersede the MCCICC and serve as the key national platform for climate change coordination. **(See paragraph 175 of the ProDoc)**

The term ?Single National Entity? has been revised as designated authority and the following additional information has been provided in the ProDoc and CEO ER in the Portal. The Climate Change Policy 2019 has identified the Climate Change Management Division (CCMD) of MoFE as the designated focal point of the Convention to coordinate with different levels and sectors on overall affairs of climate change. The draft MRV framework 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. At federal level, focal points from the key stakeholders such as sectoral ministries (Under Secretary of Ministry of Finance; National Planning Commission; Ministry Energy, Irrigation and Water Resource 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 Urban Development; Ministry of Tourism, Culture and Civil Aviation; Central Bureau of Statistics), line agencies, private sector, CSOs will be engaged. **See paragraph 61 of the ProDoc)**

In the baseline section, role and responsibility of PC4 is elaborated.

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 but serves entirely as a coordinating body. **(See paragraph 49 of the ProDoc)**

3. The following additional information has been provided in the ProDoc and CEO ER in the Portal.

The CCMD as the single national entity/designated authority will coordinate among multiple efforts in this sector. As mentioned in the Climate Change Policy 2019, as CCMD of MoFE is the designated focal point of the Convention to coordinate with different levels and sectors on overall affairs of climate change (both mitigation and adaptation). Hence, CCMD will ensure coordination with NAP process and results. **(See paragraph 61 of the ProDoc)**

4. As a priority, the capacity building will focus on government sectors for GHG inventory and mitigation actions at the highest level. Addressed accordingly in the relevant section.

As capacity needs and gaps of different stakeholders be it sectoral ministries, private agencies, CSO will be discrete, the project will undertake a detail capacity need assessment of all relevant sectors (government, NGOs, private sectors, and organizations working on gender and indigenous people and local communities) as well as those in government institutions involved in database management and monitoring.

Accordingly, the project will develop and roll-out specific capacity building plan for the key stakeholders in relation to climate adaptation, mitigation, and ETF requirements and facilitate the process to enhance their engagement in ETF. **(See paragraph 74 of the ProDoc)**

5. The following additional information has been provided in the ProDoc and CEO ER in the Portal.

The proposed project will engage with the professionals from GHGMI who has previous experience of developing courses on GHG accounting, measurement, reporting, and verification issues as well as academicians of Tribhuvan University who were involved in the preparation of third NC to develop a long-term training strategy for capacity building on ETF which may include TOT, E-courses, short term hands-on courses, etc. Short courses will be formulated for sustaining investments beyond the project and developing in-country experts. **(See paragraph 76 of the ProDoc)**

GHGMI and TU maybe will be engaged to deliver trainings based on the training strategy and also generate ideas for research to fulfill the gaps in MRV. A roster will be maintained for the certified trainees in the online platform created by the project. These trainees will be considered as national professionals to be engaged in MRV related activities later. **(See paragraph 77 of the ProDoc)**

6. The following additional information has been provided in the ProDoc and CEO ER in the Portal.

Assess staffing needs: The project will also assess the capacity of the sectoral ministries in terms of human and technical resources (presence of repository or database system) dedicated for data collection and management and provide necessary recommendations. **(See paragraph 78 of the ProDoc)**

Publish resource materials: Resource materials to support the training courses such as handbook, course module etc. that includes combination of audios, videos, graphics, illustration will be published and distributed during the trainings. For improving understanding and to communicate about MRV and ETF for general public, two pagers, guidance materials will be published and disseminated through online platforms. **(See paragraph 76 of the ProDoc)**

Capacity need assessment/MRV aspects: Sector specific capacity assessment will be carried out on current capacities, gaps, priorities, and opportunities for improvement of GHG inventory in all emission sectors and mitigation action reporting. As of now, this has been done in a generic way without focusing in all emission sectors. **(See paragraph 79 of the ProDoc)**

7. The CBIT project will coordinate with the two global CBIT projects, CBIT-Forest and CBIT-AFOLU in the initial phase of the project to gain 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 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.

Peer-to-peer learning and experiences sharing with countries having similar context (emission profile) and capacities as that of Nepal will be targeted (such as Cambodia, Chile, Uganda) 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. **(see paragraph 95 of the ProDoc)**

8. This component has been revised accordingly (See paragraph 66-79 of the ProDoc)

Please see response in **section 3.1** explaining which outputs have been removed and included in relevant components.

9. Additional information has been provided in the ProDoc and CEO ER in the Portal. **See response in ProDoc section 3.5.**

The project will build the capacity of national experts. Due to limited national capacity the project will include some international expertise to transfer knowledge to Nepal.

