



REQUEST FOR CEO ENDORSEMENT/APPROVAL

PROJECT TYPE: Enabling Activity

THE GEF TRUST FUND

Submission Date: 22 March 2010

Re Submission: 27 April 2010

Re Submission: 02 June 2010

PART I: PROJECT INFORMATION

GEFSEC PROJECT ID: 3999

GEF AGENCY PROJECT ID: 4299

COUNTRY(IES): Brazil

PROJECT TITLE: Third National Communication to the UNFCCC

GEF AGENCY(IES): UNDP

OTHER EXECUTING PARTNER(S): Ministry of Science and Technology (MCT)

GEF FOCAL AREA(S): Climate Change

GEF-4 STRATEGIC PROGRAM(S): Enabling Activities

NAME OF PARENT PROGRAM/UMBRELLA PROJECT: N/A

Expected Calendar	
Milestones	Dates
Work Program (for FSPs only)	November 2009
Agency Approval date	July 2010
Implementation Start	November/30/10
Mid-term Evaluation (if planned)	November/30/12
Project Closing Date	November/30/14

A. PROJECT FRAMEWORK

Project Objective: To assist the Government of Brazil to perform the activities necessary to prepare the Third National Communication to the Conference of Parties in accordance with the UNFCCC.

Project Components	Indicate whether Investment, TA, or STA**	Expected Outcomes	Expected Outputs	GEF Financing ¹		Co-financing ²		Total (\$)
				(\$)	%	(\$)	%	
1. National GHG inventory 2000-2010	TA	The national GHG inventory 2000-2010 has been produced and time-series 1990-2000 have been refined for key emission sectors.	1.1 The national GHG inventory for the sectors: (i) energy; (ii) industry; (iii) agriculture; (iv) LULUCF; and (v) waste has been produced for the period 2000-2010; and time-series for the period 1990-2000 have been refined. 1.2 An analysis of key GHG emission categories has been carried out, an uncertainty analysis has been carried out and a QA/QC plan and a database of emission factors have been established.	2,400,000	47%	2,700,000	53%	5,100,000
2. National circumstances assessment and steps taken or envisaged to implement the UNFCCC in Brazil	TA	National circumstances, steps taken or envisaged, constraints and needs have been assessed as input for the implementation of the UNFCCC in Brazil.	2.1 National circumstances in Brazil have been assessed, taking into account development priorities, institutional arrangements and concerns that derive from CC effects. 2.2 Activities and CC measures to implement the UNFCCC in Brazil have been defined and described, including an assessment of needs and constraints.	350,000	47%	400,000	53%	750,000
3. Climate change and vulnerability assessment	TA	Sector and regional vulnerabilities to climate change have been assessed using improved methodologies and	3.1 The Brazilian global climate model "Global Model of the Climate System (MBSCG)" has been completed. 3.2 The regional climate in Brazil has been modeled using	1,950,000	45%	2,380,000	55%	4,330,000

		climate models.	the MBSCG in combination with global climate models from climate centers abroad, including simulation of relevant climate change scenarios. 3.3 Studies at a regional level using different climate change scenarios and impact assessments for key sectors have been carried out. 3.4 A mapping of regional and sector vulnerabilities to CC effects has been performed.					
4. Publication and promotion of national communication	TA	The Brazilian Third National Communication has been published and presented to the Government and national stakeholders.	4.1 National GHG inventories, publications and documents from the NC have been disseminated to the IPCC, national stakeholders and the general public. 4.2 The Third National Communication has been published and presented to the national Government. 4.3 A monitoring and evaluation programme has been designed and implemented.	600,000	55%	500,000	45%	1,100,000
Project management				420,000	45%	520,000	55%	940,000
Total Project Costs				5,720,000	47%	6,500,000	53%	12,220,000

¹ List the \$ by project components. The percentage is the share of GEF and Co-financing respectively of the total amount for the component.

² TA = Technical Assistance; STA = Scientific & Technical Analysis.

B. SOURCES OF CONFIRMED CO-FINANCING FOR THE PROJECT (expand the table line items as necessary)

<i>Name of Co-financier (source)</i>	<i>Classification</i>	<i>Type</i>	<i>Project</i>	<i>%*</i>
Government of Brazil	National Government	In-kind	6,500,000	100
	(select)	(select)		
Total Co-financing			6,500,000	100%

* Percentage of each co-financier's contribution at CEO endorsement to total co-financing.

C. FINANCING PLAN SUMMARY FOR THE PROJECT (\$)

	<i>Project Preparation a</i>	<i>Project b</i>	<i>Total c = a + b</i>	<i>Agency Fee</i>	<i>For comparison: GEF and Co-financing at PIF</i>
GEF financing	0	5,720,000	5,720,000	572,000	5,720,000
Co-financing	0	6,500,000	6,500,000		6,500,000
Total	0	12,220,000	12,220,000	572,000	12,220,000

D. GEF RESOURCES REQUESTED BY AGENCY(IES), FOCAL AREA(S) AND COUNTRY(IES)¹

<i>GEF Agency</i>	<i>Focal Area</i>	<i>Country Name/ Global</i>	<i>(in \$)</i>		
			<i>Project (a)</i>	<i>Agency Fee (b)²</i>	<i>Total c=a+b</i>
(select)	(select)				

Total GEF Resources			
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¹ No need to provide information for this table if it is a single focal area, single country and single GEF Agency project. ² Relates to the project and any previous project preparation funding that have been provided and for which no Agency fee has been requested from Trustee.

