

GEF-8 PROJECT IDENTIFICATION FORM (PIF)

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General Project Information

Project Title

Strengthening capacity for enhanced transparency in implementation and monitoring of Timor-Leste's Nationally Determined Contribution (NDC)

Region

Asia

GEF Project ID

12361

Country(ies)

Timor Leste

Type of Project

MSP

GEF Agency(ies):

FAO

GEF Agency ID

755451

Executing Partner

National Directorate for Climate Change (NDCC) under the Ministry of Tourism and Environment (MoTE)

United Nations Office for Project Services (UNOPS)

Executing Partner Type

Government

Others

GEF Focal Area (s)

Climate Change

Submission Date

5/28/2026

Project Sector (CCM Only)

Mixed & Others

Taxonomy

Influencing models, Transform policy and regulatory environments, Strengthen institutional capacity and decision-making, Demonstrate innovative approach, Indigenous Peoples, Stakeholders, Private Sector, Beneficiaries, Enabling Activities, Capacity, Knowledge and Research, Capacity Development, Learning, Knowledge Generation, Adaptive management, Theory of change, Indicators to measure change, Gender Mainstreaming, Gender Equality, Gender-sensitive indicators, Women groups, Sex-disaggregated indicators

Type of Trust Fund

GET

Project Duration (Months)

36

GEF Project Grant: (a)

1,950,000.00

GEF Project Non-Grant: (b)

0.00

Agency Fee(s) Grant: (c)

185,250.00

Agency Fee(s) Non-Grant (d)

0.00

Total GEF Financing: (a+b+c+d)

2,135,250.00

Total Co-financing

478,693.00

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 Competitive Window: 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 CBIT project for Timor-Leste, implemented by FAO and executed by the National Directorate of Climate Change (NDCC) under the Ministry of Tourism and Environment (MoTE), aims to establish a national transparency system aligned with the Enhanced Transparency Framework (ETF) of the Paris Agreement. The initiative responds to the Government of Timor-Leste's clear commitment, expressed in its updated NDC, to strengthen climate transparency by enhancing institutional capacity and systems for tracking greenhouse gas (GHG) emissions, mitigation actions, adaptation efforts, and support received.

The project is grounded in a Theory of Change that recognizes the absence of a functional national system and focuses first on establishing foundational institutional arrangements, building national expertise, and introducing appropriate tools and procedures. The system will gradually enable enhanced preparation of GHG inventories and comprehensive tracking of climate-related actions and information across all main economic sectors.

The overarching objective of the project is to ensure that Timor-Leste develops a sustainable and progressively improving transparency system, capable of delivering regular, accurate, and complete reports to the UNFCCC. At the same time, the system will serve national needs for evidence-based climate planning and policy development. Technical support includes capacity building, deployment of a data management system, and assistance in the preparation of Biennial Transparency Reports (BTRs).

The project is closely linked to a GEF Enabling Activity project, also implemented by FAO, for the development of Timor-Leste's first BTR and third National Communication and second BTR which offers complementary support, particularly in establishing institutional coordination mechanisms and preparation of the climate reports. The project is expected to strengthen the capacities of approximately 200 stakeholders, including government officials, technical experts, and sector representatives, with a target of at least 30 percent women participants, thereby contributing to a more inclusive and sustainable national transparency system.

Indicative Project Overview

Project Objective

Timor-Leste has a functional transparency system that enables it to progressively improve tracking and reporting of GHG emissions, mitigation actions, and adaptation efforts, in alignment with ETF requirements.

Project Components

Component 1: MRV system improvement

Component Type	Trust Fund
Technical Assistance	GET
GEF Project Financing (\$)	Co-financing (\$)
562,321.00	138,040.00

Outcome:

Outcome 1.1: Institutional capacity to support regular report submission improved

Outcome 1.2: Data management and coordination system improved

Output:

Output 1.1.1: Existing institutional arrangements for ETF engagement reviewed and strengthened, considering gender aspects

Output 1.1.2: Capacity to understand and implement the ETF, linking it with NDCs and LTS enhanced among key stakeholders

Output 1.1.3: Roadmap for implementation and improvement of a national transparency system prepared, considering gender aspects

Output 1.2.1: Data provision and management for BTR preparation strengthened considering gender aspects

Output 1.2.2: Institutional arrangements for the national transparency system formalized and strengthened, considering gender aspects

Component 2: Capacity building for transparency and climate action

Component Type	Trust Fund
Technical Assistance	GET
GEF Project Financing (\$)	Co-financing (\$)
993,440.00	243,873.00

Outcome:

Outcome 2.1: Capacity to report on GHG inventory improved

Outcome 2.2: Capacity to report on mitigation, adaptation and support received enhanced

Output:

Output 2.1.1: Capacity for GHGI preparation under ETF enhanced

Output 2.2.1: Capacity to assess and report mitigation actions enhanced

Output 2.2.2: Capacity to assess, track and report adaptation actions and to report on support received enhanced

Output 2.2.3 Capacity to consolidate and report information on climate finance and support received for NDC actions improved

Output 2.2.4 Capacity to prioritize areas for NDC enhancement improved

Component 3: Policy framework for long-term strategy and knowledge management

Component Type	Trust Fund
Technical Assistance	GET
GEF Project Financing (\$)	Co-financing (\$)
223,773.00	54,933.00

Outcome:

Outcome 3.1: Capacity for LT-LEDS planning and NDC implementation strengthened

Output:

Output 3.1.1: Institutional capacity for preparation of LT-LEDS strengthened

Output 3.1.2: Transparency knowledge products and lessons learned for national and regional stakeholders developed

M&E

Component Type	Trust Fund
Technical Assistance	GET
GEF Project Financing (\$)	Co-financing (\$)
69,234.00	16,996.00

Outcome:

Outcome: Project monitored and evaluated

Output:

Output: Project M&E conducted regularly including midterm and final evaluations

Component Balances

Project Components	GEF Project Financing (\$)	Co-financing (\$)
Component 1: MRV system improvement	562,321.00	138,040.00
Component 2: Capacity building for transparency and climate action	993,440.00	243,873.00

Component 3: Policy framework for long-term strategy and knowledge management	223,773.00	54,933.00
M&E	69,234.00	16,996.00
Subtotal	1,848,768.00	453,842.00
Project Management Cost	101,232.00	24,851.00
Total Project Cost (\$)	1,950,000.00	478,693.00

Please provide justification

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

Global context

It is widely agreed that climate change is one of the most significant environmental issues that the world faces today. In this regard, the United Nations Framework Convention on Climate Change's (UNFCCC) ultimate objective is to ensure that greenhouse gases (GHG) concentration in the atmosphere is maintained at levels that would not be detrimental to the climate system. Parties to the Convention are obliged to reduce GHG emissions, to cooperate on research and technology and to encourage any process that removes GHGs, also referred to as a sink. The Convention is based on the principle of "common but differentiated responsibilities and respective capabilities" by considering countries' respective development priorities, goals and special circumstances, to reduce GHG emissions.

The Paris Agreement (PA) was adopted at the Conference of the Parties (COP) 21 of the Convention in Paris on 12 December 2015. The PA constitutes a milestone for climate regime because it is the first-ever legally binding global climate change agreement. Its objective is to "strengthen the global response to the threat of climate change by holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels".

Building on the Monitoring, Reporting and Verification (MRV) principles established in previous years from the Convention, the PA introduced the Enhanced Transparency Framework (ETF), a universal system for all Parties to report on GHG emissions and removals, as well as nationally determined contributions (NDC), adaptation communications, long-term low GHG emission development strategies (LT-LEDS) through the biennial transparency reports (BTRs). While the first BTR was due by 31 December 2024, with some discretion in timing for least developed countries (LDCs) and small island developing states

(SIDS), including Timor-Leste, many countries still struggle with the preparation and submission of such report.

The BTR is an integral part of successful implementation of the PA. The document itself provides a robust framework to help a country organize its collection of climate data and information in a way that enables it to track progress towards meeting its NDC targets. That same BTR also serves as a reference, a snapshot in time, for the world to see the state of climate action and support in the country (global stocktake).

Regional and National Context

Timor-Leste's economy is primarily agrarian, with a significant portion of the population engaged in subsistence agriculture. Agriculture, forestry, and fisheries form the backbone of rural livelihoods and contribute substantially to the country's GDP. The reliance on traditional farming practices, coupled with limited access to technology and infrastructure, leaves the agricultural sector highly vulnerable to climate variability. Recurrent droughts, erratic rainfall patterns, floods and other extreme weather events exacerbate the challenges faced by the rural population, directly impacting food security and economic stability. Additionally, forestry and land use play a critical role in the country's economy and environment, providing essential ecosystem services and contributing to local livelihoods. However, unsustainable land-use practices and deforestation pose significant threats to these resources.

While Timor-Leste contributes minimally to global GHG emissions, the country faces profound vulnerabilities to the impacts of climate change. Its geographical location makes it susceptible to rising sea levels, coastal erosion, and extreme weather events. The agricultural sector, a major source of livelihood, is also a significant contributor to its national GHG emissions, primarily through rice cultivation, livestock production, and deforestation.

Timor-Leste has submitted two National Communications (NCs) to the UNFCCC, reflecting both its commitment to international climate reporting and the challenges it faces in fulfilling its transparency obligations. The first NC (NC1) was submitted in 2014, marking the country's first effort to document its GHG emissions profile, vulnerabilities to climate change, and planned mitigation and adaptation measures. The Second NC (NC2), submitted in November 2020, provided updated national GHG inventories, identified ongoing climate vulnerabilities, and outlined key policies and measures aimed at strengthening climate resilience. The NC2 also highlighted some gaps in institutional capacity, data availability, and technical expertise, reinforcing the need for a more robust MRV system to enhance future reporting.

In 2021, the country submitted its updated NDC, outlining ambitious targets for both mitigation and adaptation. The NDC includes commitments to reduce emissions from the agriculture, forestry, and energy sectors, as well as measures to enhance resilience in critical sectors such as water resources, health, and infrastructure. Key mitigation actions include promoting sustainable land management, expanding renewable energy, and reducing deforestation rates. On the adaptation front, the NDC emphasizes the need to enhance food security, protect biodiversity, and strengthen disaster risk management systems. In addition to the NDC, Timor-Leste has developed various national policies and strategies to address climate change. The National Adaptation Plan (NAP) provides a framework for integrating climate resilience into national and sectoral planning processes.