10. The REDD IC under the MoFE has developed a Forest Reference Level (FRL) that includes emissions from deforestation and forest degradation and activities that support emission removal and instead 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 opportunity for improvement and to adapt the methodology used to create such benchmark in other emission sectors. (See paragraph 68 of the ProDoc)

The following additional information has been provided in the ProDoc and CEO ER in the Portal.

For emission inventory, currently Tier 1 and Tier 2 based on IPCC standard guideline 2006 is being used due to absence of emission factor and standardized inventory measurement system. Thus, this project will develop and institutionalize Tier 3 method for all emission sectors through a consultative process. **(See paragraph 70 of the ProDoc)**

Now output 2.1.2 has been removed and new outcome has been revised as per the comment. **(See paragraph 73 of the ProDoc)**

11. The national information and data management system will focus on MRV of key emission sectors and mitigation actions and the processed data will feed into the centralized climate action management system mentioned in the component 3 which has been restructured as per the suggestion. **(See paragraph 83 of the ProDoc)**

12. Component 3 has been revised accordingly. **(See paragraph 83 of the ProDoc)**

13. Addressed accordingly and restructured under Component 3 where the concepts of national registry/information and data management system have been combined as an IT based system which covers GHG emissions, mitigation actions and policy interventions to track NDC. **(See paragraph 83 of the ProDoc)**

14. The following additional information has been provided in the ProDoc and CEO ER in the Portal.

Currently, the MoF has online portal that provides information on foreign aids received. The information system is disaggregated in terms of different sectors such as health, energy, environment protection. To report the financial support received for climate action as required by the ETF, the proposed project will coordinate with MoF to revise the database to include projects related to climate change adaptation and mitigation. To feed such information in the information system, a tracking tool that will provide separate codes for climate change related projects funded by national and international funds will be established in the MoF. **(See paragraph 84 of the ProDoc)**

All duplicative activities have been removed. Please see response in above sections.

15. Thank you for this observation. The hyperlinks at the end of this section in the footnotes have all been checked and they are functioning. Footnotes referenced in the body text do not link to anything and refer to the corresponding footnotes.

16. Restructured as per the suggestion to avoid duplication across components. Removed from Outcome 1. (See paragraph 65 of the ProDoc)

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

Secretariat comment at CEO Endorsement Request

12/17/2021: The portal document states that "since Nepal is working towards developing an MRV system for adaptation..., this proposed CBIT project intends to address the barriers regarding tracking and reporting of mitigation interventions and of climate investments to complement national efforts to meet transparency requirements". Given this, it is unclear why the description mentions CCA-2. Please address.

It is not clear what is meant by the climate change mitigation strategy in this context, is this Nepal's strategy? Please clarify. Additionally elaborate on how the project aligns with the CBIT objectives. Please address some typos in this section.

5/4/2022: This has been addressed. Cleared.

Agency Response

•*WWF GEF Agency 4.26.2022:*

We have corrected the project objective to CCM-3-8 ?Foster enabling conditions for mainstreaming mitigation concerns into sustainable development strategies through capacity building initiative for transparency.?

Climate Change Mitigation Strategy here is referring to the GEF-7 CCM focal area i.e. 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 (See paragraph 158 of the ProDoc).

In Table 11 the below text has been added to chapter 3.2 to highlight the alignment of the project with CBIT's objectives.

The proposed project will strengthen the national effort to reduce the emission and shift towards low carbon development pathway by providing a framework to measure the emission and track the progress of reaching net zero following methods that is suited to 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

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

Secretariat comment at CEO Endorsement Request 12/17/2021: Cleared.

Agency Response

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

Secretariat comment at CEO Endorsement Request 12/17/2021: Cleared.

Agency Response

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

Secretariat comment at CEO Endorsement Request

12/17/2021: Please clarify how this project will be financially sustainable in the long run, especially the information management system and comment on how this project may be scaled up to add additional sectors/gases.

5/4/2022: This has been addressed. Cleared.

Agency Response

WWF GEF Agency 4.26.2022:

The following additional information has been provided in the ProDoc and CEO ER in the Portal.

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. **(See paragraph 172 and 173 of the ProDoc)**

8. 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 12/17/2021: Yes. This is a national project and a map has been provided.

Agency Response

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

Secretariat comment at CEO Endorsement Request N/A

Agency Response

10. 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

12/17/2021: In relation the a comment made in the baseline scenario section, please clarify here if IMCCC and the Council from the Transparency Framework (if relevant) will be a relevant stakeholder. Please spell out the relevant government ministries and ensure that they align with the sectors covered in this project.

For Private Sector - please be more specific - will these be industry associations, large companies (please provide examples). Also mention how private sector engagement will be sought. Similarly, for CSOs please provide specific examples.

5/4/2022: Cleared.