E. CONSULTANTS WORKING FOR TECHNICAL ASSISTANCE COMPONENTS:

<i>Component</i>	<i>Estimated person weeks</i>	<i>GEF amount(\$)</i>	<i>Co-financing (\$)</i>	<i>Project total (\$)</i>
Local consultants*	2.899 (GEF) 4.014 (total) ¹	2,440,000	700,000	3,140,000
International consultants*	26.5 (GEF)	53,000	0	53,000
Total	2,925.5	2,493,000	700,000	3,193,000

* Details to be provided in Annex C.

F. PROJECT MANAGEMENT BUDGET/COST

<i>Cost Items</i>	<i>Total Estimated person weeks/months</i>	<i>GEF amount (\$)</i>	<i>Co-financing (\$)</i>	<i>Project total (\$)</i>
Local consultants*	416 (GEF) 1,044 (total)	312,000	520,000	832,000
International consultants*		0	0	0
Office facilities, equipment, vehicles and communications*		100,000	0	100,000
Travel*		8,000	0	8,000
Others**		0	0	0
Total	1,044	420,000	520,000	940,000

* Details to be provided in Annex C.

** For others, it has to clearly specify what type of expenses here in a footnote.

G. DOES THE PROJECT INCLUDE A “NON-GRANT” INSTRUMENT? yes no

(If non-grant instruments are used, provide in Annex E an indicative calendar of expected reflows to your agency and to the GEF Trust Fund).

H. DESCRIBE THE BUDGETED M & E PLAN:

Monitoring and Evaluation (M&E) will take place in line with UNDP/GEF guidelines. The following table gives a tentative distribution of the budget over the main items:

Budget allocation M&E		
<i>Item</i>	<i>GEF funding</i>	<i>Cofinancing (GoB)</i>
Inception Workshop	US\$ 34,000	US\$ 0
Final External Evaluation	US\$ 50,000	US\$ 0
Annual audits	US\$ 16,000	US\$ 0
TOTAL BUDGET	US\$ 100,000	US\$ 0

Given the continuous basis for the NCs, no mid-term evaluation is scheduled.

¹ Based on a fee of US\$ 628 per week for the consultants paid for by national co-financing.

PART II: PROJECT JUSTIFICATION:

A. STATE THE ISSUE, HOW THE PROJECT SEEKS TO ADDRESS IT, AND THE EXPECTED GLOBAL ENVIRONMENTAL BENEFITS TO BE DELIVERED:

The commitments² of developing countries, including Brazil, as Parties to the UNFCCC establish common obligations for all Parties taking into account the common but differentiated responsibilities of countries and their specific national and regional development priorities, objectives and circumstances. Developing countries Parties will provide the UNFCCC with adequate information on the status of implementation of such obligations³. National communications are required to include an inventory of net anthropogenic emissions of GHGs not included in the Montreal Protocol, and a general description of the steps taken or envisaged to implement the Convention in the country. The present proposal to request resources from GEF to implement the Third National Communication (TNC) in Brazil fits within the described context and is prepared in accordance with UNFCCC guidance.

The first UNDP/GEF Enabling Activity (EA) allowed Brazil to prepare its Initial National Communication (FNC), which focused mainly on the preparation of a detailed inventory of GHG emissions and a general description of steps taken or envisaged to implement the Convention. The FNC assessed the most important sources and sinks of GHG in Brazil from the sectors: (i) energy, (ii) agriculture and livestock, (iii) industry, (iv) land use change and forestry (LUCF); and (v) waste treatment.

The first FNC project has been fundamental to build capacity in the country: more than 150 institutions and 700 experts from different sectors and regions of Brazil were engaged in the Project. The Ministry of Science and Technology, responsible for its implementation, succeeded in organizing a “country team” including specialists in charge of assessing data and verifying the quality of the information provided by the institutions involved. The second EA Project (SNC) extended the coverage of the annual Brazilian Inventory of anthropogenic emissions and removals of GHG to the period 1990-2000, focusing on sectors/gases that have a significant share of GHG emissions and/or present a large degree of uncertainty. It further enlarged the scale and scope of the required activities, including vulnerability and adaptation (V&A) assessment; carried out studies on possible V&A measures; applied downscaling methodologies of global circulation models using a regional climate model; and enhanced the institutional capacity for implementing the Convention in Brazil. The SNC is currently under completion and will expectedly show a considerable increase in the number of institutions and experts involved⁴ and prove to be essential for the continuation of the “country team” approach⁵.

Even if the FNC and SNC cover all sectors indicated by the IPCC, emphasis has already been given to the sectors that are believed to require intensive, country-specific research. In the case of Brazil, these sectors have predominantly been identified in relation to land use, LULUCF and agriculture. The uncertainty in both activity data and emission factors for these sectors is very large due to a general lack of data and an inadequate knowledge about the underlying processes. The proposed Third National Communication Project (TNC) will endeavor to acquire a more profound understanding of the driving forces behind the GHG emissions related to land use, LULUCF as input for the design of adequate development policies and policy instruments. The TNC represents a strategic asset for the Government of Brazil to produce reliable input information for the elaboration of adaptation strategies based on a more precisely focused vulnerability assessment in the key sectors.

Technical-scientific aspects

² As described under paragraph 1 of Article 4 of the Convention. One of the main commitments is to develop, periodically update, publish and make available to the Conference of the Parties, inventories of anthropogenic emissions by sources and removals by sinks of all greenhouse gases (GHGs) not controlled by the Montreal Protocol.

³ As called for under Article 12.1.

⁴ A consolidated list of the institutions and experts that took part in the preparation of the SNC is not yet available, given the fact that the SNC will expectedly be completed end 2010.