The National Climate Change Policy and Action Plan highlight the importance of enhancing institutional capacity, improving data management, and fostering international cooperation to meet the country's

climate goals. However, the lack of a national MRV system remains a critical gap, hindering the ability to track progress effectively and fulfil the ETF.

Baseline scenario

Timor-Leste recognizes the importance of a robust MRV system to support its commitments under the ETF. To assess its current status and identify key gaps, the country has conducted an assessment of the MRV system using the Enhanced Transparency Framework Capacity Assessment Tool (ETFCAT Tool). This assessment, which examined institutional, technical, and data management capacities related to preparation of national EFT related reports, highlighted some key barriers that could be addressed through the CBIT project. Consultations with government officials and technical stakeholders provided valuable insights into the challenges and opportunities for strengthening the national MRV system.

The overall assessment of Timor-Leste's national capacity for ETF implementation (as shown in Figure 1) indicates that GHG inventory preparation is only at 14% of the required capacity, meaning that 86% of the required capacity still needs to be built. NDC tracking and progress is at 19% of the required capacity. Climate change impact and adaptation assessment is at 30%, while reporting on support needed and received is at 42%.

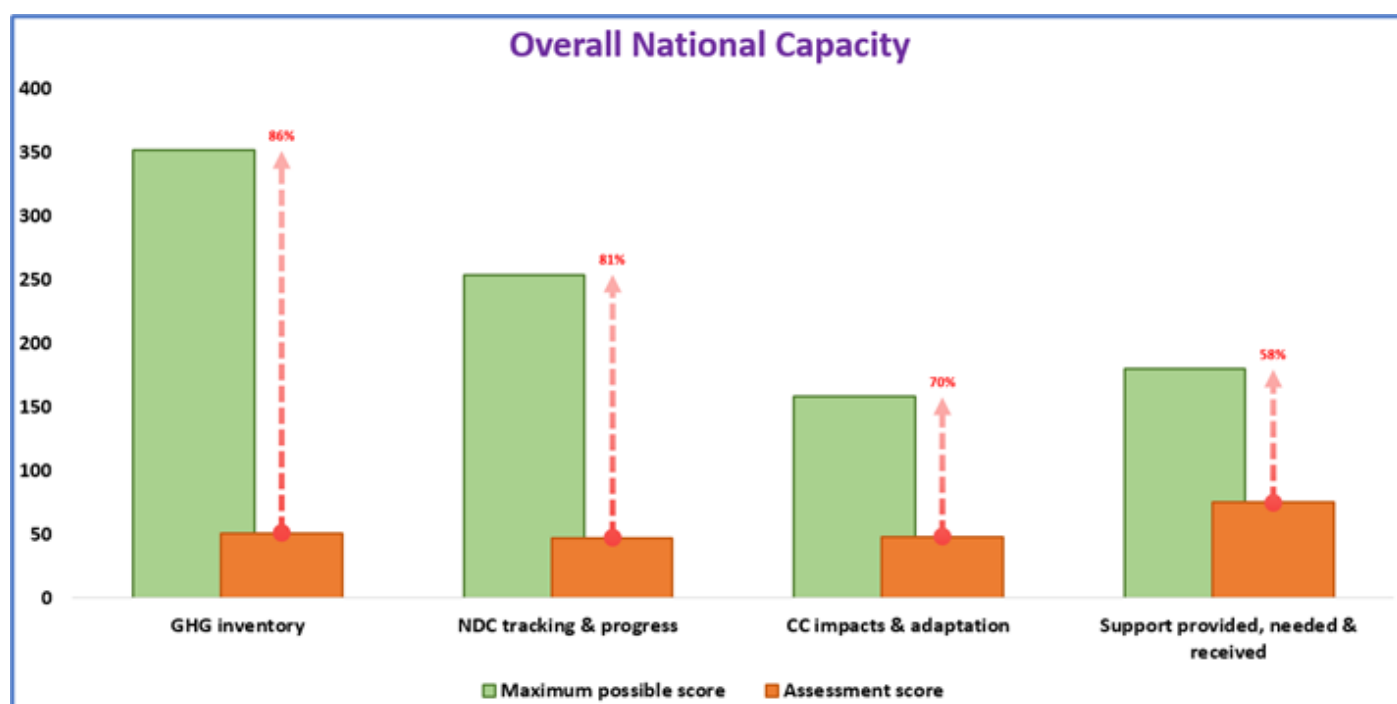


Figure 1. Results of the capacity gap assessment for overall national capacity across key BTR elements using the ETFCAT tool, compiled in September 2024.

The capacity assessment of the GHG inventory system revealed that while some sub-sectors have partial data collection and archiving systems, they are not fully aligned with UNFCCC quality requirements. For example, for the estimation of emissions connected to the petroleum industry, the country denotes more capacity and data availability, while others emitting categories lack any established estimating and archiving processes. There are very limited understanding of 2006 and 2019 IPCC methodologies for GHG emissions and removals estimation, and little to no experience in the use and compilation of Common Reporting Tables (CRT) required for ETF reporting.

The specific capacity assessment (as shown in Figure 2) indicates that the capacity to describe and define national circumstances and institutional arrangements for the GHG inventory is at 37% of the maximum capacity while the capacity to report data in the format required by the UNFCCC is very low at only 10% of max capacity. In addition, the technical capacity for estimating emissions and removals, performing uncertainty analysis, conducting QA/QC, and managing data is at only 10%. The capacity for ensuring time-series consistency, data availability, sectoral coverage, and completeness of GHG reporting need is below 20% of max capacity.

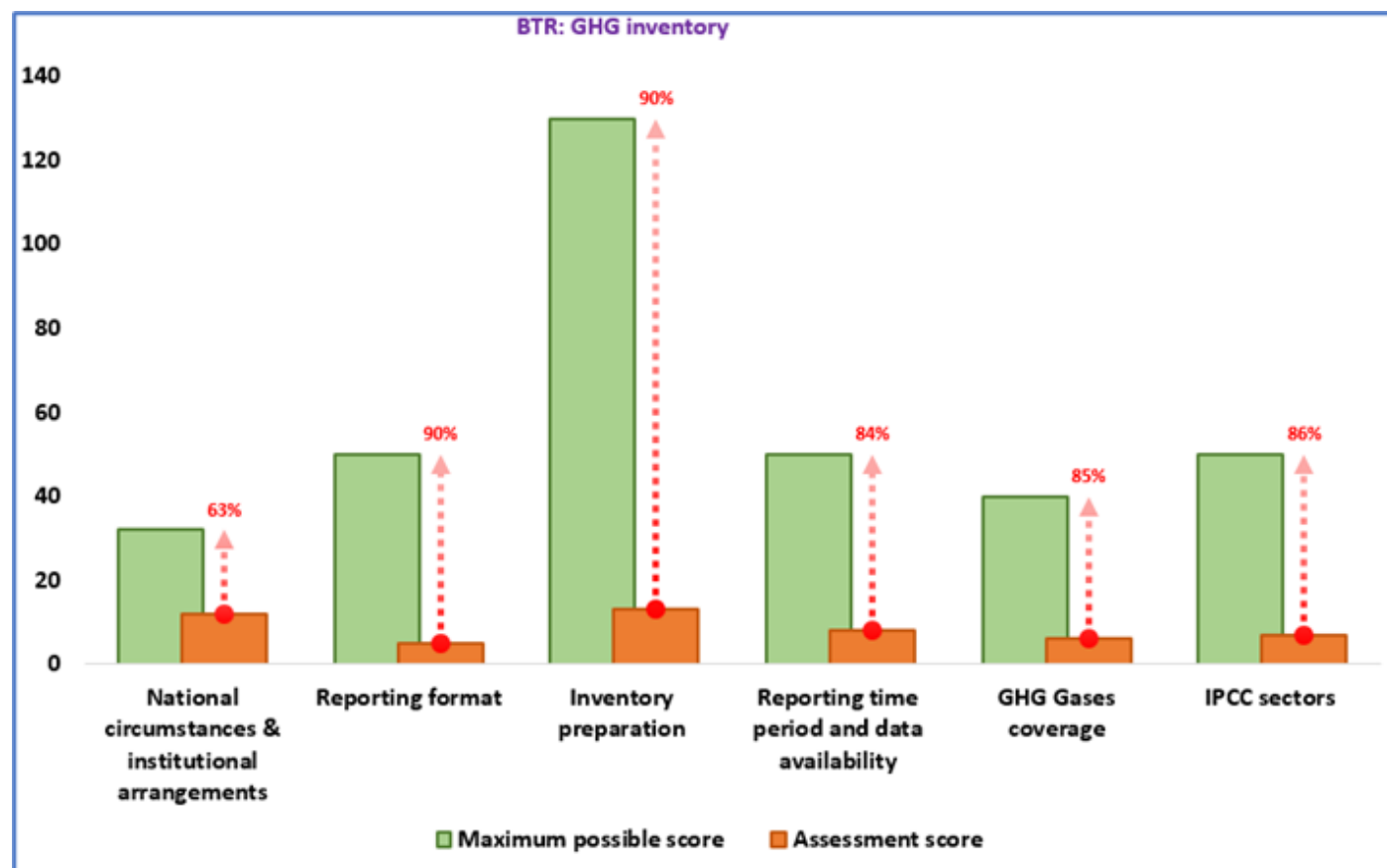


Figure 2. Results of the capacity gap assessment for the national GHG inventory, covering key institutional and technical elements, using the ETFCAT tool, compiled in September 2024.

The capacity assessment of NDC tracking and progress revealed also important capacity gaps. While there is some institutional memory from NC1 and NC2, overall capacity for NDC tracking remains weak. There is a strong need for technical support, as the current capacity is very low. Limited qualified human resources and a lack of technical expertise further hinder progress.

The capacity assessment (as shown in Figure 3) indicates that the ability to describe and define national circumstances and institutional arrangements for NDC tracking is at 46% of the maximum capacity. The ability to design mitigation measures and report on targets, baselines, and projections is below 20 % of max capacity.