Agency Response

WWF GEF Agency 4.26.2022:

IMCCCC role detailed out accordingly. Private sector and relevant sectoral ministries are also included in the revision. The FNCCI and CNI represent the industries in Nepal and will be a 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. (See table 8 of the ProDoc)

11. 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

12/17/2021: This is sufficient. Cleared.

5/19/2021: While the gender considerations are adequately discussed, the Agency is encouraged to reflect these gender perspectives in the respective project components (in particular, in relation to component 4 - M&E and Knowledge Management).

6/10/2022: Cleared.

Agency Response

WWF GEF Agency 6/10/2022:

Thank you for this comment. The WWF GEF agency will make an effort to assure full integration of female staff and focus on gender mainstreaming during the implementation of the project.

12. 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

12/17/2021: Please see comment above.

5/4/2022: Cleared.

Agency Response

WWF GEF Agency 4.26.2022:

Thank you for this comment. Private sector umbrella agencies have been incorporated accordingly in the revision along with their potential roles. (See table 8 of the ProDoc)

13. Risk. 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

12/17/2021: Please include risk of staff turnover.

5/4/2022: This has been addressed. Cleared.

Agency Response

WWF GEF Agency 4.26.2022:

The following additional information has been provided in the ProDoc and CEO ER in the Portal.

The project aims to have two dedicated focal points in each department or ministry so that there will be institutional memory. Frequent communication with the focal points and teams will also help mitigate the risk of loss of institutional memory. The PMU will communicate regularly with 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 steps, procedures and expected deliverables and results will be documented so that the incoming staff will be able to understand the activity and take forward the responsibilities effectively.

Should staff changes occur, workshops and meetings will be organized to familiarize new staff with 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. **(See table 11 of the ProDoc)**

14. 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

12/17/2021: We note that WWF Nepal will provide limited execution support. Please provide rationale here and attach the justification letter per the Guidelines. Please refer to the GEF guidelines on the OFP letter in this regard. Clearly state that the implementing agency is WWF-US - the description here refers to WWF Nepal and not WWF-US. Please also clarify the role of WWF Nepal vs WWF-US and how this arrangement works. Update the figure accordingly.

Please provide a description of coordination with other GEF-financed projects and other initiatives. Describe how the CBIT project will build on these and avoid duplication. We note that this information is provided in the prodoc - please include in the portal document.

5/4/2022: Thank you for the clarification that limited execution support will be provided by WWF-Nepal through co-financing. However, it is still not clear what the role of WWF-Nepal and WWF-US is. The portal document states "...with WWF GEF(WWF-US) providing oversight to the project". It then says "**WWF Nepal** is a key partner of the Government of Nepal and will oversee implementation progress and ensure programmatic and financial management of the project in close coordination with the NPD and National Project Coordinator." Please clarify. Additionally, as mentioned above, please state clearly that WWF-US will be the Implementing Agency. This is missing from the current portal document.

5/16/2022: Cleared.

Agency Response

WWF GEF Agency 5.12.2022:

Thank you. This statement has been removed in the document and the role of WWF Nepal clarified. At the request of the government WWF Nepal will provide limited execution support funded by (non-GEF) co-financing from WWF Nepal 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.

WWF GEF Agency 4.26.2022:

It is correct that WWF-Nepal will provide limited execution support based on the request of the government due to limited capacity. The limited executing support does not access any GEF funding but is provided out of WWF-Nepal resources as co-financing to the project. The GEF funding goes 100% to the government and its execution partners (other than WWF Nepal).

This has been addressed in the revision of Table 5 in the ProDoc and also included in the Portal.

15. Consistency with national priorities. Has the project described the consistency of the project with identified national strategies and plans or reports and assessments under the relevant conventions?

Secretariat comment at CEO Endorsement Request 12/17/2021: Cleared.

Agency Response

16. 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

12/17/2021: Please see some of the comments in relation to KM made in the Alternative Scenario section as this may need to be revised based on these. Provide a table with deliverables and timeline - please include KM deliverables here. Please include in the prodoc the description of lessons learned from other projects and explain how the KM approach will contribute to the project's overall impact.

5/4/2022: 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.

5/16/2022: These have been addressed. Cleared.

Agency Response

WWF GEF Agency 5.12.2022:

Thank you for this suggestion. Table 15 from the ProDoc has been added in section 8. Knowledge Management in the portal. The Budget has also been added in the table. Lessons learned from other GEF projects have been added to section 8.

WWF GEF Agency 4.26.2022:

The KM component has been revised accordingly. **(See paragraph 83-84 and Appendix D for details on deliverables and timelines of the ProDoc)**

Lessons learned from other projects described in detail in **paragraph 175.**

17. 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

12/17/2021: Some of the details in Component 4, Alternative Scenario section on M&E management should be moved here. Spell out AMU mission - the budget for this seems high. Please reconsider.

