

GEF-8 REQUEST FOR Climate Change enabling activity

Proposal for Funding Under the GET
Processing Type: Expedite

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SECTION 1: ENABLING ACTIVITY SUMMARY

Enabling Activity Title

Enabling the Kingdom of Bhutan to prepare its Fourth National Communication (4NC) and First and Second Biennial Transparency Report (BTR1-2) to the UNFCCC

Country(ies)	GEF Enabling Activity ID
Bhutan	11480
GEF Agency(ies):	GEF Agency Enabling Activity ID
FAO	734962
Submission Date	Expected Implementation Start
10/23/2023	3/1/2024
Project Executing Entity(s):	Executing Partner Type
Department of Environment and Climate Change (DoECC)	Government
GEF Focal Area (s)	Expected Duration (In Months)
Climate Change	42
Type of Report(s)	Expected Report Submission to Convention
UNFCCC Biennial Transparency Report (BTR)	12/31/2024
UNFCCC Biennial Transparency Report/ National Communication (BTR/NC)	12/31/2026

A. Funding Elements

GEF-8 Program	Trust Fund	GEF Financing (\$)
CCM-EA	GET	1,233,000.00
Total Enabling Activity Cost		1,233,000.00

Does the enabling activity deviate from typical cost ranges? Yes No

If yes, please describe

B. Enabling Activity Summary

Enabling Activity Objective

Given the amount of the past and current activities on climate change in the country, the present proposal will extensively draw from and build upon the past and current work rather than duplicating what has been and is being undertaken. Thus, the main objective of this proposal is to support the Kingdom of Bhutan prepare and submit the First Biennial Transparency Report and a combined Fourth National Communication and Second Biennial Transparency Report (BTR1 – NC4+BTR2) in compliance with the United Nations Framework Convention on Climate Change (UNFCCC) and Paris Agreement's (PA) reporting obligations.

Enabling Activity Summary

The Paris Agreement empowers countries to act towards limiting global average temperature increases to as close to 1.5C as possible above pre-industrial levels, to strengthen climate resilience and to make financial flows consistent with these overall objectives.

Regular reporting by countries of transparent information on the implementation and achievement of their national objectives, provides a snapshot of global progress in relation to the objectives of the Paris Agreement, helping to enable a global assessment of collective progress. In turn, the reported information undergoes peer assessment, which helps to build mutual trust and confidence among countries, and provide a better understanding of current climate actions and levels of support needed and provided. Through this process countries gain the opportunity to learn from each other by sharing achievements, best practices, and experiences.

Starting no later than 2024, as part of the enhanced transparency framework (ETF), all countries that have ratified the Paris Agreement will follow a single, universal transparency process. The information gathered under the ETF will provide a clear understanding of climate change actions and support, and ultimately contribute to the global stocktake process that will periodically take stock of the implementation of the Paris Agreement.

The Project "Enabling the Kingdom of Bhutan to prepare its Fourth National Communication (4NC) and First and Second Biennial Transparency Report (BTR1-2) to the UNFCCC" aims to assist Bhutan in responding to the reporting requirements under the Convention and the Paris Agreement to address climate change and its impacts and to take part in review processes that consider the information Parties provide.

The first biennial transparency reports (BTRs) are due at the latest by 31 December 2024. Parties, except Small Islands Developing States (SIDS) and Least Developed Countries (LDCs), will submit their BTRs "no less frequently than on a biennial basis". For non-Annex I Parties to the Convention and the Paris Agreement (developing countries), the BTRs will supersede the requirements to submit biennial update reports (BUR), while all Parties will have to continue reporting NCs.

Under this project, BTR and NC reports will be prepared in close coordination with any other climate-related ongoing project and activity in the country, funded by the GEF and/or other donors.

The expected results are: 1) Institutional arrangements for improved transparency activities are in place and effective; 2) The national team and main stakeholders obtain a common understanding of the key elements of the Enhanced Transparency Framework (ETF) and the benefits to the country that arise from it; and 3) High

quality reports (BTR and NC) are produced with information reported in narrative and tabular formats in a way that facilitates the tracking of progress in the implementation and achievement of the National Determined Contribution (NDC).

