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United Nations Development Programme

GCF Readiness Programme Support/ Initiation Plan

Project title: Preparation of Bhutan's NDC 3.0 and enhanced strategies, systems and in-country capacities to achieve its climate objectives and targets.	
Country: Bhutan	
Management Arrangements: Direct Implementation Modality (DIM). **Implementing Partner**: UNDP CO	
UNDAF/Country Programme Outcome (s)*:* Outcome 1. By 2028, Bhutan has sustainable and diversified economic growth, decent employment and livelihoods and shared prosperity	
UNDP Strategic Plan Output: Output 1.1. Innovative policy and regulatory frameworks strengthened for inclusive green economy and smooth least developed country graduation	
UNDP Gender Marker: Gen 2	
Quantum Award ID number: 1382790	**Quantum Project ID number: 01004329**
UNDP-GCF PIMS ID number: 10137	
Planned start date: 24 March 2025 (GCF Notification Letter date)	**Planned end date:** 24 June 2027 (24 months + 3 months of grace)
Brief project description: The proposal aims to support the Government of Bhutan in maintaining its carbon-neutral status and achieving long-term climate resilience objectives in alignment with the 13th Five-Year Plan (FYP). This will be accomplished by institutionalizing and strengthening national capacities to update, revise, and implement key GCF-related climate strategies— including the LT-LEDS, NDC, and TNA—ensuring alignment with evolving emissions trends and national priorities for mitigation and adaptation. Additionally, the proposal seeks to develop robust financing and investment strategies to effectively achieve Bhutan's climate goals. **Key results:** • Updating the LT-LEDS to reflect the latest GHG emissions trends and align with national mitigation and adaptation priorities. • Revising NDC 2.0 to incorporate updated emissions data and strengthen its alignment with Bhutan's climate goals. • Developing a comprehensive financing and investment strategy for implementing the LT-LEDS and NDC, including mechanisms for private sector engagement. • Updating the TNA to enhance Bhutan's climate ambition and integrate priority actions into the LT-LEDS and NDC.	

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- Strengthening institutional capacity to continuously update, implement, and monitor climate strategies, ensuring long-term sustainability and integration into national planning.

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<tr><td colspan="3">FINANCING PLAN</td></tr>
<tr><td>GCF grant</td><td colspan="2">USD 829,464.00 (without fee)</td></tr>
<tr><td>Total Budget administered by UNDP</td><td colspan="2">USD 829,464.00 (without fee)</td></tr>
<tr><td colspan="3">SIGNATURES</td></tr>
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Mohammad Younus
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Mr. Mohammad Younus

Resident Representative</td><td>Date/Month/Year:

23-Apr-2025</td></tr>
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Readiness Proposal

with the United Nations Development Programme (UNDP)

for the Kingdom of Bhutan

23 March 2025

GREEN CLIMATE FUND

Docusign Envelope ID: 1C826A32-201C-499E-A994-EF58665BD18E

Readiness and Preparatory Support

Proposal Template

Proposal title:	Preparation of Bhutan's NDC 3.0 and enhanced strategies, systems and in-country capacities to achieve its climate objectives and targets.
Country:	Bhutan
National Designated Authority:	Department of Macro-fiscal and Development Finance (DMDF), Ministry of Finance
Delivery Partner:	United Nations Development Programme (UNDP)
Date of first submission:	25 November 2024
Date of current submission:	27 January 2025
Version number:	Version #1

GREEN CLIMATE FUND

Docusign Envelope ID: 1C826A32-201C-499E-A994-EF58665BD18E

Before completing this proposal template, please read the revised **Readiness Guidebook** and learn how to access readiness resources under the GCF Readiness & Preparatory Support Programme.

Download the Readiness Guidebook

How to complete this template?

Before completing this proposal template, please carefully read the revised Readiness Guidebook.

This proposal template should be completed by the Delivery Partners and the National Designated Authorities (NDA) or Focal Points. Once completed, this document should be submitted to the GCF by the NDA or Focal Point via the **online submission system**, Fluxx, accessible through the Country Portal of the GCF website.

Before submitting, please delete all the instructions in the document in grey font.

Please be concise. If you need to include any additional information, please attach it to the proposal as an annex.

If the Delivery Partner implementing the Readiness support is not a GCF Accredited Entity for project Funding Proposals, please complete the Financial Management Capacity Assessment (FMCA) questionnaire and submit it to fmca@gcfund.org prior to or with this Readiness proposal.

How to get support to complete this template?

If you are not sure how to complete this document, or require support, please send an e-mail to countries@gcfund.org, copying both the Readiness Delivery Partner and the relevant GCF Regional Desk. Please refer to the Country Profiles page of the GCF website to identify the relevant GCF Regional Desk colleagues.

We will get back to you within five (5) working days to acknowledge receipt of your submission and discuss the way forward.

Docusign Envelope ID: 1C826A32-201C-499E-A994-EF58665BD18E

Section 1. Summary

1.1	**Country submitting the proposal**	Country name: Bhutan Name of institution representing NDA or Focal Point: DMDF, Ministry of Finance Name of contact person: Mr. Tshering Dorji Contact person's position: Director and NDA Telephone number: +975 17600755 Email: tsheringdorji@mof.gov.bt Full office address: Department of Macro-fiscal and Development Finance (DMDF), Ministry of Finance Post Box 127, Tashichhodzong, Thimphu, Bhutan Additional email addresses that need to be copied on correspondences: namgayd@mof.gov.bt tsheringchoden@mof.gov.bt
1.2	**Date of initial submission**	12 November 2024
1.3	**Last date of resubmission**	12 November 2024 **Version number** V. 1
1.4	**Institution that will implement the Readiness grant**	☐ National Designated Authority ☒ Delivery Partner Name of institution: United Nations Development Programme (UNDP) Name of official: Nancy Bennet Position: Executive Coordinator, a.i Vertical Funds Programming Support, Oversight & Compliance Hub Bureau for Policy and Programme Support (BPPS) Telephone number: +1 917-498-7221 Email: nancy.bennet@undp.org Full office address: UNDP, 918, FF-Building, 304 E45th Street, NY 10017, USA Additional email addresses that need to be copied on correspondences: stashi@moenr.gov.bt ljdorji@moenr.gov.bt mohammad.younus@undp.org khurshid.alam@undp.org lhap.dorji@undp.org sonam.rabgye@undp.org patricia.velasco@undp.org claudia.ortiz@undp.org nathaniel.pappoe@undp.org robin.merlier@undp.org nancy.bennet@undp.org
1.5	**Title of the Readiness support proposal**	Preparation of Bhutan's NDC 3.0 and enhanced strategies, systems and in-country capacities to achieve its climate objectives and targets.
1.6	**Readiness objectives of the proposal**	☐ Objective 1. Capacity Building ☒ Objective 2. Strategic frameworks

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	☐ Objective 3. Adaptation planning[1] ☐ Objective 4. Pipeline development ☐ Objective 5. Knowledge sharing and learning
1.7 Total requested amount and currency	USD 899,968.44
1.8 Implementation period[2]	24 months
1.9 Is this request a multiple-year strategic Readiness implementation request?[3]	☐ Yes ☒ No
1.10 Brief summary of the request	**i) Climate background and institutional and policy context:** Climate change significantly impacts Bhutan's priority sectors, posing challenges to agriculture, water resources, human health[4] and tourism. Although Bhutan has low emissions and remains carbon negative, there is a risk of increasing **greenhouse gases** (GHG) emissions, mostly linked to growth sectors, including industry, energy, forest and land use and agriculture. Institutionally, Bhutan has a strong climate governance framework. The Department of Environment and Climate Change (DECC) under the Ministry of Energy and Natural Resource (MOENR) oversees climate policy and ensures alignment with international commitments like the Paris Agreement. **ii) Problem statement:** Bhutan faces several challenges that may hinder its ability to achieve its climate ambitions and targets communicated to the UNFCCC. One key issue is that the existing key climate strategies (especially the Long-Term Low Emission Development Strategy(ies) (LT-LEDS) and Nationally Determined Contribution (NDC) are not fully aligned with the latest GHG emissions trends and the country's national priorities for climate change mitigation and adaptation (especially in the 13th Five Year Plan (FYP). Additionally, there is a shortfall in climate finance needed to effectively implement these policies and strategies. Moreover, Bhutan's 2013 Technology Needs Assessment (TNA) is outdated and does not adequately support the country's need to transfer technology that can support achieving objectives in key climate change strategies. Furthermore, private sector investment in low-emission and climate-resilient development in Bhutan remains limited, highlighting the urgent need for targeted initiatives to stimulate such investments. The current financing available for climate actions proposed in the NDC, LT-LEDS, but also the National Adaptation Plan (NAP), is insufficient to meet Bhutan's ambitious targets. Given the insufficient financing for climate actions proposed in the NDC, LT-LEDS, but also the NAP, Bhutan faces a challenge in securing the necessary funds to achieve its ambitious climate targets. Addressing these barriers will require concerted efforts to realign policies with the latest climate change data, update technology assessments, attract private sector investments, and mobilize adequate financing to support climate action in the country.

[1] Please note that for adaptation planning proposals, only the box for objective 3 may be ticked.
[2] The implementation period shall begin on the date the grant is effective.
[3] Please note that proposals for adaptation planning support (objective 3) cannot be submitted as multiple-year strategic Readiness proposals.
[4] Third National Communication, 2020

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iii) Goal and objectives

The goal of the proposal is to enable the government of Bhutan to uphold its carbon-neutral status and attain long-term climate change resilience objectives in alignment with the 13th FYP. This will involve institutionalizing and maintaining capacities to update/revise and implement Bhutan's essential GCF-related climate strategies including the LT-LEDS and NDC and TNA to align with current emissions trends and national priorities for mitigation and adaptation. Additionally, the proposal aims to create robust financing and investment strategies to effectively achieve the goals and targets for mitigation and adaptation.

The main project interventions include:

- Updating LT-LEDS to reflect the latest GHG emissions trends and align with national climate change mitigation and adaptation priorities
- Updating NDC 2.0 to reflect the latest GHG emissions trends and align with national climate change mitigation and adaptation priorities.
- Creating a comprehensive financing strategy and investment plan for the implementation of the LT-LEDS and NDC, which also encompasses private sector investment.
- Updating the TNA to bolster climate ambitions and actions outlined in the LT-LEDS and NDC.
- Enhancing in-house capacity to continually update, implement and monitor key climate strategies, ensuring the sustainability and institutionalization of these efforts.

iv) **Direct and indirect beneficiaries**

The direct beneficiaries of the proposed readiness project include the DECC as the national focal point to the United Nations Framework Convention on Climate Change (UNFCCC) and the key partner agency, as well as the National Designated Authority (NDA). This project aims to enhance the capacity of DECC staff, ensuring that future NDC formulation processes become institutionalized and allowing DECC to prepare future NDCs internally.

Other beneficiaries include the Ministry of Agriculture and Livestock (MoAL), Department of Energy (DoE) and the Department of Forests and Park Services (DoFPS) under the Ministry of Energy and Natural Resources (MoENR), Ministry of Infrastructure and Transport (MoIT), Ministry of Health (MoH), Ministry of Industry, Commerce and Employment (MoICE), Ministry of Home Affairs (MoHA), Ministry of Education and Skills Development (MoESD), the National Center for Hydrology and Meteorology (NCHM) Royal University of Bhutan (RUB), Royal Monetary Authority (RMA), National Commission for Women and Children (NCWC), private sector, CSOs, and NGOs. These stakeholders will be closely involved in the formulation of the third NDC. Additionally, capacity-building initiatives will target these key sectors through updates of LEDS/LTS to ensure that these sectors can manage future updates independently.

The project will also build the capacity of the private sector to enhance their awareness and ability to leverage opportunities for low-emission development. They will be actively involved in formulating investment plans for NDC implementation. The readiness project will further strengthen collaborations established under the NAP readiness project for adaptation research with research institutes. Faculty and students will be actively engaged during the implementation phase to ensure their participation in training sessions and to explore ways to establish climate change data collection and modeling activities within these institutions, ensuring sustained knowledge management.

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1.11 List of abbreviations

Table 1 List of Abbreviations

Abbreviation	Meaning
AFOLU	Agriculture, Forestry and other Land Use
AML/CFT	Anti-Money Laundering and Countering the Financing of Terrorism Policy
BTFEC	Bhutan Trust Fund for Environmental Conservation
BTR	Biennial Transparency Report
BUR	Biennial Update Report
C4	Climate Change Coordination Committee
CBIT	Capacity Building Initiative for Transparency
CO_2e	Carbon Dioxide equivalent
COP	Conference of the Parties
CSO	Civil Society Organization
CUNSCSL	Consolidated United Nations Security Council Sanctions List
DAE	Direct Access Entity
DECC	Department of Environment and Climate Change
DIM	Direct Implementation Modality
DMDF	Department of Macro-fiscal and Development Finance
DP	Delivery Partner
EbA	Ecosystem-based Adaptation
ETF	Enhanced Transparency Framework
EV	Electric Vehicle
FREL	Forest Reference Emission Level
FRL	Forest Reference Level
FYP	Five Year Plan
GCF	Green Climate Fund
GDP	Gross Domestic Product
GHG	Greenhouse Gas
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
GLOF	Glacial Lake Outburst Flood
GNH	Gross National Happiness
GNHC	Gross National Happiness Commission
GRM	Grievance Redress Mechanisms
INDC	Intended Nationally Determined Contributions
IPCC	Intergovernmental Panel on Climate Change
LDC	Least Developed Country
LT-LEDS	Long-Term Low Emission Development Strategy(ies)
LTS	Long Term low-emission and climate resilient development Strategy
MoAL	Ministry of Agriculture and Livestock
MoENR	Ministry of Energy and Natural Resources
MoESD	Ministry of Education and Skills Development
MoF	Ministry of Finance
MoH	Ministry of Health
MoHA	Ministry of Home Affairs
MoICE	Ministry of Industry, Commerce and Employment
MOIT	Ministry of Infrastructure and Transport

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MRV	Measurement, Reporting and Verification
MSL	Mean Sea Level
NAP	National Adaptation Plan
NAPA	National Adaptation Programme of Action
NCCC	National Climate Change Committee
NCHM	National Centre for Hydrology and Meteorology
NCWC	National Commission for Women and Children
NDA	National Designated Authority
NDC	Nationally Determined Contributions
NES	National Environment Strategy
NGEP	National Gender Equality Policy
NGO	Non-Government Organization
NKRA	National Key Results Area
NSB	National Statistics Bureau
OAI	Office of Audit and Investigations
PA	Paris Agreement
PB	Project Board
PMC	Project Management Cost
PMU	Project Management Unit
POPP	Programme and Operations Policies and Procedures
REDD+	Reducing Emissions from Deforestation and Forest Degradation
RMA	Royal Monetary Authority
RSPN	Royal Society for Protection of Nature
SBAA	Standard Basic Assistance Agreement
SDGs	Sustainable Development Goals
SECU	Social and Environmental Compliance Unit
SESP	Social and Environmental Screening Procedure
SRM	Stakeholder Response Mechanism
SSP	Shared Socioeconomic Pathways
TAP	Technology Action Plan
TNA	Technology Need Assessment
TNC	Third National Communication
ToC	Theory of Change
TOE	Tonnes of oil equivalent
TOR	Terms of Reference
TWG	Thematic Working Group
UNDP	United Nations Development Programme
UNFCCC	United Nations Framework Convention on Climate Change
UNSC	United Nations Security Council
WB	World Bank

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Section 2. Situation analysis

2.1. Country's background and context

Overview of Socio-Economic Landscape

1. Bhutan, a small land-locked country in the Himalayas, with a population of 777,224[5] spans over 3.8 million hectares. Its fragile mountain eco-system, features 69.71[6] percent of forest cover[7], and steep altitudes variation from 7,550 meters above mean sea level (msl) in the north to 100 m msl in the south.[8]

2. Bhutan has shown steady development within Human Development Index of 0.76 and Gross Domestic Product (GDP) growth rate of 4.88% in 2023, reaching a GDP per capita of USD 3,919.55. However, its narrow economic base, landlocked geography, and limited market access poses challenges amid global economic volatility and rapid technological change. Bhutan's carbon negative status faces immense pressure from urbanization, land-use change, and socio-economic needs. As of the third quarter of 2024, the unemployment rate stands at 3.1%, with youth unemployment at 16.5%[9]. Hydropower drives the economy, alongside agriculture, forestry, tourism and small-scale manufacturing. The trade balance remains negative, indicating a dependence on imports.

Social Indicators

3. Bhutan has made notable strides in social development, yet challenges remain in several areas. Youth literacy is high at 97.7%, reflecting progress in education, but disparities in quality and low early childhood care enrolment continues to be a concern[10]. Access to free healthcare has increased life expectancy to 72 years, however, Bhutan faces a shortage of healthcare professionals and a rising burden of non-communicable diseases[11]. Poverty reduction has been significant, with income poverty dropping to 8.2% in 2017 and the multidimensional poverty index at 7.6% in 2022, though vulnerability remains[12] but there is good progress on health and education indicators, the widening gender gap in labour force participation, and representation at decision-making level remain a challenge. Bhutan ranks 124th out of 126 in the 2024 gender gap index.

Priority Sectors/Areas and their Economic Contribution

4. Bhutan's sustainable development is driven by a focus on several priority sectors, including agriculture, renewable energy, tourism, and manufacturing. Agriculture contributes 14.67% to GDP, and is vital for food security and rural livelihoods, employing over 43.5% of the labor force[13]. Renewable energy, primarily hydropower, generates significant national revenue and also plays a vital role in maintaining Bhutan's carbon-negative status. Tourism is an essential growth sector although it was significantly affected by the COVID-19 pandemic. The industrial sector, though relatively small, contributed 31.82% to GDP in 2022[14], focuses on local manufacturing, expanding cottage industries, and sustainable infrastructure development. Manufacturing and the digital economy are expected to drive economic diversification and job creation, providing pathways for communities to benefit from economic growth. Collectively, these sectors enhance living standards, ensure equitable access to services, and support inclusive social development.