5/4/2022: Cleared.

Agency Response

WWF GEF Agency 4.26.2022:

Thank you for this comment. This has been addressed accordingly. **(See section 2.7 on M&E of the ProDoc)**

The AMU mission costs have been removed.

18. 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 12/17/2021: Cleared.

Agency Response

19. Annexes:

Are all the required annexes attached and adequately responded to?

Secretariat comment at CEO Endorsement Request

12/17/2021: The Budget table is not legible. Please format so that it can all fit in the Annex provided and does not spill over.

5/4/2022: 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.

5/16/2022: Cleared.

Agency Response

WWF GEF Agency 5.12.2022:

Thank you for this comment. Due to the detail within the budget, and given the constraints of the upload box within the portal, the budget is as legible as we can make it. The photos have been compressed to allow the portal to accept the submission. The budget spreadsheet has been uploaded to the documents section in the road map of the portal.

WWF GEF Agency 4.26.2022:

Thank you for this comment. The budget images have been compressed and re-uploaded into the portal. The budget is also uploaded separately as an attachment to the submission for a clearer picture please see this budget.

20. 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 12/17/2021: The Project has been assessed as Low.

Agency Response

Project Results Framework

Secretariat comment at CEO Endorsement Request 12/17/2021: The Project Results Framework must be attached in the portal document.

5/4/2022: This has been provided and we note that the CBIT indicators has been provided as well. Cleared.

Agency Response

WWF GEF Agency 4.26.2022:

Thank you for this comment, the Project Results framework has been uploaded in the Results Framework field in the portal. The results framework can also be found in Appendix C.

GEF Secretariat comments

Secretariat comment at CEO Endorsement Request

Agency Response

Council comments

Secretariat comment at CEO Endorsement Request

Agency Response

STAP comments

Secretariat comment at CEO Endorsement Request

Agency Response

Convention Secretariat comments

Secretariat comment at CEO Endorsement Request

Agency Response

Other Agencies comments

Secretariat comment at CEO Endorsement Request

Agency Response

CSOs comments

Secretariat comment at CEO Endorsement Request

Agency Response

Status of PPG utilization

Secretariat comment at CEO Endorsement Request N/A

Agency Response

Project maps and coordinates

Secretariat comment at CEO Endorsement Request 12/17/2021: Yes, this is has been provided.

Agency Response

Part III ? Country and Agency Endorsements

1. Country endorsements. Has the project/program been endorsed by the country's GEF Operational Focal Point and has the name and position been checked against the GEF data base?

Secretariat comment at CEO Endorsement Request

12/17/2021: This has not been provided. Please submit the Letter of Endorsement from the OFP.

5/4/2022: This has been provided. The LoE has been signed by Shreekrishna Nepal who was the GEF OFP at the time when the LOE was signed (May 23, 2021). Cleared.

5/19/2022: As per GEF guidelines, the LoE has to be signed by the official OFP at the time of submission. This project was submitted on December 3, 2021 when the OFP was Mr. Ishwori Prasad Aryal (while the LoE submitted is signed by the OFP Shreekrishna Nepal). As per the guidelines, a new LoE signed by Mr. Ishwori Prasad Aryal needs to be submitted.

6/10/2022: An email confirming endorsement has been received from the current OFP. Cleared.

Agency Response

WWF GEF Agency 6/10/2022

This is correct, the OFP changed during the project cycle. After discussions with the GEF Program Manager, it was established that an email from the new OFP, Ishwori Prasad Aryal, re-confirming the country's endorsement of the project would suffice in place of an official letter. An email from the new OFP was sent on June 10th, 2022 to Chizuru Aoki at the GEF Secretariat. A document containing email confirmation of this has been uploaded to the portal.

WWF GEF Agency 4.26.2022:

Thank you for this observation, the Letter of Endorsement from the OFP has been uploaded in the documents section of the Roadmap in the Portal.

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

1. RECOMMENDATION.

Is CEO endorsement/approval recommended?

Secretariat comment at CEO Endorsement Request

5/4/2022: Please address remaining comments.

5/16/2022: PM recommends technical clearance.

5/19/2022: Please address comments.

Review Dates

	1SMSP CEO Approval	Response to Secretariat comments
First Review	12/17/2021	4/26/2022
Additional Review (as necessary)	5/4/2022	5/12/2022
Additional Review (as necessary)	5/19/2022	6/10/2022

**1SMSP CEO
Approval**

**Response to Secretariat
comments**

**Additional Review (as
necessary)**

**Additional Review (as
necessary)**

CEO Recommendation

Brief reasoning for CEO Recommendations