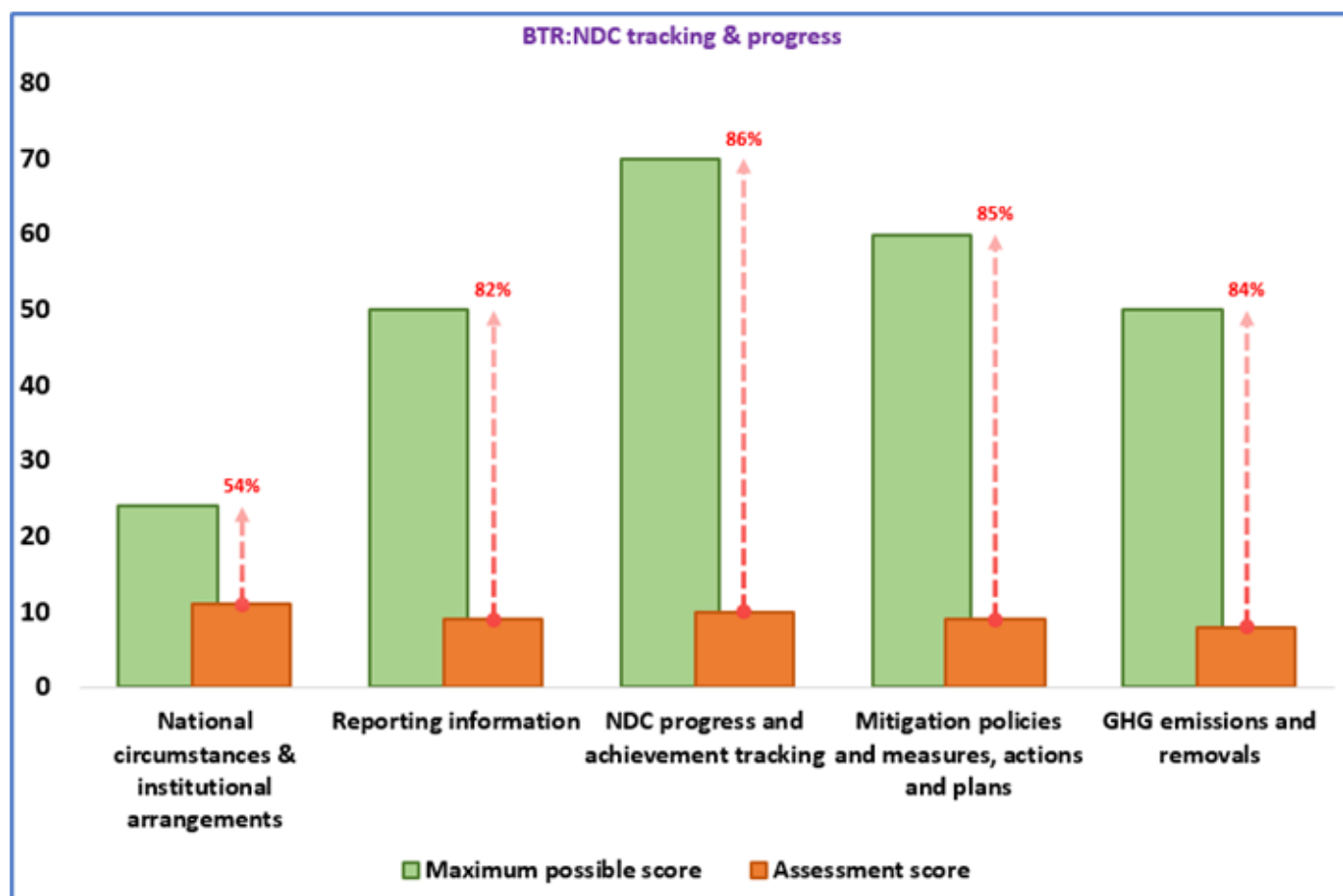


Figure 3. Results of the capacity gap assessment for tracking and reporting progress on NDC implementation, using the ETFCAT tool, compiled in September 2024.

The capacity assessment on climate change impacts and adaptation reporting highlighted several key challenges. The country currently has only some limited raw data available, which needs to be systematically organized and processed to support reporting. There is still poor knowledge of methodologies and tools for climate change adaptation assessment. In terms of loss and damage reporting, some institutions have been appointed to manage this process, but they require better coordination and linkages with other relevant entities. Additionally, the implementation of monitoring and evaluation (M&E) frameworks for adaptation actions remains weak. Figure 4 indicates that country has 49% of the maximum capacity in describing climate change adaptation national circumstances and institutional arrangements and defining adaptation policies and measures. However, the country has about 26% of required capacity for tracking and reporting progress on adaptation actions.

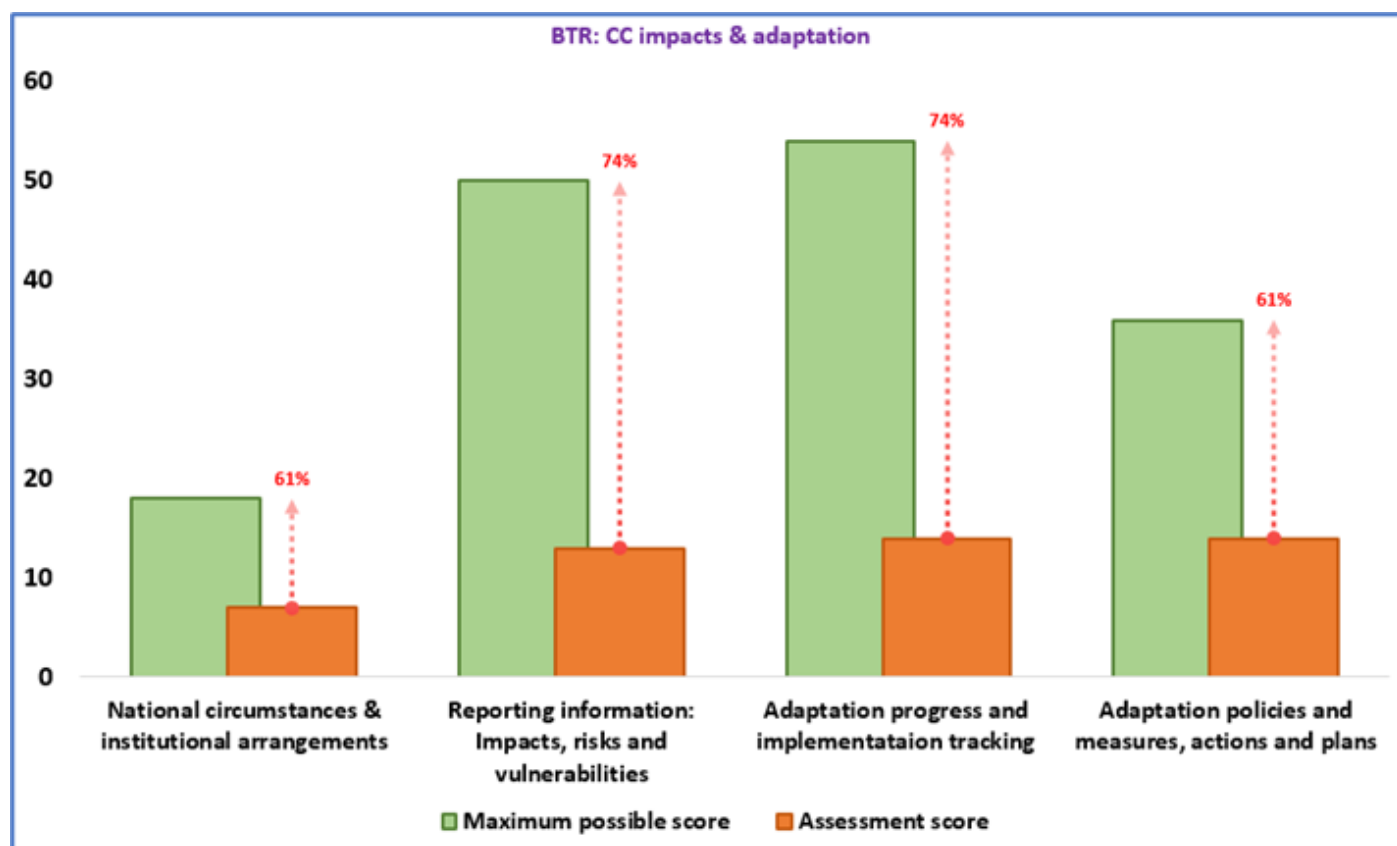


Figure 4. Results of the capacity gap assessment for reporting on climate change and adaptation, using the ETFCAT tool, compiled in September 2024.

The capacity assessment for reporting on climate finance and support received revealed that limited data availability, and key gaps remain. There are no trained personnel, no standardized or centralized tracking systems, and poor institutional coordination. Data-sharing is limited, technological infrastructure is lacking, and the country does not yet have national entities directly accredited to access international climate finance. On average, capacity across the main assessed elements is around 50% of the maximum possible score, as shown in Figure 5, underscoring key challenges in meeting ETF reporting requirements.