Social Impact

[5] National Statistics Bureau (NSB), 2024. Bhutan at a Glance: https://www.nsb.gov.bt
[6] National Forest Inventory, Volume I, State of the forest Report, June 2023
[7] Second National Forest Inventory 2023
[8] SDG 7 Roadmap for Bhutan
[9] National Statistics Bureau, https://www.nsb.gov.bt/
[10] 13 FYP- Chapter 14
[11] National Statistics Bureau: https://www.nsb.gov.bt/bhutan-interactive-data-portal/social-conditions/
[12] 13 FYP – Chapter 4: Social Development
[13] 13 FYP – Chapter 4: Social Development
[14] 13 FYP Document

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5. Bhutan's key economic sectors, particularly hydropower, have significantly contributed to social development by financing education and healthcare, living standards and promoting social equity[15]. Agriculture, although declining in economic share, still continues to play an essential role in ensuring food security and supporting rural livelihoods[16]. Investments in the social sector, such as education and healthcare, have yielded notable improvements in human development indicators, including increased life expectancy and near-universal primary education. Bhutan's Gross National Happiness (GNH) fosters social cohesion and resilience, through its holistic development philosophy[17]. However, challenges such as youth unemployment, rural-urban disparities, and skilled worker migration indicate an uneven development journey, highlighting the need to balance economic growth with social well-being.

Sustainable Development Challenges

6. Bhutan has made significant strides in advancing the Sustainable Development Goals (SDGs), with a GDP growth rate projected to be 51% above the global average, contributing meaningfully to poverty alleviation[18]. During the pandemic, the country allocated $63.66 million in cash transfers to support vulnerable groups, such as children and single mothers, reducing extreme poverty levels. Bhutan's conservation policies underscore its carbon-negative status. Additionally, the government's 2023 allocation of 12.9% of its budget to healthcare has strengthened access and quality, although urbanization and citizen engagement remain priorities[19]. In comparison to global efforts, Bhutan's approach is both ambitious and integrative, with continued multi-sectoral efforts critical for achieving the SDGs by 2030.

7. Despite these accomplishments, Bhutan faces several challenges that may hinder its SDG progress. High levels of government debt, projected at 129.5% of GDP in 2023, along with declining revenues and substantial external debt servicing (36.3% of revenue), constrains fiscal capacity for essential infrastructure and social programs. Social disparities persist, especially resulting in rural poverty and high youth unemployment, and require focused investment in infrastructure, skills development, and job creation[20]. Environmental sustainability faces pressures from economic growth and climate change impacts like melting glaciers, landslides, floods, forest fires, and health, while rapid urbanization strains resources and infrastructure. Institutional challenges in mobilizing diverse financing sources and ensuring effective SDG implementation remain significant[21]. Finally, the recent out-migration of Bhutanese in their prime productive age underscores limited economic opportunities[22]. Addressing these obstacles through strategic investments, enhanced governance, and partnerships will be essential for Bhutan to fully realize its 2030 SDG targets.

8. The 13 FYP, Bhutan's leading development plan, aims to transform Bhutan into a high-income country driven by innovation and sustainability, focusing on an improved business ecosystem, quality infrastructure, skilled labor force, and increased contributions from strategic sectors. Bhutan also submitted its first NAP to the UNFCCC in 2023, which outlines key strategies to enhance its adaptive capacity and resilience to climate change impacts such as through Ecosystem-based Adaptation (EbA), which leverages natural ecosystems to enhance resilience through sustainable forest management, ecosystem restoration, and -resilient infrastructure. The focus is also on climate resilient human settlements, enhancing water security through sustainable water management and climate-proofing infrastructure such as hydropower and diversifying energy sources.

9. Bhutan's graduation from Least Developed Country (LDC) status in December 2023 marks a significant milestone in its developmental progress. However, the country remains highly vulnerable to climate change, which threatens to reverse these gains. Limited institutional and technical capacity, along with complex and lengthy processes, hampers access to climate finance. Strengthening systems for climate action and ensuring effective reporting under the Paris

[15] 13 FYP - Chapter 3: Economic Development
[16] 13 FYP - Chapter 14
[17] 13 FYP: Chapter 5
[18] Integrated SDG Insights – Bhutan: https://sdgpush-insights.undp.org/reports/btn#sdg-trends
[19] Integrated SDG Insights – Bhutan: https://sdgpush-insights.undp.org/reports/btn#sdg-trends
[20] Integrated SDG Insights – Bhutan: https://sdgpush-insights.undp.org/reports/btn#sdg-trends
[21] Integrated SDG Insights – Bhutan: https://sdgpush-insights.undp.org/reports/btn#sdg-trends
[22] 13 FYP Chapter 3 – Economic Development

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Agreement will be essential for Bhutan to achieve a just transition to a low-carbon, resilient economy.

2.1.3. Climate Context

Climate risks and vulnerabilities

10. The Agricultural sector, which supports a substantial portion of Bhutan's population, particularly women, is highly vulnerable to climate change. Shifts in precipitation and temperature reduce crop yields, exacerbating food insecurity and compromising rural livelihoods. Forests and biodiversity are at risk from intensified and increasing frequency of forest fires, changing forest structure and its health, increasing invasive species, threatening Bhutan's carbon sinks and compromising the constitutional mandate to maintain 60% forest cover[23]. Human health is increasingly vulnerable to vector- and water-borne diseases, extreme heat, and climate-induced disasters, all expected to become more frequent[24]. Critical infrastructure, including roads and bridges, faces increased risks from landslides and flooding, undermining connectivity, particularly in rural areas. Water resources in Bhutan are extremely sensitive to climate change, impacting human settlements, food production, energy, industry, and ecosystems. The increased frequency and duration of dry spells are leading to local water shortages and drying water sources in addition to increasing risk of Glacial Lake Outburst Floods (GLOF)[25].

Observed and Projected Climate Trends

11. Since the 1960s, Bhutan has experienced consistent temperature increases, particularly in the northern and western regions, along with rising annual precipitation that shows significant regional variation[26]. Climate projections based on CMIP6 models across three pathways (SSP1 2.6, SSP2 4.5, and SSP3 7.0) indicate continued increases in temperature and precipitation by 2100.

12. Maximum and minimum temperatures are expected to rise, with minimum temperatures increasing more significantly, particularly in the northern and central regions. This may accelerate glacial melt and exacerbate summer heatwaves.

13. Annual and monsoon precipitation are projected to increase under higher emission scenarios, particularly in the northern and western regions. Some eastern areas, however, may face reduced rainfall, heightening risks of water scarcity and seasonal droughts.

14. A linear trend analysis indicates that Bhutan's GHG emissions will rise under a Business-as-Usual (BAU) scenario, reaching 5,221.63 $GgCO_2e$ by 2025, 5,820.79 $GgCO_2e$ by 2030, and continuing to increase[27]. Bhutan's carbon neutrality pledge relies heavily on its forests, which currently sequester carbon across 71% of the total land area. However, sequestration is projected to decline by 1% annually from 2025 due to development pressures, urban expansion, industrial growth, new hydropower projects, and climate-induced disturbances like wildfires. The combined effects of rising emissions and reduced sequestration are projected to jeopardize Bhutan's carbon neutrality by 2046, with net emissions reaching 185.93 $GgCO_2e$.

[23] Third National Communication, 2020
[24] National Adaptation Plan, 2023: Climate Risks and Vulnerabilities
[25] National Adaptation Plan, 2023: Climate Risks Assessment (technical report)
[26] Climate Change Projection Report – insights from CMIP6, May 2024
[27] Long Term low-emission and resilience development Strategy (LTS), 2023- GHG Emissions Projection

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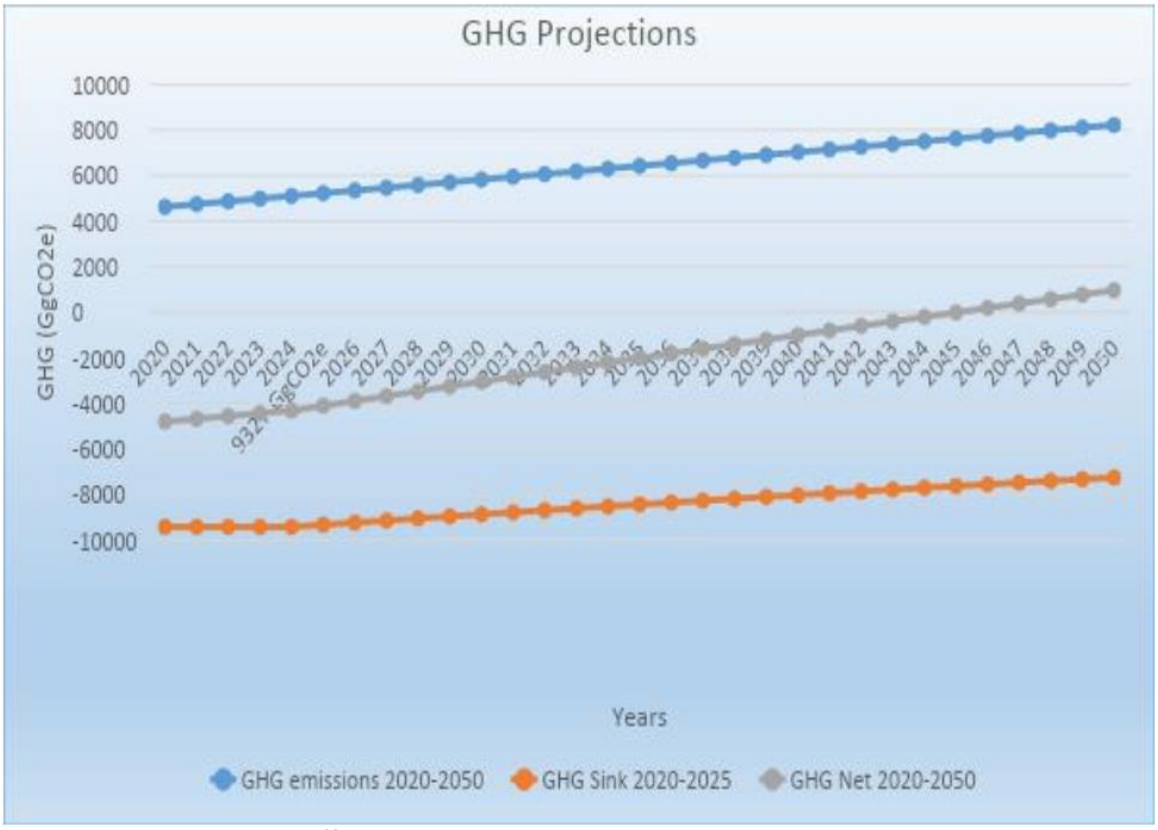


Figure 1: GHG Projections to 2025[28]

15. Climate change further exacerbates these challenges by increasing forest fire risks and altering forest ecosystems. Rising temperatures and changing precipitation patterns are expected to make forest fires more frequent and intense[29], turning forests into significant emission sources. Additionally, shifts in tree species, such as the expansion of Chir-pine forests at the expense of oak, could heighten fire susceptibility[30]. Glacier melt, driven by warming temperatures, initially boosts river flows but threatens long-term hydropower generation as glaciers shrink, particularly during the dry winter months when energy demand peaks[31]. In agriculture, erratic rainfall and shifting weather patterns are already impacting productivity, requiring adaptive measures like reliance on energy-intensive systems [32] which could increase Bhutan's emissions, further challenging its carbon neutrality goals. However, the continued rise in emissions due to several development pressures, coupled with the expected decline in removals through forests, threatens Bhutan's carbon neutrality by mid-century, as indicated above.

Greenhouse Gas Emissions and Mitigation Efforts

16. Bhutan's emissions are primarily from the Industrial Process and Product Use (IPPU) sector (20.88%), energy (18.56%), forest and land use (without removals) (42.75%), and agriculture and livestock (14.5%)[33]. Key contributors included cement and ferroalloy production, fossil fuel use in transport and industries, livestock emissions, and rice cultivation.

17. Reports indicate that the IPPU sector is projected to have the fastest growth in emissions. IPPU emissions are projected to increase dramatically, reaching 2,809 Gg CO2e by 2035[34]. This represents an increase of over three times the 2015 levels. Other sectors like transport and waste

[28] Long Term low-emission and resilience development Strategy (LTS), 2023- GHG Emissions Projection
[29] Bhutan Climate Projection Report, 2024
[30] Long Term low-emission and resilience development Strategy (LTS), 2023
[31]Bhutan Climate Projection Report, 2024
[32] Biennial Update Report, 2022
[33] Third Nationally Determined Contribution 2020
[34] Bhutan's Long-Term Low GHG Emission and Climate Resilient Development Strategy (LTS), 2023

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are also expected to experience increases in emissions over the years, although their projected growth rates are lower than that of the IPPU sector[35].

18. Bhutan has undertaken several initiatives to reduce GHG emissions and maintain its carbon-neutral status, such as the Bhutan Biogas Project to reduce reliance on fuelwood, a pilot windmill and solar projects for renewable energy, and the development of hydropower projects.[36]. The country has also developed Low Emission Development Strategies (LEDS)[37] for food security, human settlement, industry, and transport to minimize emissions through practices like organic farming, green building codes, and promoting electric vehicles. The 2015 GHG inventory reports emissions of 3,814.09 Gg CO2e, with forest sequestration of 9,386.59 Gg CO2e, ensuring a carbon-negative status.

19. Bhutan acknowledges the need for continuous financial support to maintain its climate commitments to remain carbon neutral and enhance its resilience to climate change. To achieve this, it is essential to ensure that the country's climate change mitigation and adaptation strategies and investment plans (i.e., LT-LEDS, NDC, TNA, and NAP) are coherent and fully aligned with the national development plan (i.e., 13 FYP) and up to date with the latest emissions data and trajectories, observed and anticipated impacts of climate change on its citizens and key sectors, and relevant underlying socio-economic challenges and needs. Enhancing stakeholder capacity and coordination, including the engagement of the private sector, is also essential for effectively implementing these strategies and investment plans. This involves strategically prioritizing investment needs, mobilizing climate finance, and monitoring investment effectiveness. Against the required support of USD 3,392.76 million, as per the 2nd NDC, Bhutan has received a total of only USD 82.5 million[38]. Bhutan leverages a mix of international funding, domestic initiatives, and emerging carbon markets to mobilize climate finance. The financial sector, however, remains nascent, with limited access to finance, an underdeveloped capital market, restrictive regulations, and a shortage of skilled professionals[39]. Reforms are underway to promote capital market growth, introduce alternative lending, enhance financial literacy, and strengthen regulatory frameworks[40]. Strengthening Bhutan's financial ecosystem is vital for channeling funds into climate-resilient infrastructure, supporting green businesses, and mobilizing private investments, ultimately fostering a green growth pathway and supporting Bhutan's ambitious climate goals. From these perspectives, the proposed readiness support will update the key climate investment strategies and plans while ensuring their coherence and enhancing enabling conditions for private sector engagement to improve Bhutan's capacity to plan, implement, and monitor its climate investments strategically and effectively.

2.2. Institutional and Policy Framework

Policy Framework

20. Bhutan's development philosophy, rooted in Gross National Happiness (GNH), emphasizes balanced progress through economic growth, environmental sustainability, cultural preservation, and social equity. This philosophy underpins Bhutan's climate policies, including its landmark pledge at COP15 to remain carbon-neutral, a commitment that continues to guide its to sustainable development and climate action.

21. The *Climate Change Policy* of Bhutan, adopted in 2020, provides a comprehensive framework for maintaining carbon neutrality and enhancing resilience by integrating climate change considerations into national development planning. It sets sector-specific targets for mitigation and adaptation, focusing on renewable energy, sustainable agriculture, and climate-resilient infrastructure.

[35] Third National Communication, 2020
[36] Biennial Update Report, 2022
[37] Second Nationally Determined Contribution 2021
[38] Biennial Update Report, 2022
[39] 13FYP: Chapter 3 – Economic Development
[40] 13FYP: Ecological diversity and resilience Programme

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22. The *National Energy Efficiency & Conservation Policy, and the Energy Efficiency Roadmap 2019* targets productivity and energy efficiency improvement in building, transport and industry sectors. The roadmap sets sector-specific targets, including savings of 17,033.51 tons of oil equivalent (TOE) in the building sector, 148,298.51 TOE in the appliance sector, and 35,633.76 TOE in the industry sector.[41]. The roadmap is currently under review to align with the country's priorities.

23. The ***13 Five-Year Plan (FYP)* launched in July 2024** prioritizes sustainable economic growth and climate resilience across key sectors, including agriculture, energy, industry, and tourism. The plan integrates climate change considerations into economic policies, emphasizing renewable energy and strengthen resilience to climate impacts[42]. However, translating these priorities into actions on the ground will remain contingent on availability of finances and technical know-how.

24. Bhutan submitted its *Intended Nationally Determined Contribution* (INDC) to the Paris Agreement on September 30, 2015. Following the ratification of the Paris Agreement on September 19, 2017, the INDC became Bhutan's *first NDC*. The NDC reaffirmed Bhutan's 2009 pledge to remain carbon neutral and outlined priorities for low GHG emission development across nine sectors.

25. The ***Third National Communication* (TNC) 2020** provides an overview of Bhutan's national circumstances, including GHG emissions, vulnerability assessments, and progress on mitigation and adaptation actions. The TNC outlines sector-specific vulnerabilities and highlights Bhutan's commitment to building resilience in agriculture, water, energy, and health. The TNC served as a key reference for the second NDC by documenting past actions and lessons learned.

