

# GEF-8 PROJECT IDENTIFICATION FORM (PIF)

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## General Project Information

### Project Title

Strengthening institutional and technical capacities for greater transparency in the implementation of Article 13 of the Paris Agreement in Nicaragua (CBIT 2)

Region	GEF Project ID
Nicaragua	11653
Country(ies)	Type of Project
Nicaragua	MSP
GEF Agency(ies):	GEF Agency ID
FAO	750571
Executing Partner	Executing Partner Type
Climate Change Secretariat of the Presidency (SCCP)	Government
GEF Focal Area (s)	Submission Date
Climate Change	4/26/2024

### Project Sector (CCM Only)

Climate Change Adaptation Sector

### Taxonomy

Focal Areas, Climate Change, Climate Change Mitigation, United Nations Framework Convention on Climate Change, Paris Agreement, Capacity Building Initiative for Transparency, Nationally Determined Contribution, Climate Change Adaptation, National Adaptation Programme of Action, Climate resilience, Climate finance, National Adaptation Plan, Influencing models, Strengthen institutional capacity and decision-making, Stakeholders, Indigenous Peoples, Participation, Type of Engagement, Information Dissemination, Communications, Strategic Communications, Behavior change, Education, Public Campaigns, Gender Equality, Gender Mainstreaming, Sex-disaggregated indicators, Gender-sensitive indicators, Beneficiaries, Gender results areas, Awareness Raising, Capacity Development, Participation and leadership, Knowledge Generation and Exchange, Capacity, Knowledge and Research, Knowledge Exchange, Knowledge Generation, Training, Workshop, Seminar, Professional Development, Innovation, Learning, Adaptive management, Theory of change, Indicators to measure change, Financing, Partnership

Type of Trust Fund	Project Duration (Months)
GET	36
GEF Project Grant: (a)	GEF Project Non-Grant: (b)
1,950,000.00	0.00
Agency Fee(s) Grant: (c)	Agency Fee(s) Non-Grant (d)
185,250.00	0.00
Total GEF Financing: (a+b+c+d)	Total Co-financing
2,135,250.00	1,210,000.00

PPG Amount: (e) 50,000.00	PPG Agency Fee(s): (f) 4,750.00
PPG total amount: (e+f) 54,750.00	Total GEF Resources: (a+b+c+d+e+f) 2,190,000.00
Project Tags CBIT: Yes NGI: No SGP: No Innovation: No	

## Project Summary

Provide a brief summary description of the project, including: (i) what is the problem and issues to be addressed? (ii) what are the project objectives, and if the project is intended to be transformative, how will this be achieved? (iii), how will this be achieved (approach to deliver on objectives), and (iv) what are the GEBs and/or adaptation benefits, and other key expected results. The purpose of the summary is to provide a short, coherent summary for readers. The explanation and justification of the project should be in section B “project description”. (max. 250 words, approximately 1/2 page)

The objective of the CBIT II Project is to strengthen technical and technological capacities of Nicaraguan institutions in the Energy, Waste and Agriculture, Forestry and Other Land Use (AFOLU) sectors, to comply with the Enhanced Transparency Framework (ETF) for action and support, established by Article 13 of the Paris Agreement, in line with the adopted Modalities, Procedures and Guidelines. CBIT II falls within the national priorities and will support the follow-up on Nationally Determined Contributions (NDCs), adaptation and mitigation actions, as well as the implementation of the National Climate Change Policy.

The duration of the project will be 36 months, with a total budget of USD 3,400,000, consisting of USD 2,190,000 from the Global Environment Facility (GEF), a USD 1,000,000 counterpart in kind from the Nicaraguan Government, and a USD 210,000 contribution from the Food and Agriculture Organization of the United Nations (FAO). It is expected that CBIT II will provide technical assistance and key tools for compliance with the stipulations of Article 13 of the Paris Agreement. It will contribute to improving the quality and transparency of national actions regarding climate change, focusing on technical and technological capacities.

- **Component 1:** Strengthening the national institutional capacity of the National System for Climate Change Management (SNGCC) for the generation of priority data and compliance with the ETF: it concentrates on strengthening institutional and technical capacities for the generation of priority data as required by the ETF. The information management system will also be strengthened to back up monitoring, reporting and verification (comprehensive MRV). Furthermore, this component aims at developing studies and applied research for climate change mitigation and adaptation in compliance with the ETF and supports the preparation of the Biennial Transparency Report (BTR).
- **Component 2:** Strengthening national capacities for monitoring and reporting the Biennial Transparency Reports and Nationally Determined Contributions: training programs, workshops and capacity development initiatives will be implemented to improve the capabilities of the SNGCC's institutional staff, strengthening the knowledge and management of tools to process and analyse data for the BTRs, guaranteeing precise and reliable information for the NDCs. The CBIT II (GEF ID 10118) Project developed capacities in the following AFOLU sector institutions: National Forestry Institute (INAFOR), Nicaraguan Institute for Territorial Studies (INETER), Nicaraguan Institute of Agricultural Technology (INTA), Ministry of the Environment and Natural Resources (MARENA), Climate Change Secretariat of the Presidency (SCCP), Ministry of Agriculture and Livestock (MAG), Ministry of Family, Community, Cooperative and Associative Economy (MEFCCA). Though CBIT II, these institutions will be further strengthened and others of the Energy sector (MEM-MTI) and Waste sector (ANA) will be included as well.

The direct beneficiaries will be the representatives of the SNGCC institutions related to ETF activities in Nicaragua. It is expected that at least 300 persons of the 10 SNGCC institutions will be reached in addition to other beneficiaries from stakeholders engaged in the project and which collaborate with the SNGCC, such as local producers and private enterprises from the energy

and waste sectors, among others. 50% of the beneficiaries will be women. The gender and intersectional approaches will be mainstreamed into project activities to align them with national policies.

## Indicative Project Overview

### Project Objective

Strengthening technical and technological capacities of Nicaraguan institutions of the Energy, Waste and Agriculture, Forestry and Other Land Use (AFOLU) sectors, so as to comply with the Enhanced Transparency Framework (ETF) for action and support, established by Article 13 of the Paris Agreement, in line with the adopted Modalities, Procedures and Guideline.

### Project Components

#### 1. Strengthening of national institutional capacities of the SNGCC for the generation of priority data in compliance with the ETF

Component Type	Trust Fund
Technical Assistance	GET
GEF Project Financing (\$)	Co-financing (\$)
653,339.00	405,405.00

Outcome:

1.1. The SNGCC's institutional capacities for the generation of priority data for compliance with the ETF are strengthened, ensuring the mainstreaming of the gender approach and the inclusion of indigenous and Afro-descendant people

Output:

1.1.1. The process for the establishment of the comprehensive SNGCC Monitoring, Reporting and Verification (MRV) System is in place, including gender considerations

1.1.2. The information management system for data collection in the SNGCC has been improved, considering gender perspectives

#### 2. Strengthening of national capacities for monitoring and reporting the Biennial Transparency reports and Nationally Determined Contributions

Component Type	Trust Fund
Technical Assistance	GET
GEF Project Financing (\$)	Co-financing (\$)
1,021,888.00	634,095.00

Outcome:

2.1 Improved technical capacities of the SNGCC's staff for the submission of ETF reports focused on climate change adaptation, mitigation and climate finance, ensuring the mainstreaming of the gender approach and the inclusion of indigenous and Afro-descendant people

Output:

2.1.1. The SNGCC's technical capacities have been strengthened for the development of the national GHG inventory and the monitoring of the progress of Nationally Determined Contributions (NDCs), guaranteeing the mainstreaming of the gender approach

2.1.2. The SNGCC has updated and improved information on the impacts of climate change and the monitoring, and learning of climate change adaptation, **including gender considerations**

2.1.3. The SNGCC has systematized information on topics regarding avoidance, minimization and tackling of loss and damage caused by climate change

## M&E

Component Type	Trust Fund
Technical Assistance	GET
GEF Project Financing (\$)	Co-financing (\$)
97,500.00	60,500.00

Outcome:

**M&E 1 Project is effectively monitored, documented, and reported on**

Output:

**M&E 1.1 Monitoring and evaluation products are developed and delivered considering gender dimensions**

## Component Balances

Project Components	GEF Project Financing (\$)	Co-financing (\$)
1. Strengthening of national institutional capacities of the SNGCC for the generation of priority data in compliance with the ETF	653,339.00	405,405.00
2. Strengthening of national capacities for monitoring and reporting the Biennial Transparency reports and Nationally Determined Contributions	1,021,888.00	634,095.00
M&E	97,500.00	60,500.00
<b>Subtotal</b>	<b>1,772,727.00</b>	<b>1,100,000.00</b>
Project Management Cost	177,273.00	110,000.00
<b>Total Project Cost (\$)</b>	<b>1,950,000.00</b>	<b>1,210,000.00</b>

Please provide justification

The staff of the Project Management Unit will be budgeted in the PMC for 18 months to attend to the CBIT II project. The remaining 18 months will be covered by the financing for 5CN-BTR project, so as to complete the 36 months of both projects with the same team.

## PROJECT OUTLINE

### A. PROJECT RATIONALE

Briefly describe the current situation: the global environmental problems and/or climate vulnerabilities that the project will address, the key elements of the system, and underlying drivers of environmental change in the project context, such as population growth, economic development, climate change, sociocultural and political factors, including conflicts, or technological changes. Describe the objective of the project, and the justification for it. (Approximately 3-5 pages) see guidance here

### a.1 Situation Analysis - General country context

- Country context:** According to the Fourth National communication (4NC)<sup>[1]</sup>, developed as part of the GEF funded project "Enabling Preparation of Nicaragua's Fourth National Communication and First Biennial Update Report to UNFCCC" (GEF ID 10450), the territory of Nicaragua has the shape of an irregular trapezium; its total size is 130,373.47 km<sup>2</sup>, 119,822.14 km<sup>2</sup> of which belong to the mainland, 517.4 km<sup>2</sup> to island territories and 10,033.93 km<sup>2</sup> to lakes and lagoons. For public administration purposes, the country is divided into 15 Departments and two Autonomous Regions: the North Caribbean Autonomous Region and the South Caribbean Autonomous Region (RAACN and RACCS). These departments and regions are subdivided into 153 municipalities. For 2022, Nicaragua's population was estimated at 6,733,763, distributed in 5,706 communities with a population density of 51.80 inhabitants/ km<sup>2</sup>, 59% living in urban areas and 41% in rural areas. The National Institute of Statistics and Censuses (INEC) indicates that the population growth rate is steadily decreasing, its gross reproduction rate is 1.09, and it is expected to stay at that level until 2025.
- Forests:** Nicaragua has a wide range of forest ecosystems differing from each other as to characteristics, composition of species and structure. The FAO Global Forest Resources Assessment for 2020<sup>[2]</sup> defines Nicaragua as the third Central American country in terms of forest coverage. According to INETER's 2020 Map of current land cover and use (INETER, 2022), 39,58% (4,774,823.45 ha) of the country is covered by forests, which can be identified in six categories: closed broadleaf forests, closed pine forests, open pine forests, palm forests and mangroves. Nicaragua implements a strategic framework of public policies which contribute to continuous improvement of forest management, mandating actions for their protection and sustainable management, which also leads to the protection of soils and water as additional benefit, as well as to the conservation of biodiversity.
- Biodiversity:** According to the 4NC, the country has a significant diversity of ecosystems, encompassing 68 kinds of vegetation, which represents 60% of the total in Central America. A significant part of these ecosystems are classified in national protection categories. By the year 2023, the National System of Protected Areas (SINAP) encompassed 18% of the national territory, 2,340,617.23 hectares in total. There are 74 Protected Areas (66 terrestrial and 8 marine-coastal areas), 3 Biosphere Reserves (UNESCO) and 9 wetlands of international importance designated as RAMSAR sites. The SINAP also includes 215 Private Nature Reserves dedicated to environmental conservation and protection, and 83 Municipal Ecological Parks managed by Municipal Governments. Nicaragua's biodiversity presents different levels of distribution of internationally recognized species. In total, 20,485 species of flora and fauna have been established in the country. Of the 14,287 species of fauna, 1,999 species are vertebrates and 12,288 invertebrates. 6,014 species of flora are plants (1.79% endemic), and 184 are mushrooms.
- Economy:** The Nicaraguan economy depends on light industry, services and agriculture. The country's (nominal) GDP reached around USD 15,671 million in 2022<sup>[3]</sup>. GDP grew by 3.8% in 2022 (10.3% en 2021), and per capita GDP grew by 9.6%, reaching USD 2,327.3 (USD 2,122.6 in 2021). Economic dynamism and macroeconomic stability was manifest in various fields, particularly in the positive evolution of employment (2.6% unemployment by December 2022); gross direct foreign investment amounted to USD 1,842.3 million (USD 1,470.1 million en 2021), equivalent to 11.8% of GDP, due to

increased investment in the sectors of industry and energy and mines, together with major reinvestments of utilities in telecommunications companies, trade and services, among others. FOB value of exports grew by 10.5% and reached USD 3,878.8 million by the end of the year, mainly stemming from manufactured products amounting to USD 1,706.9 million (4.5% annual growth), agricultural products amounting to USD 1,104.9 million (30.2%), mining products amounting to USD 946.6 million (6.1%) and fisheries products amounting to USD 120.5 million. Likewise, incomes from tourism showed signs of recovery, reaching USD 595.6 million with an increase of 224% (-7.4% in 2021). Remittances exceeded USD 300 million in terms of monthly flows in October 2022, totalling USD 3,224.9 million, consolidating themselves as important source of foreign exchange for the country (20.6% of GDP).