⁵ Which is in line with UNFCCC decision 2/CP. 7, paragraphs 1 (c), 3, 4 and 5 of decision 6/CP.7, and decision 6/CP.8

The proposed Third National Communication EA Project envisages extending coverage to the period 2000-2010⁶ and improving the existing time-series from the previous NCs (1990-2000) for key sectors. GEF will be assigned for providing STA to enhance its ongoing R&D programme on climate and climate impact modelling. Two models under development in Brazil are the Brazilian Global Model of the Climate System (MBSCG) and the Eta-CPTEC regional model, which have already been used under the SNC. Progress on the MBSCG would allow the owner, the National Institute for Space Research (INPE) to participate at the IPCC AR5 and perform climate change projections. Under the TNC it is envisaged to operate an enhanced version of the Eta-CPTEC model forced with at least 4 global climate models, including the MBSCG. It is expected that the results will fill the gaps in the existing scenarios, reduce error margins and increase the spatial resolution from 40x40 km² to 20x20 km². This will improve the detail of projections for mountain regions and valleys needed for impacts assessments.

The coupling of the Eta-CPTEC regional climate model with impact models provides insight in the evolution of variables (e.g. crop productivity, crop disease, energy production, and human health) under different climate change scenarios. Different from the SNC, the identification of adaptation options under the TNC will not only be based on biophysical impacts but also on the human aspects of climate change. In function of the vulnerability assessment of identified sectors, application models will be enhanced for improved analysis⁷. As a result of more accurate and sector-specific information, response measures can be designed and implemented in a more focused and cost-effective manner. This knowledge is extremely relevant for Brazil, but can expectedly be applied as well to other countries in Latin America, the Caribbean and Africa.

GEF support is instrumental for delivering the envisaged sector V&A assessments under the TNC. It pursues to improve the performance and accuracy of downscaling methodologies for GCM climate models applied to Brazil, which will enable reducing uncertainties in V&A assessments in different sectors. Brazil's description of national circumstances will be updated, as well as the steps taken or envisaged to implement the Convention in the country. Finally, the project will enhance the present institutional capacity and include activities related to education and awareness building.

It must be noted that the time gap between the FNC and the SNC adversely affected the process of preparation of NCs in Brazil. The breakdown of the established team not only caused further delay in the finalization of the FNC, but also made it impossible to provide adequate support to keep on-going projects afloat. In spite of Brazil's own contributions, additional financial support through GEF Enabling Activities is still needed to guarantee the successful implementation of the UNFCCC in the country. The timely approval of the present proposal aimed at preparing the Third National Communication to the UNFCCC for Brazil is expected to prevent this situation from being repeated. In terms of project management it is worth highlighting that UNDP-Brazil set up a Technical and Legal Supervision Unit for the preparation of the SNC, which proved highly effective. This unit should be strengthened and expanded under the Third National Communication in Brazil.

The proposed Enabling Activity Project will assist the Government of Brazil to perform the activities necessary to prepare the Third National Communication to the Conference of Parties in accordance with the UNFCCC. The project comprises four main components with related outcomes, outputs, activities and sub-activities:

- I. National GHG inventory 2000-2010;
- II. National circumstances assessment and steps taken or envisaged to implement the UNFCCC in Brazil;
- III. Climate change and vulnerability assessment; and
- IV. Publication and promotion of national communication.

The TNC Project builds forth on the results of the First and Second National Communication and created human and institutional capacities in Brazil and will benefit from recent knowledge and methodologies. Being an Enabling Activity, no direct environmental benefits are associated to the proposed Project. The Project will generate indirect local and global environmental benefits through the studies and information that will be the basis for efforts to reduce GHG emissions as well as to adapt and to increment resilience to climate change impacts. The enhanced inventory of GHG

⁶ The FNC covered the inventory of anthropogenic GHG emissions over 1990-1994; the SNC will cover the period 1990-2000.

⁷ Please note that the relation between climate change and human livelihoods is a key research area of the Brazilian Climate Change Network (Rede Clima) led by the MCT. It has recently been adopted as a new field of study by the INPE. Expectedly many research groups and institutions involved in Brazil's TNC will also work with foreign counterparts on the development of new impact and applications models developed under the Rede Clima, which will contribute to the quality of the TNC.

sources and sinks will serve as input to devise more efficient and effective policies and new legislation at the Federal and state levels.

B. DESCRIBE THE CONSISTENCY OF THE PROJECT WITH NATIONAL AND/OR REGIONAL PRIORITIES/PLANS:

The Government of Brazil is seriously concerned with the problem of climate change, considering that it is an important issue for the future generations of all nations. Despite other overriding socioeconomic priorities, Brazil has played a leading role in the international discussions and scientific assessment of climate change, as well as in setting up an international institutional framework.

Brazil has already initiated a number of projects, programs and policy measures to monitor and prevent climate change. There are a number of governmental programs and initiatives in Brazil that are resulting in important reductions in the emission of greenhouse gases. Some of them are responsible for Brazil having a comparatively “clean” energy matrix, with low levels of greenhouse gas emissions per unit of energy produced or consumed. Initiatives in other sectors, such as supporting renewable energy, biofuels and energy efficiency, are also helping to lower the curve of greenhouse gas emissions in Brazil. Brazil adopted its National Plan on Climate Change in December 2008, which defines actions and measures aimed at mitigation and adaptation to climate change.

Federal Law No. 12,144 (December 9 2009) established the Brazilian Climate Change Fund to financially support mitigation and adaptation action using resources from the oil royalties. Federal Law No. 12,187 (December 29, 2009) provides the principles, objectives, guidelines and implementation mechanisms of the Brazilian Climate Change Policy. This Law is a milestone since it creates a legal basis for actions were already being implemented by the Federal Government and for developing further policies by the Federal, state and local Governments. The Law establishes a voluntary goal to reduce Brazil’s GHG emissions in the range 36.1%-38.9% compared to its projected emissions for 2020. The national inventory proposed under the TNC will have to provide the required input data to calculate the projected emission levels, as well as the reductions that can be achieved by appropriate measures across the key sectors involved.