26. **Bhutan's *Second NDC*** (June 2021) reaffirms its 2009 carbon neutral pledge, incorporating specific targets and data from the third GHG inventory, Forest Reference Emission Level (FREL) and Forest Reference Level (FRL) for an accurate emissions assessment. It outlines mitigation actions across key sectors using Low Emission Development Strategies (LEDS) with a focus on food security, human settlement, industry and surface transport and forest (i.e., REDD+). Achieving these goals depends on international financial and technical support. The NDC highlights agriculture, water resources, and disaster risk management as critical adaptation areas, addressing climate vulnerabilities like GLOFs and monsoon shifts. A participatory approach ensured alignment with national and global climate priorities, emphasizing Bhutan's carbon-negative status due to forest cover and hydropower reliance .

27. The assessment of implementation of the 2nd NDC is currently underway as part of the NDC stock-take, facilitated through GIZ's NDC Partnership Readiness Project (NRP) and the preparation of the Biennial Transparency Report (BTR).

28. Bhutan faces several challenges in implementing its NDC 2.0, particularly financial constraints related to both for mitigation and adaptation measures, as well as issues surrounding technology access, technical capacity and data gaps that hinder accurate assessment of its emissions and progress tracking [43]. The attrition rate for Bhutanese civil servants doubled from 8.62% in 2022 to 17.75% in 2023, with 5,202 separations, of which 2,810 were from the Professional and Management category[44]. This exodus of experienced and technical manpower from the country has compounded the limited technical capacity both within and outside the government agency to implement its plans and programs[45]. Establishing Local Mainstreaming Referencing Groups (MRGs) along with capacity building would help ensure integration of Gender, Environment, Climate, Disaster and Poverty (GECDP) concerns into development planning at both central and local levels, which would ensure climate change adaptation and mitigation efforts are sustained through systematic, programmed climate -proofing efforts across all levels (NAP, 2023).

29. Bhutan has implemented three ***National Adaptation Programme of Action (NAPA)*** projects. These projects focused on critical climate-sensitive sectors such as agriculture, water, urban infrastructure, and disaster risk reduction. The key outcome was to address urgent and immediate

[41] Second NDC
[42] FAO Bhutan. (2024). *Integrating climate change into development planning in Bhutan*. Retrieved from http://www.fao.org/bhutan
[43] BUR, 2022
[44] Civil Service Statistics 2023: https://www.rcsc.gov.bt/wp-content/uploads/2024/03/Civil-Service-Statistics-2023-1.pdf
[45] 13 FYP Document

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climate change threats by raising awareness among stakeholders about the unavoidable impacts of climate change and climate variability, and by building the capacity to respond effectively to these threats.

30. **Bhutan's** National Adaptation Plan (NAP) submitted in September 2023 prioritizes climate resilience and adaptation across seven sectors – agriculture, water, biodiversity, human settlement, health, energy and climate services. It emphasizes addressing extreme weather challenges such as floods and landslides, through climate-resilient infrastructure and practices. With an estimated implementation cost of USD 13.96 billion, the NAP highlights significant financing gaps and the need for integrated development planning.

31. **Bhutan's *Long-Term Low Greenhouse Gas Emission and Climate Resilient Development Strategy* (LTS) 2023** envisions a low-emission, climate-resilient economy by outlining decarbonization pathways and transforming the energy sector through diversification beyond hydropower. It emphasizes renewable energy expansion, energy efficiency, and climate-resilient energy systems while addressing emissions in industries and transportation. Key challenges in implementing the LTS include outdated methodologies in Monitoring, Reporting, and Verification (MRV) systems (which will be addressed by the ongoing CBIT project), limited technology transfer, and financial constraints. The document also does not have emission projections and targets for 2035. The update will include pathways and targets for successive NDCs, address gaps in GHG projections and 2035 targets, integrate recent transformative developments relevant to Bhutan's carbon neutrality, and undergo a comprehensive revision. The current LEDS documents 2021 also need to make similar alignment with the 13 FYP and the 2035 emission projections and targets. In addition, the updating the National REDD+ Strategy, and developing new LEDS for other critical sectors like waste management will be important to achieving LTS's objectives and strengthening the NDC 3.0 framework.

32. The first BUR (2022) provides an overview of Bhutan's greenhouse gas emissions and progress on mitigation actions while identifying significant gaps in implementing the Second NDC due to financial and technical constraints. Key gaps include the lack of a formal MRV framework to meet the Enhanced Transparency Framework (ETF) requirements under Article 13 of the Paris Agreement (to be addressed by CBIT project), insufficient institutional arrangements and country-specific data for accurate emissions tracking, the absence of a national climate financing strategy and mechanisms such as a climate fund to attract and simplify access to resources, and the need for better coordination of climate support data across agencies to improve transparency and resource mobilization.

33. **Technology Need Assessment (TNA)** (2013) identifies and environmentally sustainable technologies for both climate adaptation and mitigation. It highlights vulnerable sectors like water resources and agriculture for adaptation[46] and waste, transport, and manufacturing for mitigation[47]. Key gaps include the need for stronger mechanisms to address sectoral needs, streamline technology transfer, and improve the adoption of prioritized technologies. Technology Action Plan (TAP) focuses on efficient irrigation, resilient crops, climate-resilient roads, composting, intelligent transport systems, and waste heat recovery.

Table 2: Summary of key policy instruments on climate change

(Climate) policy / strategy[48]	Key priorities / description	Alignment with the Green Climate Fund (GCF) Readiness project	Gaps (that could be addressed by proposal
1) Climate Change Policy, 2020	The policy prioritizes building resilience to climate change impacts by integrating adaptation into national and local development plans. The policy emphasizes the need for financial, technological, and	The stock take and update of LEDS/LTS under Outcome 2.2.2, development of NDC 3.0 under Outcome 2.2.3, strengthening research capabilities	Development of NDC 3.0 will be based on updated and disaggregated data. It will also be aligned with Bhutan's priorities, strengthening government agency capacity for future LEDS/LTS

[46] Technology Need Assessment and Technology Action Plan for Adaptation, 2013
[47] Technology Need Assessment and Technology Action Plan for Mitigation, 2013
[48] Link to all the listed documents in the table: National Environment Commission: http://www.nec.gov.bt/publications/climate-change

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(Climate) policy / strategy[48]	Key priorities / description	Alignment with the Green Climate Fund (GCF) Readiness project	Gaps (that could be addressed by proposal
	capacity-building support for mitigation and adaptation actions. The policy mandates the use of the latest, disaggregated data and best science for climate adaptation and mitigation assessments, integrating NDC priority actions into national and local plans with indicative budgets.	under Output 2.2.5, assessment and development of the TNA under Output 2.2.7, and the development of business models and financial mechanisms to attract private sector investment in low-emission development under Outcome 2.4 will contribute to Bhutan's climate mitigation and adaptation goals.	updates, and facilitating access to suitable climate technologies through the TNA.
2) 13 FYP (2024-2029)	The plan is Bhutan's leading development plan. It emphasizes addressing climate change through key priorities and upholds its carbon neutrality commitment. It highlights the vulnerability of climate-sensitive sectors and the urgent need for resilience by mainstreaming climate considerations across sectors. The plan also identifies carbon markets and climate financing as potential revenue and investment sources and calls for capacity building in local governments and agencies to effectively integrate climate considerations into their plans and programs.	The output 2.2.2 and output 2.2.3 will ensure that the new NDC is aligned with plans and programs of the 13 FYP.	The readiness project will ensure alignment of the new NDC with Bhutan's economic goals and carbon neutrality pledge, including updating LT-LEDS frameworks to reflect current GHG emission trends. Activities under the readiness project will focus on developing a strategy and resource mobilization plan for financing mitigation and adaptation initiatives. Capacity building under the readiness project will help sectors pursue low-emission development without compromising economic growth, including exploring opportunities for carbon market and build related capacities required.
3) 2nd NDC, 2021	The key priorities of Bhutan's 2nd NDC are detailed through LEDS, roadmaps, and sectoral strategies, including forest conservation, sustainable hydropower development, food security, human settlement, industry, and surface transport. It also emphasizes alternative renewable energy and energy efficiency. While the NDC demonstrates Bhutan's commitment to addressing climate change alongside sustainable development goals, its successful implementation depends largely on international cooperation and support.	The Outcome 2.2.3 will contribute to development and implementation of the NDC 3.0 and a financing strategy.	Key gaps include: - Limited NDC tracking - Limited capacity to update and implement the NDC - 2nd NDC not inclusive (youth and children) - Limited data availability The readiness project will deliver an inclusive NDC with sectoral priorities realigned with the government's 13 FYP, along with a comprehensive climate financing and investment strategy for high-priority mitigation projects. The project will also formulate new LEDS for waste and other critical sectors and update the existing LEDS to include targets for 2035. This includes updating

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(Climate) policy / strategy[48]	Key priorities / description	Alignment with the Green Climate Fund (GCF) Readiness project	Gaps (that could be addressed by proposal
			LEDS/LTS and developing a financing strategy
4) NAP, 2023	The NAP identifies adaptation priorities across seven key sectors: water, agriculture and livestock, forests and biodiversity, human settlements, health, energy, and climate services. It also outlines enabling activities to support long-term implementation, grouped into five clusters: policy and institutional support, monitoring and evaluation, research and data, capacity building, and education and awareness. Additionally, the NAP emphasizes the need for a comprehensive climate finance strategy to define investment needs, prioritize projects, and strengthen national institutions' capacity to access and manage climate finance.	Capacity building of key stakeholders, updating of the LEDS/LTS and other climate studies under output 2.2.2; output 2.2.3; output 2.2.4; output 2.2.25; output 2.2.7 and output 2.4 will ensure an enhanced capacity and resource mobilization.	Continuous capacity building is needed to equip stakeholders for effective adaptation, particularly in vulnerability assessment, planning, and project development. Access to financing of the adaptation activities is critical for effective implementation of the NAP. By addressing these challenges through NDC 3.0 targets, enhanced capacity building, and project pipeline development, Bhutan can strengthen its adaptation efforts and achieve a climate-resilient, sustainable future.
5) LTS, 2023	Key priorities include forest conservation, LEDs for key sectors, waste management, energy, climate resilience, socio-economic co-benefits, financial resources, and partnerships. It highlights the requirement of coordinated efforts from government, private sector, civil society, and communities, emphasizing strong institutional frameworks, effective governance, and enhanced capacity building to achieve its goals.	The development of NDC 3.0, detailed resource mobilization plan and the TNA under Output 2.2.3 and output 2.2.7 will contribute to the achievement of the vision outlined in the LTS.	The challenges encompass financial constraints, technological barriers, and capacity limitations, including limited coordination to integrate climate actions at all levels. The readiness project will address these challenges by enhancing stakeholder engagement, coordination, and communication under the NDC 3.0, and by developing a strategic project pipeline. It will also bridge gaps in the LTS document by outlining pathways and targets for successive NDCs, incorporating key transformative developments relevant to Bhutan's carbon neutrality and addressing missing 2035 GHG projections targets.
6) BUR, 2022, BTR1- 2024	The report provides a comprehensive overview of the country's national circumstances, GHG emissions, mitigation actions, and support received for climate action for the period 2016-2020 and BTR1 for 2021-2022). The report provides a valuable foundation for future climate actions and emphasizes the importance of strengthening data collection, MRV systems, and international cooperation to ensure a	Support to ongoing Capacity Building Initiative for Transparency (CBIT) project on MRV establishment and strengthening, capacity building and investment plan, and enhancement of private sector participation for low-emission development under output 2.2.4; output	The report highlights gaps in formalizing and strengthening MRV systems for GHG emissions and climate finance flows, along with inadequate international support for financing, technology transfer, and capacity building for NDC implementation. The readiness project will support the ongoing initiative on MRV establishment and strengthening, capacity

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(Climate) policy / strategy[48]	Key priorities / description	Alignment with the Green Climate Fund (GCF) Readiness project	Gaps (that could be addressed by proposal
	sustainable and climate-resilient future for Bhutan.	2.2.5. and output 2.2.7 will contribute towards successful implementation of the NDC 3.0.	building for key sectors, and enhancing access to technology and resource.
7) National Environment Strategy (NES), 2020	Some of the key priorities in relation to climate change are land use, energy, agriculture, transport, waste, forestry and biodiversity. The document also emphasizes the importance of cross-cutting enabling factors such as data availability and MRV system, financial resource mobilization, capacity building, technology transfer and stakeholder engagement and coordination.	Formulation of an inclusive NDC and its implementation in addition to building capacity of key stakeholder under output 2.2.2 and output 2.2.3 will contribute towards implementation of the NES objectives.	Some of the gaps are data availability and reliability, poor coordination and engagement among stakeholders, limited human and technical capacity, access to finances and support for emerging environmental challenges. The readiness projects will enhance coordination and engagement among key stakeholders and build their capacities as part of the NDC 3.0 development.
8) Third National Communication (TNC), 2020	The TNC highlights Bhutan's vulnerability to climate impacts, particularly in sectors like water resources, agriculture, forests, and health, and presents adaptation strategies to address these issues.	Development of inclusive NDC and its implementation under output 2.2.3 will contribute to addressing both mitigation as well as adaptation needs of the country.	The primary gaps identified include inadequate data quality, insufficient technical capacity, and limited financial resources, particularly from international funding. The TNC also highlights cross-cutting issues such as climate-induced disasters and gender equality. The readiness project will ensure formulation of an inclusive NDC 3.0 and enhanced capacity for its implementation including investment plan for resource mobilization.
9) Technical Need Assessment (TNA), 2013	The reports prioritize addressing climate vulnerability through adaptation technologies in sectors such as water resources, agriculture, natural disasters, and infrastructure, while also focusing on mitigation technologies in areas like solid waste management, transport, and manufacturing to promote sustainable development.	Gap assessment and development of a new TNA under output 2.2.7 will contribute towards identification and adoption of most relevant technology for mitigation and adaption efforts.	The TNA was carried out over a decade ago and needs to be aligned with the NAP as well as the new NDC. The readiness project will update the TNA by taking into consideration the new priority sectors under the NAP and NDC. The TNA will ensure gender-responsive and women-friendly climate-smart technologies to address women's specific needs. The project will also build the capacities of the stakeholders for climate technology transfer.

2.2.1. Institutional Framework

34. The Department of Macro-fiscal and Development Finance (DMFDF), Ministry of Finance is the National Designated Authority (NDA) of GCF serves as a coordinating entity and liaison between Bhutan and the GCF. It manages strategic decisions related to GCF, including prioritizing projects,

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aligning them with national priorities and the five-year plan, and coordinating with stakeholders such as DAE, DAE applicants, ministries, and other relevant agencies. The NDA provided strategic guidance on priority areas and programming for the proposed readiness project. It will oversee the Readiness project. The DECC, MoENR serves as the secretariate to the NEC the highest decision making and coordinating body on all the matters relating to the protection, conservation and improvement of the environment in the government. It Is also the National Focal Point for UNFCCC. DECC is also the secretariate for National Environment Commission, chaired by the Honorable Secretary, MoENR, is the high-level multi-sectoral coordinating body on environmental issues. They also serve as the National Climate Change Committee (NCCC) which leads the preparation of policies, national strategies and plans on climate change such as NDCs, NAPs, National communications, LEDs, etc. The Climate Change Division under the DECC will lead the implementation of the proposed readiness project.

35. The **Climate Change Coordination Committee (C4)** is the technical body to serve as a forum for discussion and coordination of matters related to climate change in Bhutan and makes recommendations for consideration by the NCCC/NEC. The C4 is comprised of high-level executive representation from stakeholder agencies and organizations and is chaired by the Director, DECC. The C4 is supported in implementing its mandates and functions through the Climate Change Division of DECC. It will serve as the technical level review body for the NDC 3.0 preparation process and make recommendations to the NCCC for their consideration.

36. The **Thematic Working Group (TWG) on Climate Change** is comprised of technical representatives from various sectors such as forestry, agriculture, livestock, biodiversity, energy, trade, industries, waste, private sector, local governance, Royal university of Bhutan, health, CSOs and NGOs, Royal Monetary Authority etc. The TWG is responsible for developing GHG inventories, national communications, and other climate change-related activities, including 2nd NDC formulation. The group will carry out validation exercises to ensure the NDC aligns with sectoral priorities and national circumstances in addition to UNFCCC reporting requirements.

37. *The **National Center for Hydrology and Meteorology (NCHM**)* is the nodal institution in the country in terms of climate change data and services. It specifically provides scientific and technical services on hydrology, meteorology, climatology and cryosphere and strives to meet the climate data and services of national and international needs. The NCHM will be engaged in providing data on climate projections, and other climate modelling studies required for the readiness project.

38. Various sectoral agencies, such as the MoAL, MoIT, and MoENR, MoICE, MoH, MoHA, MoESD, RMA, NCWC, etc. will be key stakeholders who will play critical roles in implementing specific mitigation and adaptation measures outlined in the NDC. At the same time, limitations in coordination and technical capacities for planning, implementing, and monitoring climate investments pose a challenge, making it crucial to address this issue within the current institutional framework. Reasons for these limitations include a brain drain and related staff turnover. These agencies will be closely consulted throughout the implementation of the readiness project to enhance their coordination and will receive various capacity-building support to ensure that these institutions can independently update their NDC, TNA, NAP and other relevant strategies and plans in the future.