Stakeholders' involvement and consultation processes are critical to the success of this project. An effective engagement of key stakeholders is envisaged during project preparation, implementation, monitoring and evaluation. This aims to enhance ownership of the reporting process bringing it more in line with national needs and international requirements.

ENABLING ACTIVITY COMPONENTS

Component 1: National consultations and plan for BTR1/ NC4 + BTR2

GEF Enabling Activity Financing (\$): 124,370.00

Outcome:

Outcome 1.1: Enhanced coordination for BTR preparation

Output:

Output.1.1.1 Mechanisms for stakeholders' involvement and coordination identified including roles and responsibilities and gender balance

Output 1.1.2 Plan for regular preparation of BTRs and NC developed

Component 2: Preparation of BTR1/ NC4 + BTR2

GEF Enabling Activity Financing (\$): 973,040.00

Outcome:

Outcome 2.1 National GHG inventory reported

Outcome 2.2 Information on tracking NDC progress reported

Outcome 2.3 Information on climate change impacts and adaptation reported

Outcome 2.4 Information on financial, technology development and transfer and capacity building support (FTC) needed and received reported

Outcome 2.5 BTRs and NC finalized and submitted

Output:

Output 2.1.1 GHG emissions and removals estimated and reporting tables compiled

Output 2.1.2 National inventory document (NID) prepared

Output 2.2.1 Progress of mitigation policies and actions at national and subnational level assessed and reported including gender disaggregated data

Output 2.2.2 GHG emissions projections elaborated

Output 2.3.1 Information on climate change impacts, vulnerability and risks of human and natural systems, considering gender-disaggregated data, gathered and reported

Output 2.3.2 Information on losses and damages associated with the adverse effects of climate change, considering gender-disaggregated data, gathered and reported

Output 2.4.1 Information on FTC support needed and received gathered and reported including gender disaggregated data

Output 2.5.1 First BTR including additional and non-compulsory information finalized and submitted to government

Output 2.5.2 Combined second BTR and fourth NC including additional and non-compulsory information finalized and submitted to government

Output 2.5.3 Participation in the BTR technical expert review processes (TER) and subsequent facilitative, multilateral consideration of progress (FMCP)

M&E

GEF Enabling Activity Financing (\$): 59,990.00

Outcome:

Outcome 3.1 Project monitored and closed

Output:

Output 3.1 Project monitored to support results-based management and learning

Output 3.2 Final evaluation performed

Component Balances

Project Components	GEF Enabling Activity Financing (\$)
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Component 1: National consultations and plan for BTR1/ NC4 + BTR2	124,370.00
Component 2: Preparation of BTR1/ NC4 + BTR2	973,040.00
M&E	59,990.00
Subtotal	1,157,400.00
Project Management Cost	75,600.00
Total Enabling Activity Cost	1,233,000.00

Please provide justification

SECTION 2: ENABLING ACTIVITY SUPPORTING INFORMATION

C. Eligibility Criteria

Please provide eligibility information for this enabling activity.

As a Party to the Convention and the Paris Agreement, Bhutan is eligible to receive financing for the preparation of climate national reports. Bhutan ratified the UNFCCC in 1995 and became part of the Kyoto Protocol in 2002. Since then, with previously implemented enabling activities, the country has developed and reported to the UNFCCC three national communications (NC) and one Biennial Update Report (BUR).

In 2020, Bhutan confirmed its commitment to climate action by updating its NDC, increasing ambitions in all its components, and focusing particularly on transparency and monitoring of the established goals.