Therefore, the Third National Communication will be an important tool for the decision making process. The refined and updated inventory will provide a more reliable initial basis for the planning of future mitigation actions, to determine trends in emissions growth and to estimate reductions resulting from domestic action.

C. DESCRIBE THE CONSISTENCY OF THE PROJECT WITH [GEF STRATEGIES](#) AND STRATEGIC PROGRAMS:

This project has been prepared according to UNFCCC guidelines for National Communications (the project brief is in accordance with Decision 17/CP. 8 - guidelines for the preparation of national communications from Parties not included in Annex I to the Convention). According to the Climate Change Focal Area Strategy and Strategic Programming for GEF-4, enabling activities will continue to be financed by the GEF, as national communications represent an obligation of non-Annex I parties under the UNFCCC.

Decision on “Additional Guidance to the GEF” that was adopted by the 14th Conference of the Parties to the UNFCCC requests the GEF “to ensure, as a top priority, that sufficient financial resources are provided to meet the agreed full costs incurred by developing country Parties in complying with their obligations under the Article 12, paragraph 1, of the Convention, noting and welcoming that a number of Parties not included in the Annex I (non-Annex I Parties) plan to initiate the preparation of their third or fourth national communications by the end of the fourth replenishment of the Global Environmental Facility (GEF 4).”

D. JUSTIFY THE TYPE OF FINANCING SUPPORT PROVIDED WITH THE GEF RESOURCES.

GEF assistance in the form of grant money is requested to enable Brazil embark on the preparation of the TNC to the UNFCCC. The type of work involved is technical-scientific and does not provide opportunities to obtain in-cash financial returns. For this reason, access to other forms of financing (i.e. soft loans) are deemed inappropriate.

Please refer to section C of this document and article 4.3 of the UNFCCC which specifies that the GEF shall support the agreed full cost of the preparation of national communications.

E. OUTLINE THE COORDINATION WITH OTHER RELATED INITIATIVES:

The TNC will collaborate with several other initiatives, including the approved GEF project “Strengthening National Policy and Knowledge Frameworks in Support of Sustainable Management of Brazil's Forest Resources” which aims at collecting and analyzing data on land use and land-use change with respect to forestry with a view to developing national capacity and policies, regulations and other measures that will reduce land-use changes that lead to carbon emissions. It is envisaged to start the TNC immediately after ending of the SNC (presumably by the end 2010). This would allow the Ministry to preserve the existing institutional arrangements and anticipate on the work and the planning thereof under the TNC.

The proposed Enabling Activity project will provide the necessary information on GHG emissions for all relevant sectors of the national economy. As such, it will establish baseline information as input for initiatives within UNDP’s portfolio that contribute to curbing - directly or indirectly- GHG emissions. Relevant projects include: Sugarcane Renewable Electricity; Fuel-Cell Bus, Energy Efficiency in Buildings; Renewable CO2 Capture and Storage from Sugar Fermentation Industry in Sao Paulo State; and other initiatives under implementation.

F. DISCUSS THE VALUE-ADDED OF GEF INVOLVEMENT IN THE PROJECT DEMONSTRATED THROUGH INCREMENTAL REASONING :

In the default scenario, without GEF intervention, climate change activities in Brazil would be limited to the financial resources allocated in the Brazilian budget, which are not sufficient to allow the implementation of the UNFCCC in the country at the desired pace. The domestic resources available for the Climate Change Program are limited and do not allow for a comprehensive collection of emission data in all the identified, relevant sectors. In the absence of the GEF TNC Enabling Activity, the network of experts and institutions involved in the NCs cannot be continued at the present scale, which would imply a great loss of institutional capital already built. Given the scope of work to be done to implement the Convention in Brazil, the existing impetus should be maintained.

Without GEF support, proposed government co-financing resources would be maintained for Climate Change activities, but presumably be focused on national priorities (mainly in the economic domain). As a result, there would be less attention for data collection and for the analysis and design of policies to support the generation of global and environmental benefits. In particular, the research work by individual institutions would not reach the level of synthesis able to induce policy reforms, but likely remain technical and more fragmented.

GEF support allows integrating the required activities under the mechanism of UNFCCC NCs, which enhances the visibility and impact of the findings at the national level and guarantees an efficient communication with the international community.

G. INDICATE RISKS, INCLUDING CLIMATE CHANGE RISKS, THAT MIGHT PREVENT THE PROJECT OBJECTIVE(S) FROM BEING ACHIEVED AND OUTLINE RISK MANAGEMENT MEASURES:

No major risks have been identified to implement the proposed TNC Enabling Activity since the Government of Brazil is strongly committed to its obligations under the international agreements on Climate Change and in particular to the reporting under the UNFCCC. The following issues are of some concern:

Risk	Likelihood	Risk Mitigation measure
1. Coordination with stakeholders: Coordination with stakeholders may cause delay since a large number of actors from different economic sectors of the society are involved.	Low/Medium	This risk will be minimized by building on the inter-sector agreements and institutional collaboration established during the implementation of the Second National Communication (SNC). Commitment from all stakeholders will be also maintained through effective coordination and communication between stakeholders and Government.