2.3. Gender equality analysis

Legal and Policy Framework and Socio-economic Indicators

39. Bhutan's National Gender Equality Policy (NGEP) 2020 seeks to provide equal opportunities, access, and benefits for women and men, while recognizing the importance of gender equality in achieving sustainable development. Despite progress in political and economic participation, gender disparities still exist in Bhutan, particularly in leadership roles, economic opportunities, and access to resources[49]. Women, especially in rural areas, bear a disproportionate burden of unpaid care work, which limits their engagement in economic activities. According to a study on accounting for unpaid care work in Bhutan, women in Bhutan perform 71% of unpaid care work, which significantly impacts their ability to contribute to and benefit from economic growth. While women

[49] https://www.usaid.gov/climate/country-profiles/bhutan

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constitute approximately 40.03%of Bhutan's civil servants, only 23% of the executive-level roles are held by women, highlighting a significant gender gap in leadership and decision-making positions within the public sector[50]. This underrepresentation is indicative of broader gender inequalities in leadership and decision-making positions within the public sector. Recent statistics show that women's labor force participation is around 53.5%, compared to 75.7% for men[51]. The majority of women work in the agriculture sector which is more vulnerable to climate change impacts. The adult literacy in Bhutan is lower among women than men and the gap is 15.3%, which is larger than the gap of the South Asia aggregate 14.6%[52].

40. In the 13 FYP cross-cutting themes such as gender equality and empowerment and disability inclusion, are promoted and strengthened through relevant laws, policies and systems. It is also a high priority in Bhutan's development agenda as a key strategy to reduce poverty and inequality, close gender gaps and contribute to a vibrant economy.

Climate Vulnerability and Risks

41. Studies indicate that climate change impacts men and women in Bhutan differently due to their distinct roles in society and the socio-economic dynamics at play. A study on Gender and Climate Change in Bhutan with a focus on three NDC sectors of agriculture, energy and waste was undertaken to unpack the gender climate nexus, gender roles and gender differentiated impacts of climate change[53]. The study found that women are key contributors in agriculture, energy, and waste management sectors, yet they face barriers to resources, technology, and leadership roles. In agriculture, women handle most labor but struggle to access climate-smart tools. In energy, they manage household fuel, relying on biomass that poses health risks. In waste management, women perform household-level tasks but are excluded from decision-making and lack job security. The report advocates for empowering women across these sectors through access to finance, training, and technology. The study was instrumental in informing the formulation of second NDC.

42. The report recommends promoting gender-responsive climate action in Bhutan through interventions at policy, institutional, and community levels. Key recommendations include integrating gender considerations into climate policies and projects, strengthening institutional capacity to address gender-climate linkages, and enhancing the role of gender focal points. It also emphasizes raising awareness of gender dimensions in climate change, providing gender-responsive training, and challenging stereotypes. Improving sex-disaggregated data collection and analysis, promoting women's participation in decision-making, and integrating gender-climate issues into education are crucial steps.

43. The NAP process prioritized gender integration to address the varied impacts of climate change on different genders[54]. This was accomplished by analysing sector-specific climate risks through a gender lens, ensuring recommendations catered to these disparities. A gender-responsive stakeholder engagement plan was established, emphasizing the role of gender and involving agencies like the NCWC. Gender considerations were integrated into adaptation priorities, including private sector involvement, and a monitoring and evaluation framework mandates gender-disaggregated data collection. Additionally, the NAP focuses on building capacity among stakeholders to understand gender-specific adaptation needs, promoting equitable access to adaptation benefits.

44. Building on the lessons from the LT-LEDS, the NAP and Climate Promise, the formulation and implementation of the NDC 3.0 can further deepen studies on gender and climate change, expanding coverage across more sectors and issues to strengthen climate resilience. Incorporating gender-responsive climate policies, providing capacity-building opportunities, and supporting women's leadership can ensure that women's perspectives are included in climate planning and that the specific challenges faced by different genders are effectively addressed. This approach will help achieve climate and development objectives while also building a more inclusive and resilient society. More specifically, the proposed readiness project will take specific actions to mainstream

[50] https://www.rcsc.gov.bt/wp-content/uploads/2024/03/Civil-Service-Statistics-2023-1.pdf
[51] https://www.nsb.gov.bt/
[52] https://genderdata.worldbank.org/en/economies/bhutan
[53] Gender and Climate Change in Bhutan, 2020
[54] National Adaptation Plan, 2023

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gender and promote a more inclusive and gender-responsive process during the development and implementation of NDC3.0 and LTS.

45. The NDC3.0 will establish gender-responsive targets including improved access to climate finance for women, promotion of female leadership in climate resilience, and equitable access to resources and technologies.

46. For the update and alignment of LEDs/LTS actions will be embedded to empower women in low-emission strategies, such as providing training in green technologies and supporting female entrepreneurship in renewable energy.

47. The new TNA will highlight technologies that meet women's specific needs. These can be identified through consultations with women, data collection that is sex-disaggregated and a gender analysis to identify gender disparities in technology access, use, and benefits; to inform the development of gender-responsive solutions and recommendations; also by addressing the specific barriers that women face in accessing and benefiting from technology. Besides that, specific capacity building for women may be required to advocate for the integration of gender and women's empowerment considerations in policies related to technology development and adoption, based on the findings and recommendations of the TNA. It will also promote renewable energy solutions such as solar-powered appliances for small enterprises, climate-resilient agricultural technologies like drought-resistant seeds and drip irrigation systems, and health-focused innovations such as clean water filtration systems will be promoted to enhance women's livelihoods and well-being. To ensure equal participation, the project will support capacity building, access to finance, and community-led approaches while integrating women's voices in decision-making. Data collection will be disaggregated by sex to ensure inclusive and evidence-based decision-making. By fostering leadership and inclusivity, the NDC 3.0 and the TNA will contribute to gender mainstreaming and empower women as key actors in climate action.

2.4. Gaps and Barriers

48. **Barrier 1: Although key climate change strategies exist in Bhutan, these may not be relevant (i.e. outdated), leading to limited implemented** due to non-alignment with the latest GHG emissions trends and the country's national priorities for climate change mitigation and adaptation and the needs of women and vulnerable groups, while also missing 2035 targets. There is also an issue of inadequate monitoring systems in place to assess and track implementation of these priorities. Therefore, the LT-LEDS and NDC need to be updated to incorporate the latest trends in GHG emissions (also with 2035 targets), alignment with the government's 13th FYP and needs of women and vulnerable groups in these strategies. These building blocks of the NDC 3.0 must also provide the pathway and targets for each successive NDCs, with an MRV system in place to track progress and achievement (to be established by the CBIT project). This barrier exists due to rapidly changing trends in development and GHG emissions and related changing government priorities. Updating these strategies is challenging due to limited capacities and resources to do this (see also next barrier). Although women empowerment is addressed in a strategy such as the NAP, mainstreaming of gender was limited in the previous NDC due to lower priority.

49. **Barriers 2: Insufficient in-house capacities to update/revise climate change strategies and attract climate finance.** Despite the inclusion of an investment plan in NDC 2.0, resource mobilization has been limited (also for the LT-LEDS and NAP), resulting in critical climate actions not being implemented. Therefore, there is a need to strengthen in-house capacities (i.e. institutionalize these) to improve resource mobilization to fund critical climate actions, also fostering private sector investment in low-emission and climate resilient development (including needed business models, financial mechanisms), also through the carbon market. Besides that, there is a need to institutionalise capacities to update and implement key climate strategies. So far, the required institutional capacities are not sustained due to a high turn-over in staff and unsustainable knowledge management. Resource mobilization has not been effective due to the lacking capacity to do so, but also due to investment strategies not being detailed / concrete enough with limited proposal writing and submissions and potential donor engagement. Besides that, private sector investment in low emission development and climate change resilient has been limited because conditions for investments, such as concrete business models and financial mechanisms have not been created and made aware of.

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50. **Barrier 3. Limited access to technology and technology transfer hinders achieving the objectives and targets outlined in the LT-LEDS, NDC, NAP and 13th FYP**. The slow integration of advanced climate solutions hinders progress in implementing effective climate actions and achieving desired targets. Strengthening technology transfer initiatives is essential for enhancing Bhutan's capacity to implement sustainable practices, mitigate greenhouse gas emissions, and adapt to climate change effectively. This can be done by updated the 2013 TNA and to identify technologies/solutions that will support the implementation of the LT-LEDS, NDC and NAP in alignment with priorities in the 13th FYP, while also incorporating the needs of women and vulnerable groups in this strategy. Updating this strategy has not been done since 2013 due to limited capacities and resources to do this.

3.4. Problem statement

51. Bhutan faces several challenges that may hinder its ability to achieve its climate ambitions and targets communicated to the UNFCCC. One key issue is that the existing key climate strategies (especially the Long-Term Low Emission Development Strategy(ies) (LT-LEDS)) and Nationally Determined Contribution (NDC) are not fully aligned with the latest GHG emissions trends and the country's national priorities for climate change mitigation and adaptation (especially in the 13th Five Year Plan (FYP)). Additionally, there is a shortfall in climate finance needed to effectively implement these policies and strategies.

52. Moreover, Bhutan's 2013 Technology Needs Assessment (TNA) is outdated and does not adequately support the country's need to transfer technology that can support achieving objectives in key climate change strategies. Furthermore, private sector investment in low-emission and climate-resilient development in Bhutan remains limited, highlighting the urgent need for targeted initiatives to stimulate such investments. The current financing available for climate actions proposed in the NDC, LT-LEDS, but also the National Adaptation Plan (NAP), is insufficient to meet Bhutan's ambitious targets.

53. Given the insufficient financing for climate actions proposed in the NDC, LT-LEDS, but also the NAP, Bhutan faces a challenge in securing the necessary funds to achieve its ambitious climate targets. Addressing these barriers will require concerted efforts to realign policies with the latest climate change data, update technology assessments, attract private sector investments, and mobilize adequate financing to support climate action in the country.

54. Related to above, the goal of the proposal is to enable the government of Bhutan to uphold its carbon-neutral status and attain long-term climate change resilience objectives in alignment with the 13th FYP. This will involve institutionalizing and maintaining capacities to update/revise and implement Bhutan's essential GCF-related climate strategies including the LT-LEDS and NDC and TNA to align with current emissions trends and national priorities for mitigation and adaptation. Additionally, the proposal aims to create robust financing and investment strategies to effectively achieve the goals and targets for mitigation and adaptation.

55. The main project interventions include:
    a. Updating LT-LEDS to reflect the latest GHG emissions trends and align with national climate change mitigation and adaptation priorities
    b. Updating NDC 2.0 to reflect the latest GHG emissions trends and align with national climate change mitigation and adaptation priorities.
    c. Creating a comprehensive financing strategy and investment plan for the implementation of the LT-LEDS and NDC, which also encompasses private sector investment.
    d. Updating the TNA to bolster climate ambitions and actions outlined in the LT-LEDS and NDC. Enhancing in-house capacity to continually update, implement and monitor key climate strategies, ensuring the sustainability and institutionalization of these efforts.

3.5. Beneficiaries

56. The direct beneficiaries of the proposed readiness project include the DECC as the national focal point to the UNFCCC and the key partner agency, as well as the NDA. This project aims to enhance

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the capacity of DECC staff, ensuring that future NDC formulation processes become institutionalized and allowing DECC to prepare future NDCs internally.

57. Other beneficiaries include the Office of Cabinet Affairs and Strategic Coordination (OCASC), MoAL, DoE, DoFPS, MoIT, MoHA, MoH, MoICE, Local Government, Royal University of Bhutan (RUB), MOESD/NCWC, private sector, CSOs, and NGOs. These stakeholders will be closely involved in the formulation of the NDC 3.0. Additionally, capacity-building initiatives will target these key sectors through updates of LT-LEDS to ensure that these sectors can manage future updates independently.

58. The project will also build the capacity of the private sector to enhance their awareness and ability to leverage opportunities for low-emission development. They will be actively involved in formulating investment plans for NDC implementation. The readiness project will further strengthen collaborations established under the NAP readiness project for adaptation research with research institutes. Faculty and students will be actively engaged during the implementation phase to ensure their participation in training sessions and to explore ways to establish climate change data collection and modeling activities within these institutions, ensuring sustained knowledge management.

3.6. Stakeholder engagement

59. To align the proposed readiness project with the priorities and needs of various stakeholders, consultations were conducted from 14th to 18th October 2024. Meetings were held at multiple levels with government agencies, donor partners, CSOs, and the private sector and women groups. Separate discussions took place with the NDA to ensure the project activities align with the country's priorities and the ongoing formulation of the Country Work Programme. Additionally, meetings were held with the DECC, the executing agency for the project, to better understand their needs and sectoral priorities and to secure project ownership and buy-in, both of which are critical for effective project design and implementation.

60. Further discussions were held with the CBIT project management team and the NRP team from Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH to gain insight into their work scope and identify complementary activities that could build on ongoing initiatives.

61. The inception workshop for the readiness project brought together 42 participants from almost 20 agencies. In addition to the representation from the government agencies and private sectors, vulnerable community groups, including women, youth, and others, were also represented by organizations such as the Tarayana Foundation, Respect, Educate, Nurture, and Empower Women (RENEW), and the National Commission on Women and Children during the inception workshop. Stakeholders identified gaps and barriers in developing and implementing the NDC 3.0 and prioritized activities to address these challenges. The workshop's outcomes were then discussed with the DECC and the NDA to refine and align the prioritized activities within the project's budget.

3.7. Synergies and Complementarity

62. The table below outlines relevant readiness projects in Bhutan, highlighting their objectives, synergies, and key implementation challenges. The overview is intended to assess how the current project can complement ongoing initiatives, build on existing capacities, and address identified gaps to better leverage strategic alignment.

Table 3 Overview of relevant projects, including synergies and complementarities

No.	Details of Readiness grants in the country (date of approval and implementation status/period, DP)	Objectives and key results expected / delivered	Synergies, Complementarities and gaps to be addressed by this project	Key implementation challenges and learnings
1	Title: Strengthening capacities and enhancing climate data and services in	The project aims to build the capacity of the NDA and DAE applicants, analyze climate data and vulnerabilities in high	These activities directly complement efforts to build the capacity of the	Since the project is in its initial stages, no implementation challenges or

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No.	Details of Readiness grants in the country (date of approval and implementation status/period, DP)	Objectives and key results expected / delivered	Synergies, Complementarities and gaps to be addressed by this project	Key implementation challenges and learnings
	Bhutan to scale-up climate financing from multiple sources Budget: USD 991,452 Duration: 24 months (2024 – 2025) DP: Royal Society for Protection of Nature (RSPN)	wetland areas, and develop a national climate financing strategy. It also seeks to carry out a pre-feasibility study on waste management and emissions mitigation through public-private partnerships.	government and other stakeholders. The proposed readiness project will focus on the capacity building of the DECC and the key sectors in the development of the NDC 3.0 and its implementation. The vulnerability assessment of the high wetlands will also inform the NDC 3.0 formulation.	lessons learned have been identified at this time.
2	Title: Building the Capacity of Bhutan's National Stakeholders to Address Climate and Disaster Related Risks Budget: USD 975,975 Duration: 2022-2023 DP: GNHC/MoF	The project sought to further strengthen the institutional and technical capacity of the NDA and key partners (e.g., DAE, 3 DAE applicants, and potential EEs, to fulfill their roles and responsibilities to access and implement climate finance. This improved capacity will help Bhutan address climate-induced and disaster-related risks through improved decision-making and enhanced capability for project pipeline development.	Capacity building across sectors still remain a critical need. The proposed project seeks to strengthen the capacity of key sectors to support the formulation and execution of the NDC 3.0. Additionally, the ongoing update of the Country Work Programme (CWP) will guide this readiness project by identifying priority sectors for concept note development.	The MoF as DP for this readiness project had other important and competing priorities to handle and manage. Therefore, MoF had delegated the management of the ongoing readiness project (BT-RS-005) to BTFEC which is a DAE. To access climate funds, NDA had also realized the importance of instituting additional DAEs.
3	Title: Strengthening REDD+ and watershed management in Bhutan Budget: USD 595,000.00 Duration: 24 months (2020 – 2022) DP: Department of Forest and Park Services	Project aimed to complete Bhutan's REDD+ readiness by addressing stakeholder engagement, private sector involvement, and forest management gaps, while also managing water resources by reviving springs and enhancing watershed development.	The improved FREL provides a strong foundation for the development and implementation of the NDC 3.0. This readiness project will leverage existing data and capacity during its implementation and will also build on the development of an investment plan for private sector engagement in forest management.	The COVID-19 pandemic was the major issue during the entire implementation period.
4	Title: Strategic framework to strengthen the Capacity of NDA to access resources from the Green Climate Fund and support for direct access accreditation process	The project aimed to equip Bhutan's NDA with the necessary tools and capacity to effectively engage with the GCF. This includes supporting the accreditation process for a direct access entity.	The NDA's capacity built through this project has helped in preparing the proposed readiness project, especially in areas of activity prioritization. The proposed project seeks to strengthen the capacity of key	Limited capacity and awareness about GCF projects within the sectors. Challenges related to stakeholder coordination and participation.

