



GEF-6 PROJECT IDENTIFICATION FORM (PIF)

PROJECT TYPE: Medium-sized Project

TYPE OF TRUST FUND: GEF Trust Fund

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PART I: PROJECT INFORMATION

Project Title:	Capacity Building for Emissions Trading and strengthened MRV in the Republic of Belarus		
Country(ies):	Republic of Belarus	GEF Project ID: ¹	
GEF Agency(ies):	UNDP	GEF Agency Project ID:	6161
Other Executing Partner(s):	Ministry of Environment	Submission Date:	29 August 2017
GEF Focal Area(s):	Climate Change	Project Duration (Months)	36
Integrated Approach Pilot	IAP-Cities <input type="checkbox"/> IAP-Commodities <input type="checkbox"/> IAP-Food Security <input type="checkbox"/>		Corporate Program: SGP <input type="checkbox"/>
Name of parent program:		Agency Fee (\$)	79,800

A. INDICATIVE FOCAL AREA STRATEGY FRAMEWORK AND OTHER PROGRAM STRATEGIES²

Objectives/Programs (Focal Areas, Integrated Approach Pilot, Corporate Programs)	Trust Fund	(in \$)	
		GEF Project Financing	Co-financing
CCM-3 Program 5 - Integrate findings of Convention obligations enabling activities into national planning processes and mitigation contributions	GEFTF	840,000	4,000,000
Total Project Cost		840,000	4,000,000

B. INDICATIVE PROJECT DESCRIPTION SUMMARY

Project Objective: To build capacity in the Republic of Belarus to help design and implement a national emissions trading scheme, strengthening capacity to develop NDCs, and to support strengthened MRV capacity.						
Project Components	Financing Type ³	Project Outcomes	Project Outputs	Trust Fund	(in \$)	
					GEF Project Financing	Co-financing
1. National ETS for Belarus and capacity building related to NDCs	TA	Agreed Recommendations and Road Map in place for the design of a domestic projects mechanism for GHG reduction and for a National ETS	1.1 Analysis of the design of national emissions trading schemes in other countries (incl. EU ETS) and recommendations on their suitability to the Republic of Belarus 1.2 Proposal for a domestic GHG abatement projects mechanism to link with the national ETS 1.3 Proposal for a national ETS – emissions trading scheme which	GEFTF	270,000	500,000

¹ Project ID number will be assigned by GEFSEC and to be entered by Agency in subsequent document submissions.

² When completing Table A, refer to the excerpts on [GEF 6 Results Frameworks for GETF, LDCF and SCCF](#) and [CBIT guidelines](#).

³ Financing type can be either investment or technical assistance.

			<p>includes analysis of the domestic emissions trading scheme's main elements and requirements for MRV;</p> <p>1.4 Road map for both the establishment of a domestic projects mechanism and/or national ETS are agreed and in place including draft legislation for the introduction of a National ETS</p> <p>1.5 Development and inclusion of roadmap for NDC implementation, inclusion of specific sectoral and national targets</p> <p>1.6 Support for the development of future NDCs beyond 2030</p>			
2. Strengthened GHG modelling and enhanced system of MRV	TA	<p>Improved GHG modelling capacity for the Republic of Belarus</p> <p>Enhanced and strengthened System of MRV for Republic of Belarus is put in place</p>	<p>2.1 Evaluation of existing GHG models based on latest Belarussian data and comprehensive projections of GHG emissions to 2030 under BAU and other scenarios and recommendations for improvement and enhancement</p> <p>2.2 Application of existing generation of GHG models for sectoral GHG emissions modelling and development regular adjusting system based on updated bottom-up information about sectoral and installation-level emissions</p> <p>2.3 Development and/or enhancement of methodologies and the procedure for the assessment of the</p>	GEFTF	230,000	700,000

			<p>carbon intensity of the goods produced by the sectors and companies, which are major emitters of greenhouse gases (energy, industry, agriculture, transport, waste management). Harmonisation of technical regulations with the European standards: PAS 2050:2011, GHG Protocol Product Life Cycle Accounting and Reporting Standard, ISO/TS 14067:2013</p> <p>2.4 Cost-benefit analysis of identified policies and measures at the macroeconomic and sectoral levels based on the business as usual economic scenario and then using analyzed policies and measures;</p> <p>2.5 Guidelines and national roadmap for the development of a comprehensive MRV system for the Republic of Belarus including preparation of a new draft national law on MRV</p> <p>2.6 Adoption of MRV legislation by Republic of Belarus</p> <p>2.7 Application of comprehensive MRV system to develop basic GHG emission inventories for 5 small and medium sized cities in Belarus</p>			
3. Demonstration Projects using MRV best practice	Inv	4 small scale MRV projects identified, designed, financed and implemented	<p>3.1 Pilot Small Scale Renewable Energy Projects using MRV international best practice</p> <p>3.2 Pilot Energy Efficiency Projects using MRV</p>	GEFTF	300,000	2,200,000