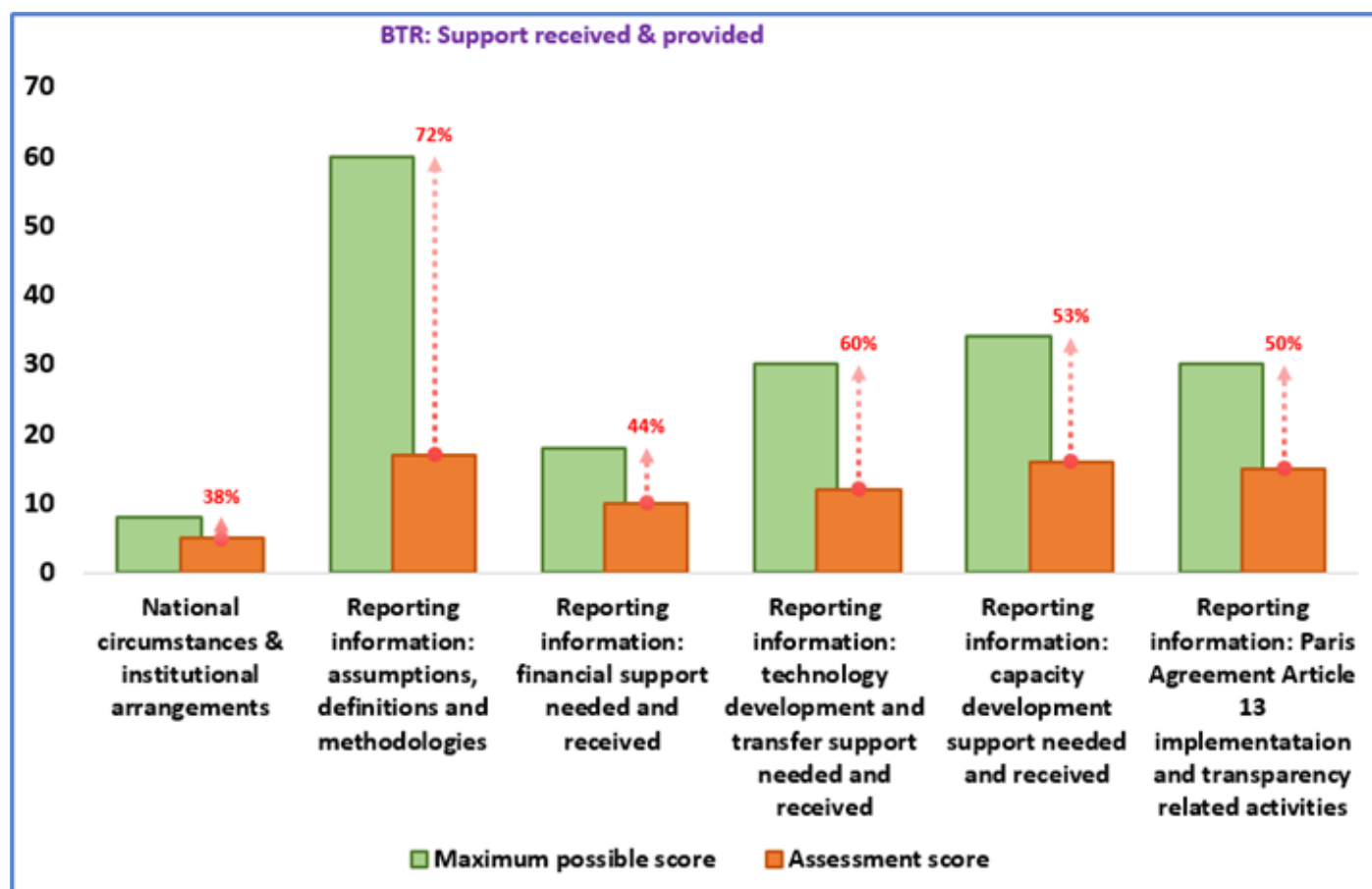


Figure 5. Results of the capacity gap assessment for reporting on support received, including FTC using the ETFCAT tool, compiled in September 2024.

The assessment with the ETFCAT tool highlighted critical gaps and priority areas for strengthening transparency and reporting under the ETF for Timor-Leste. The findings emphasized the need for CBIT project to establish institutional arrangements for data collection for GHG inventory preparation and NDC tracking, and to build technical capacity in IPCC methodologies, particularly for emissions and removals estimation, uncertainty analysis and QA/QC procedures.

In parallel, the design and development of a centralized data management system would improve data accessibility and accuracy, contributing to a more sustainable and efficient reporting process while preventing significant data loss. The country must also strengthen methodologies and coordination for adaptation measures and tracking, due to the absence of systematic approaches for adaptation monitoring and evaluation (M&E) and loss and damage assessments. In addition, improving financial reporting mechanisms for tracking climate finance needed and received, support is important as well to meet the requirements of the ETF.

Barriers, needs, and gaps related to ETF reporting

While progress has been made through NC1 and NC2, the country continues to face systemic and structural constraints that hinder its ability to prepare timely, accurate, and ETF-compliant climate reports. The findings of the ETFCAT assessment, combined with national consultations and previous capacity assessments (including the GEF/UNDP project “Strengthening targeted national capacities to improve decision-making and mainstreaming global environmental obligations into national development priorities”), highlight critical gaps across institutional, technical, and data management

dimensions. These constraints are summarized below in the four core barrier areas reflected in the project's Theory of Change.

Barrier 1: Absence of mandates, coordination mechanisms, and data-sharing protocols for climate transparency and reporting. Timor-Leste lacks a systematic and coordinated approach among ministries and other stakeholders to support the collection, sharing, and management of data needed for ETF reporting. Roles and responsibilities for institutions involved in GHG inventory preparation, NDC tracking, adaptation reporting, and financial support reporting are not clearly defined, and no formal mandates are in place to guide these functions. Basic systems for data sharing, data collection, and data archiving are also not yet established, making it difficult to generate reliable and consistent information across sectors. Furthermore, there are no agreed quality control procedures or standardized formats for reporting data, resulting in inconsistencies, gaps, and challenges in compiling information in a form required by the ETF. While the WG-CC has acted as a coordination mechanism for previous reports and remains useful for dialogue and high-level coordination, it does not yet have a formalized or operational role in supporting ETF-related reporting. Its current functions are not aligned with the structured data collection, data validation, and cross-sectoral coordination required for GHG inventory preparation, NDC tracking, or adaptation and support reporting.

Barrier 2: Lack of national experts capable of preparing GHG inventories and climate reports in line with ETF requirements. Timor-Leste has very limited national capacity for the technical elements of GHG inventory preparation and other ETF reporting elements. Few national experts have practical experience with the IPCC Guidelines, uncertainty analysis, QA/QC procedures, or the use of the Common Reporting Tables (CRT) required under the Paris Agreement. As a result, national climate reports have relied heavily on external consultants, with limited opportunities for national staff to participate regularly in the technical work or gain hands-on experience.

Although the country's updated NDC recognises the importance of strengthening transparency systems, Timor-Leste currently lacks a dedicated group of national transparency practitioners who can regularly undertake these tasks. Training has so far been ad hoc and largely linked to individual reporting cycles rather than part of a structured capacity-building program within ministries. This limited technical capacity makes it difficult for the country to progressively assume full ownership of ETF reporting and to transition from consultant-led reporting to a sustainable, nationally driven transparency system.

An additional limitation is the limited engagement of universities and national research institutions in transparency-related activities. These institutions could play an important role in building long-term national expertise—particularly through academic programmes, research, and technical support—but are not yet incorporated into the transparency system.

Barrier 3: Absence of standardized data formats, QA/QC procedures, and centralized data management systems for reporting purposes under ETF. ETF-required data are dispersed across institutions, often stored in incompatible formats or personal devices, and are not systematically archived. Timor-Leste currently has no centralized data management system, no common templates for sectoral data collection, and no national QA/QC procedures or metadata standards to ensure that information is consistent, comparable, and complete.

The ETFCAT assessment confirmed that data availability and data quality remain among the weakest areas of the national system, particularly for key sectors such as AFOLU, adaptation, and climate finance.

Environmental and climate-related monitoring is carried out through isolated sectoral activities, with limited coordination and weak linkages between national and municipal information systems.

The absence of standardized data formats and agreed documentation procedures makes it challenging to compile information in a manner consistent with ETF requirements. In previous reporting cycles, some datasets were not readily accessible or could not be fully retrieved due to the lack of a structured and centralized archiving system.

Barrier 4: Limited capacity to monitor, evaluate and report on adaptation actions and financial support needed and received. Adaptation is a critical priority for Timor-Leste, given the country's high vulnerability to climate impacts such as droughts, floods, landslides, and coastal erosion. However, national systems to monitor and evaluate adaptation actions are still underdeveloped. Timor-Leste lacks nationally agreed methodologies, indicators, and baselines to track progress on adaptation, and available data on climate impacts, vulnerabilities, and adaptation outcomes are limited and often qualitative.

Mechanisms for loss and damage reporting are only emerging and are not yet well coordinated across institutions. Similarly, systems for tracking climate finance—including support needed, received, and used—are not functional, and institutional responsibilities among planning, finance, and sectoral ministries remain unclear.

The ETFCAT assessment confirmed that national capacity for adaptation and financial support reporting is among the lowest scoring areas, reflecting gaps in both institutional processes and technical understanding. As a result, the country faces significant challenges in meeting ETF requirements for adaptation communication and reporting on support needed and received under the BTR.

Project objectives and justification

Preparing a BTR or NC can be a significant challenge, particularly for countries without a robust MRV system in place. The process demands extensive coordination across sectors, reliable data collection and validation, technical expertise in GHG inventories and adaptation tracking, and adherence to the UNFCCC reporting guidelines.

As a SIDS, Timor-Leste has some flexibility regarding the timing of its first BTR submission. However, the country currently lacks the internal capacity to deliver or scale up ETF-related training, technical support, and system development. Institutionalized expertise, tools, and mechanisms to support ongoing transparency efforts in line with the Paris Agreement are not yet in place.

The Capacity-Building Initiative for Transparency (CBIT) project offers a strategic opportunity to initiate the development of ETF-related capacity in Timor-Leste. It marks the country's first major step toward establishing the systems and institutional arrangements necessary to implement and sustain transparency functions. The project will directly address key barriers identified through the ETF-CAT tool assessment and national consultations, serving as a catalyst for developing a coherent and sustainable approach to MRV and reporting across sectors.

In parallel, Timor-Leste is currently implementing a GEF-funded Enabling Activity (EA) project, also led by FAO, which supports the preparation of the country's first and second BTR. CBIT project complements this effort by providing a broader framework for long-term institutional and MRV system development. Together, the two projects are designed to create synergies, enhance efficiency, and maximize impact.

The main objective of the CBIT project is to enhance Timor-Leste's capacity to plan, implement, and monitor climate actions by establishing the foundation of a national transparency system that supports consistent tracking and reporting of GHG emissions, mitigation, and adaptation efforts in line with national priorities and ETF requirements.

To achieve this, the project will:

- Develop sustainable ETF-compliant reporting systems across key economic sectors.
- Strengthen institutional coordination and enhance data collection, management, and reporting systems to ensure consistency and reliability across ministries and agencies.
- Build national technical expertise in MRV through a comprehensive capacity-building programme and progressive transfer of knowledge to national experts.
- Enhance data analysis and verification by developing consistent data reporting formats, indicators, and targets for NDC tracking; improving data collection and quality; and supporting the transition to higher-tier GHG inventory reporting with robust QA/QC procedures.
- Establish and formalize institutional arrangements to support transparency requirements and ensure regular and coordinated reporting under the ETF.
- Promote knowledge sharing and stakeholder engagement to foster national ownership, coordination, and long-term sustainability of the transparency system.

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

Alternative Scenario

The GEF alternative scenario is to develop and implement a comprehensive capacity-building programme that enables Timor-Leste to progressively meet the requirements of the Paris Agreement's Enhanced Transparency Framework (ETF). Under this scenario, by the end of the project, Timor-Leste will have established the core institutional arrangements, data management systems, and technical capacities required to prepare ETF-aligned Biennial Transparency Reports (BTRs), including more accurate and complete GHG inventories using the 2006/2019 IPCC Guidelines and information necessary to track progress on priority actions identified in the national NDC.