2. Access to supercomputers.	Low	An agreement between MTC and the Centre for Weather Forecast and Climate Studies has been established under SNC. A new supercomputer at INPE may become available during 2010.
3. Technical problems in the development of the Brazilian Global Model of the Climate System	Medium	Proper planning and supervision of technical-scientific development will help controlling this risk. Collaboration with institutions that have experience in global models will be key to overcome technical problems.
4. Difficulty in hiring qualified people	Low	The project can draw on a pool of national experts. Proper preparation of Terms of Reference and contracts should help minimizing delay due to this cause.
5. Limited political support to Climate Change issues	Low	This risk is deemed very low since Brazil has anchored its climate policy in national Law; and the NCs are elements in a continuous process.
6. Exchange rate risk	Medium	The exchange rate between the US dollar and the BR Real may decrease and/or fluctuate, potentially leading to a reduced value of GEF resources. This external risk has affected the performance of SNC. For the TNC, careful financial planning should help anticipate such situation.

H. EXPLAIN HOW COST-EFFECTIVENESS IS REFLECTED IN THE PROJECT DESIGN:

The design of the TNC draws on the experiences and results of the previous NCs; in particular, activities are focused on areas and sectors that have been identified as most relevant for the GHG balance in Brazil. A central element of the strategy to enhance the cost effectiveness of the TNC Project is the capitalization on working relations built during the First and Second NCs, and on existing experience with climate change within national institutions. The Technical and Legal Supervision Unit, which was set up by UNDP-Brazil for the preparation of the SNC, will be continued to: (a) ensure the elaboration of detailed TORs for the activities to be performed; (b) ensure appropriate flow of information; and (c) coordinate institutional arrangements between with different project partners. The Unit will collaborate closely with the Ministry of Science and Technology to ensure an effective project implementation.

PART III: INSTITUTIONAL COORDINATION AND SUPPORT

A. INSTITUTIONAL ARRANGEMENT:

Brazil invited UNDP to act as GEF Implementing Agency for the development of the TNC project. UNDP will assist Brazil for the entire project length to implement the activities set forth and will monitor and supervise the project on behalf of the GEF. UNDP will be the sole implementing agency involved. On behalf of the Government of Brazil, the Ministry of Science and Technology will act as the Executing Agency to coordinate and implement project activities.

B. PROJECT IMPLEMENTATION ARRANGEMENT:

The TNC Enabling Activity Project will be executed by the General Coordination on Global Climate Change (GCGCC) at the Ministry of Science and Technology under the National Execution modality (NEX). The Ministry of Science and Technology will be responsible for the technical implementation of the project as a whole. The Ministry of Science and Technology is the technical focal point for climate change issues in Brazil and holds the responsibility for preparing the National Communications to the UNFCCC; the MCT further holds the presidency of the Designated National Authority

of the CDM in Brazil. Given the size and complexity of the project, MCT's GCGCC will coordinate the project activities. Partnerships between key partners will be facilitated and new partnerships encouraged, especially in areas not sufficiently addressed by the SNC.

A Project Steering Committee (PSC) including the government - through the Brazilian Cooperation Agency – MCT and UNDP will be constituted at project inception. The Project Director will be a senior staff member of the Government executing agency and will be responsible at the highest level for ensuring that the project implementation follows national policy and standards. He/she will chair the PSC and represent the project at annual tripartite meetings. He/she will also represent the project at high-level national and international meetings and will keep the Minister of the Science and Technology updated on project advances and challenges as needed. This is a part-time position continuing for the duration of the project, reporting directly to the PSC. A Project Management Unit (PMU), headed by a National Project Coordinator will be responsible for the overall coordination of the Project. He/she will be assisted by a Technical Project Supervisor.

PART IV: EXPLAIN THE ALIGNMENT OF PROJECT DESIGN WITH THE ORIGINAL PIF:

The project design is fully aligned with the non-Annex I reporting commitments under the UNFCCC. Moreover, it is in accordance with the current guidelines defined in Decision 17/CP.8 of the UNFCCC and also with Decision 8/CP.11 (periodicity of submission of National Communications from non-Annex I Parties).

A few changes into the project document (in comparison to the approved PIF) were made. They reflect responses to the suggestions made by the STAP on component 1, including the use of IPCC LULUCF Good Practice Guidance, 2003; Key Category Analysis; and activities to reduce uncertainty and estimate the uncertainty of GHG emissions.

In addition, further information was included into the Project Document, without deviation from original PIF. They relate to: (i) inclusion of activities for each output in a workplan (including LULUCF), which gives a better idea of the steps that need to be taken for achieving the objective of the project and the new information to be gathered by the TNC; and (ii) the refinement of the outputs of the component on Methodological Approach Regarding Vulnerability Assessment and Adaptation Measures. The refined outputs and related activities will allow for the development of regional climate change scenarios at a higher spatial resolution, and with quantification of uncertainties in the climate change projections generated from different lateral boundary conditions and perturbed members of regional model.

PART V: AGENCY(IES) CERTIFICATION

This request has been prepared in accordance with GEF policies and procedures and meets the GEF criteria for CEO Endorsement.

Agency Coordinator, Agency name	Signature	Date (Month, day, year)	Project Contact Person	Telephone	Email Address
John Hough UNDP/ GEF Officer-in-Charge		June 02, 2010	Oliver Page Climate Change Regional Technical Advisor UNDP/GEF Panama City, Panama	507- 3024548	Oliver.page@undp.org