			international best practice 3.3 Pilot Sustainable Transport Projects using MRV international best practice 3.4 Pilot Sustainable Forestry Projects using MRV international best practice 3.5 Walk through meetings with key government officials and stakeholders for all demonstration projects 3.6 Case Studies and short videos prepared for each of the demonstration projects			
			Subtotal		800,000	3,400,000
			Project Management Cost (PMC) ⁴ (including Direct Project Costs)	GEFTF	40,000	600,000 (incl. \$ 100,000 UNDP)
			Total Project Cost		840,000	4,000,000

C. INDICATIVE SOURCES OF CO-FINANCING FOR THE PROJECT BY NAME AND BY TYPE, IF AVAILABLE

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Amount (\$)
Recipient Government	Ministry of Natural Resources and Environment Protection	In-kind	600,000
Recipient Government	Ministry of Natural Resources and Environment Protection	Grants	1,200,000
Recipient Government	Ministry of Economy	In-kind	200,000
Recipient Government	Ministry of Energy	In-kind	200,000
Recipient Government	Ministry of Forestry	In-kind	200,000
Recipient Government	National Academy of Sciences	In-kind	300,000
Donor Agency	UNDP	In-kind	200,000
Donor Agency	UNDP	Grants	100,000
Private Sector, Other	Private Sector, Other	Grants	1,000,000
Total Co-financing			4,000,000

D. INDICATIVE TRUST FUND RESOURCES REQUESTED BY AGENCY(IES), COUNTRY(IES), FOCAL AREA AND THE PROGRAMMING OF FUNDS ^{a)}

		Country/	Focal Area	Programming	(in \$)
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⁴ For GEF Project Financing up to \$2 million, PMC could be up to 10% of the subtotal; above \$2 million, PMC could be up to 5% of the subtotal. PMC should be charged proportionately to focal areas based on focal area project financing amount in Table D below.

GEF Agency	Trust Fund	Regional/ Global		of Funds	GEF Project Financing (a)	Agency Fee (b) ^{b)}	Total (c)=a+b
UNDP	GEFTF	Republic of Belarus	Climate Change	(select as applicable)	840,000	79,800	919,800
Total GEF Resources					840,000	79,800	919,800

a) Refer to the [Fee Policy for GEF Partner Agencies](#).

E. PROJECT PREPARATION GRANT (PPG)⁵

Is Project Preparation Grant requested? Yes No If no, skip item E.

PPG AMOUNT REQUESTED BY AGENCY(IES), TRUST FUND, COUNTRY(IES) AND THE PROGRAMMING OF FUNDS

Project Preparation Grant amount requested: \$50,000					PPG Agency Fee: \$ 4,750		
GEF Agency	Trust Fund	Country/ Regional/Global	Focal Area	Programming of Funds	(in \$)		
					PPG (a)	Agency Fee ⁶ (b)	Total c = a + b
UNDP	GEF TF	Republic of Belarus	Climate Change		50,000	4,750	54,750
Total PPG Amount					50,000	4,750	54,750

F. PROJECT'S TARGET CONTRIBUTIONS TO GLOBAL ENVIRONMENTAL BENEFITS⁷

Provide the expected project targets as appropriate.

Corporate Results	Replenishment Targets	Project Targets
4. Support to transformational shifts towards a low-emission and resilient development path	750 million tons of CO _{2e} mitigated (include both direct and indirect)	40,500 metric tons

PART II: PROJECT JUSTIFICATION

Project Description. Briefly describe: 1) the global environmental and/or adaptation problems, root causes and barriers that need to be addressed; 2) the baseline scenario or any associated baseline projects, 3) the proposed alternative scenario, GEF focal area⁸ strategies, with a brief description of expected outcomes and components of the project, 4) [incremental/additional cost reasoning](#) and expected contributions from the baseline, the GEFTF, LDCF, SCCF, CBIT and [co-financing](#); 5) [global environmental benefits](#) (GEFTF) and/or [adaptation benefits](#) (LDCF/SCCF); and 6) innovation, sustainability and potential for scaling up.