Capacity will be strengthened at multiple levels. Firstly, institutional coordination and reporting arrangements will be clarified and operationalized to ensure that roles, responsibilities, and data flows among ministries and agencies are well defined and aligned with ETF requirements, in coordination with the Ena Secondly, data systems and quality control mechanisms will be enhanced through standardized data collection templates, QA/QC procedures, and improved data archiving to ensure that information is consistent, comparable, and complete across sectors. Thirdly, technical capacity will be developed by training national staff in GHG

inventory methodologies, uncertainty analysis, QA/QC, the use of Common Reporting Tables (CRT), and in methodologies for tracking mitigation, adaptation, and support needed and received. Finally, the project will strengthen foundations for long-term planning and transparency, including capacities for LT-LEDS development and improved monitoring of adaptation actions.

Theory of Change

The theory of change (TOC), as illustrated in figure 6, is based on a gradual process of addressing the main barriers identified through the initial assessment. The first step is to strengthen and formalize institutional arrangements for climate reporting (Outcome 1.1), ensuring that roles, responsibilities, and coordination mechanisms for ETF implementation are clearly defined and operational. In parallel, the project will improve data management systems (Outcome 1.2) by introducing standardized data collection templates, QA/QC procedures, and basic archiving protocols, creating the foundation for more consistent and reliable data flows.

At the beginning of implementation, technical support will rely more heavily on international consultants, who will provide hands-on guidance, mentoring, and quality assurance while working closely with national consultants and ministry staff. As institutional arrangements and data systems begin to function more consistently, the project will progressively enhance national technical capacity for preparing GHG inventories in line with IPCC methodologies (Outcome 2.1), enabling national staff to take on increasing responsibility for inventory compilation. Over time, the balance of effort is expected to shift, with national consultants and experts assuming a more prominent role and international support becoming more targeted and supervisory.

Building on these improvements, the project will strengthen national capacity to track and report on mitigation actions, adaptation progress, and support needed and received (Outcome 2.2), which requires more advanced coordination and technical understanding. In the later stages, the project will reinforce national capacity for long-term planning, including LT-LEDS development and NDC implementation (Outcome 3.1).

If these institutional and technical improvements occur in sequence, each building on the previous one, Timor-Leste will gradually be able to meet ETF reporting requirements and produce reports on a more regular basis. In the long term, these changes will support better planning and decision-making, strengthen monitoring of mitigation and adaptation actions, and improve the country's ability to access and justify climate finance.

The main assumptions under this TOC are the following:

- i) national institutions will commit adequate human and financial resources to sustain outcomes after project completion;
- ii) cross-sectoral collaboration will continue through functional coordination mechanisms; and
- iii) increased capacity in GHG inventory preparation, NDC tracking, and data management will translate into sustained improvements in climate governance and reporting accuracy.

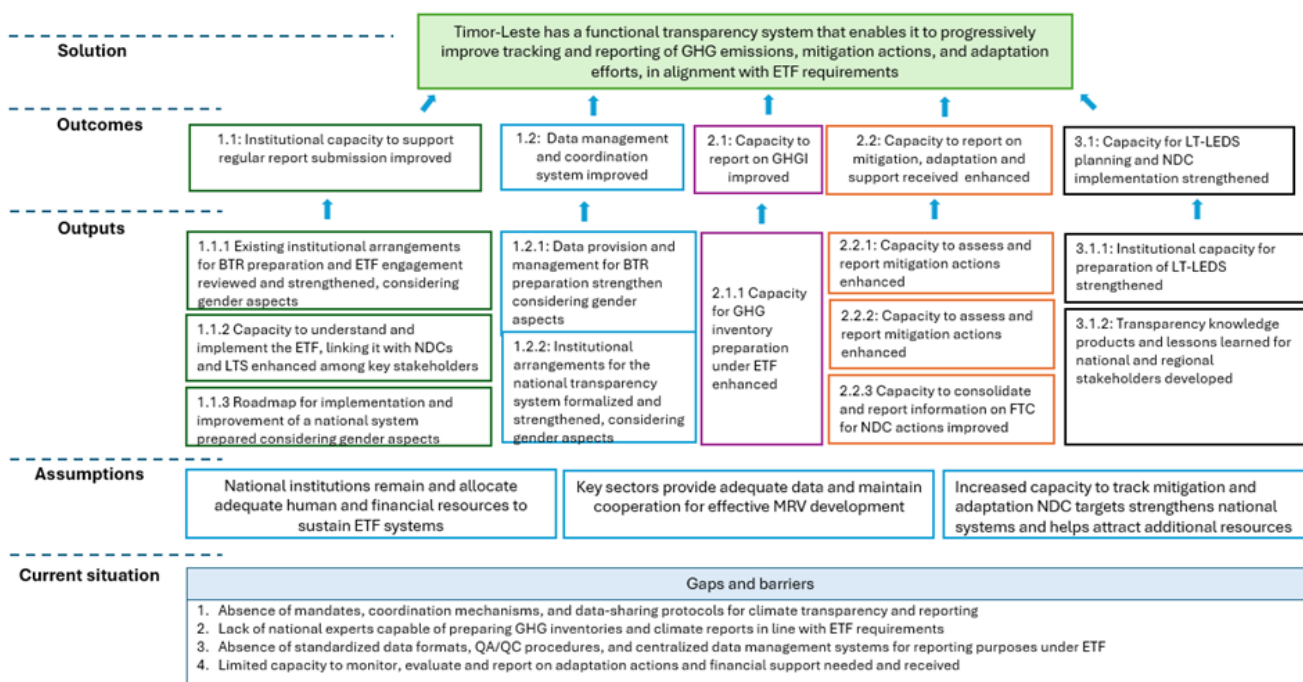


Figure 6. Theory of Change of the CBIT project

Description of project components

The project consists of three interlinked components, each addressing a critical aspect of Timor-Leste's efforts to enhance climate transparency and meet its reporting commitments under the ETF. These components follow the logic of the ToC by first addressing institutions gaps, then building and strengthening technical capacity, and finally integrating transparency into long-term planning. Stakeholder engagement, including ministries, agencies, and academic/research institutions is central to the implementation of all components.

Component 1: MRV system improvement

This component focuses on strengthening the institutional arrangements necessary for efficient data collection and the regular preparation of BTRs and CNs. It supports the establishment of clear and functional institutional arrangements, improved coordination among key agencies and enhanced understanding of the ETF. These activities address barrier 1 and contribute to Outcome 1.1: Institutional capacity to support regular submission improved. The component will also support the progressive development and operationalization of a national transparency system by strengthening coordination and data management arrangements required for the regular preparation of transparency reports and implementation of ETF requirements.

Under Output 1.1.1: "Existing Institutional arrangements for ETF engagement reviewed and strengthened, considering gender aspects", the project will map stakeholders, review coordination structures and strengthen institutional arrangements for climate reporting, taking gender consideration into account. Existing coordination mechanisms such as the Climate Change Working Groups (CC-WGs) will be examined and where necessary, adapted to facilitate more structured cross-sectoral coordination, data flows, and review processes aligned with the ETF requirements. Attention will be given to strengthening coordination among relevant ministries and institutions involved in transparency-related activities.

Under Output 1.1.2 "Capacity to understand and implement the ETF, linking it with NDCs and LT-LEDS enhanced among key stakeholders", targeted training will be delivered to government officials, academia, and other relevant stakeholders to improve understanding of the ETF, the linkages between BTRs, NDCs and LT-

LEDS, and the roles of different actors within the national transparency system. This ensures broad awareness and consistent engagement across sectors.

Under Output 1.1.3: “Roadmap for implementation and continuous improvement of a national transparency system prepared, considering gender aspects”, the project will develop a roadmap that establishes a structured process for the preparation of BTRs and other transparency-related outputs, while identifying institutional responsibilities, coordination arrangements, priority capacity-building needs and actions required for the progressive strengthening of the national transparency system over time.

Component 1 also addresses barrier 3 by improving data systems and processes under Outcome 1.2: “MRV data management and coordination system improved”. Through Output 1.2.1: “Data provision and management for BTR preparation strengthened considering gender aspects” the project will strengthen national capacity for data collection, management archiving and QA/QC. Initial efforts will focus on assessing existing data systems identifying gaps and delivering targeted training for national stakeholders across all sectors. The project will support the development of a basic, shared data archiving system (initially a simple cloud-based server or platform) designed to enable systematic organization and accessibility of transparency-related data. Where feasible, the system and training activities will be developed in collaboration with national technical institutions or universities to ensure long-term sustainability and local technical support.

Furthermore, the project will explore opportunities to engage the national statistical office to improve the coherence, reliability, and periodicity of sectoral data, building starting from existing methodologies and institutional mandates.

Under Output 1.2.2: “Institutional arrangements for the national transparency system formalized and strengthened, considering gender aspects”, the project will support the clarification of roles and responsibilities, strengthen coordination and data-sharing among relevant institutions, and where appropriate, support the development or revision of agreements, protocols, or terms of reference. Attention will be given to ensuring inclusive participation and gender-responsive approaches throughout these processes.

Over time, and depending on institutional readiness, available resources, and sustained coordination among stakeholders, the initial archiving system may evolve into a more structured information management platform that supports more efficient reporting processes. The formalization of institutional arrangements under Output 1.2.2 will further support the sustainability and effective use of these systems by ensuring clear governance structures and long-term stakeholder engagement.

Component 2: Capacity building for transparency and climate action

This component focuses on developing national capacity for GHG inventories, mitigation tracking, adaptation monitoring, and reporting on support needed and received. It responds directly to barrier 2 and barrier 4 and contributes to outcomes 2.1 and 2.2.

During the first year, the project will rely more heavily on international consultants to provide technical guidance, facilitate material for training, and oversee initial capacity-building activities. Over time, as capacity increases, the role of national consultants and institutions will expand, ensuring a gradual transition to nationally led reporting.

Under Output 2.1.1, the project will strengthen capacity on GHG inventory preparation in line with IPCC Guidelines. Training materials will be tailored to national needs. These materials will be gradually integrated into academic curricula, supporting long-term development of national capacity.

Under Output 2.2.1: “Capacity to assess and report mitigation actions. Training will cover projection methodologies, tracking mitigation actions, and completion of the ETF’s Common Tabular Format (CTF) tables. Tools such as the Nationally Determined Contribution Expert Tool (NEXT) will be introduced through hands-on demonstrations using either sample datasets or real national data.