ANNEX A: PROJECT RESULTS FRAMEWORK

This project will contribute to achieving the following Country Programme Outcomes as defined in CPAP or CPD: MYFF03 - Public policies with increased mainstreaming and crosscutting of the environmental dimension					
Country Programme Outcome Indicators: MYFF03 - Studies to implement public policy conducted on types of environmental impacts caused by economic activities					
Primary applicable Key Environment and Sustainable Development Key Result Area : 1. Mainstreaming environment and energy					
Applicable GEF Strategic Objective and Program: CC Enabling Activity					
Applicable GEF Expected Outcomes: National Communications					
Applicable GEF Outcome Indicators: National Communication					
	Indicator	Baseline	Targets End of Project	Source of verification	Risks and Assumptions
Project Objective⁸ To assist the Government of Brazil to perform the activities necessary to prepare the Third National Communication to the Conference of Parties in accordance with the UNFCCC.	(A) National GHG inventory for the sectors: (i) energy; (ii) industry; (iii) agriculture; (iv) LULUCF; and (v) waste for 2000-2010 produced; and time-series 1990-2000 refined; (B) Publication of formal communication on national circumstances to the UNFCCC; (C) Publication of Third National Communication; (D) Building institutional capacity in Brazil for education, training and public awareness related to climate change.	(A) SNC; (B) SNC; (C) SNC; (D) SNC.	(A) TNC; (B) TNC; (C) TNC; (D) TNC.	Project evaluation, official reports to the UNFCCC	Risks: No major risks have been identified in the implementation of this project since the Government of Brazil is strongly committed to its obligations under the international agreements on Climate Change and in particular to the reporting under the UNFCCC ⁹ . Assumptions: The Government maintains its support to implement the UNFCCC in Brazil.
Outcome 1¹⁰ The national GHG inventory 2000-2010 has been produced and time-series 1990-2000 have been refined for key emission sectors.	(A) National GHG inventory for the sectors: (i) energy; (ii) industry; (iii) agriculture; (iv) LULUCF; and (v) waste; for 2000-2010 produced and time-series 1990-2000 refined; (B) QA/QC plan for GHG emission data per sector; (C) Database of emission factors and activity data.	(A) GHG inventory available for period 1990-1994 (FNC) and 1990-2000 (SNC); (B) QA/QC pilot has been designed and implemented under SNC; (C) Pilot database available under the SNC.	(A) GHG inventory available for the period 1990-2010, including refinement of time-series 1990-2000; (B) Analysis of key GHG emission categories and uncertainty analysis available, and a QA/QC plan established; (C) Data base of emission factors available.	Status of the preparation of the inventory report	Risks: (1) Coordination with stakeholders may cause delay since a large number of actors from different economic sectors of the society are involved. (2) Difficulty in hiring qualified people. Assumptions: (1) TNC will benefit from experience gained with FNC and SNC; (2) Project can draw on a pool of experts; (3) The Government maintains its support to implement the UNFCCC in Brazil.
Outcome 2 National circumstances, steps taken or envisaged, constraints and needs have been assessed as input for the implementation of the UNFCCC in Brazil.	(A) Assessment of national circumstances in Brazil; (B) Assessment of constraints and needs to implement the Convention in Brazil; (C) Identification of	(A) SNC (data until 2005); (B) SNC (data until 2005); (C) SNC (data until 2005); (D) SNC (preliminary SNC results made public by April 2010).	(A) TNC (data until 2013); (B) TNC (data until 2013); (C) TNC (data until 2013); (D) TNC (preliminary TNC results made public by April 2013).	Status of the report preparation	Risks: (1) Limited political support to Climate Change issues; (2) Difficulty in hiring qualified people. Assumptions: (1) TNC will benefit from experience gained with FNC and SNC; (2) Project can draw on a pool of experts; (3) The Government maintains its support to

⁸ Objective (Atlas output) monitored quarterly ERBM and annually in APR/PIR

⁹ A potential implementation risk exists due to the reduced value of the US Dollar (USD) compared to the Real (BRL). It is worth mentioning that the SNC was negotiated with the USD value at 3 BRL. During project implementation, its value fell to 1.85 BRL. The USD depreciation and/or fluctuation could force adjustments to the project outputs and compromise project performance.

¹⁰ All outcomes monitored annually in the APR/PIR. It is highly recommended not to have more than 4 outcomes.

	activities and CC measures to implement the Convention in Brazil; (D) Publication of formal communication on national circumstances to the UNFCCC.				implement the UNFCCC in Brazil.
Outcome 3 Sector and regional vulnerabilities to climate change have been assessed using improved methodologies and climate models.	(A) Status of “Brazilian Global Model of the Climate System (MBSCG)”; (B) Detailed climate change scenarios based on MBSCG and regional Eta model; (C) Climate change impact assessment for key sectors (agriculture, water resources, energy, megacities and urban areas, biodiversity, human health); (D) Mapping of vulnerability of key sectors and regions to climate change impacts.	(A) SNC (no Brazilian Global model, only Eta/CPTEC regional model); (B) Limited climate change scenarios generated under SNC; (C) Limited CC impact assessment has been prepared under SNC; (D) Inadequate insight in key V&A sectors due to limitations of data and methodologies under SNC.	(A) MBSCG developed and Eta/CPTEC model improved with higher resolution for a larger domain; (B) Higher number (at least 4) climate change scenarios generated under TNC; (C) Improved CC impact assessment has been prepared under TNC; (D) Improved insight in key V&A sectors due to improved data and methodologies under TNC.	Status of the development of the MBSCG and improvement of Eta/CPTEC model	Risks: Several minor risks have been identified: (1) complex coordination with stakeholders may cause project delays; (2) access to supercomputers; (3) delay to generate regional climate change scenarios; (4) technical problems during the completion of the Brazilian Global Model of the Climate System; (5) delays in the preparations of reports. Assumptions: The Government maintains its support to implement the UNFCCC in Brazil.
Outcome 4 The Brazilian Third National Communication has been published and presented to the Government and national stakeholders.	(A) Sharing of project outputs (reports, GHG inventories, website); (B) Publication of Third National Communication; (C) Final Evaluation Report.	(A) Project outputs not produced; (B) Preliminary SNC results made public (April 2010); (C) No FEV.	(A) Project reports, GHG inventories and website updated and published; (B) TNC has been finalized and presented to the GoB; (C) FEV completed.	Project reports (TNC, evaluation report)	Risks: No specific risks have been identified. Assumptions: (1) The Government maintains its support to implement the UNFCCC in Brazil; (2) project stakeholders correctly understand UNDP/GEF M&E principles.