The second NDC charts a way for Bhutan to continue pursuing a low emissions development pathway towards the national objectives for sustainable development while meeting the obligations of the PA. To ensure this, the ongoing Capacity-Building Initiative for Transparency (CBIT) project in the country, implemented also by FAO, provides adequate institutional and technical capacity to prepare reports consistent with the requirements of the Paris Agreement's ETF, including more up-to-date inventories of emission sources and sinks using advanced IPCC guidance (IPCC 2006 Guidelines, 2013 supplement and 2019 refinements) and information necessary to track progress against priority actions identified in Bhutan's NDC. The enabling activity project hereby proposed will ensure coordination with the CBIT project as well as with any other existing ETF related activities in the country such as implementation of Low Emission Development Strategies (LEDS). It will therefore represent further opportunity to integrate findings, recommendations and needs identified, and building in-country capacity to produce high quality reports to be submitted to UNFCCC, especially the first BTR1, which is due by December 2024, and improve reporting processes generally in Bhutan.

D. Institutional Framework

Describe the institutional arrangements for implementation of the enabling activity.

The institutional arrangements for climate change coordination and reporting in Bhutan have evolved over the years since the establishment of the Department of Environment and Climate Change (DoECC). As per the National Environment Protection Act 2007, DoECC is the highest decision-making body on all matters relating to the environment and its management in the country leading the process with regard to fulfilment of national obligations as a Party to the UNFCCC.

The execution of the project will be led by the DoECC under the Ministry of Energy and Natural Resources, which assumes executing responsibilities and project guidance and as such, it will manage about 85 percent of all resources allocated to the project. FAO will be the GEF Implementing Agency and will supervise, monitor and support the implementation of project activities in line with GEF and FAO standard procedures. FAO will be responsible for reporting, monitoring and evaluation of the project to GEF, providing support to the project team in meeting the technical, administrative, finance and management requirements. Because of DoECC's limited access to international experts and given FAO's extensive network of international consultants working in the reporting technical field, FAO will be also in charge of the recruitment of international experts under the

project and the training of national consultants by managing about 15 percent of all resources allocated to the project.

The Department of Macro-Fiscal and Development Finance under the Ministry of Finance as aid mobilization agency serves the purpose of maintaining information on support in the form of grants and technical assistance and also the responsible agency to monitor and submit climate change reports on behalf of the government.

The institutional structure will be based on the existing mechanism under the 3NC and 1BUR projects. The Project Team will be recruited at the beginning of the project by DoECC including the project coordinator. The role of the project coordinator is to provide strategic guidance and consistent general coordination during the BTR and NC development.

To comply with the Enhanced Transparency Framework and its reporting requirements in a successful way, stakeholders' engagement of a wide range of sectors, including line ministries and agencies, local communities, local authorities and NGOs, mass media, academia, private sector and international organizations will be ensured as much as possible through the ongoing CBIT Bhutan project's efforts and possibly through the **Project Steering Committee (PSC)**.

E. Monitoring and Evaluation Plan

Describe the budgeted M&E plan.

The project monitoring and evaluation will be carried out according to FAO and GEF programming policies and procedures.

Project Inception Report

After project approval, a national project Inception Workshop will be held. After the workshop, the Project Coordinator will prepare a project Inception Report in consultation with the Project Steering Committee (PSC) and the FAO Country Office. The report will include a description of the institutional functions and responsibilities and the action for coordination of the project stakeholders, the progress made in its establishment and start-up activities, as well as an update of any changes in external conditions that may affect the execution of the project. It will also include a detailed Annual Work Plan/Budget (AWBP) for the first year and the Monitoring matrix. The draft Inception Report will be submitted to FAO and PSC for their review and comments prior to completion, no later than three months after project start-up. The report must be approved by the Budget Holder (BH), the Lead Technical Officer (LTO) and the FAO-GEF Coordination Unit. The BH will upload the report to FPMIS.