1. The Republic of Belarus is a strong supporter of international efforts to combat climate change and reduce greenhouse gas emissions. The Republic of Belarus has been Party to the UNFCCC since 11 June 1991 and it is a Party to the Kyoto Protocol since 11th May 2000. Then on April 22nd 2016, the Republic of Belarus signed its acceptance of the Paris Agreement and on 21st September it ratified the accord whereby it has committed to a 28% reduction of greenhouse gas emissions below 1990 levels by the year 2030. Less than a month later on 5th October 2016, the threshold for the entry into force of the Paris Agreement was achieved because the agreement had at this point been signed by at least 55 countries representing at least 55% of global GHG emissions. Achieving this

⁵ PPG requested amount is determined by the size of the GEF Project Financing (PF) as follows: Up to \$50k for PF up to \$2m (for MSP); up to \$100k for PF up to \$3m; \$150k for PF up to \$6m; \$200k for PF up to \$10m; and \$300k for PF above \$10m. On an exceptional basis, PPG amount may differ upon detailed discussion and justification with the GEFSEC.

⁶ PPG fee percentage follows the percentage of the Agency fee over the GEF Project Financing amount requested.

⁷ Provide those indicator values in this table to the extent applicable to your proposed project. Progress in programming against these targets for the projects per the *Corporate Results Framework* in the [GEF-6 Programming Directions](#), will be aggregated and reported during mid-term and at the conclusion of the replenishment period. There is no need to complete this table for climate adaptation projects financed solely through LDCF, SCCF or CBIT.

⁸ For biodiversity projects, in addition to explaining the project's consistency with the biodiversity focal area strategy, objectives and programs, please also describe which [Aichi Target\(s\)](#) the project will directly contribute to achieving.

ambitious target will require the revision of a number of sectoral strategies and plans in order to take into account the goals of the Paris Agreement as well as introducing new legislation (e.g – low carbon development strategy, national plan for increasing greenhouse gas removals by sinks, national adaptation plan for climate change and/or for a national emissions trading scheme and/or for MRV – monitoring, reporting, and verification).

2. Implementing the Paris Agreement effectively will require the review, modification, and updating of a large amount of legislation and policies and strategies. Primary sectoral and national development plans that need to be revised and updated or developed from scratch under the baseline situation include each of the following national plans or strategies of the Republic of Belarus:

- National Strategy of Sustainable Development till 2020
- National Energy Security Concept
- Power Sector Development Program for 2016-2020
- Energy Saving State Program for 2016-2020
- A Complex Plan for Power System Development till 2025
- State Program of Agriculture Development for 2016-2020
- Low Carbon Development Strategy to 2030
- National Plan for increasing greenhouse gas removals by sinks by 2030
- National Communications of the Republic of Belarus
- National Adaptation Plan for Climate Change
- Nationally Determined Commitment (NDC) beyond 2030

3. In addition, there are a number of secondary sectoral programs that will need to be modified and updated as part of the commitment of the government of the Republic of Belarus to implementing the Paris Agreement. These secondary sectoral programs are considered part of the baseline situation and they include:

- State Program "Comfortable Housing and a Favorable Environment" for 2016-2020
- State Program of Innovative Development of the Republic of Belarus for 2016-2020
- State Program "Housing Construction" for 2016-2020
- State Program for the Development of the Transport Complex of the Republic of Belarus for 2016-2020
- State Program for the Development of Agrarian Business in the Republic of Belarus for 2016-2020
- State Program "Belarusian Forest" for 2016-2020

4. Ministries and key stakeholders involved in climate change/energy policy making in the Republic of Belarus include the following:

- Ministry of Natural Resources and Environmental Protection
- Ministry of Economy
- Ministry of Foreign Affairs (for international negotiations)
- Ministry of Energy
- Ministry of Agriculture and Food
- Ministry of Forestry
- Ministry of Industry and Energy Efficiency Department (EED)
- National Academy of Sciences

5. **Baseline Situation:** The reform of plans and programs and secondary state programmes are considered to be part of the baseline situation, because under the business as usual scenario Republic of Belarus will be required to review and modify them as part of its commitment to the Paris Accord. This means that in the business as usual

scenario a number of state programmes and plans and strategies including those listed in paragraph 2 and 3 above will need to be modified, amended and changed. Co-financing contributions to this project include the cost of Government programmes to amend these State Programs and national strategies. However, what is not mandatory is the design of a domestic GHG projects abatement scheme or a domestic emissions trading scheme which are policy tools which if implemented correctly could assist the Government of the Republic of Belarus with implementing its commitments under the Paris Accord correctly.