ANNEX B:

RESPONSES TO PROJECT REVIEWS (from GEF Secretariat and GEF Agencies, and Responses to Comments from Council at work program inclusion and the Convention Secretariat and STAP at PIF)

STAP Comments:

STAP commends the work of Brazil for initiating Third National Communication, as it is completing the SNC. We also welcome Brazil's work in proposing very intensive studies on GHG inventory, vulnerability and adaptation and in particular the focus on regional modelling. A few minor suggestions could be considered.

- IPCC LULUCF Good Practice Guidance, 2003: We presume that Brazil will use GPG approach to land use sectors, given the importance of land use sectors for Brazil.
- It will be good to highlight the limitations of and lessons learnt from preparation of National Communications observed during FNC and SNC.
- We presume that Brazil will carry out Key Category Analysis based on FNC and SNC to identify the key categories for inventory estimation. We also recommend adoption of higher tiers for the key categories.
- Given the technical capacity of Brazil we suggest attempts to reduce uncertainty and estimate the uncertainty of GHG emission estimation.
- We hope that by the time TNC is complete sustained institutional arrangements and capacity will be established for GHG inventory and vulnerability assessments.

Responses to STAP:

All STAP comments were addressed at the Project Document, as follows:

- The assumption is correct and was detailed in outcome 1.1;
- In general, the lessons learnt from previous processes were included into project design. The main lesson learned is that participation of relevant national institutions into inventory data collection is crucial for project's success. Thus, the TNC counts with all relevant national institutions and stakeholders.
- The assumptions is correct and was detailed in outcome 1.2;
- The suggestions has been accepted and two new outputs were included under outcome 1.2 for this purpose;
- It must be recalled that in Decision 8/CP.11, Parties to the UNFCCC recognized that "the submission of national communications is very important for Parties to better understand climate change issues", "and that the preparation of national communications is a continuing process". Brazil has been making all the steps to strengthen its national institutions and the capacity of necessary technical teams to undertake the GHG inventory and assessments. However, in accordance with Article 4.3 of the UNFCCC, "the developed country Parties and other developed Parties included in Annex II shall provide new and additional financial resources to meet the agreed full costs incurred by developing country Parties in complying with their obligations under Article 12, paragraph 1". Therefore, enabling activities will be financed by the GEF, as national communications represent an obligation of non-Annex I parties under the UNFCCC.

November 2009

FRENCH COMMENTS on November 2009 Work Program Submitted for GEF Council Approval

All the PIF analysed can go on the following step of project cycle; we suggest to provide answers or address issues raised in these comments.

Opinion: favourable

17. Brazil

UNDP

Third National Communication to the UNFCCC
(GEF Project Grant: \$5,720,000)

The project plans to support Brazil in the elaboration of its Third National Communication to UNFCCC. While the first NC focused on GHG inventory and the Second NC focused on regional modelling of climate as well as vulnerability and adaptation research studies, this Third NC aims at taking the process one step further with the elaboration of adaptation strategies based on more focused vulnerability assessments in key sectors and better understanding of the drivers of deforestation (analysis of the current land use in deforested areas).

As indicated for project 11 “National Communications to the UNFCCC”, the support to elaboration of National Communication falls under the obligation of the GEF as the financial mechanism of UNFCCC. Moreover, the focus of the Third NC on adaptation strategies and deforestation drivers appears relevant.

The PIF should explain nevertheless what is the rationale to provide specific countries a dedicated support through a dedicated project while other countries will be supported to elaborate their NC through a global collective project.

Response:

Appropriate response to this comment has been provided in Section F of this document.

ANNEX C: CONSULTANTS TO BE HIRED FOR THE PROJECT USING GEF RESOURCES

<i>Position Titles</i>	<i>US\$/ person week*</i>	<i>Estimated person weeks**</i>	<i>Budget (US\$)</i>	<i>Tasks to be performed</i>
For Project Management				
Local				
Project Technical Supervisor	US\$1,000	208	\$ 208,000	Overall supervision and juridical and technical guidance to the implementation of the project, in order all project activities are implemented according to the PRODOC, and that the Products produced in the scope of the project follow high technical standards and quality, being disseminated nationally and internationally
Technical Advisor on Implementation	U\$500	208	\$ 104,000	Provide technical advise to the implementation of the project through follow-up of activities of the climate change projects, in order project's activities are complementary and according to pertaining legislation, rules and procedures.
Total		416	\$ 312,000	
International				
None				
Justification for Travel, if any: Supervisory missions are not included in the subtotals above; additional resources are necessary to undertake those activities, as reflected in the project budget. The projects cover practically all the Brazilian territory which is of continental dimensions, with huge distances and high travel costs. Given that the Project's team is based in Brasilia, missions are necessary to monitor the work undertaken by main partners collaborating in the project. To estimate travel costs, the implementation of the SNC was taken as basis. Plane ticket prices vary according to seasonal availability. Prices used are based on the average price of the most economical routes from state capitals to state capitals.				
For Technical Assistance				
Local				
Report Technical Advisor	US\$817.3	208	\$ 170,000	Provide technical advise to the Project in order project's activities are better implemented through the improvement of technical reports. The technical adviser will ensure that the project's deliverables are successfully achieved, following up with consultants on reporting dates and necessary technical revisions.
Inventory General Coordinator	US\$ 1,250	104	\$130,000	Overall responsibility of the elaboration of the inventory in different sectors, in order to ensure that project activities are implemented according to the PRODOC, and that the inventories produced in the scope of the project follow high technical standards