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No.	Details of Readiness grants in the country (date of approval and implementation status/period, DP)	Objectives and key results expected / delivered	Synergies, Complementarities and gaps to be addressed by this project	Key implementation challenges and learnings
	Budget; USD 400,000.00 Duration: 18 months (2018 - 2020) DP: GNHC		sectors to support the formulation and execution of the NDC 3.0.	
5	Title: Strengthening NDA and related institutions, including financial institutions, in Bhutan for effective engagement with GCF. Budget: USD 400,000 Duration: 2020 - 2022 DP: GNHC	The project aimed to enhance the capacity of the NDA and develop an online public information system about GCF activities, enhancing coordination among stakeholders, accrediting three financial institutions for direct access, and involving the private sector to broaden the outreach of GCF resources. Including development of waste management proposal.	Due to high staff turnover across agencies, capacity gaps remain a critical issue. The proposed project aims to build the capacity of key sectors for the development and implementation of the NDC 3.0. Additionally, it will explore enhancing the capacity of agencies in developing proposals for financing entities such as the GCF.	There was a high attrition of project staff at NDA posing challenges to knowledge management and work continuity. It was a challenge for the NDA to get 3 Financial Institutions to get accredited with GCF and remains a challenge.
6	Title; Readiness Project on Preparation of the National Adaptation Plan (NAP) Budget: USD 2,999,859 USD Duration: 4 years 2019-2023 DP: UNDP	The project supported the government in NAP process by building institutional capacities, focusing on priority sectors in the NDC, addressing coordination and technical challenges, and strengthening frameworks for long-term climate adaptation planning. There are 4 key expected outcomes: (1) Strengthened coordination, learning, and knowledge management for the NAP process, including institutional pathways and stakeholder engagement. (2) Enhanced technical capacity for generating climate scenarios and conducting impact assessments through training and partnerships. (3) Vulnerability assessments completed, and adaptation options appraised, prioritizing interventions, particularly in the water sector, and integrating adaptation into development planning. (4) NAP formulated with established implementation and monitoring systems, including consultation, M&E frameworks, and outreach on the NAP process.	The vulnerability assessments, adaptation options appraisals, and the NAP document itself, will directly inform the formulation of Bhutan's the NDC 3.0 under proposed readiness project. The proposed readiness project will leverage and build on the capacity building and enhanced data and information established by this readiness project during the update of the LEDS/LTS.	The drafting of the NAP was delayed due to the COVID-19 pandemic. Additionally, staff turnover within the focal agency resulted in work discontinuity. It was recognized that cross-sectoral collaboration and capacity building, including the involvement of local government staff, were crucial for the successful formulation of the NAP.
Complementary and Synergies with other Project				

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No.	Details of Readiness grants in the country (date of approval and implementation status/period, DP)	Objectives and key results expected / delivered	Synergies, Complementarities and gaps to be addressed by this project	Key implementation challenges and learnings
7	Title: Capacity Building Initiative for Transparency (CBIT) Donor: GEF Budget: USD 2.9 million Duration: Mar 2023 – Nov 2026 Implementing agency: DECC	The project aims to enable Bhutan to meet its reporting obligations under the Paris Agreement's ETF by strengthening national capacities for monitoring and reporting on climate change mitigation and adaptation actions. It will establish a robust MRV system for NDC mitigation targets, including provision of both hardware and software component. Additionally, the project will develop a framework and indicators for tracking and reporting on NDC priority adaptation actions under the ETF, aligned with the NAP process.	The establishment of the MRV system under the CBIT will complement in monitoring and reporting of the NDC 3.0. The proposed readiness project will complement the ongoing CBIT efforts to strengthen the capacity of sectoral agencies and the DECC in monitoring, reporting, and verifying the implementation of NDC 3.0. Capacity-building activities will be strategically designed to enhance and support both initiatives, maximizing skill development and fostering synergy across efforts.	The COVID-19 pandemic impacted project delivery, causing delays in implementation. Additionally, high staff turnover at DECC, like in many government agencies, further affected the project's progress.
8	Title: The Climate Promise, UNDP 2020 - 2026	The UNDP-led initiative, launched in 2019, aims to assist countries in enhancing and implementing their NDCs under the Paris Agreement. In Bhutan, it has supported in developing the first and second NDCs and is currently helping prepare for the NDC 3.0 by facilitating access to GCF readiness support. For NDC 2, UNDP conducted sectoral assessments in food security, human settlement, transport, and industry, focusing on promoting socio-economic growth while minimizing GHG emissions. Additionally, a comprehensive awareness program, "Bhutan Climate Journey," was carried out to raise climate ambition, reaching a wider audience through a whole-of-society approach. This approach highlighted local stories, engaged champions, youth, the finance sector, and the private sector.	The proposed readiness project will review the existing LEDS/LTS and develop new LEDS for priority sectors in alignment with the government's 13FYP. It will also build on existing outreach and awareness efforts in preparation for the NDC 3.0. The Climate Promise's work on climate awareness, using a whole-of-society approach, will directly complement the proposed readiness project's activities, particularly in raising awareness and conducting consultations to ensure a more inclusive NDC 3.0. Building on the sectors identified in NDC 2.0, the proposed readiness for the preparation of NDC 3.0 will assess progress and identify specific investment gaps, needs, and	Limited ownership from various sectors. There is need to strengthen coordination efforts led by DECC, particularly in promoting a whole-of-society approach that includes gender, youth, and the integration of loss and damage, as well as nature-based solutions. Government resource mobilization is insufficient due to competing priorities, and limited monitoring and reporting systems hinder tracking progress. Better alignment between NDC ambitions and national policies is essential for effective implementation.

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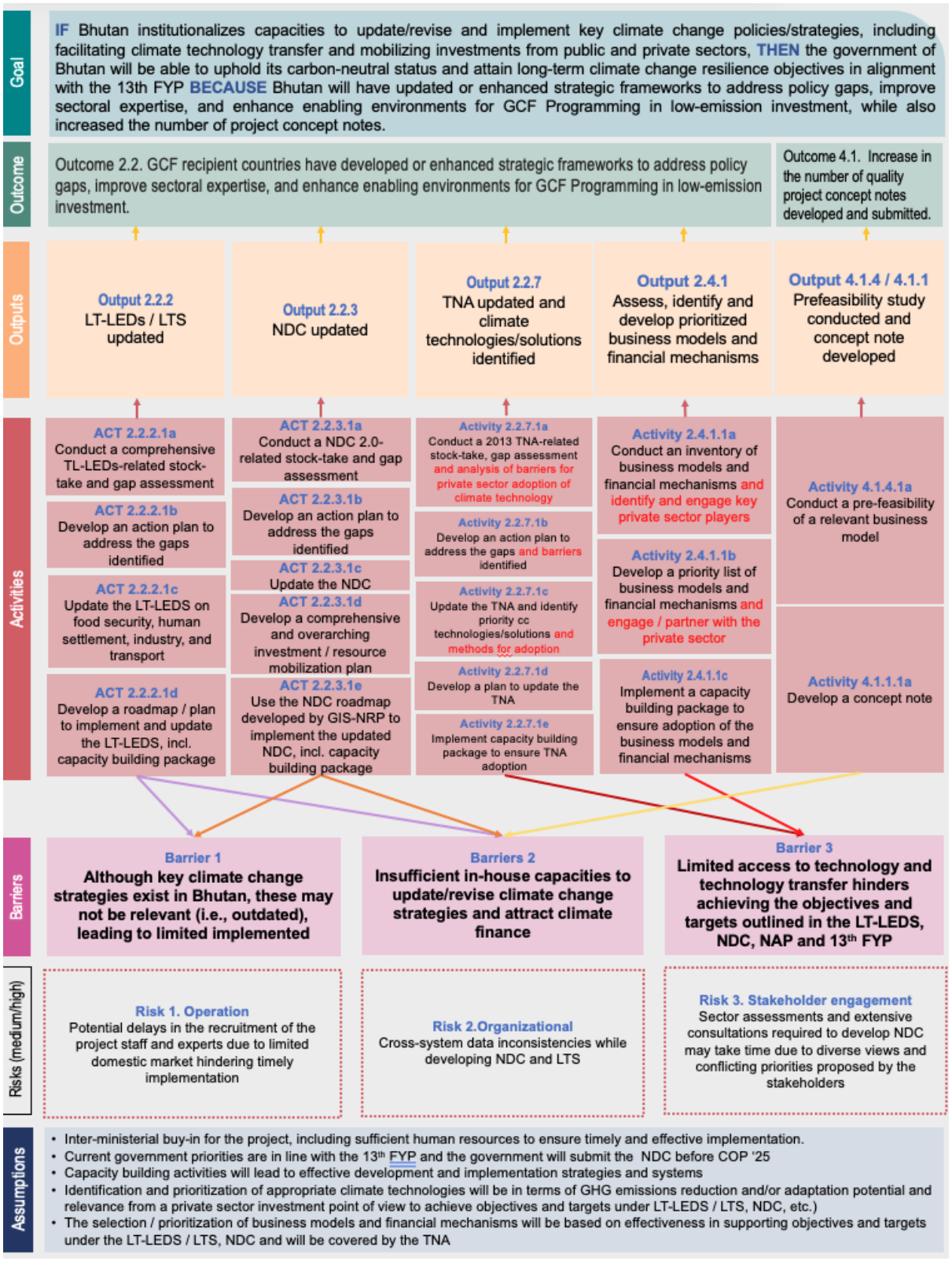
No.	Details of Readiness grants in the country (date of approval and implementation status/period, DP)	Objectives and key results expected / delivered	Synergies, Complementarities and gaps to be addressed by this project	Key implementation challenges and learnings
			opportunities for achieving mitigation and adaptation results in these sectors.	
9	Bhutan Climate Fund Donor Partner: World Bank Implementing Agency: DECC	Bhutan and the World Bank launched the Bhutan Climate Fund at COP28. This initiative intends to monetize Bhutan's net negative greenhouse gas emissions at a fair price, reflecting the opportunity cost of maintaining carbon negativity. As the world's first carbon-negative country, Bhutan remained committed to staying carbon-neutral, with low-carbon electricity powered by renewable resources and exports of run-of-river hydroelectricity contributing to regional decarbonization. Focusing on the hydropower and forestry sectors, the Fund will build on Bhutan's Kyoto Protocol experience, robust infrastructure. The Carbon Market Rules was approved in 2023.	The proposed readiness project, through the development and implementation of the NDC 3.0, will ensure that mitigation measures align with the government's overall plans and programs. It will build private sector capacity for participation in low-emission development, potentially leading to involvement in the carbon market. The project will also enhance the private sector's understanding of leveraging low-emission efforts while increasing public knowledge on these initiatives.	
	Plastics Circularity Project Nov 2024- Oct 2027 Donor: TCCF fund Total Budget: USD 15mil (with USD 980,619 allocation to Bhutan) Implementing Agency: UNDP	Project aims to address the critical issue of plastic waste management in nine countries across Asia The project is designed to support the transition to a circular economy by improving plastic waste management, promoting recycling, and reducing plastic leakage into the environment. By focusing on these targeted areas, the project will contribute to better public health, environmental protection, and the development of sustainable waste management practices.	Update Bhutan's National waste Inventory (2019) to assess GHG emission and mitigation potential using inclusive and gender responsive circular economic approach. This will be in partnership with UNDP and the World bank.	The project is in its initial stage of implementation.

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Section 3. Theory of change (ToC)

3.1. Theory of Change – Diagram

Figure 2 ToC diagram



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3.2. Theory of Change – Narrative

Goal statement:

63. **IF** Bhutan institutionalizes capacities to update/revise and implement key climate change policies/strategies, including facilitating climate technology transfer and mobilizing investments from public and private sectors, **THEN** the government of Bhutan will be able to uphold its carbon-neutral status and attain long-term climate change resilience objectives in alignment with the 13th FYP **BECAUSE** Bhutan will have updated or enhanced strategic frameworks to address policy gaps, improve sectoral expertise, enhance enabling environments for GCF Programming in low-emission investment, and increase the number of project concept notes.

Outputs and activities to address the identified barriers

64. **Outputs**. The main proposed outputs to achieve GCF strategic objective 2 include updating the LT-LEDs/LTS (**GCF output 2.2.2**) and the NDC and financing strategy (**GCF Output 2.2.3).** However, objectives and targets of updated LT-LEDS/LTS, NDC as well as the NAP, will not be achieved without appropriate transfer of relevant technology and sufficient funding, which requires removal of barriers for private sector investment in low-emission and climate resilient development. Therefore, the TNA will be updated (**GCF output 2.2.7**) and business models and/or innovative financial mechanisms and schemes bolstering private sector investment identified (as per **GCF output 2.4.1**) and feasible models will be tested / implemented through output **4.1.4** and **4.1.1**. This package, together with the required capacity building, will support achieving objectives and targets set in the updated LT-LEDS/LTS, NDC as well as the NAP.

Activities and barriers:

65. **Output 2.2.2** LT-LEDs updated (as per GCF LogFrame: 'Long-term, Low Emission Development Strategy (LT-LEDs / LTS) developed').

66. The aim of this output is to update Bhutan's existing LEDS on food security, human settlements, industry, and transport to ensure these are aligned with recent trends in GHG emissions, scenarios and government priorities. This alignment will support the actual implementation of these LEDS.

67. The process will begin with a comprehensive stock-take and gap assessment to identify deficiencies in the current LEDS, including analyzing sector-specific development information, GHG emissions trends and scenarios per sector, as well as gaps in the LEDS's gender mainstreaming and alignment with government priorities in the 13th FYP.

68. Upon the completion of the stock-take and gap assessment, an action plan will be formulated to address the identified gaps and to ensure the LT-LEDS are brought up to date.

69. Based on the plan, the LT-LEDS will be updated. This updated strategy will provide a framework for achieving Bhutan's 2050 low-emission development goals, as well as intermediate goals linked to the NDC, ensuring the LT-LEDS remains relevant and effective in the face of evolving climate challenges and the needs of women and vulnerable groups.

70. Finally, a roadmap / plan will be devised to support the implementation and update of the LT-LEDS, which will be reviewed / updated every five years, in line with Bhutan's national five-year planning and NDC update timeframe. This roadmap / plan will include raising awareness of the LT-LEDS and delineate the necessary financing requirements essential for achieving the objectives and targets set forth in the LT-LEDS. The roadmap/ plan will also outline how the LT-LEDS will be mainstreamed into sectoral annual work plans with high-level endorsement and uptake. The financing analysis will feed into the overall investment and resource mobilization plan to be developed under output 2.2.3. In addition, a capacity-building package will be implemented with the purpose to enable relevant actors[55] to autonomously update and develop LT-LEDS. This will allow

[55] Relevant agencies and stakeholders:
- DECC (CCD, EACD, WMD)
- Authorized counterparts (National consultant, UNDP, PMU)

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for agencies to conduct the required assessments, analysis and modelling to update the LT-LEDS in the future. Related trainings will focus on GHG inventory (data collection, methodology, uncertainties analysis, time series consistency, quality assurance, direct and indirect emission estimations, reporting guidance) (one training) and calculation of disaggregated emissions assessment and carbon sequestration in the human settlement sector and potentially the forestry, water, livestock and energy sectors, and, if needed, climate change projections (one training). The package will encompass the development of guidelines / online curriculum, templates, along with Training of Trainers (ToT). The package will also include IT equipment (computers / laptops distributed to PMU and taskforce team supporting the project in implementation and the update of the multiple LT-LEDS (Human settlement, Industry, Agriculture and Transport). The task team will also be involved in data collection, progress tracking and monitoring facilitating proper planning, update and reporting. It is essential to equip the focal and project team with high performance laptops and carry out the responsibilities effectively and independently contributing to overall success of the project. Workshops (four) will be organized to facilitate above activities, to raise awareness of the LT-LEDS and to ensure an inclusive stakeholder consultation process. The participation of government representatives, civil society organizations, private sector actors, and local governments and communities will be ensured in these workshops.

71. As part of the roadmap / plan, a mechanism for future updating and upgrades of the LT-LEDS will be established. This will entail:
    a. Transparency and Accountability: clear roles and responsibilities with DECC leading
    b. Consultations and Engagement: organized by DECC
    c. Data and Analysis: informed by BTRs, GHG inventories (via National Communication documents); data tracking based on MRV system (developed by the CBIT project)
    d. Setting Ambitious Targets: based on baseline data and national priorities and viability for public and private sector uptake and investment.
    e. Capacity building Capacity Building: for effectively updating and implementing strategies
    f. Resource Mobilization: LEDS to include investment plans with windows from both domestic (should also capture private sector) and international sources
    g. Alignment with International Commitments: ensure alignment with international commitments, such as the Paris Agreement, and contributes to global efforts to address climate change.
    h. Monitoring and Review: using the MRV system developed by the CBIT project and looks at improving data collection based on feedback from users.

72. These outlined activities will address Barrier 1 by ensuring that the LT-LEDS/LTS remains pertinent because of ensuring its relevance in terms of data and priorities. Besides that, the activities address Barrier 2 partly, by building capacities to update and implement the LT-LEDS also in the future.

73. The table below provides an overview of the proposed activities and related deliverables.

Output	Activities	Deliverables
Output 2.2.2 LT-LEDs / LTS updated (as per GCF LogFrame: 'Long-term, Low Emission Development Strategy (LT-LEDs / LTS) developed').	2.2.3.1a Conduct a comprehensive TL-LEDs-related stock-take and gap assessment, including GHG emissions baseline and future trends and scenarios per sector and a gender analysis and a workshop (2-days) to facilitate this process	- Stock-take and gap assessment report of existing LT-LEDS and GHG emissions inventory baseline and future trends and scenarios per sector, including a gender analysis and recommendations - Workshop report
	2.2.3.1b Develop an action plan to address the gaps identified, including a gender action plan with disaggregated data and a workshop (2-days) to facilitate this process	- Action plan to address the gaps identified, including a gender action plan with disaggregated data - Workshop report

- Mitigation sectors (DoE, DoFPS, DoST, DHS, BCTA, DoI-ABI, DoL, DoA, PPDs)
- Adaptation sectors (DoW, DoPH, NCHM, DLGDM, PPDs)
- Means of Implementation sectors (DMDF, DoEP-NCWC, RUB, BTFEC, PPDs)
- Women and youth groups, private sector, CSO's, development partners, etc.

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Output	Activities	Deliverables
	2.2.3.1c Update the LT-LEDS on food security, human settlement, industry, and transport, including a workshop (2-days) to facilitate this process	- Updated LT-LEDS on food security, human settlement, industry, and transport - LT-LEDS financing strategy - Workshop report
	2.2.3.1d Develop a roadmap / plan to implement and update the LT-LEDS in the future, including a workshop (2-days) to facilitate the process and a capacity building package to ensure LT-LEDS adoption (i.e., two five-day trainings to build capacities to update and implement the LT-LEDS	- Roadmap / plan to implement and update the LT-LEDS in the future - Guidelines / online curriculum and templates - Workshop report - Training reports

74. **Output 2.2.3**. NDC updated (as per GCF LogFrame: 'NDC updated or revised and/or financing strategy or related policies developed and NDC financing strategy developed').