These materials will then be used for targeted training sessions delivered to relevant government staff and national experts. Beyond the preparation of, the project will also contribute to strengthening national capacity for reporting on mitigation, adaptation, and support needed and received in line with Outcome 2.2: “Capacity to report on mitigation, adaptation, and support enhanced”.

Under Output 2.2.2: “Capacity to assess, track, and report adaptation actions enhanced”, the project will support the preparation of methodologies for assessing climate change impacts, risks, and vulnerabilities, and for monitoring adaptation actions. This will include guidance on the use of standardized frameworks and reporting approaches.

Under output 2.2.3: “Capacity to report on information on climate finance and support received for NDC actions enhanced”, training will focus on methodologies for tracking support needed and received, including climate finance, and on the completion of relevant CTFs.

Finally, under Output 2.2.4: “Capacity to prioritize areas for NDC enhancement improved,” the project will support targeted policy and measure assessments to identify areas with high mitigation potential. This will be complemented by stakeholder consultations and culminate in the development and validation of an NDC improvement plan.

To complement national efforts, the project will also support peer-learning opportunities with other countries that have made progress in establishing or operationalizing transparency systems. These exchanges will allow Timor-Leste to learn from relevant experiences and consider how selected practices may be adapted to their national context, while acknowledging differences in institutional capacity and data availability.

Component 3: Policy framework for long-term strategy and knowledge management

This component integrates transparency efforts into broader national climate and development planning, addressing part of barrier 4 and contributing to outcome 3.1: “Capacity for LT-LEDS planning and NDC implementation strengthened

Under output 3.1.1: “Institutional capacity for preparation of LT-LEDS strengthened the project will introduce key concepts and approaches of LT-LEDS to relevant stakeholders. In addition, the project will review existing national climate strategies and planning documents to identify entry points for long-term low emissions development. Based on this analysis, the project will support the preparation of a LT-LEDS outlining suggested steps for gradually integrating low-emission considerations into national development planning without creating additional institutional burdens.

Under Output 3.1.2: “Transparency knowledge products and lessons learned for national and regional stakeholders developed” the project will support the development of transparency knowledge products such as briefing notes, short case studies, and infographic. To ensure long term accessibility, these products will be disseminated nationally and regionally, within a simple knowledge management system. Lessons from project implementation will be documented and shared with regional and global transparency networks, including Global CBIT or Global Support Programme (GSP) platforms.

Stakeholder engagement

Stakeholder participation and engagement are essential for the successful implementation of this project, which focuses on enhancing national climate transparency through practical and targeted capacity-building activities. Since Timor-Leste expressed interest in both the GEF CBIT and Enabling Activity projects, the government has made efforts to involve stakeholders through consultations and technical discussions. These have helped align the project with national climate priorities, particularly the updated NDC targets. Initial capacity assessments, conducted in September 2024, also served as an opportunity to inform and engage new institutions. During this process, key agencies participated in assessments using tools such as the GEF Enhanced Transparency Framework Capacity Assessment (ETFCAT) Tool and the FAO BTR Roadmap tool to evaluate readiness for BTR preparation.

The project proposal was also presented at national events, including the National Climate Change Conference in October 2024, which helped raise awareness and gather input from a broader audience.

Building on these efforts, a validation workshop was held in June 2025 to review and endorse the CBIT project document and its proposed activities. These consultations collectively helped identify institutional gaps and shape the project's final design.

The National Directorate for Climate Change (NDCC) will be the responsible entity for supporting PMU functions and logistic and organization of trainings. A third party will be the responsible entity for the execution of functions related to hiring all necessary technical staff and procurement of travels.

Several key government institutions will contribute to data collection under the national reporting system. The Ministry of Agriculture, Livestock, Fisheries, and Forestry (MALFF) will support data for the agriculture and LULUCF sector while the Directorate General for Renewable Energy and Alternative Sources (DGREAS) for energy, and the Directorate for National Land and Planning (DNPL) for transport. The waste and industrial sectors will also be engaged to ensure a harmonized approach. These institutions will also be encouraged to collaborate across sectors and help strengthen data management and archiving practices.

Universities and research institutions will participate through structured collaboration, such as Letters of Agreement, to deliver training, develop simplified ETF-related materials and assist in designing and implementing data management systems to support transparency and reporting.

Each sector (AFOLU, Energy, Waste, and IPPU) will be responsible for providing data in collaboration with NDCC. Where possible, non-state actors involved in data collection (e.g., NGOs or private firms) will be identified and engaged to strengthen participation.

The project will introduce practical tools and protocols to improve data collection and management, complemented by hands-on training for national and subnational stakeholders. Capacity-building activities will focus on realistic steps toward transparency, ensuring replicability and institutional coordination.

Through these efforts, the project will foster the development of a network of national transparency practitioners with the skills needed to contribute to the national reporting system. While full institutionalization will require sustained support beyond the project, the foundation established will enable Timor-Leste improve its reporting system and ultimately improve access to climate finance. Table 1 below outlines the key national stakeholders involved in the transparency and reporting system, describing their respective roles, responsibilities, and the expected benefits of their engagement under the CBIT project.

Table 1. Roles of national key stakeholders and potential benefit from the CBIT project

Stakeholders	Roles	Responsibilities
National Directorate of Climate Change (NDCC) through Ministry of Tourism and Environment (MoTE)	Leads and coordinates the formulation of NDC and the elaboration of BTRs. Disseminates up-to-date information on climate change, advocates for the advancement of technical assessments for climate initiatives and oversees the execution of adaptation and mitigation measures.	Focal point, project execution.
Ministry of Agriculture, Livestock, Fishery and Forestry (MALFF) • DG of Agriculture • DG of Forestry • DG of Livestock	Actively engaged in the formulation and execution of comprehensive agriculture policies, aimed at fostering sustainable practices of the agricultural sector. It plays a pivotal role in implementing a wide array of adaptation and mitigation measures specifically tailored to address the unique challenges within the sector.	Participation in technical meetings and workshops; preparation of the GHGI for the AFOLU sector as well as participation in other important reporting documents to the UNFCCC
Ministry of Tourism and Environment (MoTE) • National Authority for Environmental Licensing (ANLA, I.P) • National Designated Authority for Combating Climate Change (AND, I.P.)	Support NDCC in executing the overall project.	Participation in technical meetings and workshops; possible consideration for GHGI for industrial sector. Act as regulatory authority for industrial carbon emission.
Ministry of Telecommunication and Transport • National Directorate for Land Transport (DNTT) • Administration of Ports of Timor-Leste (APORTIL, I.P) • Timor – Leste Civil Aviation Authority (TLCCA) • National Authority of Airport Management (ANATL) • National Directorate for Meteorology and Geophysics (DNMG)	Lead Ministry for transport (land, air & maritime) and Telecommunication (weather Forecasting). By combining policy formulation, mitigation and adaptation measures, and the development of accurate GHGI, the ministry plays a central role in clean energy in transportation sector in the future.	Participation in technical meetings and workshops; contribution to GHGI for the Energy sector
Ministry of Public Works • General Directorate for regulating Electricity, Water and Sanitation (DGREAS) • State owned Company for Electricity (EDTL, E.P.)	Key role in the water and energy regulation.	Participation in technical meetings and workshops; contribution to GHGI for the Energy sector,

Stakeholders	Roles	Responsibilities
State Owned Company for Water (BTL, E.P.)		
Ministry of Commerce and Industry (MCI) via DG of Industry Chamber of Commerce and Industry (CCITL)	Key role in the exchanging information and data for the industrial sector	Participation in technical meetings and workshops; contribution to GHGI for the IPPU sector.
Ministry of State Administration (MSA) - Directorate of Hygiene and Public Order - Dili Municipal Authority	Responsible for waste management together with Municipal Authorities.	Participation in technical meetings and workshops; contribution to GHGI for the Waste sector
Ministry of Finance (MoF) National Directorate for External Resource Mobilisation	It plays an important role in climate finance, ensuring fiscal policies align with climate finance goals.	Participation in technical meetings and workshops
National Institute of Statistics Timor-Leste. (INETL, I.P.) National Directorate for Economic and Statistic (NDES)	Support to collect comprehensive, relevant, and up-to-date activity data and to improve the quality of data through QA/QC and verification processes.	Participation in technical meetings and workshops; supporting and strengthening the development of the GHGI
Ministry of Petroleum and natural Resources - National Petroleum Authority (ANP) - National Mining Authority (ANM) - Timor GAP, E.P. (state-own Oil Company) - Murak Rai Timor, E.P. (state-own Mining Company)	Key partners in the GHGI particularly for emissions coming from petroleum and mining sectors	Participation in technical meetings and workshops; contribution to GHGI for the Energy sector
National University of Timor – Leste (UNTL)	Potential role on improving the MRV system and the reporting processes by providing expertise, conducting research, and contributing to capacity building	Participation in technical meetings and workshops; Potential role on improving the MRV system and the reporting processes
Private sector: Esperança Timor Oan (ETO), Ecosecuritys, Pertamina International SA, Heineken Timor – Leste	Supports adaptation and mitigation efforts under national climate policies and NDCs, oversees carbon trading.	Participation in technical meetings and workshops

Stakeholders	Roles	Responsibilities
NGOs Rai Matak, With One Seed, FCOTI, OXFAM, CI, NETIL, Haburas, HASATIL, LSS (Lori Solusaun Sustantavel), AMKTL, PERMATIL	Contribute to the development of GHGI and NDCs by providing technical expertise, engaging communities, advocating for effective policies, and fostering collaboration among various stakeholders.	Participation in technical meetings and workshops
UN Agencies & Bilateral Agencies	Contribute to the national reporting system by providing technical expertise, engaging communities, advocating for effective policies, and fostering collaboration among various stakeholders.	Participation in technical meetings and workshops; contribution to the preparation of UNFCCC reports

Private sector involvement

The central objective of this CBIT project is to build government capacity to meet the requirements of the ETF and support national climate planning. This will be achieved primarily through strengthened interinstitutional collaboration, with a focus on improving data collection, data management, and establishing a functional national reporting system.

Private sector engagement will remain limited and focused on clearly defined roles. While not a core target group for implementation, selected private entities may contribute sector-specific data, particularly in areas such as energy use, industrial processes, and waste management. These contributions will help fill data gaps in the national GHG inventory and support more complete and accurate reporting.

The project will consider including private sector in targeted capacity-building activities, alongside academia and civil society. This support will focus on helping them understand reporting requirements and expectations and improve their ability as potential data providers. In addition, awareness-raising and information-sharing will be promoted through consultations or sector briefings to encourage collaboration and identify opportunities for data-sharing where relevant.