6. The revision of the main state programs of the Republic of Belarus over the period 2016-2020 will strengthen the policies of the Republic of Belarus to provide new incentives for investors in the field of renewable energy sources and energy efficiency. New policies, legislation, and regulation will support the introduction of low-carbon and non-carbon technologies that exclude the use of high-carbon fuels such as fuel oil, peat, coal, the introduction of biogas plants in the industrial and residential sectors in Belarus. In the agricultural sector, research and development and technologies to reduce emissions from cattle, pig farms, and poultry farms will all be considered. In addition, the Government will look to introduce policies in the agricultural sector that promote the introduction of integrated systems for the use of biogas and biomass energy, sun (solar energy), and wind energy for agrotowns. In the transport sector, Government will look to introduce policies and measures to incentivize the increased use of electric cars as well as looking at increased fuel efficiency standards as well as putting in place mechanisms to promote the decommissioning of gasoline and diesel cars of low fuel efficiency. Finally, the government may consider the introduction of a carbon tax either at a national or sectoral level in order to provide greater incentives for new investments in low carbon development.
7. On February 3, 2017, the Government of the Republic of Belarus approved the Action Plan for the implementation by the Republic of Belarus of the provisions of the Paris Agreement, which contains the main measures aimed at the implementation of its provisions. In accordance with decision items 1, 22, 24, 31, paragraphs 2, 3 of Article 4 of the Paris Agreement, a second nationally defined contribution of the Republic of Belarus will be prepared which will contain more ambitious commitments of the Republic of Belarus to reduce greenhouse gas emissions and increase the absorption of greenhouse gases based on the greenhouse gas sinks indicated in the proposed nationally defined contribution of the Republic of Belarus submitted to the UNFCCC secretariat in September 2015. Whereas in the first nationally defined contribution, there are no commitments to increase the absorption of greenhouse gases by sinks for the Republic of Belarus, this situation will change in the second NDC where this issue will be addressed. In accordance with decision 1 / CP.21, paragraph 35, Article 4, paragraphs 1, 19 of the Paris Agreement, a Long-Term Development Strategy for the Republic of Belarus with low greenhouse gas emissions for the period up to 2050 will be developed, the main objective of which is to achieve a balance between anthropogenic emissions from Sources and removals by sinks of greenhouse gases by 2050;
8. In accordance with Paragraph 2 of Article 5 of the Paris Agreement, a National Action Plan on increasing greenhouse gas removals by sinks for the period until 2030 will be developed that will include activities in the agriculture and forestry sectors, primarily to reduce emissions from deforestation and forest degradation, Increase the role of forest conservation, sustainable forest management, increase of carbon stocks in forests. In accordance with Article 7, Paragraph 9, of the Paris Agreement, a National Action Plan for Climate Change Adaptation will be developed, aimed at adapting natural and socio-economic systems to existing or anticipated climate impacts or the consequences of these impacts in order to reduce the possible risks of climate change, Minimization of losses from extreme weather events.
8. The commitments made by the Republic of Belarus in September 2015 under the framework of the Paris Agreement (the projected nationally defined contribution) are unconditional, but at the same time comprehensive, and the cover not only the reduction of greenhouse gas emissions and adaptation to climate change, but also activities such as prevention of land degradation, restoration of bog ecosystems, conservation of forests and specially protected natural areas. These issues are also strong priorities of the Government of Republic of Belarus and major initiatives are underway to restore degraded peatlands.
9. At the same time, there are other policies and measures which while they are not mandatory as part of Belarussian commitments under its NDC could significantly help the Republic of Belarus with implementing its commitments.

This includes the development of such policy instruments such as a domestic projects based mechanism for reducing greenhouse gas emissions and/or a national emission trading scheme. A carbon tax might also be considered. Provided that these measures are properly implemented, they could assist the Government of the Republic of Belarus in fulfilling its obligations under the Paris Agreement in a cost-effective and timely manner while at the same time promoting sustainable economic development.