75. The aim of this output is to update Bhutan's NDC 2.0 with a 5–10-year scope, fitting within the LT-LEDS 2050 horizon. The process will begin with a stock-take and gap assessment to identify deficiencies in the NDC 2.0., also from a gender perspective. The assessment will build on the ongoing NDC stock-take conducted by GIZ-NRP. The chapter on adaptation will be based on information in the NAP, including the same sectors as in the NAP.

76. Upon the completion of the gap assessment, an action plan will be formulated to address identified gaps and ensure the NDC is brought up to date.

77. Based on the plan, the NDC 2.0 will be updated. The work will update the country's mitigation and adaptation pathways, building on the priority actions and sectors identified in NDC 2.0. It will assess progress and identify specific investment gaps, needs, and opportunities to establish updated and enhanced targets, action plans, and indicators needed to achieve the required mitigation and adaptation results in Bhutan. This updated strategy will provide a framework for Bhutan's short-term (5-10 year) low-emission development goals, linked to the LT-LEDS longer-term goals, ensuring it remains relevant and effective in the face of evolving climate challenges and the needs of women and vulnerable groups. The necessary financing requirements essential for achieving the objectives and targets set forth in the NDC will be identified. Based on the financing strategy of the NDC, LT-LEDS and the private sector financing strategy (see below), a comprehensive and overarching investment / resource mobilization plan will be developed to support the implementation of the NDC, LT-LEDS, while fostering private sector and investment, also considering technology transfer needs. Moreover, the NDC roadmap developed by GIZ-NRP will be used to support the effective implementation of the updated NDC.

78. In addition, a comprehensive capacity-building package will be implemented with the purpose to institutionalize the capabilities needed to update, develop and execute the NDC, complementing the capacity development package proposed under the LT-LEDS output. Proposed trainings will focus on resource mobilization, including e.g. hands-on feasibility studies (e.g. on EV freight, alternative modes of transport, water heat recovery, refuse derived fuel) and proposal writing (two trainings) that will support priority actions identified in the in the resource mobilisation plan for the NDC, NAP and LTS. Besides that, a partnership with Institute(s), academia, CSO(s) is proposed, with the purpose to reduce the burden on the government and improving wider capacity. This or these partners will be tasked with relevant resource mobilization activities or any relevant research and data production or policy coherence activities, etc. This package will also encompass the development of guidelines / online curriculum, templates, along with Training of Trainers (ToT). Workshops (five) will be organized to facilitate above activities and to raise awareness of the NDC. The participation of government representatives, civil society organizations, private sector actors, and local governments and communities will be ensured in these workshops.

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79. The NDC will be reviewed and updated every five years. The roadmap will include a plan that details the mechanism for future updates and upgrades of the NDC. This have the same approach as the LT-LEDS and will entail:
    a. Transparency and Accountability: clear roles and responsibilities with DECC leading
    b. Consultations and Engagement: organized by DECC
    c. Data and Analysis: informed by BTRs, GHG inventories; data tracking based on MRV system (developed by the CBIT project)
    d. Setting Ambitious Targets: based on baseline data and national priorities and viability for public and private sector uptake and investment.
    e. Capacity building Capacity Building: for effectively updating and implementing strategies
    f. Resource Mobilization: LEDS to include investment plans with windows from both domestic (should also capture private sector) and international sources
    g. Alignment with International Commitments: ensure alignment with international commitments, such as the Paris Agreement, and contributes to global efforts to address climate change.
    h. Monitoring and Review: using the MRV system develop by the CBIT project and looks at improving data collection based on feedback from users.

80. These outlined activities address Barrier 1 by ensuring that the NDC remains pertinent because of ensuring its relevance in terms of data and priorities. Besides that, the activities address Barrier 2 by not only building in-house capacities to update and implement the NDC in the future, but also to improve resource mobilization to fund critical climate actions.

81. The table below provides an overview of the proposed activities and related deliverables.

Output	Activities	Deliverables
Output 2.2.3: NDC updated (as per GCF LogFrame: 'NDC updated or revised and/or financing strategy or related policies developed and NDC financing strategy developed').	2.2.3.1a Conduct a NDC 2.0-related stock-take and gap assessment, (prepared and financed by GIZ-NRP) and gender analysis and a workshop (2-days) to facilitate this process	- Stocktake and gap assessment report of NDC 2.0 and relevant strategies, including gender analysis - Workshop report
	2.2.3.1b Develop an action plan to address the gaps identified, including a gender action plan with disaggregated data and a workshop (2-days) to facilitate this process	- Action plan to address the gaps identified, including for gender with disaggregated data - Workshop report
	2.2.3.1c Update the NDC, including a workshop (2-days) to facilitate this process	- Updated NDC - Workshop report
	2.2.3.1d Develop a comprehensive and overarching investment / resource mobilization plan for the NDC, LT-LEDS and private sector, also considering technology transfer needs, including a workshop (2-days) to facilitate this process	- Comprehensive and overarching investment / mobilization plan for the NDC, LT-LEDS and private sector, delineating public and private financing roles to achieve targets, also considering technology transfer needs - Workshop report
	2.2.3.1e Use the NDC roadmap prepared and financed by GIS-NRP to implement the updated NDC, including a workshop (2-days) to facilitate this process and capacity building package to ensure NDC adoption (i.e., two five-day trainings to build capacities to update and implement the NDC and using a learn by doing approach with guidance from the professional service / company / firm to conduct resource mobilization activities for priority actions identified in the	- The NDC roadmap to include a plan that details the mechanism for future updates and upgrades - Guidelines / online curriculum and templates - Workshop report - Training reports - Report from partner with conducted activities

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Output	Activities	Deliverables
	resource mobilisation plan for the NDC, NAP and LTS. Besides that, a partnership with Institute(s), academia, CSO(s) is proposed, with the purpose to reduce the burden on the government and improving wider capacity. This or these partners will be tasked with relevant resource mobilization activities or any relevant and research and data production or policy coherence activities, etc.	

82. **Output 2.2.7.** TNA updated and climate technologies/solutions identified that support implementation of the LT-LEDS, NDC and enhance private sector investment (as per GCF LogFrame: 'Appropriate climate technologies/solutions identified and prioritized.).

83. The objective of this initiative is to revise the 2013 TNA to pinpoint climate technologies and solutions that facilitate the execution of the LT-LEDS, NDC, and bolster private sector investments (by identifying and removing key barriers that limit private sector adoption of climate technology). The procedure will commence with an inventory and gap analysis to pinpoint any shortcomings in the 2013 TNA regarding climate technology and gender gaps and requirements essential for supporting the LT-LEDS, NDC, while also identifying key barriers that limit private sector adoption and use of climate technologies and to analyze the most effective method in which adoption/investment can occur. The activity will be conducted in coordination with activities under output 2.4.1

84. Upon the completion of the gap assessment, an action plan will be formulated to address identified gaps and barriers and ensure the TNA is brought up to date. The action plan will identify relevant climate technologies, also considering which are relevant for private sector investment opportunities, and methods for adoption. The action plan will also identify how gender should be mainstreamed. The Identification and prioritization of appropriate climate technologies should consider GHG emissions reduction and/or adaptation potential and relevance from a private sector investment point of view.

85. Based on the plan, the TNA will be updated. This updated strategy will show what climate technologies/solutions are needed in support of NDC and LT-LEDS implementation and how these should be applied/adopted, including financing needs (i.e. financing strategy). The needs of women and vulnerable groups in applying these technologies will also be identified.

86. A plan will be developed providing details about a mechanism for future updating and upgrades of the TNA. The TNA will be reviewed and updated every 5 years or 10 years, depending on the changing needs, priorities and developments. The mechanism will entail:
    a. Consultation and Engagement: incl. government agencies, private sector, civil society, and international partners, led by DECC
    b. Data and Analysis: assess current technological capabilities, gaps, and requirements to identify the most effective technologies for achieving climate goals.
    c. Technology prioritization: based on their potential impact, cost-effectiveness, and feasibility to address specific climate challenges identified in the assessment.
    d. Capacity building: to understand and implement prioritized technologies.
    e. Resource Mobilization: to include investment plans with windows from both domestic (should also capture private sector) and international sources
    f. Monitoring and Review

87. In addition, trainings will be conducted on climate technology transfer / use in the country for key stakeholders[56], including the private sector (two trainings). This will be complemented with

[56] [56] Relevant agencies and stakeholders:
- DECC (CCD, EACD, WMD)

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guidelines / instruction documents. Workshops (three) will be organized to facilitate above activities. The participation of government representatives, civil society organizations, private sector actors, and local governments and communities will be ensured in these workshops.

88. These outlined activities will address Barrier 3 by improving climate technology/solutions transfer with hands-on learning and application.

89. The table below provides an overview of the proposed activities and related deliverables.

Output	Activities	Deliverables
Output 2.2.7. TNA updated and climate technologies/solutions identified that support implementation of the LT-LEDS, NDC and enhance private sector investment (as per GCF LogFrame: 'Appropriate climate technologies/solutions identified and prioritized.).	2.2.7.1a Conduct a 2013 TNA-related stock-take, gap assessment and analysis of barriers for private sector adoption of climate technology, including gender analysis and a workshop (2-days) to facilitate the process	- Stocktake and gap assessment and analysis of barriers for private sector adoption of climate technology report, incl. - Gender analysis and targeting strategy document with disaggregated data - Workshop report
	2.2.7.1b Develop an action plan to address the gaps and barriers identified also from the gender analysis, including a workshop (2-days) to facilitate the process	- Action plan to address the gaps and barriers and update the TNA, including for gender - Workshop report
	2.2.7.1c Update the TNA and identify priority cc technologies / solutions and methods for adoption, including financing strategy and a workshop (2-days) to facilitate this process	- Updated TNA - Workshop report
	2.2.7.1d Develop a plan to update the TNA in the future	- Plan to update the TNA in the future
	2.2.7.1e Implement capacity building package to ensure TNA adoption (i.e., two five-day trainings to build capacities to understand and apply relevant technology)	- Guidelines / instruction documents. - Workshop report - Training reports

90. **Output 2.4.1.** Assess, identify and develop prioritized business models and financial mechanisms (as per GCF LogFrame: New business models incubated and/or innovative financial mechanisms and schemes created to increase low -emission and climate resilient investment.

91. The objective of this initiative is to identify, develop, and implement business models and financial mechanisms and to engage and partner with the private sector spurring private sector investments in support of LT-LEDS and the NDC implementation in Bhutan, also with the purpose of removing barriers (policy, regulatory, financial, institutional) for private sector engagement / partnering and investment. The first step will involve conducting an inventory of existing domestic and international business models and financial mechanisms applicable to Bhutan, with a focus on improving and customizing them to suit the local context, as well as identifying gaps / barriers for private sector engagement and investment (policy, regulator, financial, institutional) and how these could be addressed, also based on assessing how previous project activities engaged the private sector and build private sector-related investment capacity building have translated into action. Opportunities for private sector investment in low emission development and climate change resilience exist in the sectors covered by the LT-LEDS and NDC, including industry (e.g. waste heat recovery in ferro-silicon and cement), transport (especially EV freight), food security, and human settlements. Sub-

- Authorized counterparts (National consultant, UNDP, PMU)
- Mitigation sectors (DoE, DoFPS, DoST, DHS, BCTA, DoI-ABI, DoL, DoA, PPDs)
- Adaptation sectors (DoW, DoPH, NCHM, DLGDM, PPDs)
- Means of Implementation sectors (DMDF, DoEP-NCWC, RUB, BTFEC, PPDs)
- Women and youth groups, private sector, CSO's, development partners, etc.

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sectoral targets/strategies for these sectors that could be met through private investments will be specified, including how these could be achieved, including through the carbon market / pricing. The analysis will also include a gender perspective to identify both challenges and opportunities for women's meaningful involvement in developing and implementing business models and financial mechanisms.

92. Upon completion of the inventory, an assessment will be carried out to identify and prioritize business models and financial mechanisms that align with the objectives of implementing the LT-LEDS and NDC and that remove barriers for private sector engagement / partnering and investment. This assessment will identify key private sector players that will be able to scale-up engagement and consider the effectiveness of the models and financing mechanism in supporting LT-LEDS and NDC implementation, including their relevance to the carbon market under Article 6, thus assessing their contribution to achieve targets in reducing emission for priority sectors. Furthermore, the chosen models and financing mechanisms will be evaluated based on feasibility, cost-effectiveness, and gender inclusivity.

93. The priority list developed from this assessment will outline the essential business models and financial mechanisms required to support the implementation of NDCs and LT-LEDS across various sectors. This list will also detail how these models should be adopted/applied, along with the specific financing needs and strategies for each sector. Moreover, special attention will be given to identifying the specific needs of women and vulnerable groups when applying these models and mechanisms. The identified business models and financial mechanisms may encompass areas such as clean transport, clean energy, green loans, revolving funds, carbon market-related strategies, among others. Additionally, the plan will include strategies for scaling up, rolling out, and replicating the identified business models and financial mechanisms to maximize impact.

94. An action plan will be developed to implement 1-2 viable models in relation to the LT-LEDS, NDC, NAP. The implementation will be done through a project concept note development and related pre-feasibility studies under Outputs 4.1.4 and 4.1.1, which will be submitted to the GCF.idnetifyand

95. Furthermore, tailored training sessions will be conducted to enhance the understanding and implementation capabilities of stakeholders[57] involved in the utilization of these business models and financial mechanisms (two trainings). These trainings will focus on ensuring that all relevant parties have the skills and knowledge necessary for successful implementation. This will include developing guidelines / instruction documents. Workshops will be organized to facilitate above activities. The participation of government representatives, civil society organizations, private sector actors, and local governments and communities will be ensured in these workshops.

96. For key individuals to gain hands-on understanding and training on the development and implementation of business models and financial mechanisms, and the application of the carbon markets under article 6 and the voluntary carbon markets including carbon pricing, an international training trip will be organized. The capacity on carbon market / pricing is inadequate in both public and private sectors in the country, and there are no ongoing voluntary carbon market projects. Considering that the country is establishing cooperations under Article 6.2 of the Paris Agreement, it is more than critical for priority Bhutanese sectors to be exposed to and capacitated on carbon market ventures. In the past, Bhutan has not been able to adequately access CDM market opportunities especially for the private sector due to the lack of capacity, and due to lack of adequate officials/experts. Currently, there is only one carbon market focal point in the government, tasked with both readiness and implementation activities.

97. To enhance the adequate capitalization of emerging carbon markets for achievement of NDC targets, the required capacities must be built and institutionalized. 2 TWG members from priority

[57] [57] Relevant agencies and stakeholders:
- DECC (CCD, EACD, WMD)
- Authorized counterparts (National consultant, UNDP, PMU)
- Mitigation sectors (DoE, DoFPS, DoST, DHS, BCTA, DoI-ABI, DoL, DoA, PPDs)
- Adaptation sectors (DoW, DoPH, NCHM, DLGDM, PPDs)
- Means of Implementation sectors (DMDF, DoEP-NCWC, RUB, BTFEC, PPDs)
- Women and youth groups, private sector, CSO's, development partners, etc.

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sectors with most potential in carbon markets will be trained abroad, via courses on Article 6.2 and 6.4 of the Paris Agreement and its mechanisms, voluntary carbon markets and its relevant standards, carbon project development, and use of carbon markets (both voluntary and under Paris Agreement) to achieve national NDC goals, and carbon pricing. Capacities / experience will then be consolidated and delivered to a wider stakeholder group via in-country workshops in collaboration with the carbon market focal point. Anticipated outcomes: Enhanced knowledge on Article 6.2 and 6.4 of the Paris Agreement, Voluntary Carbon Markets, Carbon Pricing, How to develop a carbon market project, Use of carbon markets to achieve goals set in LT-LEDS, NDC goals through private sector engagement, sensitization of priority public and private sectors on carbon markets, including accessing such markets in the country, enhance private sector engagement and investment is low-carbon development via market initiatives. An additional training will be organized after the trip to share learnings from the trip (one five-day training).

98. These outlined activities will address Barrier 3 by developing, promoting and using / implementing business models and financial mechanisms that support the implementation of the TL-LEDS and NDC.

99. The table below provides an overview of the proposed activities and related deliverables.

Output	Activities	Deliverables
Output 2.4.1. Assess, identify and develop prioritized business models and financial mechanisms (as per GCF LogFrame: New business models incubated and/or innovative financial mechanisms and schemes created to increase low - emission and climate resilient investment.	2.4.1.1a Conduct an inventory of business models and financial mechanisms that exist in the country and outside of the country and which could be improved and / or applied in Bhutan, also with the purpose of identifying and removing barriers (policy, regulatory, financial, institutional) for private sector investment, including a gender analysis and workshop (2-days) to facilitate the process and to identify key private sector players and to engage these	- Inventory of business models and financial mechanisms report, incl. - Key private sector players that will be able to scale-up engagement - Identified gaps / barriers for private sector engagement and investment in low emission development and climate change resilience and how these can be addressed, also based on assessing how previous project activities to build private sector-related investment capacity building has translated into action - Sub-sectoral targets/strategies that could be met through private investments and how these could be achieved - Gender analysis and targeting strategy document with disaggregated data - Workshop report
	2.4.1.1b Develop a priority list of business models and financial mechanisms and an action plan to implement 1-2 viable models in relation to the LT-LEDS, NDC, NAP, including a workshop (2-days) to facilitate the process and engage / partner with the private sector	- Priority list of business models and financial mechanisms - Workshop report - Action plan to implement 1-2 viable models
	2.4.1.1c Implement a capacity building package to ensure adoption of the business models and financial mechanisms (i.e., two five-day trainings to understand and apply relevant business models and financial mechanisms) and one ex-	- Guidelines / instruction documents. - Workshop report - Training reports, including application of the carbon market under article 6

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Output	Activities	Deliverables
	country capacity building trip (one week) to get hands-on training on relevant business models and financial mechanisms and the application of the carbon market under article 6, with additional training to share learnings from the trip (one five-day training)	

100. **Outputs 4.1.4 and 4.1.1.** Pre-feasibility study(ies) conducted, and concept note for priority sectors developed.