Project Progress Reports (PPR)

The PPRs will be prepared based on the systematic monitoring of the output and outcome indicators identified in the Project Results Framework, the AWPB, and the Monitoring Plan. Each semester, the Project Coordinator will prepare a draft PPR and collect and consolidate FAO Project Task Force (PTF) comments. The report covering the July-December period must be accompanied by the updated AWPB for the following year for its review and no objection by the FAO PTF. The BH is responsible for coordinating the preparation and finalization of the PPR, in consultation with the Project Management Unit, LTO, and GEF Technical Officer

(GTO). Following LTO, BH, and GTO approval, the GTO will ensure that project progress reports are uploaded to FPMIS in a timely manner.

Annual progress

NC/BUR and BTR Status Survey Questionnaires will be filled in once a year to gather information on progress and identify bottlenecks as well as technical support needs, in line with GEF and UNFCCC reporting requirements for BTR.

Lessons learned and knowledge generation

Results from the project will be disseminated within and beyond the project intervention area through existing information sharing networks and forums. The project will identify and participate, as relevant and appropriate, in scientific, policy-based and/or any other networks, which may be of benefit to the project. The project will identify, analyse and share lessons learned that might be beneficial to the design and implementation of similar projects and disseminate these lessons widely. There will be continuous information exchange between this project and other projects of similar focus in the same country, region and globally.

COVID 19 consideration

The project will carefully consider the challenges and changes brought about by COVID-19 restrictions in order to minimize risks, ensure safety, and promote successful project execution. The project will consider running a risk assessment for potential COVID-19-related risks and their impact on the project together with contingency plan to address these risks and outline alternative approaches to mitigate any disruptions, if reckoned needed. Project will possibly promote make use of online communication means for trainings and stakeholders' interactions towards a sustainable, inclusive, low in emissions and resilient climate change model.

Terminal evaluation

The FAO Office of Evaluation (OED) will conduct a final evaluation for this project. To this end, an allocation of USD 40 000 has been set aside for the evaluation. The evaluation will provide a comprehensive and systematic assessment of project execution, performance, and factors that affect execution and performance. Evaluations will seek to provide learning and accountability, promote transparency, and enable evidence-based decision making through knowledge sharing across stakeholders (such as FAO as the implementing agency, partner executing agencies, governments, other national partners, and the donor) to improve the performance of future projects.

Terminal report

Within two months prior to the project completion date, the Project Coordinator will submit a draft Terminal Report to the PSC and the FAO Country Office. Such a report will consist of a summary of the main project deliverables, results, conclusions, and recommendations. The report will be aimed at people who are not necessarily technical specialists and who must understand the policy implications of the findings and technical needs to ensure the sustainability of the project results. The Terminal Report will evaluate the activities, summarize the lessons, and express possible recommendations in terms of future projects execution.

SECTION 3: INFORMATION TABLES

F. GEF Financing Resources Requested by Agency, Country and Programming of Funds

GEF Agency	Trust Fund	Country/ Regional/ Global	Focal Area	Programming of Funds	GEF Enabling Activity Financing (\$)	Agency Fee (\$)	Total (\$)
FAO	GET	Bhutan	Climate Change	CC Set-Aside	1,233,000.00	117,135.00	1,350,135.00
Total GEF Resources					1,233,000.00	117,135.00	1,350,135.00

Sources of Funds for Country Star Allocation

GEF Agency	Trust Fund	Country/ Regional/ Global	Focal Area	Sources of Funds	Total(\$)
Total GEF Resources					0.00

G. Rio Markers

Climate Change Mitigation	Climate Change Adaptation	Biodiversity	Desertification
Principal Objective 2	Significant Objective 1	No Contribution 0	No Contribution 0

H. Record of Endorsement of GEF Operational Focal Point(s) on Behalf of the Government(s):

Please attach the *Operational Focal Point endorsement letter(s)* with this template.

Name	Position	Ministry	Date (MM/DD/YYYY)
Ms Thinlay Yandon	Director	Ministry of Finance	10/18/2023

ANNEX A: RESPONSES TO STAKEHOLDER COMMENTS

Describe how the enabling activity has addressed comments from stakeholders, including Council Members, Convention Secretariats, and STAP (if applicable).