10. The Republic of Belarus has undertaken a number of relevant activities related to emissions trading and MRV over recent years. In 2015-2017 two consulting projects were completed in Belarus under the EU's ClimaEast initiative. The goals of these two projects included a primary analysis of industries for which it is possible and will be required to implement MRV systems and providing primary recommendations for future MRV system design in Belarus focusing on the practical recommendations needed to implement MRV. The results from these reports will be fed into this UNDP GEF new project so that all appropriate lessons can be learned and applied. The PPG phase will include a more accurate analysis of the lessons learned and how they can be applied. In particular, the reports highlighted the need for more systematic data collection if MRV is to be carried out successfully in a comprehensive manner in Belarus. As well as learning the lessons learned from the two MRV projects, it will be important to learn the lessons from other emissions trading schemes and to study in detail the possibility of linking with the EU Emissions Trading scheme. For example, Belarus is interested to explore how a national emissions trading scheme can be implemented in agriculture and forestry sectors. Therefore, the country could explore how a national ETS could learn from other national ETS that have included agriculture and forestry sectors (e.g – New Zealand, other ...).
11. The **Ministry on Natural Resources and Environment** will be responsible to coordinate all the activities of MRV system operation in Belarus as well as being responsible for the design, implementation, and management of a national emissions trading scheme, in the event that it is implemented. For this reason, Ministry of Natural Resources and Environment is selected as the National Implementing Partner for this project under the NIM modality managing a project that will be implemented in three components, all of which are part of the GEF alternative scenario. The Ministry of Natural Resources and Environment will seek to learn the lessons from other countries that have successfully designed and implemented a domestic emissions trading scheme.
12. **Component 1:** Component 1 of the project will involve designing a National ETS for the Republic of Belarus and capacity building related to NDCs. Under this component, the experience in designing and implementing national ETS in other countries will be examined and studied including an in-depth analysis of scheme's main elements, such as its goals and objectives, aggregate and sectoral caps, approaches and methods of installation-level allocation, MRV standards and other related aspects. As part of this work, a draft new law will be prepared to support the introduction by 2020 of a national emissions trading scheme and a domestic projects mechanism, as required. A separate report will examine the opportunities and costs associated with designing and implementing a domestic projects based mechanism which would complement the national ETS by creating carbon offsetting for greenhouse gas abatement projects which could then be included in a national ETS. Component 1 of the project will develop a road map for both the establishment of a domestic projects mechanism and national ETS are in place. It will also include development of targets and a roadmap for NDC implementation and the procedure of preparing amendments to the NDCs with more ambitious goals, including a thorough NDC discussion with the involvement of the interested government institutions, businesses and the academic community, general public and the media.
13. Component 1 will also support the development of policies, institutional frameworks and national MRV systems to be strengthened and harmonized to mainstream national mitigation policies and targets in the context of NDCs. This strengthening will happen both at a national level, a regional level, and at a sectoral level. Inter governmental working groups on the NDCs will be strengthened through capacity building activities aimed at enhancing the capacity of these working groups to positively contribute towards the overall strengthening of NDCs. These working groups will involve various key Ministries and stakeholders including all the government organizations which are providing co-financing to this project. The working groups will be chaired by the Ministry of Natural Resources and Environmental Protection. This strengthening will include an improvement of the quality of data in existing and future NDCs so as to increase certainty in the results, an analysis of the cost and benefits of various

proposed mitigation and adaptation measures to be adopted and an analysis of various options for reducing GHG emissions domestically (e.g – carbon tax, national domestic GHG projects mechanism, and national emissions trading scheme). The main result from all of this work will be a number of detailed resources and investment plans for various mitigation and adaptation measures elaborated in terms of capacity building, technology, and financing needs. The work will include an analysis of existing MRV processes and systems and highlight capacity building gaps as well as establishing firm processes, roles, responsibilities and lines of reporting. It will also include an analysis of the work that other countries have undertaken in this area.

14. **Component 2:** Component 2 of the project will assist the Government of Belarus with the forecasting of future GHG emissions through supporting the development of new generation greenhouse gas (GHG) model, including a development adjustment system, as well as enhancement of existing models using latest Belarussian data and comprehensive projections of GHG emissions to 2030 under BAU and other scenarios. Component 2 will also involve the development of methodologies and the procedures for the assessment of the carbon intensity of the goods produced by the sectors and companies, which are major emitters of greenhouse gases (energy, industry, agriculture, transport, waste management) and the harmonisation of technical regulations with the European standards: PAS 2050:2011, GHG Protocol Product Life Cycle Accounting and Reporting Standard, ISO/TS 14067:2013 as well with the standards of implementing best available techniques. A main output of Component 2 will be the development and approval of guidelines and a national roadmap for the development of a comprehensive MRV system for the Republic of Belarus. The UNFCCC MRV system is supposed to create transparency and enhance confidence among Parties. MRV will demonstrate that Parties contribute tangible actions to reduce emissions and that developed countries provide substantial support to developing countries. In order to make the global climate regime effective, MRV must ensure transparency and all Parties are invited to develop intended nationally determined contributions and submit them in a timely manner. Work under component 2 of the project will include work to prepare and draft new legislation for the introduction of a national MRV system for the Republic of Belarus. During the lifetime of the project it is expected that the MRV related legislation will be adopted. Immediately following the adoption of the legislation, 5 pilot cities will be selected for the pilot implementation of the nationally adopted MRV system. This MRV system will then be applied to develop basic GHG emission inventories for 5 cities in Belarus and this in turn will assist the Government of the Republic of Belarus with updating its national GHG inventory as per its reporting obligations under the UNFCCC. Over time, the national MRV system will be applied to all towns and cities in the Republic of Belarus.
15. **Component 3:** Component 3 of this project aims to identify, develop, and launch pilot demonstration projects that show international MRV best practice applying it to projects that are consistent with the Low Carbon Emission Strategy for Belarus. There will be at least four (4) pilot demonstration MRV projects including a pilot Small Scale Renewable Energy Projects using MRV international best practice, a pilot Energy Efficiency Project using MRV international best practice, a pilot Sustainable Transport using MRV international best practice, and a pilot Sustainable Forestry Project using MRV international best practice. The GEF funds (estimated at around \$50-60,000 USD per project) will be used to cover the full MRV costs of the project. They will not be used for investment. The investment funds will come from co-financing. The implementation of the MRV systems will be undertaken in such a way that they will be fully compatible with the design of a national emissions trading scheme. The GHG emissions reduction projects will aim to save 50 MWh of energy over the lifetimes of the three projects (estimated 22,500 tonnes of CO₂e reduced) while the sustainable forestry project will involve new plantation forestry (estimated 30 hectares) and aim to sequester some 18,000 tonnes of CO₂ over the life time of the trees. The purpose of these pilot demonstration MRV projects will be to showcase international best practice on MRV and to assist the Government of the Republic of Belarus with applying MRV international best practices. The aim of carrying out the pilot demonstration MRV projects is to demonstrate international best practice for MRV and enable the Republic of Belarus to replicate and scale up this work on MRV to a national level.
16. In the baseline situation, national state programs, laws and regulations would be required to be reviewed, assessed and updated in accordance with the commitments of the Republic of Belarus under its NDC. However, the introduction of a draft new law for an emissions trading scheme, including a possible domestic GHG projects mechanism, and the introduction of a draft new law on monitoring, reporting and verification is optional and