Innovative & Transformative Change, Knowledge Management, Policy Coherence and Capacity Development

The CBIT project is fully aligned with Timor-Leste's national climate commitments, particularly the updated NDC, which explicitly states the country's intention to develop a robust national GHG inventory, improve data collection for reporting purposes and analysis, and support the formulation of national mitigation objectives. NDC also promotes the development of a national LT-LEDS and improved transparency in emissions reporting, with the submission of the BTRs conditional to the availability of financial and technical support.

To do so, the project adopts a pragmatic yet innovative approach to enhance climate transparency by addressing main gaps in data collection, management, and reporting. One of the key innovation is the establishment of a basic intersectoral data archiving system to facilitate sharing information. These tools will serve as an initial step toward consolidating climate-related information in one place, improving coordination across sectors and supporting both national planning and international reporting. The establishment of simple QA/QC procedures will further support continuous improvement and data reliability. Over time, this

approach is expected to support transformative change by shifting from fragmented and ad hoc data management practices to more standardized and transparent systems.

Capacity development indeed is at the core of this project, recognizing that technical and institutional capacity gaps are major barriers to effective climate reporting in Timor-Leste. The project will leverage existing knowledge, capacities, and management systems to ensure a strong focus on hands-on training and direct technical support for key stakeholders. Collaboration with universities and research institutions will support the gradual development of a national group of transparency practitioners, ensuring that knowledge is retained over time.

Knowledge management will be enhanced through documentation of tools, methodologies, and lessons learned. The project will also produce transparency-related knowledge products, simplified technical guidelines, and case studies to support national learning and policy coherence.

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

This project operates as a complementary initiative within a network of national and international efforts aimed at enhancing transparency and strengthening climate governance. Several ongoing and planned initiatives, supported by the GEF and other donors and development partners, contribute to building the institutional, technical, and policy foundations required for effective implementation of the ETF under the PA. It is designed to build synergies with these initiatives by aligning its activities with national priorities, minimizing duplication of efforts, and filling identified capacity gaps. Cooperation will be fostered through information sharing, coordination mechanisms, and where appropriate, joint training or technical support activities. Table 2 below provides an overview of these initiatives and their potential connections to the CBIT project.

Table 2. Overview of key initiatives relevant to climate transparency in Timor-Leste, with their main objectives and linkages to the CBIT project.

Project/Programme	Info	Connection with CBIT project
Enabling Timor-Leste to prepare BTR1/NC3 and BTR2 project	GEF – National project FAO implementing agency Duration: 2025 – 2028 Budget/status: 1.233.000\$ - active	Enhances transparency frameworks, technical capacities, and reporting systems
The Technical Assistance to Support Carbon Farming –Timor-Leste (TASCF) project	EU – National project	Supports the development of the land-use MRV system, strengthening policy and institutional frameworks, and enhancing alignment with ETF requirements, NDC implementation, and carbon market readiness.

Project/Programme	Info	Connection with CBIT project
	Alinea International: lead partner Budget/status: 2.200.000€ - active	
Human Resources Development and Capacity Development Fund	Public national fund Budget 4-6 million \$ in the last 5 yr	Supports CBIT-related training and long-term capacity development on GHG inventories, MRV systems, and climate transparency through sustainable national financing mechanisms.
Loss and damage from climate change – agriculture sector readiness	FAO, Technical Cooperation Programme (TCP) Duration: Jan 2025 -Dec 2026 Budget: 600.000 € (for several countries) - not approved yet	Complement CBIT adaptation-related activities by strengthening capacities on loss and damage assessment, reporting, and resilience-building, contributing to broader ETF and adaptation objectives.
Article 6 of Paris Agreement/carbon market Framework	ADB Duration: 2024-2026 Budget: 1,5 m \$ for both Philippines and Timor-Leste -active	Strengths capacities on carbon markets, Article 6 implementation, and NDC alignment, while supporting transparency and MRV systems relevant to ETF requirements.
WithOneSeed Community Forest Programme – TreeO2 d-MRV platform	WOS (NGO) – national programme Status: Ongoing (from 2010 to 2040)	Improves land-use MRV systems, data collection, and transparency for emissions reductions, while strengthening community-based forestry monitoring capacities.
CBIT AFOLU+ global	GEF – Global project FAO implementing agency Duration: June 2024 – June 2027 Budget/status: 2.000.000\$ -active	Provides technical support, tools, and methodologies for strengthening AFOLU MRV systems and enhancing ETF implementation capacities.
CBIT Global Forestry 2	GEF – Global project FAO implementing agency Duration: June 2024 – June 2027 Budget/status: 2.000.000\$ - active	Strengths forest-related data systems, transparency, and institutional capacities, while promoting knowledge sharing and alignment with ETF requirements
Digitise and Structure Data from Timor-Leste Agriculture Census	FAO Technical Cooperation Project Budget/status: 199,793\$ - active	Strengths agricultural data management, vulnerability baselines, and adaptation-related indicators to support ETF reporting and resilience tracking.

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)
Female	60			
Male	140			
Total	200	0	0	0

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

The project estimates that approximately 200 people will directly benefit from CBIT-supported activities, based on consultations. Beneficiaries include representatives from key government institutions, universities, research organizations, and selected private sector and civil society actors engaged in climate data collection and reporting. This number reflects participants in training, technical workshops, and awareness sessions designed to strengthen national capacity for transparency and reporting under the ETF.

Key Risks

	Rating	Explanation of risk and mitigation measures
CONTEXT		
Climate	Low	The overall climate risk for the implementation of this CBIT project is low, despite the country's high vulnerability to climate change. While climate-related challenges such as extreme weather events may impact broader national priorities, they are unlikely to directly affect the execution of this project. The primary objective of the project is capacity building to fulfil ETF requirements, which focuses on institutional strengthening, data management, and reporting rather than physical infrastructure or field-measurements. Therefore, its implementation is not highly sensitive to climate-related disruptions. For this category, no significant mitigation measures are anticipated.
Environmental and Social	Low	The overall environmental and social risk for the implementation of this project is low, given its focus on capacity building. The project does not involve activities that could lead to direct environmental impacts such as land-use changes, pollution, or resource extraction. Instead, it aims to strengthen institutional frameworks and technical capacities for transparency and reporting under the ETF and to account for environment impact of main economic activities. No adverse effects on communities, livelihoods, or social structures are expected. Instead, the project may contribute positively by fostering stakeholder engagement, knowledge-sharing, and gender sensitive decision-making processes. For this category, no significant mitigation measures are anticipated.
Political and Governance	Moderate	The political and governance risk for this CBIT project is moderate, primarily due to potential changes in government and shifting priorities that could affect the level of commitment to transparency and climate reporting.

		However, Timor-Leste has demonstrated a strong commitment to the PA, as reflected in its NDC, which prioritizes enhancing assessment and reporting capacity on climate action. The lack of formal institutional arrangements could pose a challenge to the long-term sustainability of transparency processes, particularly for GHG inventory compilation and reporting. Establishing clear structures and responsibilities would mitigate this risk. Moreover, government commitment is crucial for the allocation of sufficient personnel to project tasks. Government agencies must also ensure that staff actively participate in capacity-building activities to promote institutional and technical knowledge retention. While the risks exist, continued engagement with key government counterparts and institutional strengthening efforts will help mitigate them and support sustained progress in climate transparency.
INNOVATION		
Institutional and Policy	Moderate	While the project primarily focuses on capacity building, it also requires a certain level of innovation, particularly in enhancing data collection and management systems. Effective implementation demands strong coordination among multiple government agencies across multiple sectors, particularly for the improvement of the data management system and, ultimately, the national reporting system. Institutional and policy commitment is essential to support long-term sustainability beyond the project's duration. Without clear roles, mandates, and inter-agency collaboration, the effectiveness of the reporting system and other transparency mechanisms could be limited. To mitigate these risks, strengthening policy coordination, securing high-level institutional commitment, and fostering cross-agency collaboration is key.
Technological	Moderate	The country may face challenges in accessing the latest technological tools and infrastructure for effective data collection and management. These challenges could arise from financial constraints, limited availability of advanced systems, or insufficient local expertise to operate and maintain them. For the first BTR, data collection will focus on basic and minimum methodological standards, ensuring feasibility within existing national capacities. However, it is crucial that the project equips national experts with the knowledge and skills to enhance GHG estimation and reporting methodologies in the future. Developing a common data management system or platform will be essential for streamlining data collection, improving consistency, and facilitating long-term reporting efforts. To ensure its sustainability, the system should be user-friendly, adaptable, and supported by adequate technical training. To mitigate these risks, the project will prioritize capacity-building initiatives, promote knowledge transfer on innovative tools, and explore cost-effective technological solutions.
Financial and Business Model	Moderate	This risk is mainly due to the need for long-term funding to keep the data management system operational and ensure national experts maintain their skills beyond the project. Without a sustainable financial strategy, there is a risk that the system may become obsolete, and MRV practitioners may lack the resources for continued capacity development. In addition, other national priorities, such as disaster response or poverty reduction, could limit funding

		for MRV activities. To ensure sustainability, it would be useful consider integrating MRV-related costs into national budgets, explore long-term financing options, and seek continued support from the government and international partners.
EXECUTION		
Capacity	High	The government currently has very limited technical and institutional capacity to implement a CBIT project which require specialized expertise in areas such as GHG inventory preparation, data analysis, adaptation and mitigation planning, climate modelling, and IT systems. There is a shortage of professionals with sufficient knowledge and skills to implement project activities effectively and produce accurate estimates and analysis, and high-quality reports. Furthermore, the successful execution of the project depends heavily on effective coordination among diverse stakeholders, as reporting activities span across multiple sectors. Challenges may also arise in establishing robust data management systems. Weak systems can increase issues related to data collection, consistency, quality, and archiving, thereby undermining the quality of reporting. Finally, capacity-building efforts risk being non sustained over time or over project life if not embedded within sustainable institutional frameworks. Without proper institutionalization of the skills and knowledge developed through CBIT, there is a significant risk of loss over time, especially in contexts with high staff turnover. The project will engage international experts for technical support and training and embed capacity-building within existing institutions to ensure sustainability.
Fiduciary	Substantial	Fiduciary risks are assessed as substantial but still require close attention. There is potential for misallocation of funds due to weak financial planning, unclear budgetary guidelines, or insufficient financial oversight. While not systemic, such issues can lead to inefficiencies and undermine the achievement of project objectives if not addressed early. There is also a high risk of delayed disbursements, particularly in the event of staff turnover or inadequate documentation and file management. These factors may contribute to interruptions in project flow and reduced accountability. Additionally, procurement delays may occur, stemming from bureaucratic hurdles, suboptimal procurement planning, or external supply chain disruptions. To mitigate this risk, the project will strengthen financial oversight through regular monitoring and clear budgetary procedures, ensure timely financial reporting and documentation.
Stakeholder	Substantial	Stakeholder engagement risks are assessed as moderate to substantial, particularly if key stakeholders are not adequately identified, informed, and engaged early in the process. This project requires cooperation and coordination across multiple actors, sectors, and levels of government. If engagement is weak or inconsistent, there is a real risk of delays or failure in achieving project objectives. CBIT initiatives often introduce new practices, regulatory requirements, or reporting obligations that may be perceived as burdensome. This can lead to resistance from stakeholders, slowing or even blocking implementation. In some cases, a lack of clarity regarding the