101. The objective of this initiative is to ensure that the business models and possibly the technologies identified under output 2.2.7 and 2.4.1 are tested / implemented after checking if this would be feasible. This will be done by conducting a feasibility study of selected business models. Based on the outcome (the most feasible and impactful business model in terms of contribution to the NDC and / or LT-LEDS) a concept note will be developed with the aim to test / implement the selected business model.

102. These outlined activities will address Barrier 2 by attracting climate finance from the private sector.

103. The table below provides an overview of the proposed activities and related deliverables.

Output	Activities	Deliverables
Output 4.1.4. Prefeasibility studies conducted.	- Conduct a pre-feasibility of a relevant business model	- Pre-feasibility report
Output 4.1.1. Concept notes for priority sectors developed with the support of the Readiness and preparatory Support Programme for submission to the GCF.	- Develop a concept note, including a workshop (2-days) to facilitate the process	- Concept note - Workshop reports

Potential risks

104. Potential risks are listed in Table 6. Risks with a potential impact higher than low (medium) **Risk 1. Operational:** potential delays in the recruitment of the project staff and experts due to limited domestic market hindering timely implementation; **Risk 2. Organizational**: Cross-system data inconsistencies while updating/revising NDC and LTS; and **Risk 3. Stakeholder engagement**: Sector assessments and extensive consultations required to update/revise the NDC may take time due to diverse views and conflicting priorities proposed by the stakeholders. As per in Table 6, measures are in place to mitigate these potential risks.

Assumptions

Table 4 Overview of assumption and explanation

Assumptions	Explanation
Inter-ministerial buy-in for the project, including sufficient human resources to ensure timely and effective implementation.	Based on previous experience, the government is committed to the climate agenda and implementation of GCF (readiness) projects and stressed its commitment to this project
Current government priorities are in line with the 13th FYP and the government will submit the NDC before COP '25	The government stressed the need to align with the government priorities, which are presented in the 13th FYP and to submit the NDC in compliance with UNFCCC requirements. This includes focusing on sectors where GHG emissions are growing fastest and

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Assumptions	Explanation
	where there is the highest potential to reduce GHG emissions as part of RGOB policy
Capacity building activities will lead to effective development and implementation strategies and systems	Capacity building activities are designed to support the development and implementation of strategies and systems.
Identification and prioritization of appropriate climate technologies will be in terms of GHG emissions reduction and/or adaptation potential and relevance from a private sector investment point of view to achieve objectives and targets under LT-LEDS / LTS, NDC, etc.)	DECC and UNDP will ensure that the most relevant climate technologies are identified, prioritized and knowledge transferred to support achieving objectives and targets under the LT-LEDS / LTS, NDC and the 13 FYP
The selection / prioritization of business models and financial mechanisms will be based on effectiveness in supporting objectives and targets under the LT-LEDS / LTS, NDC and will be covered by the TNA	DECC and UNDP will ensure that business models and financial mechanisms selected / prioritized will support achieving objectives and targets under the LT-LEDS / LTS, NDC and the 13 FYP. UNDP will assist in resource mobilization for the NDC implementation

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Section 4. Logical framework

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4. LOGICAL FRAMEWORK

Objective	Outcome	Output	Indicator	Target	MoV	Notes	Activities
Objective 2. Strategic Frameworks	Outcome 2.2. GCF recipient countries have developed or enhanced strategic frameworks to address policy gaps, improve sectoral expertise, and enhance enabling environments for GCF Programming in low-emission investment.	Output 2.2.2. Long-term, Low Emission Development Strategy (LT-LEDs / LTS) developed.	Indicator 2.2.2.1. Has a long-term LTS strategy been developed with the support of Readiness grants?	Yes	Updated LT-LEDS including pre and post development evaluation report and stakeholder validation minutes Workshop/Training reports which contain at least training agenda, training materials, list of participants (disaggregated by gender) and pre- and post training evaluation etc.	*The financial strategy to feed into the overall investment / resource mobilization plan to be developed under 2.2.3.* *LT-LEDS assessments and targets to align with NDC assessments and targets*	2.2.2.1a Conduct a comprehensive TL-LEDs-related stock-take and gap assessment, including GHG emissions baseline and future trends and scenarios per sector and a gender analysis and a workshop (2-days) to facilitate this process 2.2.2.1b Develop an action plan to address the gaps identified, including a gender action plan with disaggregated data and a workshop (2-days) to facilitate this process 2.2.2.1c Update the LT-LEDS on food security, human settlement, industry, and transport, including a workshop (2-days) to facilitate this process 2.2.2.1d Develop a roadmap / plan to implement and update the LT-LEDS in the future, including a workshop (2-days) to facilitate the process and a capacity building package to ensure LT-LEDS adoption (i.e., two five-day trainings to build capacities to update and implement the LT-LEDS
Objective 2. Strategic Frameworks	Outcome 2.2. GCF recipient countries have developed or enhanced strategic frameworks to address policy gaps, improve sectoral expertise, and enhance enabling environments for GCF Programming in low-emission investment.	Output 2.2.3. NDC updated or revised and/or financing strategy or related policies developed.	Indicator 2.2.3.1. Have the NDCs been updated or revised with the support of the Readiness grant?	Yes	Updated NDC including pre and post development evaluation report and stakeholder validation minutes Workshop/Training reports which contain at least training agenda, training materials, list of participants (disaggregated by gender) and pre- and post training evaluation etc. Report from partner(s) with conducted activities	*NDC assessments and targets to align with LT-LEDS assessments and targets*	2.2.3.1a Conduct a NDC 2.0-related stock-take and gap assessment, (prepared and financed by GIZ-NRP) and gender analysis and a workshop (2-days) to facilitate this process 2.2.3.1b Develop an action plan to address the gaps identified, including a gender action plan with disaggregated data and a workshop (2-days) to facilitate this process 2.2.3.1c Update the NDC, including a workshop (2-days) to facilitate this process 2.2.3.1e Use the NDC roadmap prepared and financed by GIS-NRP to implement the updated NDC, including a workshop (2-days) to facilitate this process and capacity building package to ensure NDC adoption (i.e., two five-day trainings to build capacities to update and implement the NDC and using a learn by doing approach with guidance from the international consultant to conduct resource mobilization activities for priority actions identified in the resource mobilisation plan for the NDC, NAP and LTS. Besides that, a partnership with Institute(s), academia, CSO(s) is proposed, with the purpose to reduce the burden on the government and improving wider capacity. This or these partners will be tasked with relevant resource mobilization activities or any relevant and research and data production or policy coherence activities, etc.
Objective 2. Strategic Frameworks	Outcome 2.2. GCF recipient countries have developed or enhanced strategic frameworks to address policy gaps, improve sectoral expertise, and enhance enabling environments for GCF Programming in low-emission investment.	Output 2.2.3. NDC updated or revised and/or financing strategy or related policies developed.	Indicator 2.2.3.2. NDC financing strategy developed	Yes	Comprehensive and overarching investment / resource mobilisation plan for the NDC, LT-LEDS and private sector, also considering technology transfer needs, including stakeholder validation minutes Workshop/Training reports which contain at least training agenda, training materials, list of participants (disaggregated by gender) and pre- and post training evaluation etc.		2.2.3.1d Develop a comprehensive and overarching investment / resource mobilization plan for the NDC, LT-LEDS and private sector, also considering technology transfer needs, including a workshop (2-days) to facilitate this process
Objective 2. Strategic Frameworks	Outcome 2.2. GCF recipient countries have developed or enhanced strategic frameworks to address policy gaps, improve sectoral expertise, and enhance enabling environments for GCF Programming in low-emission investment.	Output 2.2.7. Appropriate climate technologies/ solutions identified and prioritized.	Indicator 2.2.7.1. Have appropriate climate technologies/ solutions been identified and prioritized?	Yes	Updated TNA including pre and post development evaluation report and stakeholder validation minutes Workshop/Training reports which contain at least training agenda, training materials, list of participants (disaggregated by gender) and pre- and post training evaluation etc.	*The financial strategy to feed into the overall investment / resource mobilization plan to be developed under 2.2.3.*	2.2.7.1a Conduct a 2013 TNA-related stock-take and gap assessment, including a gender analysis and workshop (2-days) to facilitate the process 2.2.7.1b Develop an action plan to address the gaps identified, also from the gender analysis, including a workshop (2-days) to facilitate the process 2.2.7.1c Update the TNA and identify priority cc technologies/solutions, including financing strategy and a workshop (2-days) to facilitate this process 2.2.7.1d Develop a plan to update the TNA 2.2.7.1e Implement capacity building package to ensure TNA adoption (i.e., two five-day trainings to build capacities to understand and apply relevant technology)

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Objective	Outcome	Output	Indicator	Target	MoV	Notes	Activities
Objective 2. Strategic Frameworks	Outcome 2.4. Strategies for transforming and attracting private sector investment for low emissions and resilience developed and being used.	Output 2.4.1. New business models incubated and/or innovative financial mechanisms and schemes created to increase low -emission and climate resilient investment.	Indicator 2.4.1.1. Number of business models, financial mechanisms or public-private schemes developed to increase low-emission and climate resilient investment	1	Priority list of business models and financial mechanisms including pre and post development evaluation report and stakeholder validation minutes Workshop/Training reports which contain at least training agenda, training materials, list of participants (disaggregated by gender) and pre- and post training evaluation etc.	*The priority list of business models and financial mechanisms to feed into the overall investment / resource mobilization plan to be developed under 2.2.3.*	2.4.1.1a Conduct an inventory of business models and financial mechanisms that exist in the country and outside of the country and which could be improved and / or applied in Bhutan, also with the purpose of identifying and removing barriers (policy, regulatory, financial, institutional) for private sector investment, including a gender analysis and workshop (2-days) to facilitate the process 2.4.1.1b Develop a priority list of business models and financial mechanisms and an action plan to implement 1-2 viable models in relation to the LT-LEDS, NDC, NAP, including a workshop (2-days) to facilitate the process 2.4.1.1c Implement a capacity building package to ensure adoption of the business models and financial mechanisms (i.e., two five-day trainings to understand and apply relevant business models and financial mechanisms) and one ex-country capacity building trip (one week) to get hands-on training on relevant business models and financial mechanisms and the application of the carbon market under article 6, with additional training to share learnings from the trip (one five-day training)
Objective 4. Pipeline Development	Outcome 4.1. Increase in the number of quality project concept notes developed and submitted.	Output 4.1.4. Prefeasibility studies conducted.	Indicator 4.1.4.1. Number of prefeasibility studies for concept note development produced	1	Reports of prefeasibility studies conducted	*Conduct pre-feasibility of a business model(s) identified that support private sector investment low emission development or climate change resilience*	4.1.4.1.a Conduct a pre-feasibility of a relevant business model
Objective 4. Pipeline Development	Outcome 4.1. Increase in the number of quality project concept notes developed and submitted.	Output 4.1.1. Concept notes for priority sectors developed with the support of the RPSP for submission to the GCF.	Indicator 4.1.1.1. Number of CN developed	1	Concept note developed and focus	*Preparea concept note for a feasible and relevant business model based on the outcome of the pre-feaibility study*	4.1.1.1.a Develop a concept note

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Section 5. Implementation arrangements and other information

5.1. Implementation arrangements

105. The Government of **Bhutan** has identified UNDP as its **Delivery Partner (DP)** for the current Readiness grant. UNDP will take responsibility, under the leadership and guidance of the NDA and DECC, for the implementation of this Readiness grant and will carry out all fiduciary and financial management, procurement of goods and services, monitoring, reporting activities, as well as management, oversight and control of professional service / company/firms and consultants in compliance with UNDP's policies and procedures and in accordance with the Second Amended and Restated Framework Readiness and Preparatory Support Grant Agreement between the GCF and UNDP dated 22 July 2020. No grant funds will be used to pay for existing staff or consultants of the government or any beneficiaries. The project will be implemented under Direct Implementation Modality (DIM) following UNDP POPP guidance available here.

106. **DP**. UNDP will manage and implement this Readiness proposal and be responsible for procurement and contracting all services envisaged in the proposal, including monitoring and evaluation of activities, and reporting to the fund on project implementation progress. All financial transactions and procurement of goods and services will be carried out based on an approved budget and strictly according to UNDP procedure, in alignment with procurement guidelines and policies of the GCF.

107. UNDP will be responsible for effective and efficient utilization of funds, preparation, and submission of annual project reports and project completion reports on achieved results to the NDA and GCF (see Section 5.3.4 for more information on monitoring and reporting). UNDP will provide financial and technical oversight services for the outcomes and outputs of the project. UNDP will ensure that project monitoring and evaluation run according to an agreed schedule, and in line with UNDP and GCF requirements. UNDP will be responsible for overall execution of the project and for timely achievement of project results, under the leadership and guidance of the NDA. All these activities will require the consent or approval of DECC before implementation.

108. **DECC and NDA** The DECC and NDA are the beneficiaries of the current Readiness request and will therefore provide guidance to UNDP. The DECC and NDA will facilitate and convene meetings of a technical nature, support in gaining access to data and information, and keep all local stakeholders informed of the progress of the Readiness grant. The DECC and NDA will ensure country ownership and achievement of outcomes and outputs, through its participation in the Project Board, and in day-to-day coordination meetings and activities between the DECC staff and the project team. The DECC and NDC will provide guidance during the implementation of activities by working with UNDP, consultants, and firms to ensure that the project achieves results that will deliver long-term impacts. The DECC and NDC will be responsible for providing quality control and endorsement of reports (technical, monitoring, and evaluation reports) and documents produced under the grant to ensure country ownership. The DECC and NDA will facilitate and steer engagements with line ministries, governments at the sub-national level, and other stakeholders as required. The grant funds will not be used to pay for the staff or consultants of the government or any beneficiaries.

109. **Project Board (PB):** The project will follow UNDP's DIM modality as agreed with the GCF for the Readiness grant. A Project Board will comprise representatives from the MOF (NDA), MOENR, DECC and UNDP. The PB is established to review performance based on monitoring and evaluation, and implementation issues to ensure quality delivery of results. The PB is the most senior, dedicated oversight body for the project and will ensure alignment of readiness activities with national policies. The PB: i) provides overall strategic guidance and direction to the project, ensuring it remains within any specified constraints, and providing overall oversight of the project implementation; and ii) review project performance based on monitoring, evaluation and reporting, including progress reports, risk logs and the combined delivery report. The PB is responsible for making management decisions by consensus. To ensure UNDP's accountability to GCF as DP, PB decisions should be guided by standards that shall ensure management for development results, best value for money, fairness, integrity, transparency and effective international competition and the highest level of national ownership. The PB will meet at least twice a year to provide strategic

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guidance, hold project quarterly reviews to assess annual performance and appraise the Annual Work Plan for the following year. The PB will hold ad hoc meetings when necessary to deal with emerging issues.

110. **Project Advisory Group/thematic working group:** The group will serve as an advisory body and task force team represented by key agencies from the MOF, MOENR, NCHM, MOIT, MOICE, MOHCA, MOAL, NCWC,UNDP. Stakeholders from Government, Local Government, community, private sector, CSO/NGO, youth, women group, financial institutions will also have a key role in the design and implementation of the project.

111. **The Project Management Unit (PMU)** will be responsible for implementing the project. The PMU will be based in the UNDP country office or the DECC office in Bhutan, as appropriate, and will be responsible for providing daily technical, administrative and financial project management. It will establish and coordinate collaboration with the MoENR for daily project operations and all decisions will be jointly made. Where required the NDA will be consulted. It shall serve as the secretariat for the Project Board. It will facilitate project-related planning activities such as the preparation of annual work plans and be responsible for overall project monitoring and reporting. The PMU will be headed by a full-time Project Coordinator. Services to the project will be supplemented with Program finance and procurement positions covered under DPC under the PMC budget. A brief description of roles and responsibilities of the PMU is provided in section 5.2. The PMU and the technical team will work under the direct supervision of UNDP with guidance from the NDA.