without this project likely would not take place in a timely manner. In addition, in a business as usual scenario there would be limited attention paid to the capacity building of working groups in the Republic of Belarus working on NDCs. Pilot demonstration MRV projects would most likely not be implemented before 2020 and a road map for the introduction of a national MRV system for the Republic of Belarus would also not be implemented in a timely manner. In summary, the assistance of this project will play an important role in building capacity in the Republic of Belarus to meet its commitments under the Paris Accord.

17. The **co-financing for this project** comes primarily from the Ministry of Natural Resources and Environment Protection of the Republic of Belarus (\$1.8 million of which \$600,000 is an in-kind contribution towards policy development and work on new legislation and \$1,200,000 is a cash contribution to the MRV demonstration projects) as this is the organization with the lead responsibility for preparing the NDC for the Republic of Belarus. Other key Ministries will participate in the project through the working group and their co-financing support will come in the form of an in-kind contribution to support the contribution of key officials in the working groups. The National Academy of Sciences will also be a key stakeholder in this project and will provide in-kind co-financing of \$300,000. As the highest state scientific organization of the Republic of Belarus will play a key role in the development of new generation greenhouse gas (GHG) models as well as enhancement of existing models using latest Belarussian data as well as the application of these models on a sectoral basis. The National Academy of Sciences will also participate in the project working groups. UNDP will also provide significant co-financing to this project (\$200,000 in-kind contribution, \$100,000 cash contribution) through a contribution to the overall project management cost. Finally, it is expected that the private sector will play an important role in co-financing the pilot MRV demonstration projects. Initial estimates are that the amount of private sector financing required for 4 pilot MRV demonstration projects will be in the order of \$1.0 million USD. These estimates will be re-visited and revised, as appropriate, during the PPG phase of the project.
18. The **global environmental benefits** of this project are estimated as 40,500 tonnes of CO₂ equivalent in direct emission reductions to be reduced over the lifetime of the project. This is preliminarily estimated on the basis that the 3 climate change mitigation demonstration projects will save 50 MWh in energy consumed over the 25 years of the project lifetimes which equates to 22,500 tonnes of CO₂e. ($0.45 \text{ tonnes of CO}_2/\text{MWh} \times 50 \text{ MWh} = 22,500 \text{ tonnes of CO}_2$). Meanwhile, a 30 hectares forestry project will sequester on average 600 tonnes of carbon per hectare over 30 years so some 18,000 tonnes of CO₂e over the 30 lifetime of the forests. These numbers will be re-visited and further and more detailed calculations will be made during the PPG phase of the project development.
19. The **innovative nature of this project** lies in the fact that it combines design of a national emissions trading scheme with capacity building for NDCs with support for a comprehensive road map and a new law on MRV. This integrated approach makes a lot of sense as all of these issues are complementary and overlapping. The design of this project is undertaken in such a way as to significantly enhance the capacity of the Republic of Belarus to implement its commitments under the Paris Accord with a focus on emissions trading, NDC strengthening, and MRV. Another innovative focus of the project relates to the fact that it will work on national emissions trading scheme design for the Republic of Belarus. Emissions trading is an innovative approach to reducing greenhouse gas emissions because it allows to achieve the same emission reduction at the lowest marginal abatement cost.
20. The **sustainability of this project** can be found in the fact that key experts and stakeholders will have been trained in order to continue their work related to emissions trading, NDC preparation and implementation of a comprehensive MRV framework for the Republic of Belarus. Study tours will be organized to visit national emissions trading schemes in other countries. The experts and officials who have been trained under this project will then be in a position to train and upskill further officials and experts to ensure that the strengthening of the ability of Republic of Belarus to meet its commitments under the Paris Accord will continue to be strengthened. Replication and scaling up will be ensured by following such an approach.