		project's scope, limitations, or timelines may also contribute to disengagement or misunderstandings. Effective stakeholder engagement is therefore critical for the correct and timely implementation of CBIT activities. To minimize risks, it is essential to clearly communicate the project's goals, timelines, and expectations, and to foster a participatory environment where stakeholders feel ownership and responsibility.
Other		
Overall Risk Rating	Substantial	The overall risk rating for the CBIT project is assessed as substantial, primarily due to capacity limitations. While climate and environmental risks are low, given the project's focus on institutional strengthening rather than infrastructure, the successful execution of the project depends on effective coordination across multiple institutions, sustained technical capacity, and robust financial and procurement management. Moderate risks also exist in the areas of policy alignment, technology access, and long-term financing of MRV systems. Mitigation measures, including targeted capacity-building, policy engagement, and strong project oversight by FAO and NDCC, are embedded in the project design to reduce these risks.

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)

The project aligns with GEF objectives 2.1 and 2.2, which fall under Pillar II of the GEF-8 strategic programming directions, focusing on enhancing transparency and accountability in climate action and environmental management. The overarching GEF goal is to support developing countries in making transformational shifts towards net-zero GHG emissions and climate-resilient development pathways.

The project's outcomes and outputs align with GEF-8 objectives and complement the GEF-8 Enabling Activity national project, which supports the preparation of Timor-Leste's first and second BTR and third NC.

Furthermore, the project fully supports Timor-Leste's commitments outlined in the NDC, aiming to enhance the quality of national climate reporting by strengthening formal arrangements, methodologies, and tools. This includes improving the national GHG inventory, tracking progress in mitigation and adaptation efforts.

The project also aligns with the National Policy on Climate Change (Government Resolution 8/2022), which provides a structured approach for the country's response to climate change. This policy serves as a platform for integrating adaptation and mitigation efforts across sectors, ensuring coherence with national plans such as the Strategic Development Plan (2011–2030), the NDC, the National Adaptation

Program of Action (NAPA), and other sector-specific laws and policies. Endorsed in 2021, this policy seeks to reduce Timor-Leste's vulnerability to climate change while guiding efforts to minimize national emissions goals. Through these initiatives, Timor-Leste aims to enhance environmental integrity and carbon sequestration, while establishing a legal mandate for the National GHG Inventory.

The progress in institutional arrangements and climate governance enabled by the proposed project is expected to facilitate the submission of Timor-Leste's first BTR in the coming years, a country priority as clearly stated in the updated NDC.

The project is also aligned with Timor-Leste's plan to develop a Low Carbon Development Strategy by 2025, as per Article 4 of the PA. This strategy will support long-term decarbonization objectives while fostering economic diversification, helping to expand non-oil economic contributions and promote sustainable economic growth.

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:

Civil Society Organizations: Yes

Private Sector: Yes

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

Table 3. Stakeholders consulted and summary of consultation findings.

Stakeholder Name	Stakeholder Type	Stakeholder Profile	Consultation Findings (Past Consultations)	How the findings will be incorporated into the project	Expected timing (Future Consultations)
National Directorate for Climate Change (NDCC)	Direct Beneficiary	National Government Institution body	Fully supports CBIT and EA projects; requested institutional strengthening and ownership of MRV systems	NDCC is lead executing entity; project supports MRV establishment, data system design, and capacity building	Continuous coordination meetings throughout implementation
Directorate General of Environment	Direct Beneficiary	National Government Institution body	Requested stronger coordination between environmental units and MRV structures	Participation in MRV design and capacity-building sessions	Annual coordination meetings

Stakeholder Name	Stakeholder Type	Stakeholder Profile	Consultation Findings (Past Consultations)	How the findings will be incorporated into the project	Expected timing (Future Consultations)
National Directorate for Biodiversity (NDB)	Indirect Beneficiary	National Government Institution body	Underline the importance of adaptation in reporting	Included under adaptation-related transparency activities	Annual coordination meetings
Directorate General of Agriculture	Indirect Beneficiary	National Government Institution body	Emphasized data gaps, lack of integration, and need for support	Project includes AFOLU data system support, GHG inventory enhancement, and training	Annual coordination meetings
Department of Agriculture Land Use and GIS (ALGIS)	Indirect Beneficiary	National Government Institution body	Requested centralized data platform and clear data-sharing policy	Data management component to establish a centralized platform and data-sharing mechanism	Annual coordination meetings
Directorate General of Forestry & Department of Reforestation	Indirect Beneficiary	National Government Institution body	Need for MRV system for forest monitoring	Project includes AFOLU data system support, GHG inventory enhancement, and training	Annual coordination meetings
Department of Foreign Affairs (Climate Change Ambassador)	Indirect Beneficiary	National Government Institution body	Suggested combining BTR and NC submissions; emphasized NDC tracking	Recommendations integrated into project outputs for BTR-NC integration and NDC tracking	Validation and reporting workshops
National Directorate for Meteorology and Geophysics (DNMG)	Indirect Beneficiary	National Government Institution body	Highlighted need for harmonized data collection and analysis systems	Incorporated under data harmonization and integration activities	Annual coordination meetings
General Directorate for Energy, Water and Sanitation Regulation (DGREAS)	Indirect Beneficiary	National Government Institution body	Identified need for clear data formats, software, and technical capacity	CBIT supports data management software and training for energy sector	Annual coordination meetings
National Directorate for External Resource Mobilisation (Ministry of Finance)	Indirect Beneficiary	National Government Institution body	Requested support for tracking financial support received	Integrated into on reporting of support needed and received	Annual coordination meetings
National Petroleum Authority (ANP)	Indirect Beneficiary	National Government Institution body	Highlighted importance of emission estimates from petroleum industry	Petroleum data included in national inventory system design	Annual coordination meetings
Timor GAP, E.P.	Indirect Beneficiary	National Government Institution body	Emphasized need for coordination with ANP and MRV design for oil sector	CBIT includes private sector engagement and data protocols for industry	Annual coordination meetings

Stakeholder Name	Stakeholder Type	Stakeholder Profile	Consultation Findings (Past Consultations)	How the findings will be incorporated into the project	Expected timing (Future Consultations)
National University of Timor-Leste (UNTL)	Partner	National Government Institution body	Requested harmonization of data formats and sharing policy	University involved in capacity-building and curriculum development activities	Annual training and research partnership events
General Directorate of Livestock (MAF)	Indirect Beneficiary	National Government Institution body	Identified need for system and format for livestock data analysis	AFOLU component includes livestock emission estimation tools and training	Annual coordination meetings
Climate Change Working Group	Direct Beneficiary	National Government Institution body	Requested inclusion of cross-sectoral MRV coordination	Established as advisory and coordination body for project implementation	Regular quarterly coordination
General Directorate for Gender and Inclusion	Indirect Beneficiary	National Government Institution body	Requested inclusion of gender in mitigation/adaptation planning	Gender Action Plan integrated into project with gender indicators	Annual coordination meetings
Dili Municipal Authority	Indirect Beneficiary	National Government Institution body	Requested capacity support for local data collection	CBIT includes in data collection methodologies	Annual coordination meetings
FAO Timor-Leste	Partner	International Government Institution body	Provides technical assistance and project management support	FAO provides backstopping, quality assurance, and coordination with GEF	Ongoing through project duration

(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
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	Timor Leste	Climate Change	CBIT Set-Aside	Grant	1,950,000.00	185,250.00	2,135,250.00
Total GEF Resources (\$)						1,950,000.00	185,250.00	2,135,250.00

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	Timor Leste	Climate Change	CBIT Set-Aside	Non-Grant	50,000.00	4,750.00	54,750.00
Total PPG Amount (\$)						50,000.00	4,750.00	54,750.00

Please provide justification

Sources of Funds for Country Star Allocation

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

Indicative Focal Area Elements

Programming Directions	Trust Fund	GEF Project Financing(\$)	Co-financing(\$)
CCM-CBIT	GET	1,950,000.00	478693
Total Project Cost		1,950,000.00	478,693.00

Indicative Co-financing

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Investment Mobilized	Amount(\$)
Recipient Country Government	National Directorate of Climate Change	In-kind	Recurrent expenditures	160400
GEF Agency	FAO	In-kind	Recurrent expenditures	318293
Total Co-financing				478,693.00

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	5/27/2026			jeffrey.griffin@fao.org

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

Name	Position	Ministry	Date (MM/DD/YYYY)
Mr. Joao Carlos Soares	Timor-leste GEF Operational Focal Point and National Director of Climate Change	National Directorate for Climate Change	10/30/2024

ANNEX C: PROJECT LOCATION

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

Location Name <i>Required field</i>	Latitude <i>Required field</i> <i>(Decimal Degrees WGS84 format)</i>	Longitude <i>Required field</i> <i>(Decimal Degrees WGS84 format)</i>
Dili, Timor-Leste	S 8° 33' 31" -8.5569°	E 125° 34' 25" 125.5603°

Although the project has national relevance, capacity-building activities will primarily take place in Dili, the capital city, where the main headquarters of the direct beneficiary, the National Directorate for Climate Change (NDCC), and other key partner institutions are located. Accordingly, the main area of direct intervention is delimited by the Dili Municipality, situated between approximately 8°29' and 8°39' South latitude and 125°30' and 125°40' East longitude. Activities implemented in Dili will have indirect impacts at the national level through the involvement of line ministries, universities, and other stakeholders in the transparency and reporting system.



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

Risk Rating

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

Please refer to attached Annex F.