The enhancement of institutional and technical capacity among diverse stakeholders and institutions will extend beyond a limited group of experts and decision-makers solely associated with the governmental institutions responsible for fulfilling national obligations to the Convention.

Efforts will be exerted to consider the needs of stakeholders across all sectors, including the private sector, to better understand the impact of climate change on various activities within the countries. To achieve this objective, the project team will consider the use of diverse tools such as design thinking and foresight. This approach aims to establish a collaborative space where stakeholders from different domains unite to formulate policies and actions contributing to the mitigation of GHG emissions. Simultaneously, it seeks to enhance resilience and adaptive capacities to climate change at both national and local levels. To ensure inclusivity, a

comprehensive stakeholder mapping will be prepared, leaving no one behind. Clear roles and mandates during the project preparation, implementation, monitoring and evaluation of the project will be assigned to ensure that the capacity developed is maintained within the relevant stakeholders and ultimately that the reports reflect more the national needs and circumstances.

The table below outlines the primary stakeholders at the national level involved in the project, along with their potential roles and responsibilities.

Stakeholders	Roles	Responsibilities
Department of Environment and Climate Change (DECC)	Leads and coordinates the formulation of Nationally Determined Contributions (NDCs) and the elaboration of Greenhouse Gas (GHG) inventories. Disseminates information on climate change, advocates for the advancement of technical assessments for climate initiatives, and oversees the execution of adaptation and mitigation measures. Additionally, holds accountability for preparing the BTR and National Communication. Assumes responsibility for implementing policies and regulations related to environment and climate across key sectors, including Energy, Waste, and Industrial Processes Product Use (IPPU), and for Agriculture, Forestry, and Other Land Use (AFOLU).	Focal point, project execution
Ministry of Agriculture and Livestock	Actively engaged in the formulation and execution of comprehensive agriculture policies, aimed at fostering sustainable practices of the agricultural sector. It plays a pivotal role in implementing a wide array of adaptation and mitigation measures specifically tailored to address the unique challenges within the sector. Moreover, is responsible for elaborating the Greenhouse Gas (GHG) inventory for the AFOLU sector. This process involves the systematic assessment and documentation of emissions and removals associated with agricultural activities and practices, and land use changes. By undertaking this responsibility, the ministry contributes to the broader national and international efforts to monitor and manage GHG emissions, thereby aligning agricultural practices with climate goals and sustainable development objectives.	Participation in technical meetings and workshops
Department of Forests and Park Services	Plays not only a role in monitoring and reporting GHG emissions but also in implementing on-the-ground initiatives that contribute to the country's commitment to sustainable development and climate change mitigation.	Participation in technical meetings and workshops

Department of energy	By combining policy formulation, mitigation and adaptation measures, and the development of accurate GHG inventories, the ministry plays a central role in advancing Bhutan's commitment to a greener and more sustainable energy future.	Participation in technical meetings and workshops
Bhutan Construction and Transport Authority	A crucial role in the exchange of information for the development of the sectoral GHG inventory as well as of assumptions and inputs for sectoral mitigation plans and development of scenarios.	Participation in technical meetings and workshops
Department of industry	A crucial role in the exchange of information for the development of the sectoral GHG inventory as well as of assumptions and inputs for sectoral mitigation plans and development of scenarios.	Participation in technical meetings and workshops
Department of Macro-Fiscal and Development Finance	Important actor in driving sustainable and climate-resilient development in the country. It plays an important role in climate change mitigation by providing the necessary financial support, ensuring fiscal policies align with mitigation goals, and developing mitigation scenarios.	Participation in technical meetings and workshops
Royal University of Bhutan (RUB)	Key partner in advancing the development of the national GHG inventory by providing expertise, conducting research, and contributing to capacity building and policy formulation. The academic community's involvement will ensure a more sustainable approach to estimate and managing greenhouse gas emissions estimation.	Participation in technical meetings and workshops
National Statistical Bureau (NSB)	NS will support the development of the national GHG inventory by enhancing activity data availability and improving the quality of data through QA/QC and verification processes. NSB should be part of the national inventory system and institutional arrangements for the GHG inventory preparation.	Participation in technical meetings and workshops and QA/QC processes
Private sector	A key actor who takes part in discussions, enacts adaptation and mitigation measures in accordance with the national climate change policy and NDCs. Connections with private sector entities are established through industry associations and chambers of commerce or creating opportunities for businesses to learn about the importance of climate action and how they can contribute.	Participation in technical meetings and workshops
NGOs	Will contribute in the development of GHG inventories and NDCs by providing technical expertise, engaging communities, advocating for effective policies, and fostering collaboration among various stakeholders.	Participation in technical meetings and workshops