2. *Stakeholders*. Will project design include the participation of relevant stakeholders from [civil society organizations](#) (yes /no) and [indigenous peoples](#) (yes /no)? If yes, identify key stakeholders and briefly describe how they will be engaged in project preparation.

Key governmental agencies responsible for national and sectoral national development programs who will participate in this project include:

- Ministry of Natural Resources and Environment - develops and coordinates national GHG emission reduction strategy, responsible for waste sector and air protection regulations
- Ministry of Energy - develops and implements national energy sector policy. Operates national power generation company Belenergo
- Department of Energy Efficiency - develops and implements national energy conservation and renewable energy policy
- Ministry of Economy – responsible for economic development in the Republic of Belarus
- Ministry of Food and Agriculture - develops and implements national agricultural policy. Operates most of agricultural enterprises in the country
- Ministry of Industry - develops and coordinates national industrial sector strategy. Operates largest industrial companies in the country
- Ministry of Housing and Utilities - develops and coordinates national housing sector policies. Operates most of landfills of solid waste in the country (except industrial waste landfills) and more than 3000 heating plants.
- Ministry of Architecture and Construction - develops and coordinates construction sector strategy, operates cement and glass manufacturing plants
- Ministry of Forestry - reforestation and afforestation
- National Academy of Sciences – key state institution responsible for scientific research
- State Concern Belneftehim - operates national chemical and petrochemical companies
- State Concern Bellesbumprom - production of furniture and furniture materials
- State Concern Bellegprom - production of fabrics and clothes

3. *Gender Equality and Women’s Empowerment*. Are issues on [gender equality](#) and women’s empowerment taken into account? (yes /no). If yes, briefly describe how it will be mainstreamed into project preparation (e.g. gender analysis), taking into account the differences, needs, roles and priorities of women and men.

21. Capacity building, sustainable development, sustainable co-benefits and gender equality are all emphasized as cross-cutting priorities for all outputs of this project. The project entitled “Capacity Building for Emissions Trading and MRV for the Republic of Belarus” aims to assist the Republic of Belarus with developing a national emissions trading scheme as well as to develop policies, institutional frameworks and national MRV systems in order that they are strengthened and harmonized to mainstream national mitigation policies and targets in the context of NDCs for the Republic of Belarus. The process will be informed by NDC mitigation sector analyses, which will take into account gender considerations fully and comprehensively. The process will be overseen by a technical committee led by the inter ministerial working group on NDCs and this committee will be constituted in such a way as to ensure gender balance.

4 *Risks*. Indicate risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved, and, if possible, propose measures that address these risks to be further developed during the project design (table format acceptable).

22. The risks of the project are assessed in the following table:

Table 1-1: Risk assessment

Risk	Rating	Risk mitigation measure
Delays to the implementation of the Paris Agreement delay the requirement for Republic	Low	On 5 October 2016, the Paris Agreement entered into force and as the agreement has been ratified by the Republic of Belarus it means that mandatory MRV is required. All Parties to the UNFCCC have agreed to

Risk	Rating	Risk mitigation measure
of Belarus to introduce a national MRV system		submit national communications every 4 years and biennial reports in between. Under the Paris Accord , national MRV systems will play an important role in strengthening the quality of the data contained in these reports.
Climate Change Risks – Extreme Weather Events damage infrastructure for pilot MRV projects	Low	This is a longer-term risk, which is not expected to manifest itself during the lifetime of the Project. One means of mitigating this risk will be to ensure that pilot projects are carried out using climate resilient technologies and approaches.
Financing Risks – lack of co-finance available to finance pilot MRV projects	Low	Project size for the MRV demonstration projects is very small. In fact, only \$2.3 million is initially estimated (\$300,000 GEF, \$2,000,000 co-financing) for the 4 pilot demo projects meaning that with the low financing requirements (average project size is \$825,000) this is not expected to be a significant risk.
Legislative, Regulatory, and Policy Risks – Inability to put in place new regulations in place to support national emissions trading scheme and MRV	Medium	The project will develop new laws for a national emissions trading scheme and a new draft law on MRV but it is questionable whether or not the new laws will be able to be put in place during the life time of the project.
Institutional Risks – unclear institutional responsibilities for emissions trading and MRV	Low	The national planning policy statement will make it clear that institutional responsibility for Green Urban Development will be with the MinRegion and the relationship between local authorities and MinRegion on issues related to green urban development.
Pilot MRV Demonstration Projects will not take place	Low	The co-financing requirements for the 4 demo projects (c. \$2,000,000) are relatively low when compared to other comparable GEF projects. This significantly reduces the risks that co-financing fails to materialize and that the pilot MRV demo projects fail to take place.
Project Management will not deliver on the planned objective and outcomes	Low	Great care will be taken in carefully selecting a strong project manager and a strong team of local experts supported by a strong international CTA. This team will be put in place shortly after the start of the Project.