## a.2. Baseline in the absence of the project

5. **Existing institutional arrangements:** With the objective of strengthening governance of climate action in the country, in recent years the Government of Nicaragua has established institutional mechanisms, such as the Climate Change Secretariat of the Presidency (SCCP<sup>[4]</sup>), created by Presidential Decree N°. 06-2021 published in the Official Gazette N° 84 on 10 May 2021; the National System for Climate Change Management (SNGCC<sup>[5]</sup>), created by Presidential Decree N° 15-2021, published in the Official Gazette No. 120 on 30 June 2021; the National Committee for the Mitigation of Greenhouse Gas Emissions, created by Presidential Decree No. 06-2022<sup>[6]</sup>, approved on 10 March 2022, published in the Official Gazette No. 51 on 16 March 2022.
6. The National System for Climate Change Management is an entity for political-strategic consultation, drafting and follow-up on policies, rules and regulations, instruments and strategies to advance the achievement of national climate targets. According to article 4 of the Decree creating this system, it is composed of the heads of the following institutions: 1. Climate Change Secretariat of the Presidency of Nicaragua (SCCP) in the role of coordinator; 2. Ministry of the Environment and Natural Resources (MARENA); 3. Ministry of the Treasury and Public Credit (MHCP); 4. Ministry of Foreign Affairs (MINREX); 5. Ministry of Family, Community, Cooperative and Associative Economy (MEFFCA); 6. Ministry of Agriculture (MAG); 7. Ministry of Health (MINSAL); 8. Ministry of Energy and Mines (MEM); 9. Ministry of Women (MINIM); 10. Ministry of Youth (MINJUVE); 11. Ministry of Development, Industry and Commerce (MIFIC); 12. Ministry of Transport and Infrastructure (MTI); 13. Ministry of Education (MINED); 14. Nicaraguan Institute of Territorial Studies (INETER); 15. Nicaraguan Institute of Agricultural Technology (INTA); 16. National Forestry Institute (INAFOR); 17. Nicaraguan Institute of Fisheries and Aquaculture (INPESCA); 18. Nicaraguan Institute of Municipal Development (INIFOM); 19. Secretariat of the Presidency of Nicaragua for the Development of the Caribbean Coast (SDCC); 20. Nicaraguan Council of Science and Technology; 21. National University Council (CNU).
7. **National Legal Framework and Climate Change Reports to the international community:** As a member state of the United Nations Framework Convention on Climate Change (UNFCCC), Nicaragua has complied with its commitments before the Convention, presenting the following national reports, mechanisms and instruments:
  - First National Communication, 2001 <sup>[7]</sup>
  - Second National Communication, 2012<sup>[8]</sup>
  - Third National Communication on Climate Change, 2018<sup>[9]</sup>



- Fourth National Communication on Climate Change, 2022[10]<sup>10</sup>
- First Biennial Update Report, 2023[11]<sup>11</sup>
- National Inventory Report, 2023[12]<sup>12</sup>
- On 23 October 2017, Nicaragua joined the Paris Agreement[13]<sup>13</sup>
- In 2018, Nicaragua delivered its Nationally Determined Contribution (NDC), and in 2020 its updated version[14]<sup>14</sup>
- In January 2019, Nicaragua presented its Reference Levels for Emissions from Deforestation and Forest Degradation for the period from 2005 to 2015.[15]<sup>15</sup>
- The Climate Change Secretariat of the Presidency of Nicaragua was created by Presidential Decree No. 06-2021, published in the Official Gazette No. 84 on 10 May 2021.
- The National System for Climate Change Management was created by Presidential Decree No. 15-2021, published in the Official Gazette No. 120 on 30 June 2021.
- The National Climate Change Policy was implemented by Presidential Decree No. 04-2022, approved on 18 February 2022 and published in the Official Gazette No. 35 on 22 February 2022.
- The National Committee for the Mitigation of Greenhouse Gas Emissions was created by Presidential Decree No. 06-2022, approved on 10 March 2022, published in the Official Gazette No. 51 on 16 March 2022.
- The National Policy to Avoid Deforestation and Forest Degradation was created by Presidential Decree No. 06-2023[16]<sup>16</sup>, approved on 9 June 2023, and published in the Official Gazette No. 104 on 13 June 2023.

8. **Impact of Climate Change:** According to the Global Climate Risk Index (Germanwatch, 2017), Nicaragua has historically been among the five countries most exposed and vulnerable to extreme weather events (1996-2015), which is confirmed by the estimates of loss and damage caused by their impact on the country. According to the 4NC[17]<sup>17</sup>, the calculation of loss and damage (L&D) due to extreme hydrometeorological events (1998-2020) indicate that the greatest loss and damage was caused by the following events: hurricane Mitch (1998), hurricanes Eta and Iota (2020), hurricane Félix (2007), hurricane Otto (2016) and tropical depression 12E (2011). These events generated considerable economic and social impacts in material as well as human life losses (Mitch – 1998). Droughts also constitute significant L&D, and are probably underestimated due to lack of information and the fact that effects that are less visible in the long-term (malnutrition, increased food prices, etc.). Non-economic losses are mostly much greater than economic loss and damage. However, little information has been found to this respect, therefore, it is not taken into account in the present first exercise of L&D assessments.

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9. **National Greenhouse Gas Inventory (NGHGI):** According to the National Inventory Report (NIR) corresponding to the Fifth National Greenhouse Gas Inventory (NGHGI) for 1996-2019, submitted by the country to the UNFCCC in the year 2023, net emissions in 2019 (the sum of GHG emissions and removals) amounted to 35,834.14 Gg CO<sub>2</sub>eq (including LULUCF), 71.15% generated by the AFOLU sector (35.65% by Agriculture and 35.50% by Land Use, Land Use Change and Forestry (LULUCF)), 16.31% by the Energy sector, 12.02% by Waste and 0.52% by IPPU. Compared to 1996, emissions have increased by 73.48%. The NGHGI of Nicaragua was developed with the support of the 4NC and will be alimented with data and supported by the Fifth National Communication, part of the GEF funded project with GEF ID11486 and the CBIT II project will build on the NGHGI and aliment it with data. Following is a description of the behaviour of emissions per NGHGI sector in 2019:

- **Agriculture** is the main source of GHG emissions in the country, 35.65% (12,775.22 Gg CO<sub>2</sub>eq); these are generated by livestock farming and agriculture, and their growth is related to enteric fermentation and extensive grazing because of increased livestock (small livestock as well as cattle). The 4NC identify the need to design a subsector activity data collection protocol and approved, incorporating uncertainty calculations in collaboration with the Ministry of Agriculture (MAG) statistics office using expert methodologies like Delphi. Research protocols were also developed to calculate Tier 2 and Tier 3 national emission factors for various categories and subcategories within the subsector.
- The sector **Land Use, Land Use Change and Forestry (LULUCF)** includes GHG emissions and removals associated to forestry activities and land use change. This sector contributes 35.50% (12,720.85 Gg CO<sub>2</sub>eq) of total emissions through deforestation and forest degradation (wildfires, disturbances) caused by the advance of the agricultural frontier. The 4NC recognize the need to map and document national agro-silvopastoral practices and forest plantations and improve allometric equations for land categories for precise emission determination. Additional efforts include enhancing technical documentation, preparing quality assurance protocols for land use change data, developing a roadmap for harvested wood products emissions and removals, implementing a new National Forest Inventory cycle with INAFOR, improving spatial registration of forestry activities, and researching mangrove and natural palm ecosystems to refine their land use classification in coordination with INAFOR and MARENA.
- **The Energy sector** produces emissions by consuming fossil fuels, with 16.31% (5,844.60 Gg CO<sub>2</sub>eq) to total emissions due to the sustained increase in national energy consumption (electrification of 97.16% of the country by 2019 – ENATREL); liquid fuel consumption for land transportation is also included here (mainly diesel and gasoline). The 4NC identify the need to design an activity data collection form agreed upon, validated and approved by the technical teams and subsequently shared with the Ministry of Energy and Mines (MEM). Additionally, various studies and improvements were proposed, including diagnostic studies of thermoelectric plants, enhancing transport data collection, incorporating mandatory automobile gas measurement data, analyzing energy sector uncertainty, estimating Tier 2 and Tier 3 emission factors, and developing an emissions factor for electrical energy consumption considering increased renewable resource use.
- **The Waste sector** includes GHG emissions resulting from microbiological processes occurring in solid and liquid waste and constitutes 12.02% (4,308.16 Gg CO<sub>2</sub>eq) of total emissions. The constant increase of these emissions is generated by population growth and consequent growth of waste, liquid as well as solid. The 4NC recognize the need of designing activity data collection form will be and validate, and approve it by institutional authorities to facilitate data gathering in the sector. Additionally, a consolidation of the inter-institutional alliance with INIFOM and ENACAL aims to gather inventory data at various levels, complemented by scientific studies on solid waste and wastewater treatment, analysis of sludge disposal, and a diagnostic study of biodigesters to assess methane production and utilization methods.
- **The IPPU sector (Industrial Processes and Product Use)** generates GHG emissions through industrial activities in which raw materials are transformed through chemical or physical methods. In 2019, this sector contributed 0.52% of emissions (185.33 Gg CO<sub>2</sub>eq), cement production being the main source. The 4NC identify the need to design an activity data collection form and approved by the technical teams responsible for systematizing the sector's information. Additionally, efforts include strengthening the alliance with the General Customs Directorate for better import data, introducing the category for ozone-depleting substance substitutes in coordination with MARENA, and researching to include 'Solvent Use' and 'Food and Beverage Industry' subcategories in the inventory.

10. **Nationally Determined Contributions (NDCs):** In its NDC<sup>[18]</sup><sup>18</sup>, the Government of Nicaragua has committed to reducing its GHG emissions caused by land use and land use change as well as by energy production and consumption. This is in line

with the global effort to maintain the temperature increase below 2°C (although it is striving to limit it to 1.5°C). The Government of Nicaragua has made considerable progress towards increasing, strengthening and sustaining climate action by developing policy instruments to facilitate appropriate conditions for the formulation and development of specific mitigation measures. Moreover, programmes and projects have been executed which develop actions in various sectors with direct or indirect impacts on the mitigation of climate change.

11. According to Chapter 4 of the BUR, Nicaragua has made substantive progress in institutional development and capacity building to address climate change. The programs, projects and strategic alliances developed by the country have contributed to the development of a continuous process of capacity building that has reduced the gaps to meet the country's commitments to the Conventions. For example, with support in the preparation and publication of National Communications. In the period 2020-2023, the country has finalized the implementation of the projects "Fourth National Communication of Nicaragua and the First Biennial Update Report to the UNFCCC" (GEF ID 10450), and "Strengthening institutional and technical capacities in the agricultural and forestry sectors of Nicaragua to respond to the requirements of the strengthened transparency framework under the Paris Agreement" (CBIT I, GEF ID 10118).

12. Among the progresses made by Nicaragua through the implementation of the CBIT I project, the following stand out:

- Strengthening of INAFOR's capacities: 1) allometric equations for forest species; 2) the design of the new methodological framework for the second National Forest Inventory, accompanied by its field manual.
- Strengthening of INTA's capacities in the formulation of enteric fermentation emission factors in cattle and in the evaluation of technologies for adaptation to climate change in the agricultural sector.
- Strengthening of INETER's capacities: Preparation of the 2020 land use and land cover map as input for the First Biennial Update Report (BUR) and systematization of the methodology for preparing the maps.
- Strengthening the capacities of the SNGCC: Designed the proposal for a comprehensive Monitoring, Reporting and Verification System (MRV) for the AFOLU sector and strengthened national coordination mechanisms for NDC investment and participation. Strengthening of institutional and legal capacities to update and implement the NDCs.
- Design of the National Climate Management Information System (SNIGC).
- Strengthening the capacities of MEFCCA: Climate change adaptation measures implemented by projects carried out in Nicaragua were systematized and evaluated.