The revised stakeholder engagement matrix is uploaded separately.

ANNEX B: PROJECT BUDGET TABLE

Attach the project budget table.

FAO Cost Categories	Unit	No. of units	Unit cost	Component 1	Component 2	Component 3 (M&E)	PMC	Total GEF
				Total	Total	Total		
5013 Consultants								
ETF experts (int. consultants)	Month	25	6,000	15,000	135,000	0		150,000
Sub-total international Consultants				15,000	135,000			150,000
Technical experts	Month	259	2,700	69,930	629,370	0		699,300
Project Coordinator	Month	42	3,200	13,440	107,520	13,440		134,400
Administrative and financial assistant	Month	42	1,800				75,600	75,600
Sub-total national Consultants				83,370	736,890	13,440	75,600	909,300
5013 Sub-total consultants				98,370	871,890	13,440	75,600	1,059,300
5650 Contracts								
Reports layout design	Lumpsum	2	5,075	0	10,150	0		10,150
Workshop inception	Lumpsum	1	8,000	8,000	0	0		8,000
Consultation/advancement workshop	Lumpsum	2	8,000	8,000	8,000	0		16,000
Workshop validation for BTR and BTR2/NC	Lumpsum	2	8,000	0	16,000	0		16,000
Final evaluation	Lumpsum	1	40,000	0	0	40,000		40,000
Terminal report	Lumpsum	1	6,550	0	0	6,550		6,550
5650 Sub-total Contracts				16,000	34,150	46,550	0	96,700
5021 Travel								
International travel	Lumpsum	8	6,000	0	48,000	0		48,000
Domestic travel	Lumpsum	9	1,000	0	9,000	0		9,000
5021 Sub-total travel				0	57,000	0	0	57,000
5023 Training								
Ad-hoc capacity building sessions on ETF matters (including CTF and CRT tables)	Lumpsum	5	4,000	10,000	10,000			20,000
5023 Sub-total training				10,000	10,000	0	0	20,000
TOTAL				124,370	973,040	59,990	75,600	1,233,000

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Consultation/advancement workshop	Lumpsum	2	8,000	8,000	8,000	0		16,000
Workshop validation for BTR and BTR2/NC	Lumpsum	2	8,000	0	16,000	0		16,000
Final evaluation	Lumpsum	1	40,000	0	0	40,000		40,000
Terminal report	Lumpsum	1	6,550	0	0	6,550		6,550
5650 Sub-total Contracts				16,000	34,150	46,550	0	96,700
5021 Travel								
International travel	Lumpsum	8	6,000	0	48000	0		48,000
Domestic travel	Lumpsum	9	1,000	0	9000	0		9,000
5021 Sub-total travel				0	57000	0	0	57,000
5023 Training								
Ad-hoc capacity building sessions on ETF matters (including CTF and CRT tables)	Lumpsum	5	4,000	10,000	10,000			20,000
5023 Sub-total training				10,000	10,000	0	0	20,000
TOTAL				124,370	973,040	59,990	75,600	1,233,000

ANNEX C: ENVIRONMENTAL AND SOCIAL SAFEGUARDS

Attached any screening documents or other ESS related documents (if applicable). ESS screening is not required for EAs but should be included if its available.

Check this box is ESS screening is not required per Agency's regulations

Title

Risk Certification 734962