5. *Coordination.* Outline the coordination with other relevant GEF-financed and other initiatives.

23. This project will coordinate with other ongoing UNDP GEF climate change mitigation projects in the Republic of Belarus. This includes both the UNDP GEF Removing Barriers to Wind Energy project which started at the end of 2015 and the UNDP GEF Green Cities project which started in early 2017 both of which are under implementation. In addition, the project will cooperate closely with the GEF Small Grants Programme in Republic of Belarus, especially in relation to component 3 and the selection of pilot demonstration MRV projects.

6. *Consistency with National Priorities.* Is the project consistent with the National strategies and plans or reports and assessments under relevant conventions? (yes /no). If yes, which ones and how: NAPAs, NAPs, ASGM NAPs, MIAs, NBSAPs, NCs, TNAs, NCSAs, NIPs, PRSPs, NPFE, BURs, INDCs, etc.

24. Strengthened MRV will assist the Republic of Belarus with its reporting requirements under the UNFCCC and the Paris Accord and with the implementation of NDCs. Strengthened MRV will make a big difference in the ability of the Republic of Belarus to both report and forecast its GHG emissions in a timely and cost-effective manner and to prepare more accurate and comprehensive national communications and national adaptation plans. Strengthened MRV is a key component of implementing NDCs. For example, strengthened MRV will assist with necessary upfront information to be provided will facilitate the clarity, transparency and understanding of the NDC for the Republic of Belarus. In order to be able to track progress toward the global objective of limiting global warming to below 2°C, MRV should also provide a framework to quantify emissions reductions of individual contributions, attribute them consistently to individual Parties , avoiding double counting, and add up the emissions reductions toward closing the ambition gap. Hence, this project is fully consistent with the national communications of the

Republic of Belarus and with the NDC and the work carried out under this project will help to strengthen future national communications and futures NDCs.

6. *Knowledge Management.* Outline the knowledge management approach for the project, including, if any, plans for the project to learn from other relevant projects and initiatives, to assess and document in a user-friendly form, and share these experiences and expertise with relevant stakeholders.

7.

25. The Project will undertake knowledge management and aim to learn from other ongoing relevant UNDP projects both in the Republic of Belarus and elsewhere. UNDP has other ongoing initiatives globally that are supporting capacity building for MRV and implementation of NDCs. This includes the global LECB (Low Emission Capacity Building) project, as well as individual MRV projects in Lao PDR, Vanuatu, and Kenya. In addition, UNDP has recently implemented a project in Ukraine on the design of a domestic emissions trading scheme for Ukraine. This project will examine the results and lessons learned from the project on emissions trading in Ukraine, implemented by UNDP in order to apply them to the Republic of Belarus.

PART III: APPROVAL/ENDORSEMENT BY GEF OPERATIONAL FOCAL POINT(S) AND GEF AGENCY(IES)

A. RECORD OF ENDORSEMENT⁹ OF GEF OPERATIONAL FOCAL POINT (S) ON BEHALF OF THE GOVERNMENT(S): (Please attach the [Operational Focal Point endorsement letter\(s\)](#) with this template. For SGP, use this [SGP OFP endorsement letter](#)).

NAME	POSITION	MINISTRY	DATE (MM/dd/yyyy)
Ms. Iya MALKINA	GEF Operational Focal Point	Ministry of Natural Resources and Environmental Protection	07/08/2017

B. GEF AGENCY(IES) CERTIFICATION

This request has been prepared in accordance with GEF policies¹⁰ and procedures and meets the GEF criteria for project identification and preparation under GEF-6.

Agency Coordinator, Agency name	Signature	Date (MM/dd/yyyy)	Project Contact Person	Telephone	Email
Adriana Dinu UNDP-GEF Executive Coordinator, UNDP		08/29/2017	John O'Brien, Regional Technical Advisor, Climate Change Mitigation	+90 850 288 2601	John.obrien@undp.org

C. ADDITIONAL GEF PROJECT AGENCY CERTIFICATION (APPLICABLE ONLY TO NEWLY ACCREDITED GEF PROJECT AGENCIES)

For newly accredited GEF Project Agencies, please download and fill up the required [GEF Project Agency Certification of Ceiling Information Template](#) to be attached as an annex to the PIF.

⁹ For regional and/or global projects in which participating countries are identified, OFP endorsement letters from these countries are required even though there may not be a STAR allocation associated with the project.

¹⁰ GEF policies encompass all managed trust funds, namely: GEFTF, LDCF, SCCF and CBIT