### a.3 Justification for the project

13. Nevertheless, financial, technical, and capacity building needs, gaps and barriers still exist and have been identified and documented in Chapter 4 of the BUR (Table 36. Systematization of needs, gaps and barriers) and during project formulation the SNGCC ITE has reviewed and prioritized them according to the areas of the ETF and the resources available under the GEF-8 CBIT Initiative. The definition, implementation and continuous improvement of a comprehensive MRV, covering all sectors (Energy, IPPU, Agriculture, LULUCF and Waste), as well as the transparency issues set forth in the Paris Agreement (mitigation, adaptation and support), have been recognized as a priority.

14. The CBIT II project will continue to strengthen technical capacities through education and training processes, as well as using resources to design and implement a comprehensive national MRV that is effective, sustainable, and allows for the transparent and effective management of national climate action. The CBIT II project will build upon those needs identified in the CBIT I (GEF ID 10118) and the 4NC as per the table below, in strong cooperation with the 5NC-1BTR/2BTR project (GEF ID 11486):

**Table 1 Needs identified in the PIF formulation process**

ETF area	Type of need	Capacity-building need according to MPGs of ETF	Institutional requirement	Stakeholder	Outputs of CBIT II project
		Building an information management system for the national sector statistics as a strategy for the management of institutional data bases related to the sectors, which includes structures of standardised data, that includes gender perspectives, technologies and methodologies for processing and filing, as well as capacities for data collection and analysis	Design of the second SNIGC phase	SCCP	1.1.1
			Creation of the management platform for the Environmental Information System (SINIA)	MARENA and other stakeholders that provide and have access to the information	1.1.1
			Analysis/adjustment of the categories in the land cover and land use maps that are identifiable in satellite images (landsat, sentinel)	INETER	1.1.2.
			Systematic sampling grid of the years 2024, 2025, 2026.	INETER	1.1.2.
			Update of the methodology of land cover and land use mapping, incorporating a protocol for the monitoring of land use changes based on the systematic sampling grid	INETER	1.1.2.
			Study for estimation of CO <sub>2</sub> capture/emission factors in agroforestry systems for the cultivation of coffee	MEFCCA and coffee producers that provide information	1.1.2.
			Study for estimation of CO <sub>2</sub> capture/emission factors in agroforestry systems for the cultivation of cacao	MEFCCA and coffee producers that provide information	1.1.2.
			Construction of allometric equations for three forest tree species significant for CO <sub>2</sub> capture	INAFOR and forest owners that provide information	1.1.2.
			Capacity-strengthening for information gathering in the Third Cycle of the National Forest Inventory	INAFOR	2.1.1.
			Study identifying domestic and industrial discharges	ANA and private and	1.1.2.

Report on national inventory of anthropogenic emissions by source, for the sectors Energy, Industrial Processes and Product Use (IPPU), Agriculture, Forestry and Other Land Use (AFOLU), and Waste	Strengthened capacities to generate priority data	Improved comprehensiveness and precision of activity data that consider the role and the challenges of women in those sectors	throughout the country, their location and characterization by treatment systems	public enterprises that provide information on treatment systems	
			Systematization of the data base information generated by the centres for gas emissions certification through the measuring instruments	MTI and companies supplying information on vehicle emission control tests	1.1.2.
			Development of an emissions factor for consumption of electricity	MEM and energy distribution enterprises that provide information	2.1.1.
			Development of a methodology for the generation of necessary activity data to estimate non-methane volatile organic compounds (NMVOC) released into the environment due to the storage of fossil fuels and the operations of filling fossil fuel tanks and storage units in the country	MEM y energy generation enterprises that provide information	1.1.2.
			Nation-wide study on the management of manure and other waste, through a mobile app	MAG and producers and information providers	1.1.2.
			Study on the consumption and type of organic fertilizers in at least five nationally significant crops	MAG and producers and information providers	1.1.2.
			Capacity-strengthening for the hydrometeorological network data management system to measure the possible impacts of climate variability on the country	INETER	2.1.1.
			Capacity-strengthening for field monitoring and expansion of storage capacities	INETER	2.1.1.
			Capacity-strengthening for monitoring, reporting and verification in the forestry sector	INAFOR and forest owners that	2.1.1.
			Report of the National Inventory of anthropogenic emissions by		

<p>source for the sectors Energy, Industrial Processes and Product Use (IPPU), Agriculture, Forestry and Other Land Use (AFOLU) and Waste.</p>				provide information	
			Capacity-strengthening for monitoring, reporting and follow-up of activity data necessary for the estimation of emissions in the Waste sector	ANA and enterprises providing information	2.1.1.
			Capacity-strengthening for monitoring, reporting and follow-up of activity data necessary for the estimation of emissions in the Energy sector	MEM y empresas proveedoras de información	2.1.1.
	<p>Strengthened capacities to generate priority data, including gender mainstreaming considerations</p>	<p>Improved comprehensiveness and precision of activity data</p>			

		Strengthening the capacities of technical experts in remote sensing	Strengthening technical capacities of the monitoring unit for remote sensing and/or GIS	INETER	2.1.1.
		Strengthening the capacities in institutions forming the SNGCC for the identification and monitoring of mitigation measures	Strengthening the specialized technical capacities of the team monitoring, reporting and verifying institutional forest management	INAFOR	2.1.1.
Necessary information for follow-up on the implementation progress and achievement of Nationally Determined	Strengthened capacities to generate priority data, including gender mainstreaming considerations	Strengthening the capacities in the SNGCC for the identification and monitoring of mitigation measures	Design of indicators for the follow-up on the progress of NDC implementation and achievement	SCCP	2.1.2
		Development of a portfolio of opportunities identified for the implementation of	Development of a portfolio of systematized mitigation/adaptation measures for the sectors of	SCCP	2.1.2

Contributions (NDCs)		mitigation measures, and their promotion	Energy, Transport, Forestry, Agriculture, which includes guides for planning, design and implementation		
		Strengthening technological equipment of institutional teams linked to the system	Strengthening the Centre for Capacity Development and Adoption of Technology in themes such as adaptation to climate variability, through laboratory equipment	MEFCCA	2.1.2
Information regarding climate change impacts and adaptation	Strengthened capacities to generate priority data, including gender mainstreaming considerations	Generation of manuals and protocols in governmental institutions to include variables of climate change adaptation in their processes, programs and projects.	Development of instruments for the identification of climate change adaptation measures in the drinking water and sanitation sector, with a focus on water security	ANA	1.1.2
			Capacity-strengthening of the technical team, evaluation of the impact of 12 agricultural technologies for climate change adaptation, and dissemination of the results obtained to other institutions and protagonists.	INTA	2.1.2
		Strengthening technological equipment in institutional units linked to the system	Strengthened capabilities for the monitoring of water quality vis-à-vis the impacts of climate change	ANA	2.1.2
		Strengthening technical capacities to generate tools which include variables of climate change adaptation in their processes, programmes and projects.	Strengthened capacities for climate change mitigation and adaptation applied to road infrastructure.	MTI	2.1.2
Information on areas for improvement and other relevant information, including on gender, indigenous	Strengthened capacities to generate priority data, including gender mainstreaming considerations	Development or updating of methodologies of MRV processes, including quality control, from the collection and capture of primary data to processing, calculations, analysis and preparation of reports.	Design of the institutional arrangements in the comprehensive MRV system	SCCP	1.1.1



peoples and Afro-descendants		Systematization of information on loss and damage due to extreme meteorological events in the sectors of agriculture, forestry, biodiversity, energy and transport.	Development of baseline of P&D indicators	SCCP	2.1.3
	Need to Strengthened capacities to generate priority data, including gender mainstreaming considerations	Strengthening capacities in institutions for reporting needs, their contents and relevant information to generate and share	Strengthened national capacities regarding the ETF and regulatory framework of Nicaragua	SCCP	1.1.1

[1] <https://unfccc.int/sites/default/files/resource/INFORME%20BIENAL%20DE%20ACTUALIZACI%C3%93N%20BUR%20-%20NICARAGUA.pdf>

[2] FAO, 2021. Global Forest Resources Assessment 2020.

[3] <https://www.bcn.gob.ni/publicaciones/informe-anual-2022>

[4] <http://legislacion.asamblea.gob.ni/gacetas/2021/5/g84.pdf>

[5] <http://legislacion.asamblea.gob.ni/gacetas/2021/6/g120.pdf>

[6] <http://legislacion.asamblea.gob.ni/gacetas/2022/3/g51.pdf>

[7] <https://unfccc.int/sites/default/files/resource/nicnc1.pdf>;

[8] <http://www.cambioclimatico.ineter.gob.ni/segundacomunicacion.pdf>

[9] <https://unfccc.int/sites/default/files/resource/Tercera%20Comunicaci%C3%B3n%20Nicaragua-Julio%202018.pdf>

[10] <https://unfccc.int/sites/default/files/resource/4CN-Nicaragua.pdf>

[11] <https://unfccc.int/sites/default/files/resource/INFORME%20BIENAL%20DE%20ACTUALIZACI%C3%93N%20BUR%20-%20NICARAGUA.pdf>

[12] <https://unfccc.int/sites/default/files/resource/INFORME%20DEL%20INVENTARIO%20NACIONAL%20DE%20GASES%20DE%20EFECTO%20INVERNA%20DERO%202019%20-%20NICARAGUA.pdf>

[13] [https://treaties.un.org/Pages/ViewDetails.aspx?src=TREATY&mtdsg\\_no=XXVII-7-d&chapter=27&clang=\\_en](https://treaties.un.org/Pages/ViewDetails.aspx?src=TREATY&mtdsg_no=XXVII-7-d&chapter=27&clang=_en)

[14] <https://www4.unfccc.int/sites/CNDstaging/PublishedDocuments/Nicaragua%20First/Contribucion%20Nacionalmente%20Determinada%20Nicaragua.pdf>

[15] [https://redd.unfccc.int/files/nref\\_nacional\\_vf\\_170119.pdf](https://redd.unfccc.int/files/nref_nacional_vf_170119.pdf)

[16] <http://digesto.asamblea.gob.ni/consultas/util/pdf.php?type=rdd&rdd=0TT6Ok%2FO20Y%3D>

[17] <https://unfccc.int/sites/default/files/resource/4CN-Nicaragua.pdf>

[18] [https://unfccc.int/sites/default/files/CND/2022-06/Contribuciones\\_Nacionales\\_Determinadas\\_Nicaragua.pdf](https://unfccc.int/sites/default/files/CND/2022-06/Contribuciones_Nacionales_Determinadas_Nicaragua.pdf)

## B. PROJECT DESCRIPTION

### Project description

This section asks for a theory of change as part of a joined-up description of the project as a whole. The project description is expected to cover the key elements of good project design in an integrated way. It is also expected to meet the GEF’s policy requirements on gender, stakeholders, private sector, and knowledge management and learning (see section D). This section should be a narrative that reads like a joined-up story and not independent elements that answer the guiding questions contained in the PIF guidance document. (Approximately 3-5 pages) see guidance here

### Project Description

- The alternative scenario of the Global Environment Facility (GEF) for the CBIT II project in Nicaragua aims at strengthening institutional and technical capacities of the SNGCC for the follow-up on the climate actions of the Nationally Determined Contributions, so as to comply with the Enhanced Transparency Framework (ETF), as explained in Figure 3 Theory of Change.