				and quality, being disseminated nationally and internationally.
Technical Advisor on Inventory of the Energy Sector	US\$1,036	86	\$89,096	Provide technical advice to the elaboration of the inventory for the energy sector, in order to ensure that project activities are implemented according to the PRODOC, and that the inventory produced in the scope of the project follow high technical standards and quality, being disseminated nationally and internationally.
Technical Advisor on Inventory of the Industry Sector	US\$1,036	52	\$53,872	Provide technical advice to the elaboration of the inventory for the industry sector, in order to ensure that project activities are implemented according to the PRODOC, and that the inventory produced in the scope of the project follow high technical standards and quality, being disseminated nationally and internationally.
Technical Advisor on Inventory of the Agricultural Sector	US\$1,036	86	\$89,096	Provide technical advice to the elaboration of the inventory for the agricultural sector, in order to ensure that project activities are implemented according to the PRODOC, and that the inventory produced in the scope of the project follow high technical standards and quality, being disseminated nationally and internationally.
Technical Advisors on Inventory of the LULUCF	US\$1,036	265	\$274,540	Provide technical advice to the elaboration of the inventory for the land-use change and forestry sector, in order to ensure that project activities are implemented according to the PRODOC, and that the inventory produced in the scope of the project follow high technical standards and quality, being disseminated nationally and internationally.
Technical Advisor on Inventory of the Waste Sector	US\$1,036	86	\$89,096	Provide technical advice to the elaboration of the inventory for the waste sector, in order to ensure that project activities are implemented according to the PRODOC, and that the inventory produced in the scope of the project follow high technical standards and quality, being disseminated nationally and internationally.
Technical Advisor of Key Category Analysis and Quality Assurance and Quality Control Plan	US\$586.54	208	\$122,000	Develop and Implement a Key Category Analysis and Quality Assurance and Quality Control Plan

Technical Advisor on National Circumstances	US\$723.22	112	\$81,000	Provide technical advice to the elaboration of the national circumstances
Technical Advisors on the steps taken or envisaged to implement the UNFCCC in Brazil	US\$519.23	104	\$54,000	Provide technical advice to the elaboration of the steps taken or envisaged to implement the UNFCCC in Brazil
Technical Advisors on the development of the Brazilian Global Model of the Climate System (MBSCG)	US\$869.92	236	\$205,300	Provide technical advice on global climate change models to the development of the Brazilian (MBSCG)
Technical Advisors on Regional Modeling	US\$859.62	520	\$447,000	Provide technical advice on the development and improvement of the Eta-CPTEC regional model, with increased resolution
Technical Advisors on Vulnerability and Adaptation Assessment on different sectors	US\$953.13	320	\$305,000	Provide technical advice to carry out studies of vulnerability and adaptation in different sectors using different regional climate change projections
Technical Advisor on Vulnerability Mapping	US\$ 937.50	96	\$90,000	Provide technical advice for the elaboration of vulnerability analysis and generation of maps, under various emission scenarios and time slices, in GIS format.
Translator	US\$576.92	208	\$120,000	Provide translation services
IT Specialist	US\$576.92	208	\$120,000	Provide information technology (IT) services
Total		2,899	\$2,440,000	
International				
Independent consultant	US\$2,000	21.5	43,000	Final evaluator
Technical Advisor on Global Climate Change Models	US\$2,000	5	10,000	Provide technical advice on global climate change models to the development of the Brazilian (MBSCG)
Total		26.5	\$53,000	
Justification for Travel, if any: The costs of travel are not included in the honoraria of the local consultants, but rather on contractual services. For estimation, the implementation of the SNC was taken as basis. Costs take into account that the projects cover practically all the Brazilian territory which is of continental dimensions, with huge distances and high travel costs. Plane ticket prices vary according to seasonal availability. Prices used are based on the average price of the most economical routes from state capitals to state capitals.				

* Provide dollar rate per person week. ** Total person weeks needed to carry out the tasks.

ANNEX D: STATUS OF IMPLEMENTATION OF PROJECT PREPARATION ACTIVITIES AND THE USE OF FUNDS

A. EXPLAIN IF THE PPG OBJECTIVE HAS BEEN ACHIEVED THROUGH THE PPG ACTIVITIES UNDERTAKEN.

No PPG funding has been requested from the GEF for preparing this proposal.

B. DESCRIBE FINDINGS THAT MIGHT AFFECT THE PROJECT DESIGN OR ANY CONCERNS ON PROJECT IMPLEMENTATION, IF ANY:

Not Applicable

C. PROVIDE DETAILED FUNDING AMOUNT OF THE PPG ACTIVITIES AND THEIR IMPLEMENTATION STATUS IN THE TABLE BELOW:

<i>Project Preparation Activities Approved</i>	<i>Implementation Status</i>	<i>GEF Amount (\$)</i>				<i>Co-financing (\$)</i>
		<i>Amount Approved</i>	<i>Amount Spent To date</i>	<i>Amount Committed</i>	<i>Uncommitted Amount*</i>	
Not applicable	(Select)					
	(Select)					
	(Select)					
	(Select)					
	(Select)					
	(Select)					
	(Select)					
	(Select)					
Total						

* Any uncommitted amounts should be returned to the GEF Trust Fund. This is not a physical transfer of money, but achieved through reporting and netting out from disbursement request to Trustee. Please indicate expected date of refund transaction to Trustee.

ANNEX E: CALENDAR OF EXPECTED REFLOWS

No reflows of funds are foreseen under this Project.