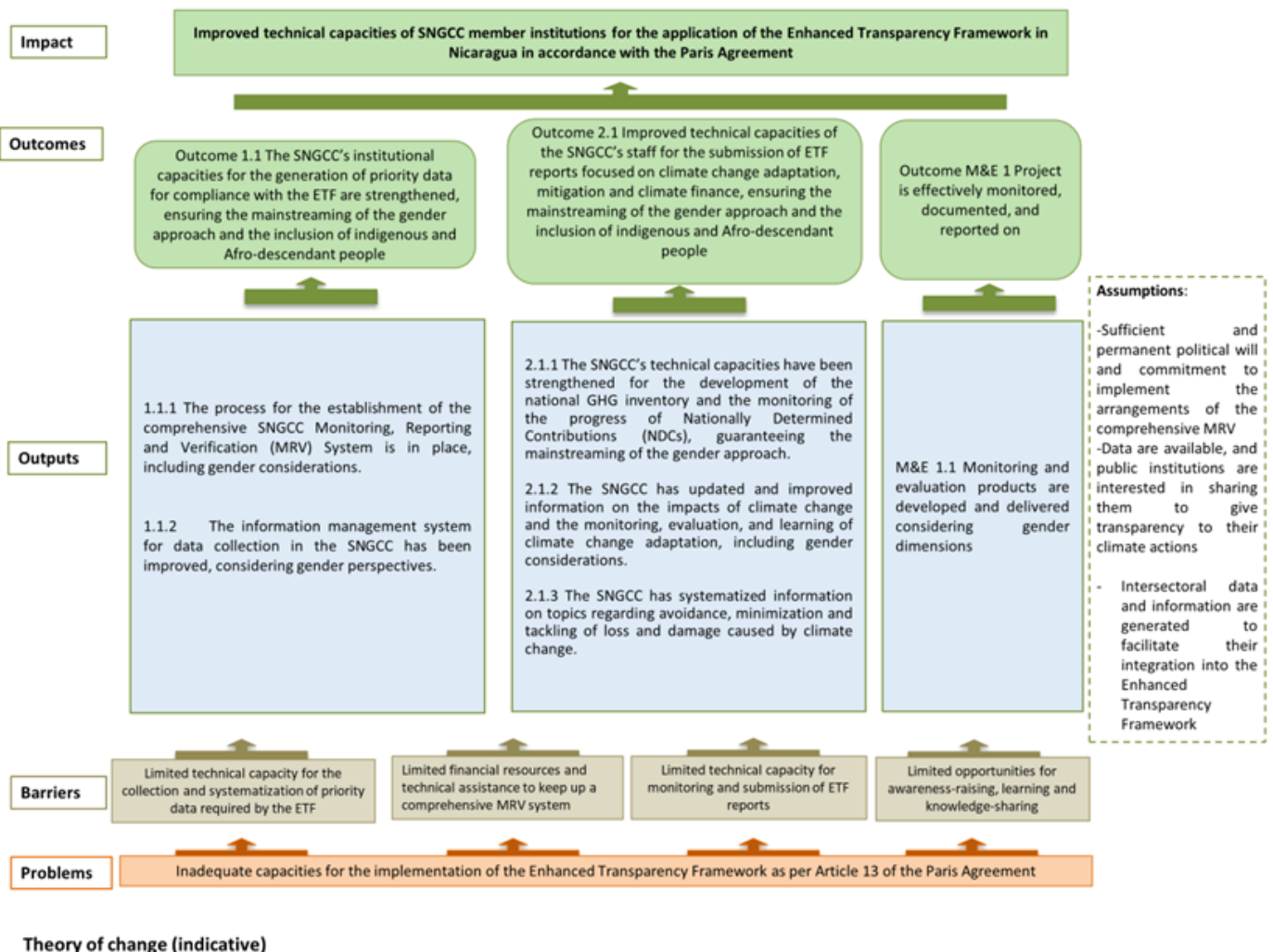


Figure 1 Theory of change of the CBIT II project

16. The project's main objective is "to strengthen technical and technological capacities of Nicaraguan institutions in the sectors: Energy, Waste, Agriculture, Forestry and Land Use and Land Use Change (AFOLU), so as to comply with the Enhanced Transparency Framework (ETF) for action and support, established by Article 13 of the Paris Agreement, in line with the adopted Modalities, Procedures and Guidelines." In the light of this overall purpose, the project's key actions are designed based on the following premise: "the possibility to receive technical training and support to strengthen capacities in the SNGCC, and resources for the design and implementation of a comprehensive MRV to measure, inform and verify GHG emissions; advances on mitigation and adaptation measures; financial support and technical training received, as well as financing needs – which will allow for a more transparent and effective management of climate action and contribute to global efforts in the fight against climate change". The basic assumptions on the viability of the proposal are as follows:
- Sufficient and permanent political will and commitment for the implementation of the arrangements for comprehensive MRV.
  - Data are available and public and private institutions are interested in sharing them for the transparency of their climate actions
  - Intersectoral data and information is generated to facilitate their integration into the Enhanced Transparency Framework
17. To guarantee compliance with the requirements of the Enhanced Transparency Framework, the barriers hampering its effectiveness and efficiency have to be considered, according to the content of the BUR. These barriers are:
- Barrier 1:** Limited technical capacity for the collection and systematization of priority data required by the ETF
- Lack of necessary historic data for the NGHGI
  - Limited capacities for information management
  - Technical and methodological limitations to ensure quality and quality control procedures
  - High operational costs of hydrometeorological stations
  - High costs for the generation, interpretation and updating of climate projections
  - Limited capacities for planning, monitoring and evaluation of climate change adaptation
- Barrier 2:** Limited financial resources and technical assistance to keep up a comprehensive MRV system
- Technical and technological limitations in the institutions linked to the system
  - Dependence on international cooperation for its short-term preparation
- Barrier 3:** Limited technical capacity for monitoring and submission of ETF reports
- Limited technical, technological and financial capacities for the monitoring of land use changes for the estimation of AFOLU sector emissions
  - Insufficient staff for data collection, processing and interpretation, to make analyses of studies on threat, vulnerability and climate risk at a sectoral or territorial scale, and for studies on land uses.
- Barrier 4:** Limited opportunities for awareness-raising, learning and knowledge-sharing
- Limited capacity for the design and reproduction of teaching materials to disseminate the systematization of mitigation/adaptation results
  - Insufficient promotion of the participation of research on climate change impacts and adaptation in different sectors
18. The CBIT II project will ensure the achievement of the expected impact according to the theory of change through the following two components:
19. **Component 1** Strengthening the capacities of national institutions and the information management system to comply with the ETF, concentrating on strengthening the SNGCC's institutional and technical capacities to generate priority data for compliance with the ETF. The information management system will also be strengthened to support measurements, submission of reports and verification (comprehensive MRV), as well as the development of studies and applied research for climate change mitigation and adaptation, in compliance with the ETF and the preparation of the BTR. Under this

Component the project will make use of the Knowledge Centre of the Climate Transparency Platform to develop knowledge products.

20. **Outcome 1.1.** The SNGCC's institutional and technical capacities for the generation of priority data for compliance with the ETF are strengthened, ensuring the mainstreaming of the gender approach and the inclusion of indigenous and Afro-descendant people. Outputs to be developed: 1.1.1 The process for the establishment of the SNGCC's comprehensive Monitoring, Reporting and Verification System is in place, including gender considerations. 1.1.2 The information management system for the SNGCC's data collection has been improved, considering gender perspectives. With the project "Enabling Preparation of Nicaragua's Fourth National Communication and First Biennial Update Report to UNFCCC (GEFID: 10450)", the proposal for the integral structure of the MRV was developed, which includes 19 institutions directly linked to the management and response to climate change. The CBIT II project, will build on this and, support a system that include all sectors (energy, IPPU, AFOLU, LULUCF, Waste) and also transparency issues determined in the Paris Agreement (mitigation, adaptation and support).
21. **Output 1.1.1** is aimed at setting up the processes for the establishment of the SNGCC's Comprehensive MRV System. The BUR includes a proposal for the structure of institutional arrangements for comprehensive MRV in Nicaragua, defines links between institutions on the basis of their connection to the sectors, as well as their role in data collection and analysis, and preparation of reports. To set up the comprehensive MRV's institutional arrangements, 4 phases will be implemented: 1. Review of the proposal for comprehensive MRV with key institutions. 2. Definition of the comprehensive MRV system's scope. 3. Identification of main stakeholders and institutional mandates. 4. Development of systems, processes and solid agreements to keep up the flow of data on a participatory basis. Throughout this output, the project, will strengthen the understanding of gender mainstreaming in coordination with the GEF Project "Fifth National Communication and First and Second Biennial Transparency Report" (GEF ID 11486) for the Biennial Transparency Reports and National Communications. Specifically, the SCCP in coordination with the Ministry of Women and their gender experts, will make sure to include gender considerations and perspectives, in the development of the MRV system. Moreover, the project will develop technical assistance for the implementation of the MRV system or set of gender and climate change indicators developed. Technical assistance will be complemented by capacity building workshops on these topics for project beneficiaries, including women.
22. With the project "Enabling Preparation of Nicaragua's Fourth National Communication and First Biennial Update Report to UNFCCC (GEF ID 10450)", the first design phase of the National Climate Management Information System was carried out; the CBIT II project will develop a solid systems and processes to keep up the data flows. The SCCP will be supported in the design of the second phase of the National Climate Management Information System (SNIGC), in which the conceptual design will be implemented and the following activities will be carried out: i) Establishment of interinstitutional agreements for the exchange of information, ii) systematization of existing information intended for incorporation into the system, iii) Definition and calculation of indicators, iv) Development of the SNIGC.
23. Likewise, MARENA, as the agency responsible for the AFOLU MRV, will be supported in the creation of the Management Platform for the National Environmental Information System (SINIA). SINIA will collect data to register environmental indicators until the preparation of reports on the state of the environment, which contribute to the comprehensive MRV.
24. The CBIT I project, (GEF ID 10118), supported the generation of information for the AFOLU sector to comply with the ETF. CBIT II will expand its support to the Energy and Waste sectors. Specifically with output 1.1.2 will help to improve the information management system for the collection of data by the SNGCC, including actions according to ETF areas. Firstly, to improve the comprehensiveness of data of NGHGI activities, INETER will be supported in updating the methodology for land cover and land use maps, incorporating a protocol for the monitoring of land use changes, based on the systematic sampling grid and the analysis of the land cover and land use map categories which are identifiable through satellite imagery (landsat, sentinel); MEM will be supported in the development of Tier 2 emission factors for the consumption of electricity, as well as in developing a methodology to generate activity data on fossil fuel storage and operations to fill tanks and storage units for fossil fuels throughout the country; ANA will be assisted in carrying out a study identifying domestic and industrial discharges throughout the country, their location and characterization by treatment systems; INAFOR will be supported in the construction of allometric equations for three forest tree species that are significant for CO2 capture, and MAG in the compilation of a nation-wide study on the management of manure and other waste, through a mobile app, and a study on the consumption and type of organic fertilizers in at least five nationally important crops (see Table 2). The project will make sure that data collection and studies development will consider the role of women in these sectors and that guides and frameworks produced, will reflect those gender considerations and perspectives. Under this output, the CBIT II project will coordinate its activities with the SNC-1BTR/2BTR project (GEF ID 11486) in the process of updating information of the National System of Greenhouse Gas Inventories of Nicaragua (SINGEI-NI) with data from the National

GHG Inventory of the BUR and BTR 1. Furthermore, complementing capacity building on new Chemical and Waste Management Standards and updating existing ones, in line with improvements in the IPPU sector.

25. For the follow-up on implementation and achievement of NDCs, Mitigation and Adaptation, output 1.1.2 will support: the SCCP in developing a portfolio with guides for the planning, design and implementation of mitigation/adaptation measures for the sectors Energy, Transport, Forestry, Agriculture; ANA in designing an instrument for the identification of climate change adaptation measures in the drinking water and sanitation sector, with a focus on water security; and MEFFCA in carrying out a study to estimate GHG emission/removal factors for agroforestry systems for the cultivation of coffee and cacao.
26. **Component 2.** Strengthening of national capacities for the monitoring and reporting of Biennial Transparency Reports and Nationally Determined Contributions: training programmes, workshops and capacity-development initiatives will be held to improve the skills of the SNGCC's institutional staff, enhancing their knowledge and management of tools to process and analyse data for the BTR, thus guaranteeing exact and reliable information for the Nationally Determined Contributions.
27. **Outcome 2.1.** Improved technical capacities of the SNGCC for the submission of ETF reports centred on climate change adaptation, mitigation and climate finance. The outputs to be developed are: 2.1.1 The SNGCC's technical capacities have been strengthened for the development of the national GHG inventory and the monitoring of the progress of NDCs, **guaranteeing the mainstreaming of the gender approach;** 2.1.2 The SNGCC has updated and improved information on the impacts of climate change and the monitoring and evaluation of, and learning experiences with, climate change adaptation, **including gender considerations.** 2.1.3 The SNGCC has systematised information on topics regarding avoidance, minimization and tackling of loss and damage caused by climate change. **Throughout this outcome, and in collaboration with the project 5NC-1BTR/2BTR (GEF ID 11486), the project will strengthen women capacities on climate change adaptation, mitigation, and climate finance, by making sure that women are targeted beneficiaries and actors. Moreover, The project will also make use of the Knowledge Centre of the Climate Transparency Platform to develop knowledge products.**
28. **With the CBIT I project (GEF ID 10118), on one hand, INETER's capacities were strengthened through the systematization of the methodology for the preparation of land use and land cover maps and the development of the land cover and land use map for the year 2020, which was input for the First BUR. On the other hand, INAFOR's capacities were strengthened in the calibration of allometric equations for forest species, resulting in two allometric equations for Cedrela Odorata and Pinus Oocarpa species and in the design of the new methodological framework for the third cycle of the National Forest Inventory.**
29. **The CBIT II project will build on these two results, specifically with output 2.1.1. The SNGCC's technical capacities will be strengthened for the development of the national GHG inventory and the monitoring of the progress of NDCs. The project will support: INETER in the development of capacities for the monitoring of land use and land use change through satellite imagery, and in the system managing hydrometeorological network data to measure the possible impacts of climate variability on the country; INAFOR in strengthening its capacities for monitoring, reporting and verification of the forestry sector and the collection of information in the Third Cycle of the National Forest Inventory (INF). **CBIT II will also expand its support to the Energy and Waste sectors; precisely,** ANA and MEM in developing capabilities to monitor, report and follow-up on activity data necessary for the estimate of emissions in the Waste and Energy sectors; and MARENA in capacity-building in the monitoring and early warning system for forest and agricultural fires in protected areas. **The project will make sure to include gender considerations and perspectives throughout the development of the output, and where necessary gender experts will be consulted.****
30. **With the CBIT I project (GEF ID 10118) INTA's capacities were strengthened in the formulation of enteric fermentation emission factors in cattle and in the capacities of INTA's technical team to evaluate technologies for adaptation to climate change in the agricultural sector. With the CBIT II project, the second phase of the strengthening of INTA is being developed and it will expand its support for capacity building to ANA and MTI in the areas of vulnerability of water resources and the road infrastructure network.** With output 2.1.2 The SNGCC has updated and improved information on the impacts of climate change and the monitoring and evaluation of, and learning experiences with, climate change adaptation, the SCCP's capacities will be strengthened for the design of indicators to follow-up on the implementation progress and achievement of the NDCs, as well as for the development of a portfolio of guides for the planning, design and implementation of climate change mitigation and adaptation measures; ANA will be supported in building its capacities for the monitoring of water quality vis-à-vis climate change; INTA will be supported by building the capacities of its technical team, the impact evaluation of 12 climate change adaptation technologies for agriculture, and the dissemination of results to other institutions and protagonists; and the MTI will be supported by strengthening its capacities for the evaluation of climate

change impacts on road infrastructure. There will be coordination with the 5NC-1BTR/2BTR (GEF ID 11486) project to collect information on adaptation and mitigation measures in the forestry, energy and transportation sectors.

31. The chapter IV of the Modalities, procedures and guidelines of the ETF (paragraph 104-117 of the annex of the decision 18/CMA.1.), includes a set of provisions related to information on efforts to avoid, minimize and address loss and damage caused by climate change impacts. Output 2.1.3 has been designed to address these provisions; the SNGCC has systematized information on topics regarding avoidance, minimization and tackling of damage and loss caused by climate change, the technical capacities of the SCCP will be strengthened through the preparation of the baseline of loss and damage indicators. There will be coordination with the 5NC-1BTR/2BTR (GEF ID 11486) project in the process of gathering information related to avoiding, minimizing and addressing losses and damages associated with climate change impacts in Nicaragua.

32. **Monitoring & Evaluation.** Under the M&E component the project will be effectively monitored, documented and reported on. The project will include gender perspectives in M&E reports and will make sure that gender dimensions are monitored and reported on, including and developing gender indicators and collecting gender disaggregated data.

### Global environmental benefits

33. The CBIT II project will have a real impact on the transparent, low-carbon development of Nicaragua. Global benefits will mainly consist of the development of capabilities for GHG inventories and emissions reduction, improving climate-resilient development, and tracking associated climate finance. Through the proposed project, Nicaragua's capacities will be strengthened so as to manage a robust and functional MRV system in accordance with the ETF of the Paris Agreement. In the long term, this will provide benefits with a view to the environment in general and the Sustainable Development Goals (SDGs) at the national and global level.

### Gender

34. The CBIT II project will work in accordance with the provisions of the National Climate Change Policy (PNCC), which defines **Gender Equity** as one of its principles, aimed at "Guaranteeing the incorporation of men and women in the planning, execution and decision-making related to climate action". Gender analysis and proposals will be guided first and foremost by the policy and legal framework for gender equity in Nicaragua: The Constitution of the Republic of Nicaragua<sup>[19]<sup>19</sup></sup>, the 2022-2026 National Plan to Fight Poverty and for Human Development (Guideline V)<sup>[20]<sup>20</sup></sup>, the National Climate Change Policy<sup>[21]<sup>21</sup></sup>, and Law 648 on equal rights and opportunities<sup>[22]<sup>22</sup></sup>.

35. According to the BUR, Nicaragua's Gender Policy, developed by the GRUN, establishes that all kinds of plans and programmes have to include strategic lines as well as actions for equality between men and women, guaranteeing human and material resources for their execution (GRUN, Gender Policy). Therefore, in order to contribute to the fulfilment of Nicaragua's National Plan to Fight Poverty and for Human Development (PNLCP-DH), as well as to the Sustainable Development Goals (SDGs), the Ministry of Women (MINIM) has developed an instrument to facilitate the systematization of information on climate change and gender. MINIM has a monitoring plan for gender and climate change, consisting of a series of indicators which will serve to identify institutional actions for climate change management with a gender approach. With the purpose of generating relevant, pertinent and systematic information, Nicaragua plans to develop a Report on Gender and Vulnerable Groups for its international reports to the UNFCCC, based on the information generated through the implementation of the monitoring plan for gender and climate change. This plan will be designed and implemented so as to serve as a comprehensive strategy to address gender inequalities and promote the inclusion of vulnerable persons and communities.

36. The project will strengthen the understanding of gender mainstreaming throughout all components, in coordination with the GEF Project "Fifth National Communication and First and Second Biennial Transparency Report" (GEF ID 11486) for the Biennial Transparency Reports and National Communications. Specifically, the SCCP in coordination with the Ministry of

Women and their gender experts, on one hand will make sure to include gender considerations and perspectives in the development of monitoring, reporting, verification and management systems and, on the other hand, will make sure to include women as beneficiaries and actors to strengthen their technical capacities and ensure they participate in the implementation of the systems

37. The CBIT II project will be guided by the decisions of the UNFCCC COPs on Gender<sup>[23]<sup>23</sup></sup> and the priority areas of the UNFCCC Gender Action Plan: Capacity-building, knowledge management and communication; Gender balance, participation and women’s leadership; Gender-responsive implementation and means of implementation.
38. The proposed project will carry out a gender analysis and plan during the PPG phase in the final design of the PRODOC, focusing on the different roles and responsibilities of women in connection with the country’s climate transparency.

**Stakeholders**

39. The CBIT II project will work with the SNGCC institutions which were consulted during project formulation through bilateral sessions and plenaries held from 5 February 2024 to 18 March 2024. The following table outlines their potential roles in the project and their means of participation:

Table 2 Stakeholders and their responsibilities

Stakeholders	Role in the project	Means of participation
<b>Government Institutions</b>		
Climate Change Secretariat of the Presidency	<ul style="list-style-type: none"> <li>• Project Executing Agency</li> <li>• Collection of information on climate change management</li> <li>• General coordination and follow-up and consultations with stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>• Meetings of the Project Steering Committee</li> <li>• Follow-up and evaluation activities</li> <li>• Executing action for:               <ul style="list-style-type: none"> <li>• Design of indicators for follow-up on implementation progress and achievement of NDCs</li> <li>• Development of a portfolio with mitigation/adaptation measures, systemized per sector and including guides for planning, design and implementation</li> <li>• Design of institutional arrangements of the MRV system for sectors Energy and Waste</li> <li>• Design of second phase of the SINGC</li> <li>• Baseline of loss and damage indicators</li> </ul> </li> <li>• Bilateral meetings</li> <li>• Workshops</li> <li>• Project trainings</li> </ul>

Stakeholders	Role in the project	Means of participation
<b>Government Institutions</b>		
Ministry of Agriculture	<ul style="list-style-type: none"> <li>Provides information about the agricultural subsector for the national report on anthropogenic GHG emissions</li> </ul>	<ul style="list-style-type: none"> <li>Meetings with the Project Steering Committee</li> <li>Executes actions for:               <ul style="list-style-type: none"> <li>National study on the management of manure and other waste, through a mobile app</li> <li>Study on consumption and type of organic fertilizers for at least five nationally important crops</li> </ul> </li> <li>Workshops</li> <li>Project trainings</li> <li>Bilateral meetings</li> </ul>
Ministry of Energy and Mines	<ul style="list-style-type: none"> <li>Provides information about the energy sector for the report on the national inventory of the national anthropogenic GHG emissions</li> <li>Provides information of the energy sector for the follow-up on the implementation and achievement of the NDC</li> <li>Provides information on mitigation initiatives</li> <li>Liaison agency for other sector organizations that could provide relevant information</li> </ul>	<ul style="list-style-type: none"> <li>Workshops</li> <li>Executes actions for:               <ul style="list-style-type: none"> <li>Development of an emission factor for electricity consumption</li> <li>Development of a methodology for the generation of necessary activity data to estimate non-methane volatile organic compounds (NMVOC) released into the environment due to the storage of fossil fuels and the operations of filling fossil fuel tanks and storage units in the country</li> </ul> </li> <li>Project trainings</li> <li>Bilateral meetings</li> </ul>
Ministry of Transport and Infrastructure	<ul style="list-style-type: none"> <li>Provides information on the energy sector for the report on the national inventory of the national anthropogenic GHG emissions</li> <li>Liaison agency for other sector organizations that could provide relevant information</li> </ul>	<ul style="list-style-type: none"> <li>Workshops</li> <li>Executes actions for:               <ul style="list-style-type: none"> <li>Systematization of data base information generated by centres for gas emissions certification in the measuring instruments</li> </ul> </li> <li>Project trainings</li> <li>Bilateral meetings</li> </ul>



Stakeholders	Role in the project	Means of participation
<b>Government Institutions</b>		
Ministry of the Environment and Natural Resources	<ul style="list-style-type: none"> <li>Political and Operational Focal Point Institution with the responsibility of cooperating with the Global Environment Facility (GEF) and Adaptation Fund (AF)</li> <li>National Designated Authority before the Green Climate Fund</li> <li>Provides information on the LULUCF subsector for the report on the national inventory of anthropogenic GHG emissions and removals by sinks</li> <li>Provides information on the LULUCF subsector for follow-up to NDC implementation and achievement.</li> <li>Provides information on the impacts of climate change on biodiversity and its adaptation</li> </ul>	<ul style="list-style-type: none"> <li>Meetings with the Project Steering Committee</li> <li>Executes actions for:               <ul style="list-style-type: none"> <li>Determining a monitoring and early warning system for forest and agricultural fires in protected areas, considering institutional capacities for its effective implementation</li> <li>Creation of the management platform for the Environmental Information System (SINIA)</li> </ul> </li> <li>Workshops</li> <li>Project trainings</li> <li>Bilateral meetings</li> </ul>
Ministry of Family, Community, Cooperative and Associative Economy	<ul style="list-style-type: none"> <li>Provides information on initiatives for climate change adaptation and mitigation of climate change effects on livelihoods in family-based agriculture</li> </ul>	<ul style="list-style-type: none"> <li>Meetings with the Project Steering Committee</li> <li>Executes actions for:               <ul style="list-style-type: none"> <li>Studies for the estimation of CO<sub>2</sub> capture/emissions factors for agroforestry systems for the cultivation of cacao and coffee</li> </ul> </li> <li>Project trainings</li> <li>Bilateral meetings</li> </ul>
Ministry of Women	<ul style="list-style-type: none"> <li>Providers of information on the impacts of climate change and adaptation to it of vulnerable women's groups</li> <li>Providers of Information on support in technology transfer and capacity building required and received in vulnerable women's groups</li> <li>Providers of information on women role and challenges in the sectors targeted by the project</li> </ul>	<ul style="list-style-type: none"> <li>Project Steering committee Meetings</li> <li>Trainings and workshops on gender and climate change of this project and of the GEF project 5NC-1BTR/2BTR (GEF ID: ID 11486)</li> <li>Bilateral meetings</li> </ul>

Stakeholders	Role in the project	Means of participation
<b>Government Institutions</b>		
National Forestry Institute	<ul style="list-style-type: none"> <li>Provides information on the LULUCF subsector for the report on the national inventory of anthropogenic GHG emissions and removals by sinks</li> <li>Provides information on the LULUCF subsector for follow-up on NDC implementation and achievement</li> <li>Provides information about climate change impacts on the forestry sector and its adaptation</li> </ul>	<ul style="list-style-type: none"> <li>Meetings with the Project Steering Committee</li> <li>Executes actions for:               <ul style="list-style-type: none"> <li>Collection of forestry data for the National Forest Inventory</li> <li>Construction of allometric equations for three forest tree species important for CO<sub>2</sub> capture</li> </ul> </li> <li>Project trainings</li> <li>Bilateral meetings</li> </ul>
Nicaraguan Institute of Agricultural Technology	<ul style="list-style-type: none"> <li>Provides information on climate change impacts on agriculture and its adaptation through technology transfer</li> </ul>	<ul style="list-style-type: none"> <li>Meetings with the Project Steering Committee</li> <li>Executes actions for:               <ul style="list-style-type: none"> <li>Training of the technical team on CBIT I (GEF ID 10118) outcomes</li> <li>Validation of the impact on the mitigation of GHG effects through carbon sequestration and increased livestock productivity through 12 identifiable technologies and practices                   <ul style="list-style-type: none"> <li>Dissemination of cattle-raising technologies for adaptation that contribute to GHG mitigation</li> </ul> </li> </ul> </li> <li>Workshops</li> <li>Project trainings</li> <li>Bilateral meetings</li> </ul>
Nicaraguan Institute of Territorial Studies	<ul style="list-style-type: none"> <li>Provides information on the LULUCF subsector for the report on the national inventory of anthropogenic GHG emissions and removals by sinks</li> </ul>	<ul style="list-style-type: none"> <li>Meetings with the Project Steering Committee</li> <li>Executes actions for:               <ul style="list-style-type: none"> <li>Analysis/adjustment of categories in the land use maps that can be identified in satellite imagery</li> <li>Collection of information on land use and land use change by applying the systemic sampling grid for the years 2024, 2025, and 2026</li> <li>Update of the methodology of land cover and land use mapping, incorporating a protocol for the monitoring of changes of land use based on the systematic sampling grid</li> </ul> </li> </ul>

Stakeholders	Role in the project	Means of participation
<b>Government Institutions</b>		
		<ul style="list-style-type: none"> <li>• Project trainings</li> <li>• Bilateral meetings</li> </ul>
National Water Authority	<ul style="list-style-type: none"> <li>• Provides information on the Waste sector for the report on the national inventory of the national anthropogenic GHG emissions</li> <li>• Provides information on climate change impacts on the Water sector and its adaptation</li> </ul>	<ul style="list-style-type: none"> <li>• Meetings with the Project Steering Committee</li> <li>• Executes actions for:               <ul style="list-style-type: none"> <li>• Identification of domestic and industrial discharges throughout the country, their location and characterization by treatment systems</li> <li>• Development of instruments for the identification of climate change adaptation measures in the drinking water and sanitation sector, with a focus on water security</li> </ul> </li> <li>• Project trainings</li> <li>• Bilateral meetings</li> </ul>
<b>Universities</b>		
National Council of Universities	<ul style="list-style-type: none"> <li>• Promotes the participation of research about climate change impacts on the different sectors and their adaptation</li> </ul>	<ul style="list-style-type: none"> <li>• Workshops</li> <li>• Project trainings</li> <li>• Bilateral meetings</li> </ul>
<b>Private sector</b>		
Producers, enterprises and industries of the sectors agriculture, forestry, energy,	<ul style="list-style-type: none"> <li>• Provides information for the report on the national inventory of anthropogenic GHG emissions</li> </ul>	Bilateral sessions  Users of information generated by the reports

Stakeholders	Role in the project	Means of participation
<b>Government Institutions</b>		
transport and industry in general	<ul style="list-style-type: none"> <li>Provides information on mitigation and adaptation measures</li> </ul> <p>(through official channels of government institutions)</p>	

**Source:** Prepared by the author

40. Stakeholder participation and consultation processes are key for the project's success. Key stakeholders participated effectively during the preparation of the PIF. The project proposal intends to strengthen stakeholder participation so as to collectively tackle problems and challenges of climate change adaptation and mitigation. It is expected that project stakeholders come from a variety of origins, including public sector institutions integrated into the SNGCC, local communities, local authorities, non-governmental organizations (NGOs) and civil society organizations (CSOS), media, academic institutions, private sector and international organizations, with a special emphasis on sectors linked to the implementation of the PNCC.

41. A stakeholder participation plan will be included in the PPG phase in the final PRODOC design and include the following activities:

- A project inception workshop
- Consultation workshops with stakeholders to ensure their continuous participation
- Capacity-building workshop on ETF and BTR thematic areas
- Bilateral meetings of thematic work groups with sector representatives
- Validation workshops to discuss results and validate the precision of analyses and guarantee quality of outcomes
- Final dissemination workshop to discuss findings, generate awareness and reinforce collaboration

42. The stakeholder participation plan will be consolidated and implemented together with the Gender Action Plan, and both will be reviewed and approved in the project inception workshop, thus ensuring that gender equality considerations are firmly embedded in all project interactions with stakeholders, as well as the inclusion and participation of indigenous peoples and Afrodescendants.

### ***Indigenous Peoples And Afro-Descendants***

43. The CBIT II project will work in conformity with the provisions of the National Climate Change Policy, which defines the following principles:

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- **Human development, Good Living and Common Good:** Promoting the expansion of people’s capabilities and opportunities, a model of low-emission economic growth, and the conservation, and rational and responsible use of Nicaragua’s natural heritage, in recognition of the world vision of Indigenous Peoples and Afro-descendants, and the promotion of a culture of Good Life, rooting in daily practice of respect, harmony and balance with the environment and Mother Earth.
  - **Shared responsibility and solidarity** between different government levels: Central Government, Autonomous Regions of the Caribbean Coast, Alto Wangki and Bocay Special Development Regime, and the protagonists of the policies who have rights and obligations to take part in public affairs and as to human development.
  - **Knowledge dialogues:** Articulation of traditional knowledge of Indigenous Peoples and Afro-descendants with new knowledge in climate action planning and management
  - **Free, previous and informed consent:** aims at incrementing participation in processes and procedures generating impacts on Indigenous Peoples and Afro-descendants.

44. The analysis and proposals regarding Indigenous Peoples and Afro-descendants will also be guided by Nicaragua’s legal and policy framework:

- Political Constitution of the Republic of Nicaragua[24]<sup>24</sup>
- 2022-2026 National Plan to Fight Poverty and for Human Development (Guideline V)[25]<sup>25</sup>
- National Climate Change Policy[26]<sup>26</sup>
- 2019 -2029 Development Strategy and Plan for the Caribbean Coast and Upper Wangki and Bocay.[27]<sup>27</sup>
- Law 28[28]<sup>28</sup>, Autonomy Statute for the Caribbean Coast Regions of Nicaragua
- Law 445[29]<sup>29</sup> on the Communal Property Regime of the Indigenous Peoples and Ethnic Communities in the Autonomous Regions of the Atlantic Coast of Nicaragua and Bocay, Coco, Indio and Maíz Rivers
- ILO Convention 169[30]<sup>30</sup>, Decree on the approval of the Indigenous and Tribal Peoples Convention, 1989 (ILO Convention 169)

45. Work will also be guided by decisions of the UNFCCC COPs[31]<sup>31</sup> on Indigenous Peoples and the contents developed on the UNFCCC Local Communities and Indigenous Peoples Platform (LCIPP). The work plan activities are grouped according to the

three platform functions (see decision 2/CP.23). These functions are related to (i) knowledge, (ii) capacity for engagement, and (iii) climate change policies and actions.

46. **Private sector engagement.** Plans to engage and consult producers, enterprises and industries in agriculture, forestry, energy, transport and industry in general, include work sessions to gather information and analysis made by institutions of the National System for Climate Change Management. During the PPG phase in the final PRODOC design, data/information gathered from previous national communications and national policy documents on climate change will be used to explore the opportunity to engage private sector entities in the CBIT II project.
47. **Knowledge Management and Communication.** The project will develop actions for knowledge management and the dissemination of informative material and technical documents (trainings procedures, guidelines and action plans, gap assessment reports, etc.) which will be prepared according to the variety of project outcomes. Informative material and technical documents generated by the project will be disseminated throughout the country and globally through the National Climate Management Information System (SNIGC) as well as on the platform of the National System of Greenhouse Gas Inventories (SINGEI-NI)<sup>[22][32]</sup>; furthermore, communication and information events will be held in the different territories and during national workshops for the presentation of project outcomes. The project will make use of the the Knowledge Centre of the Climate Transparency Platform to develop Knowledge Management and Communication products.
48. **Innovation.** The CBIT II project will ensure the investment in an innovative National Climate Management Information System (SNIGC) adapted to the country's specific needs. Knowledge materials will be available through the National Climate Management Information System (SNIGC), and mechanisms will be designed and installed to facilitate access to information and knowledge at all levels throughout the national territory.
49. **Potential for expansion.** Participation of key national stakeholders of all relevant sectors will allow for the management of adequate project exit points, avoid interruptions and ensure the expansion of issues related to climate change into general objectives related to sustainability. Project CBIT II will set a strong basis for future climate change mitigation and adaptation initiatives in Nicaragua. The project outcomes will also be widely made public throughout the country and the Central American region through information exchange networks and fora which have been established with the purpose of contributing to the development of regional capacities from the CCAD. Furthermore, knowledge materials will be available through the SNIGC. Thus, the long-term expansion of project benefits will be ensured through the institutional SNGC agreement established through CBIT interventions.
50. The project will coordinate with the CBIT Global Support Programme and participate in relevant Transparency Networks, Communities of Practices and Global Forum to share knowledge and lessons learned with other countries and projects involved in transparency initiatives. The project will also use the Knowledge Centre of the Climate Transparency Platform for the development of knowledge products that can help build capacity and facilitate learning for SNGCC actors and other stakeholders involved in the in the Nicaragua CBIT II.

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[19] <https://www.asamblea.gob.ni/assets/constitucion.pdf>

[20] [http://www.pndh.gob.ni/documentos/pndhActualizado/05\\_LINEAMIENTO\\_V\\_\(19jul21\).pdf](http://www.pndh.gob.ni/documentos/pndhActualizado/05_LINEAMIENTO_V_(19jul21).pdf)

[21]

<http://legislacion.asamblea.gob.ni/normaweb.nsf/09cf45d6fc893868062572650059911e/dd76413a976692dc062587f3005bd150?OpenDocument>

[22] [http://legislacion.asamblea.gob.ni/normaweb.nsf/\(\\$All\)/DFACDD675534DACE0625744B0077C73F](http://legislacion.asamblea.gob.ni/normaweb.nsf/($All)/DFACDD675534DACE0625744B0077C73F)

[23] <https://unfccc.int/topics/gender/resources/documentation-on-gender-and-climate-change>

[24] <https://www.asamblea.gob.ni/assets/constitucion.pdf>

[25] [http://www.pndh.gob.ni/documentos/pndhActualizado/05\\_LINEAMIENTO\\_V\\_\(19jul21\).pdf](http://www.pndh.gob.ni/documentos/pndhActualizado/05_LINEAMIENTO_V_(19jul21).pdf)

[26]

<http://legislacion.asamblea.gob.ni/normaweb.nsf/09cf45d6fc893868062572650059911e/dd76413a976692dc062587f3005bd150?OpenDocument>

[27] <https://www.marena.gob.ni/Enderedd/wp-content/uploads/2020/10/02-plan-desarrollo-estrategia-enderedd-costa-caribe-2019.pdf>

[28]

<http://legislacion.asamblea.gob.ni/Normaweb.nsf/xpNorma.xsp?documentId=C187E561D277D5390625861C0074F038&action=openDocument>

[29]

<http://legislacion.asamblea.gob.ni/normaweb.nsf/d0c69e2c91d9955906256a400077164a/f59730333b3f6fa5062571b200559533?OpenDocument>

[30]

[http://legislacion.asamblea.gob.ni/normaweb.nsf/\(\\$All\)/543E375E259770310625775F005465FE?OpenDocument](http://legislacion.asamblea.gob.ni/normaweb.nsf/($All)/543E375E259770310625775F005465FE?OpenDocument)

[31] <https://lcipp.unfccc.int/lcipp-background/relevant-decisions-and-conclusions>

[32] <https://app.sccp.gob.ni/>

## Coordination and Cooperation with Ongoing Initiatives and Project.

Does the GEF Agency expect to play an execution role on this project?

If so, please describe that role here. Also, please add a short explanation to describe cooperation with ongoing initiatives and projects, including potential for co-location and/or sharing of expertise/staffing

### Insttutional Arrangements

51. The CBIT II project will work in close coordination with the Fifth National Communication and First and Second Biennial Transparency Report (GEF ID 11486).

52. The two projects will share a Project Steering Committee (PSC) will be formed by the representatives of the following SNGCC institutions: 1. Climate Change Secretariat of the Presidency of the Republic, who will coordinate it; 2. Ministry of Environment and Natural Resources; 3 Ministry of Agriculture; 4. Ministry of Family, Community, Cooperative and Associative Economy; 5. Ministry of Energy and Mines; 6. Ministry of Transportation and Infrastructure; 7. Ministry of Women; 8. Nicaraguan Institute of Territorial Studies; 9. Nicaraguan Institute of Agricultural Technology; 10. National Forestry Institute; 11. Nicaraguan Institute for Municipal Development; 12. Secretariat for the Development of the Caribbean Coast of the Presidency of the Republic; 13. United Nations Industrial Development Organization (UNIDO); 14. FAO.
53. Each institution will designate a Technical Focal Point for the project. As Focal Points in their institution, the PSC members will: (i) technically supervise the project activities in their institution; (ii) ensure a fluid exchange of information and knowledge between the institutions and the project; (iii) facilitate coordination and linkages between the project activities and the work plan of their institution.
54. Both projects will have as Executing Agency the Climate Change Secretary of the Presidency (SCCP), in coordination with the SNGCC institutions. The two projects will share the Project Management Unit (PMU), funded by the GEF and the two projects, and will be established within the SCCP. The main functions of the PMU, following the guidance of the PSC, are to ensure efficient overall project management, coordination, implementation and monitoring through effective implementation of annual work plans and budgets, as detailed in the project documents.

#### Coordination with GEF funded projects

#### CBIT Global Projects

55. The project will liaise with the **CBIT-Global Support Programme (CBIT-GSP)**, through the Climate Transparency Platform which has a mandate for the Paris Agreement's Enhanced Transparency Framework and the continued reporting under the UNFCCC. The platform allows for vivid exchange within the climate transparency community, both through a Global Forum as well as ten Network Forums for peer-to-peer exchange and learning among countries.

- The project will seek collaboration especially for the energy and waste sectors, as well as to obtain detailed information on any developing country, support provider and transparency projects, making sure to participate in relevant related Transparency Networks, Communities of Practices and Global Forums, to share knowledge with other countries.

- The project will also use the Knowledge Centre of the Climate Transparency Platform for the development of knowledge products that can help build capacity and facilitate learning for SNGCC actors and other stakeholders involved in the in the Nicaragua CBIT II.

56. **Building global capacity to increase transparency in the forest sector (CBIT-Forest): accelerating capacity-building, knowledge-sharing and awareness raising (GEF ID 11308).** The Project will work with the CBIT-Forest on issues related to events and knowledge sharing products, as well as obtaining detailed information on any country that FAO supports in capacity building in the AFOLU sector.

#### 5NC-1BTR/2BTR (GEF ID 11486)



57. The CBIT II project will work in synergy with the “Fifth National Communication and First and Second Biennial Transparency Report and (5NC-1BTR/2BTR)” (GEF ID11486), approved on January 11, 2024 by the GEF. The 5NC-1BTR/2BTR project will enable the Republic of Nicaragua to prepare and submit its First Biennial Transparency Report (BTR) as a stand-alone report and the Fifth National Communication and Second Biennial Transparency Report (5NC/BTR2) as a combined report, to meet its reporting obligations under the UNFCCC and the Paris Agreement in accordance with the Modalities, Procedures and Guidelines (MPGs) (Decision 5/CMA.3 ) of the Enhanced Transparency Framework (ETF) for action and support referred to in Article 13 of the Paris Agreement (Decision 18/CMA.1) and guidance on the operationalization of the MPGs.
58. As explained more extensively in the project component description, the CBIT II project and the 5NC-1BTR/2BTR, will closely work together specifically for output 1.1.2 and 2.1.3. Generally, the two projects will share the PSC and the PMU, so there will be an overall coordination between the two projects with the objective to leverage efforts and investments to attain projects objectives and countries commitments to the Convention.

59. **Cooperation with ongoing initiatives related to climate change:** Following is a summary of projects under execution complementing the implementation of the CBIT II project.

Table 3 Reference initiatives related to climate change supporting the CBIT II project

Project title	Objective and synergy with CBIT II
<p><b>National Readiness:</b> Strengthening the Nicaraguan financial system so it is in a position to support priority investments in both the public and private sectors, to comply with the commitments of the NDCs</p> <p><b>Funder:</b> Green Climate Fund (GCF).</p> <p><b>Implementing institution:</b> CABEL.</p> <p><b>Approval date:</b> 26/02/2022<sup>[33]<sup>33</sup></sup>)</p>	<p><b>General Objective:</b> The project seeks to strengthen the capacity of the country's key institutions to implement the country policy and work programme with the GCF, and to guide investments in a low-emission economy and a society resilient to climate change.</p> <p><b>Synergies:</b> The outcomes of this project are expected to contribute to capacity-building in the MHCP, as a member of the National System for Climate Change Management (SNGCC, acronym in Spanish) as to: i) strengthening administrative and legal capacities at the National Designated Authority (NDA) so it maintains a portfolio of projects addressing climate change; ii) training 15 civil servants at the MHCP's General Directorate of Public Credit and its Legal Advisory Unit, so they can negotiate and manage legal agreements associated with international climate financing.</p> <p>This project will support Output 2.1.1 in strengthening technical capacities to monitor progresses on National Determined Contributions (NDCs) in the SNGCC.</p>
<p><b>National Readiness:</b> Mobilizing climate finance and private investments for low-carbon development in Nicaragua</p>	<p><b>General Objective:</b> The proposed Readiness grant aims to enhance the strategic frameworks and institutional capacity of the Government of Nicaragua to increase the mobilization of national and international climate finance and private investments for the implementation of the</p>

<p><b>Funder:</b> GCF</p> <p><b>Implementing institution:</b> Global Green Growth Institute. <b>Approval date:</b> 11/12/2022[34]<sup>34)</sup></p>	<p>nationally determined contribution (NDC) and resilient, inclusive, and low-carbon development.</p> <p><b>Synergies:</b> It is expected that the outcomes of this project will contribute to strengthening the capacities of SNGCC members such as the SCCP, MHCP and the Central Bank of Nicaragua (BCN) as to: i) conducting a diagnostic study on the context of climate financing in Nicaragua, including the mapping of actors, identification of national and international climate financing sources, barriers, plans and goals; and ii) holding three workshops to disseminate the National Climate Financing Roadmap among public and private sector actors. The workshops will be attended by 40-50 participants representing the SCCP, MHCP, BCN, the private and financial sectors, academe, civil society, representatives of Afro-descendants and indigenous people, local communities, women and young adults.</p> <p>This project will support Output 2.1.1 in strengthening technical capacities to monitor progresses on National Determined Contributions (NDCs) in the SNGCC.</p>
<p><b>Regional Readiness:</b> Capacity building to prepare for the implementation of carbon markets and Article 6 of the Paris Agreement in Latin America</p> <p><b>Funder:</b> GCF</p> <p><b>Implementing institution:</b> UNEP</p> <p><b>Approval date:</b> 03/02/2023[35]<sup>35)</sup></p>	<p><b>General objective:</b> The project seeks to collectively: i) increase general knowledge of the scope and functioning of Article 6 of the Paris Agreement in Panama, Guatemala, Nicaragua, Honduras, Argentina, the Dominican Republic, Costa Rica and El Salvador by means of a regional approach; and ii) support relevant stakeholders in these countries to meet the institutional, technical and operational requirements needed to establish or participate in new or existing carbon markets.</p> <p><b>Synergies:</b> It is expected that the outcomes of this project will contribute to strengthening the capacities of several SNGCC members as to: i) technical capacities among members of the NDA and key actors in order to meet requirements for carbon market implementation; ii ) quantifying the potential role market and non-market approaches can play in achieving their NDCs, and the improvement of mitigation and adaptation actions; and iii) monitoring and reviewing other market-based and non-market mitigation mechanisms applied nationally and globally.</p> <p>This project will support Output 2.1.1 in strengthening technical capacities to monitor progresses on National Determined Contributions (NDCs) in the SNGCC.</p>

**New Readiness:** Capacity development for the implementation of the strategic framework for Climate Change in Nicaragua

**Funder:** GCF

**Implementing institution:** Global Green Growth Institute

Approval date: 27/03/2024 [\[36\]](#)<sup>36</sup>

**Objective:** The Government of Nicaragua will develop adequate capacities to implement the National Climate Change Policy (PNCC), as well as the complementary strategic frameworks needed to accelerate the implementation of Nicaragua's national climate change objectives and compliance with its international commitments, through improved technical capacities among pertinent institutions and key stakeholders, increased public awareness of climate change and improved knowledge-sharing.

**Synergies:** It is expected that the outcomes of this project will contribute to strengthening the capacities of various SNGCC actors as to: i) NDA's technical capacities to formulate a long-term strategy for developing strategic climate change frameworks; ii) technical capacities on issues related to climate change mitigation and adaptation and best practices required for the implementation of the PNCC; and iii) capacities to develop an easily accessible platform on which information on climate change can be found.

This project will support Output 2.1.2 to improve monitoring and evaluation knowledge and learning on climate change adaptation of the SNGCC

Source: prepared by the authors

[\[33\] 20220226-strengthening-financial-system-republic-nicaragua-support-priority-investments-public-and.pdf \(greenclimate.fund\)](#)

[\[34\] nicaragua-gggi-approved-readiness-proposal.pdf \(greenclimate.fund\)](#)

[\[35\] lac019-unep-latin-america-carbon-markets.pdf \(greenclimate.fund\)](#)

[\[36\] https://www.greenclimate.fund/document/developing-capacities-implementation-climate-change-strategic-frameworks-nicaragua](https://www.greenclimate.fund/document/developing-capacities-implementation-climate-change-strategic-frameworks-nicaragua)

## Core Indicators

### Indicator 11 People benefiting from GEF-financed investments

	Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (Achieved at MTR)	Number (Achieved at TE)
<b>Female</b>	150			
<b>Male</b>	150			
<b>Total</b>	<b>300</b>		<b>0</b>	<b>0</b>

Explain the methodological approach and underlying logic to justify target levels for Core and Sub-Indicators (max. 250 words, approximately 1/2 page)

It is estimated that in total, at least 300 officials of 10 SNGCC institutions (SCCP-MARENA-INAFOR-INETER-MEM-MTI-MAG-MEFCCA-INTA-ANA) will be trained in addition to stakeholders which collaborate with the SNGCC, such as local producers and private enterprises from the energy and waste sector, among others. 50% of them will be women.

## Key Risks

	Rating	Explanation of risk and mitigation measures
<b>CONTEXT</b>		
Climate	Low	<p>Risk: Climate risk is low because this is a project for capacity-building, not infrastructure</p> <p>Mitigation measures: This project's focus lies on activities to create technical and institutional capacities. For any field activity, national climate events will be taken into account for the site to be visited.</p>
Environmental and Social	Low	<p>Risk: Environmental and social risk is low compared to the set of 9 ESS of the FAO screening checklist for the detection of environmental and social safeguards. As this is a project to develop capacities for compliance with the requirements of the ETF of the Paris Agreement, no environmental or social risks are foreseen as a result of the project's intervention. Mitigation measures: Improvement of institutional capacities and individual skills will be the focus of this project, so as to comply with the ETF reports. Therefore, this focus will avoid the risk of losing human capabilities in any case of adverse event.</p>
Political and Governance	Low	<p>Risk: The risk is classified as low, because the project is in line with the PNCC, NDC and the national commitments of the PNLCP-DH. Mitigation measures: The project will work in accordance with the NDC, PNCC and other relevant national documents to avoid any potential political and governance risks. The project will also guarantee that the activities to be implemented are in line with national strategic documents.</p>
<b>INNOVATION</b>		
Institutional and Policy	Low	<p>Risk: The project's risk is classified as low, because the proposed project is consistent with national plans and strategies mentioned in paragraph 7. Mitigation measures: The proposed project will ensure ownership of the project by the following national strategies and plans which will direct long-term institutional development</p>
Technological	Low	<p>Risks: it is possible that the data and information foreseen for the proposed project will not be available in different activities as expected. Mitigation measures: The SCCP's and FAO's broad experience in CBIT I (GEF ID 10118) and the project-related work will serve to endure successful implementation. The project will also focus on improving institutional capacities for the generation of compatible data and information.</p>
Financial and Business Model	Low	<p>Risk: Cofinancing contributions by government and donors could be adversely affected by a global recession. Additionally, significant economic challenges</p>

		could arise in the country, which could affect its government’s financial commitments. Mitigation measures: The project will ensure strong stakeholder participation in addition to engaging decision-makers, thus ensuring continuous commitment and ownership in spite of any eventual macroeconomic stress factor. In addition, functions and responsibilities of national institutions will be specified in project guidelines and agreements.
EXECUTION		
Capacity	Low	Risks: The risk is classified as low, because the country has already presented the 4th National Communication, the NIR and the BUR. Mitigation measures: Priority will be given to support capacity-building based on gaps and needs identified in this project.
Fiduciary	Low	Risk: The risk is classified as low because the governmental counterparts already have experience in following necessary fiduciary and operational standards. Mitigation measures: Necessary control mechanisms will be maintained for financial management and acquisitions procedures, in accordance with the requirements of the contexts.
Stakeholder	Low	Risk: The risk is classified as low, because the project is based on existing coordination mechanisms through the SNGCC, as mentioned in paragraph 5. With the incremental support of the project, it is expected that intersectoral collaboration will be operational and sufficient to meet the ETF requirements. Mitigation measures: The project focused on supporting various member institutions of the SNGCC, coordinated by the SCCP according to their mandates, as well as existing climate change management coordination mechanisms. Therefore, the project is expected to serve as a catalyst for a sufficient level of collaboration between stakeholders so as to meet ETF requirements in the country.
Other		
Overall Risk Rating	Low	The proposed project will help Nicaragua to meet the requirements for the submission of ETF reports of the Paris Agreement. No environmental or social risks are foreseen, as the project’s intervention focuses on institutional and technical capacities. Therefore, the overall risk rating is low.

### C. ALIGNMENT WITH GEF-8 PROGRAMMING STRATEGIES AND COUNTRY/REGIONAL PRIORITIES

Describe how the proposed interventions are aligned with GEF- 8 programming strategies and country and regional priorities, including how these country strategies and plans relate to the multilateral environmental agreements.

Confirm if any country policies that might contradict with intended outcomes of the project have been identified, and how the project will address this.

For projects aiming to generate biodiversity benefits (regardless of what the source of the resources is - i.e., BD, CC or LD), please identify which of the 23 targets of the Kunming-Montreal Global Biodiversity Framework the project contributes to and explain how. (max. 500 words, approximately 1 page)

60. **Alignment with GEF-8 Programming Strategies.** The proposed CBIT project is aligned with Pillar II (Foster enabling conditions to mainstream mitigation concerns into sustainable development strategies) and objective 2.1 (Support capacity-

building needs for transparency under the Paris Agreement through the CBIT) of the GEF-8 Climate Change Focal Area Strategy and Associated Programming.

61. **Consistency with national policies.** The proposed project is consistent with the national strategies and plans listed in the following table, and will contribute to their objectives and goals:

- 2022-2026 National Plan to Fight Poverty and for Human Development (Guideline V)<sup>[37]</sup><sup>[37]</sup>
- The National Climate Change Policy, Presidential Decree No. 04-2022, approved on 18 February 2022 and published in the Official Gazette No. 35 on 22 February 2022.<sup>[38]</sup><sup>[38]</sup>
- 2020 Nationally Determined Contribution in its updated version <sup>[39]</sup><sup>[39]</sup>.

Table 5 Consistency with national priorities

Instrument	Contribution
2022-2026 National Plan to Fight Poverty and for Human Development	<p>The project will contribute to Guideline XI, MEASURES TO CONFRONT IMPACTS OF CLIMATE VARIABILITY AND CLIMATE CHANGE</p> <p>Improving and expanding the necessary knowledge and technical-scientific information for decision-making</p> <p>Communications to the Convention and NDC</p>
National Climate Change Policy	<p>The project will contribute through its pillar 5: Climate Action Governance</p> <p>Policy 1. Strengthening the National Climate Change Management System for the promotion, formulation, implementation, monitoring and evaluation of the policy and its lines of action, and the plans, programmes and projects for climate change mitigation and adaptation.</p> <p>Lines of Action:</p> <p>Strengthening technical capacities of SNGCC member institutions so as to integrate the approach towards climate change mitigation and adaptation and climate variability, and loss and damage; and to promote the designation and training of specialized human resources.</p>

Instrument	Contribution
	<p>Design and application of normative, financial and fiscal instruments to facilitate the integration of the approach towards climate change mitigation and adaptation and climate variability in public plans and policies.</p> <p>Development of the national institutional framework and carbon-market and non-market instruments in a balanced form, as established in Article 6 of the Paris Agreement.</p> <p>Facilitating the integration of the ETF in intersectorial processes and policies of the National System for Climate Change Management.</p> <p>Design and implementation of a module for the monitoring of climate policy outcomes in the Management Information System of the Government of Reconciliation and National Unity (SIGRUN), with data disaggregated by protagonist populations, gender, ethnical identity and age groups.</p>
Nationally Determined Contributions	<p>The project will contribute with the commitments acquired by Nicaragua towards the convention, to develop actions aimed at strengthening the metrics for emissions monitoring, reporting and verification; in this sense, a road map has been proposed for continuous improvement in the Enhanced Transparency Framework, based on the five fundamental pillars established by the convention: (1) Transparency, (2) Accuracy, (3) Completeness, (4) Consistency and (5) Comparability.</p> <p>Since 2023, Nicaragua has a National GHG Inventory System which will serve as an interoperable platform where the generators of sectoral statistical information estimate activity data and calculate emissions.</p>

Source: Prepared by author

[37] [http://www.pndh.gob.ni/documentos/pndhActualizado/05\\_LINEAMIENTO\\_V\\_\(19jul21\).pdf](http://www.pndh.gob.ni/documentos/pndhActualizado/05_LINEAMIENTO_V_(19jul21).pdf)

[38] <http://legislacion.asamblea.gob.ni/normaweb.nsf/09cf45d6fc893868062572650059911e/dd76413a976692dc062587f3005bd150?OpenDocument>

[39] <https://unfccc.int/documents/499566>

#### D. POLICY REQUIREMENTS

##### **Gender Equality and Women’s Empowerment:**

We confirm that gender dimensions relevant to the project have been addressed as per GEF Policy and are clearly articulated in the Project Description (Section B).

Yes

##### **Stakeholder Engagement**

We confirm that key stakeholders were consulted during PIF development as required per GEF policy, their relevant roles to project outcomes and plan to develop a Stakeholder Engagement Plan before CEO endorsement has been clearly articulated in the Project Description (Section B).

Yes

##### **Were the following stakeholders consulted during project identification phase:**

Indigenous Peoples and Local Communities: Yes

Civil Society Organizations:

Private Sector: Yes

##### **Provide a brief summary and list of names and dates of consultations**

Plans to engage and consult civil society organizations, community groups and stakeholders in the implementation of the project include work sessions to collect information and analyses by the institutions of the National System for Climate Change Management (SNGCC). Furthermore, stakeholders linked to the implementation of the PNCC are expected to participate in the presentation and dissemination of the information submitted by the Government of Nicaragua to the UNFCCC.

The following work sessions were held with the SNGCC:

Activities	Dates	Place	Participants
1) MARENA	5 February 2024	MARENA	SCCP-MARENA-FAO
2) INAFOR	5 February 2024	INAFOR	SCCP-INAFOR-FAO



Activities	Dates	Place	Participants
3) MEM	6 February 2024	MEM	SCCP-MEM-FAO
4) INETER	6 February 2024	INETER	SCCP-INETER-FAO
5) MAG	7 February 2024	MAG	SCCP-MAG-FAO
6) MEFCCA	7 February 2024	MEFCCA	SCCP-MEFCCA-FAO
7) INTA	8 February 2024	INTA	SCCP-INTA-FAO
8) MTI	9 February 2024	MTI	SCCP-MTI-FAO
9) ANA	14 February 2024	ANA	SCCP-ANA-FAO
10) SCCP	15 February 2024	SCCP	SCCP-FAO
11) Sessions with the SCCP	26 February to 1 March 2024	SCCP	SCCP-FAO
12) Session to present the CBIT II project to the Technical Team of the Institutions of the National System for Climate Change Management	13 March 2024	SCCP	Technical Team of MARENA, MEFCCA, MAG, INAFOR, INETER, INTA, MEM, MTI, ANA, Climate Change Secretariat of the Presidency and FAO
13) Session to present the CBIT II project document to the Project Steering Committee	18 March 2024	SCCP	Senior officials of engaged institutions

(Please upload to the portal documents tab any stakeholder engagement plan or assessments that have been done during the PIF development phase.)

### Private Sector

Will there be private sector engagement in the project?

Yes

And if so, has its role been described and justified in the section B project description?

Yes

### Environmental and Social Safeguard (ESS) Risks

We confirm that we have provided indicative information regarding Environmental and Social risks associated with the proposed project or program and any measures to address such risks and impacts (this information should be presented in Annex D).

Yes

## Overall Project/Program Risk Classification

PIF	CEO Endorsement/Approval	MTR	TE
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Low

## E. OTHER REQUIREMENTS

### Knowledge management

We confirm that an approach to Knowledge Management and Learning has been clearly described in the Project Description (Section B)

Yes

## ANNEX A: FINANCING TABLES

### GEF Financing Table

Indicative Trust Fund Resources Requested by Agency(ies), Country(ies), Focal Area and the Programming of Funds

GEF Agency	Trust Fund	Country/ Regional/ Global	Focal Area	Programming of Funds	Grant / Non-Grant	GEF Project Grant(\$)	Agency Fee(\$)	Total GEF Financing (\$)
FAO	GET	Nicaragua	Climate Change	CBIT Set- Aside	Grant	1,950,000.00	185,250.00	2,135,250.00
<b>Total GEF Resources (\$)</b>						<b>1,950,000.00</b>	<b>185,250.00</b>	<b>2,135,250.00</b>

### Project Preparation Grant (PPG)

Is Project Preparation Grant requested?

true

PPG Amount (\$)

50000

PPG Agency Fee (\$)

4750

GEF Agency	Trust Fund	Country/ Regional/ Global	Focal Area	Programming of Funds	Grant / Non- Grant	PPG(\$)	Agency Fee(\$)	Total PPG Funding(\$)
FAO	GET	Nicaragua	Climate Change	CBIT Set- Aside	Grant	50,000.00	4,750.00	54,750.00

<b>Total PPG Amount (\$)</b>		<b>50,000.00</b>	<b>4,750.00</b>	<b>54,750.00</b>
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Please provide justification

### Sources of Funds for Country Star Allocation

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

### Indicative Focal Area Elements

Programming Directions	Trust Fund	GEF Project Financing(\$)	Co-financing(\$)
CCM-CBIT	GET	1,950,000.00	1210000
<b>Total Project Cost</b>		<b>1,950,000.00</b>	<b>1,210,000.00</b>

### Indicative Co-financing

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Investment Mobilized	Amount(\$)
Recipient Country Government	Government of the Republic of Nicaragua	In-kind	Recurrent expenditures	1000000
GEF Agency	FAO	In-kind	Recurrent expenditures	210000
<b>Total Co-financing</b>				<b>1,210,000.00</b>

Describe how any "Investment Mobilized" was identified

Not Applicable

## ANNEX B: ENDORSEMENTS

### GEF Agency(ies) Certification

GEF Agency Type	Name	Date	Project Contact Person	Phone	Email
GEF Agency Coordinator			Jeffrey Griffin		
Project Coordinator			Hernan Gonzalez		

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

Name	Position	Ministry	Date (MM/DD/YYYY)
Eduardo Jose Flores Coca	Vice Ministry	Ministry of Environment and Natural Resources (MARENA)	4/19/2024

### ANNEX C: PROJECT LOCATION

Please provide geo-referenced information and map where the project interventions will take place



Figure 2 Map of project location

Total surface area of Nicaragua: 130,370 km<sup>2</sup> of Land and 119,990 km<sup>2</sup> of Water 10,380 km<sup>2</sup>. Latitude: 13 00' N and Longitude: 85 00'W. GEO ID: 3617476.

## ANNEX D: ENVIRONMENTAL AND SOCIAL SAFEGUARDS SCREEN AND RATING

(PIF level) Attach agency safeguard screen form including rating of risk types and overall risk rating.

Title

ESS Supporting Document\_PIF

## ANNEX E: RIO MARKERS

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

## ANNEX F: TAXONOMY WORKSHEET

Level 1	Level 2	Level 3	Level 4
Influencing Models	Strengthen institutional capacity and decision-making		
Stakeholders	Type of Engagement	Participation Information Dissemination Partnership	
	Indigenous people		
Capacity, Knowledge and Research	Capacity Development		
	Innovation		
	Learning	Theory of change Adaptive management Indicators to measure change	
	Knowledge generation	Training Workshop Seminar Professional Development	
	Knowledge Exchange		
Gender Equality	Gender Mainstreaming	Gender-sensitive indicators Beneficiaries Sex-disaggregated indicators	
	Gender results areas	Knowledge Generation and Exchange Participation and leadership	

		Awareness Raising	
		Capacity Development	
Focal Area/Theme	Climate Change	Climate Change Adaptation	Climate Finance
		Climate Change Mitigation	Financing
			National Adaptation Plan
		Climate Resilience	
		United Nations Framework on Climate Change	Capacity Building Initiative for Transparency
			Paris Agreement
			Nationally Determined Contribution