112. The management arrangements for this project are summarized in the chart below:

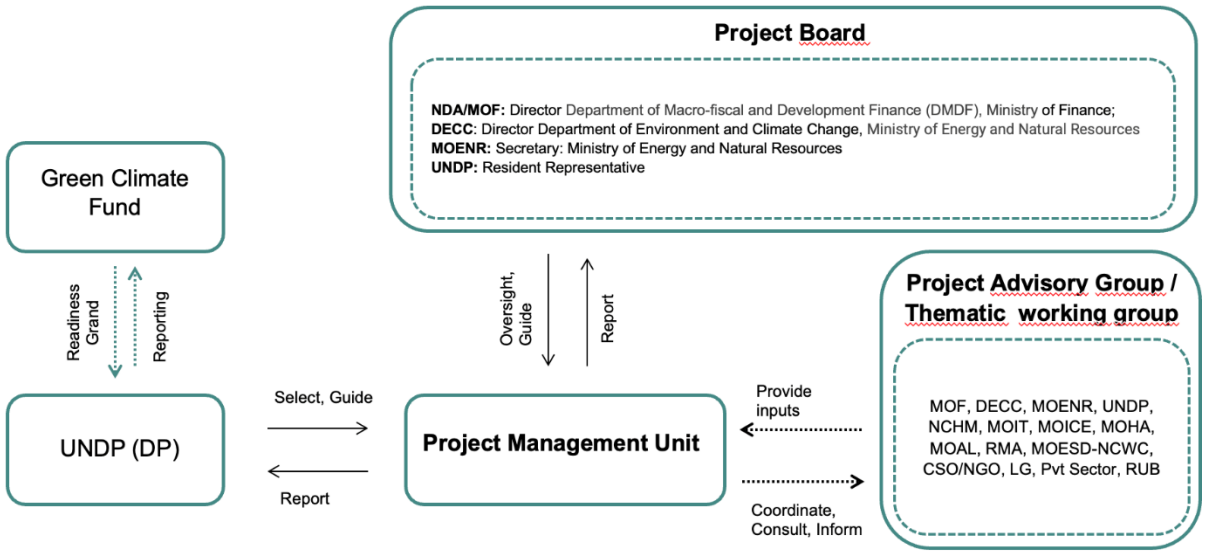


Figure 3 Project board chart

5.2. Implementation and Execution Roles and responsibilities

113. As Delivery Partner, UNDP will manage and implement this grant and be responsible for procurement and contracting all services and consultants. Brief Terms of Reference (TOR) are provided below for each type of professional service / company/firm and individual consultants:

Table 5 Brief ToRs for all professional service / company/firm and consultants and staff under PMC

Entity	Position Title	Outputs	Responsibilities	Minimum Qualifications	Budget Notes
DP	One professional	**Output 2.2.2** LT-LEDs updated	Conduct activities 2.2.2.1a/b/c/d and	Expertise in LT-LEDS and NDC development, TNA development / climate technology and private	1 6 12

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Entity	Position Title	Outputs	Responsibilities	Minimum Qualifications	Budget Notes
	service / company/firm	Output 2.2.3: NDC updated Output 2.2.7. TNA updated and climate technologies/solutions identified that support implementation of the LT-LEDS, NDC and enhance private sector investment Output 2.2.4. Assess, identify and develop prioritized business models and financial mechanisms	guide national consultant Conduct activities 2.2.3.1a/b/c/d/e and guide national consultant(s) Conduct activities 2.2.7.1a/b/c/d and guide national consultant(s) Conduct activities 2.4.1.1a/b/c and guide national consultant	sector engagement / investment in low emission development and climate change adaptation including business models, financial mechanisms. • Experience developing LT-LEDs / LTS (for GCF) • Experience GHG inventory and calculation of emissions and carbon sequestration and climate change projections • Experience developing NDC (for GCF) • Experience recourse mobilization for climate finance • Experience developing TNA (for GCF) and related action plans • Experience developing business models/financial mechanisms/ PP schemes for private sector investment in low-emission development and climate resilience • Experience developing private sector investment strategy for low-emission development and climate resilience • Experience leading trainings	16
DP	One national consultant (LT-LEDs Expert)	**Output 2.2.2** LT-LEDs updated	Conduct activities 2.2.2.1a/b/c/d in coordination with professional service / company/firm	Academic qualifications: • Master's degree in relevant field Professional qualifications: • 5 years of relevant experience • Experience working on LT-LEDS / LTS or related in Bhutan • Experience GHG inventory and calculation of emissions and carbon sequestration and climate change projections	2
DP	One or multiple national consultant(s) (NDC and climate / financing / resource mobilization expert(s))	Output 2.2.3: NDC updated	Conduct activities 2.2.3.1a/b/c/d/e in coordination with professional service / company/firm	Academic qualifications: • Master's degree in relevant field Professional qualifications: • 5 years of relevant experience • Experience working on NDC in Bhutan • Experience recourse mobilization for climate finance	7

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Entity	Position Title	Outputs	Responsibilities	Minimum Qualifications	Budget Notes
DP	One Professional Services – Companies/Firm	Output 2.2.3: NDC updated	Conduct activity 2.2.3.1d which entail required resource mobilization activities for priority actions identified in the resource mobilisation plan for the NDC, NAP and LTS	Partnership with Institutes, academia and cso/ngos on long term climate actions to promote reliable research and data , policy coherence, international events, and building effective partnerships with international institutes	8
DP	One or multiple national consultant(s) (climate technology / TNA expert(s))	Output 2.2.7. TNA updated and climate technologies/solutions identified that support implementation of the LT-LEDS, NDC and enhance private sector investment	Conduct activities 2.2.7.1a/b/c/d in coordination with professional service / company/firm	Academic qualifications: • Master's degree in relevant field Professional qualifications: • 5 years of relevant experience • Experience working TNA or climate technology in Bhutan	13
DP	One or multiple national consultant(s) (private sector investment / business models, financial mechanism)	Output 2.2.4. Assess, identify and develop prioritized business models and financial mechanisms	Conduct activities 2.4.1.1a/b/c in coordination with professional service / company/firm	Academic qualifications: • Master's degree in relevant field Professional qualifications: • 5 years of relevant experience • Experience working on business models/financial mechanisms/ PP schemes for private sector investment in low-emission development and climate resilience in Bhutan	17
DP	One Professional Services – Companies/Firm	Output 4.1.4 Prefeasibility studies conducted.	Conduct activity 4.1.4.1	• Experience conducting feasibility studies, preferably for the GCF • Experience with private sector business models would be an advantage	21
DP	One international consultant (concept note development)	Output 4.1.1 Concept notes for priority sectors developed with the support of the RPSP for submission to the GCF.	Conduct activity 4.1.1.1 and guide national consultant	Academic qualifications: • Master's degree in relevant field Professional qualifications: • 5 years of relevant experience • Experience developing concept note for the GCF • Experience with business models/financial mechanisms/ PP schemes for private sector investment in low-emission development and climate	22

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Entity	Position Title	Outputs	Responsibilities	Minimum Qualifications	Budget Notes
				resilience would be an advantage	
DP	One or multiple national consultant(s) (private sector investment / business models, financial mechanism)	Output 4.1.1 Concept notes for priority sectors developed with the support of the RPSP for submission to the GCF.	Conduct activities 4.1.1.1 in coordination with international consultant	Academic qualifications: • Master's degree in relevant field Professional qualifications: • 5 years of relevant experience • Experience developing concept note for the GCF • Experience with business models/financial mechanisms/ PP schemes for private sector investment in low-emission development and climate resilience would be an advantage	23
DP	PMC: Project coordinator:	All outputs	Coordinate professional service / company/firm, consultants and with the government and key stakeholders	Academic qualifications: • Master's degree in relevant field Professional qualifications: • 5 years of relevant experience • Experience coordinating / managing climate change projects, preferably GCF related.	25

5.3. Risk and Mitigation Measures

5.3.1. Risk Assessment

Table 6 Risk assessment and mitigation measures

Risk category[58]	Specific risk(s) / Risk(s) description	Probability of occurrence (low, medium, high)	Impact level (low, medium, high)	Mitigation action(s) If relevant, specify the strategies adopted by the ongoing readiness grant in the country to mitigate the risks	Entities responsible to manage the risk(s)
Operational	Potential delays in the recruitment of the project staff and experts due to limited domestic market hindering timely implementation	Medium	Medium	Prepare procurement plan and timely preparation of ToRs (before start of the project). Quarterly review meetings and bi-annual board meeting to update progress and derisk bottlenecks	UNDP
Organizational	Cross-system data inconsistencies while developing NDC and LTS.	Medium	Medium	Collaborate and consensus build amongst NDC/LTS sectors on a single source of data usage. Full-time coordinator will ensure activities are planned in required sequence and continues coordination with DECC, NDA and key stakeholders.	UNDP NDA DECC

[58] Risk categories can include Operational, Political, Stakeholder engagement, Implementation, Natural-hazards related disasters, Unsustainability, Compliance, Money laundering, terrorist financing and prohibited practices, etc.

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Risk category[58]	Specific risk(s) / Risk(s) description	Probability of occurrence (low, medium, high)	Impact level (low, medium, high)	Mitigation action(s) If relevant, specify the strategies adopted by the ongoing readiness grant in the country to mitigate the risks	Entities responsible to manage the risk(s)
Stakeholder engagement	Sector assessments and extensive consultations required to develop NDC may take time due to diverse views and conflicting priorities proposed by the stakeholders	Low	Medium	Preparation of targeting strategy, agreement on representatives required and attractive workshops and trainings. A comprehensive stakeholder engagement plan will be developed and implemented	UNDP NDA DECC
Financial	The market inflation and currency devaluation may result in cost difference between planned and executed budget during procurement of goods and services	Low	Low	Careful budgeting and financial management in coordination with the government, as well as the inclusion of contingency budget.	UNDP NDA DECC
Money laundering, terrorist financing and prohibited practices	Money laundering, terrorist financing and prohibited practices	Low	Low	UNDP has a strict Anti-Money Laundering and Countering the Financing of Terrorism Policy (AML CFT). There are several measures designed to impose stringent controls and due diligence requirements, raise awareness, and facilitate the appropriate reporting process to prevent and detect activities linked to money laundering and financing of terrorism.	UNDP

5.3.2. Sanctions and Restrictive Measures

114. UNDP as the Delivery Partner will undertake all reasonable efforts to ensure that none of the grant funds are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via https://www.un.org/securitycouncil/content/un-scconsolidated-list. There are no UNSC restrictive measures in force within Bhutan.

115. UNDP, by virtue of being an organ of the United Nations and therefore being part of the same entity, is also beholden to the principles on countering the financing of terrorism. UNDP systematically screens all entities being contracted by our partner with UNDP against the Consolidated UN Security Council Sanctions List. This is built into the capacity screening tools for partners, as well as in the Standard Operating Procedures (SOP) for Vendor Management. UNDP also secures contractual representations from its national implementing partners that address risks of funds received for implementation of projects being used to support individuals or entities associated with terrorism and recipients of any amounts provided by UNDP hereunder appearing on the Consolidated UN Sanctions Lists.

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116. This is further supplemented by internal controls to mitigate the risks, including due diligence requirements for partners and private entities UNDP intends to engage with. When developing a new project, UNDP ensures that risks are fully identified and considered in the project design and processes and that adequate and effective measures to prevent, monitor, and address such risks are put in place.

117. The normal verification of vendors on the sanctions list is done by checking the UNGM ineligibility list at various stages of the procurement processes - at the evaluation, in the submission to the Procurement Review Committees, further verified by the Procurement Review Committees prior to the award of contracts and at the point of vendor creation in QUANTUM. These checks are documented in the evaluation reports. The UNGM Ineligibility list automatically compares the details of vendors registering on UNGM or any vendor that is searched on the site with the details of companies or individuals on lists such as the Consolidated United Nations Security Council Sanctions List (CUNSCSL), World Bank's Listing of Ineligible Firms & Individuals, and lists of sanctioned/suspended vendors maintained by UN organizations. It specifically compares the company name, contacts and email addresses of registered vendors with the details on the mentioned lists. It is an automated search engine that is utilized by all UN Agencies.

118. The UNDP Regulations and Rules include a policy for protection against retaliation. This policy can be publicly accessed.

119. It is the Policy of UNDP that Retaliation against individuals holding UNDP assignments/contracts (i.e., staff members, interns, UN Volunteers and contractors) who have, in good faith, properly reported allegations of misconduct, or who have cooperated with a duly authorized audit or investigation, is strictly prohibited. Such Retaliation violates the fundamental obligation of all staff members to uphold the highest standards of efficiency, competence and integrity as required under the UN Charter, and to discharge their functions and regulate their conduct with the interests of UNDP only in view.

5.3.3. Grievance Redress Mechanisms

120. UNDP promotes accountability to programme and project stakeholders by (i) enabling active local community engagement and participation in decision-making, particularly those at risk of being left behind; (ii) ensuring transparency of programming interventions through provision of timely, accessible and functional information regarding supported activities, including on potential environmental and social risks and impacts and management measures; (iii) ensuring stakeholders can communicate their concerns and have access to rights-compatible complaints redress processes and mechanisms; and (iv) ensuring effective monitoring—and where appropriate, participatory monitoring with stakeholders—and reporting on implementation of social and environmental risk management measures.

121. UNDP recognizes that even with strong planning and stakeholder engagement, unanticipated issues can still arise. Therefore, various channels and mechanisms are available to promote accountability and transparency.

122. The Grievance Redress Mechanism opens the possibility for individuals and communities to submit complaints and feedback directly to UNDP when they believe that a project implemented by UNDP affects or may be having an adverse impact on them, their community or the environment. The project-level GRM functions on two levels: at the Project Management level, under the direction of the Project Manager (supported by the project management unit), and as part of UNDP’s Project Assurance role in consultation with and in support of the Project Board. UNDP is responsible for the Project Assurance function, under the direction of the UNDP Deputy Resident Representative.

123. Additionally, UNDP's social and environmental standards are underpinned by an Accountability Mechanism with two key components: (i) the Stakeholder Response Mechanism (SRM) (at the Country Office level and HQ level) that ensures individuals, peoples, and communities affected by projects have access to appropriate grievance resolution procedures for hearing and jointly addressing complaints and disputes related to the social and/or environmental impacts of UNDP-supported projects; and (ii) the Social and Environmental Compliance Unit (SECU) which investigates alleged non-compliance with UNDP's Social and Environmental Standards and

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screening procedure from project-affected stakeholders and recommends measures to address findings of non-compliance. For more details, refer to UNDP Accountability.

124. Further, UNDP has a policy for reporting misconduct and a strict **Policy for Protection Against Retaliation** for reporting misconduct and cooperating with a duly authorized audit or investigation.

125. Below are links to key UNDP documents and registries:

- Link 1: UNDP Accountability:
- Link 2: Stakeholder Response Mechanism - Case Registry
- Link 3: Social and Environmental Compliance- Case Registry
- Link 4: Project-level grievance redress mechanisms

5.3.4. Monitoring

126. Project monitoring will be led by UNDP as the DP in close coordination with the DECC and NDA. The monitoring of the project activities aims at achieving projected results and quality control. Activity monitoring will take place as project interventions occur. Project outputs and risks willbe monitored as part of the ongoing discussion and reporting to the GCF. Reporting will be submitted to GCF in alignment with the framework agreement.

127. All project activities will be monitored on a regular basis based against the expected outputs identified in the logical framework. This is the primary responsibility of the project manager. UNDP will be responsible for complying with all UNDP project-level M&E requirements as outlined in the UNDP Programme and Operations Policies and Procedures (POPP). This includes ensuring the UNDP Quality Assurance Assessment during implementation is undertaken annually; theregular updating of the Quantum risk log; and the updating of the UNDP gender marker on anannual basis. Any quality concerns flagged during these monitoring activities (e.g., Annual Project Report quality assessment ratings) will be addressed by the PMU. UNDP will also ensure that the standard UNDP and GCF M&E requirements are fulfilled to the highest quality.

128. Pre- and post-workshop and training assessment will be conducted to obtain feedback from participants regarding their learnings. Additionally, all stakeholder consultative meetings and workshops will maintain a list of participants with sex-disaggregated data. In addition to the GCF annual progress reports, biannual progress reports will also be prepared by UNDP and DECC. A project risk register will be prepared that will serve as a record of all risks identified at the project level including likelihood, impact, significance level, risk owner, and risk treatment action. The risk register will be regularly monitored and updated so that emerging issues can be addressed promptly. The Project Board Steering Committee will monitor a project's performance against the indicators and will assess whether the project is meeting its objectives and milestones.

129. **Audit**: The project will be audited according to UNDP Financial Regulations and Rules and applicable audit policies on DIM implemented projects as well as the Framework Agreement.

130. **Inception Workshop**: Project inception workshop will be held within three months after the project document has been signed by all relevant parties with the objective of:
   a. Sensitizing stakeholders on the overall readiness approach planned through theproject.
   b. Discussing the roles and responsibilities of the project team, including reporting and communication lines and conflict resolution mechanisms.
   c. Reviewing the results framework and finalizing the indicators, means of verificationand monitoring plan.

131. **Internal quarterly reporting:** Internal project levelquarterly progress meetings will be held, and reports will be provided by the PMU for the NDAand DECC. These meetings and reports will highlight physical and financial progress, lessons learned and implementation challenges and how lessons can be fed back into the project to improve implementation.

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132. **Annual project report:** UNDP and the NDA will prepare the annual project report for submission to the GCF. The PMU will ensure that the indicators included in the project results framework are monitored bi-annually in advance so that progress can be included in the report.

133. **Project completion report**: At the end of the project implementation period, UNDP and DECC will prepare a completion report and a financial report, both of which will be submitted to the GCF within the given timelines.

5.3.5. Other relevant information

134. **Selection of Delivery Partner:** UNDP is a global development agency operating in 170 countries, focused on eradicating poverty, reducing inequalities, and promoting democratic governance and inclusive institutions. Over the past five decades, UNDP has enhanced Bhutan's development by leveraging innovation, digitalization, and global expertise. Amongst many others, UNDP's support has been on advancing climate actions, resilience and biodiversity conservation, where one of the critical interventions has been on transforming the food system in Bhutan. In the past five years, it has successfully managed several large-scale projects related to climate resilience and disaster adaptation such as Urban resilience, water security, agri food systems, National Adaptation plan and NDCs. The independent assessment of UNDP managed GCF project for NAP Readiness Project (2019-2023) was rated with 'No significant findings – a very thorough, well-documented project.'

135. **Cooperation between the NDA and UNDP:** In Bhutan, UNDP's mandate and operations is based on the Standard Basic Assistance Agreement (SBAA) signed with the Government of Bhutan on 14 July 1978 UNDP has been the trusted partner of the Royal Government of Bhutan since 1973 supporting country to advance sustainable development goals. For more information about UNDPs presence in Bhutan please visit.

https://www.undp.org/bhutan

136. **Exit and sustainability strategy:** The sustainability of the results of the Readiness grant will be ensured by guiding / building the capacity of the NDA, DECC and key actors in the country on developing and implementing strategies and systems (i.e., LTS, NDC) to commit to the UNFCCC / Paris, which includes to identify (NDC) and finance to reduce GHG emissions and adapt to climate change in the near future (NDC) and with a mid-century target (LTS). This includes enhancing institutional frameworks and governance structures that foster collaboration among public and private sectors, ensuring that all stakeholders take ownership of NDC implementation. By promoting sectoral engagement and establishing clear pipelines for resource mobilization aligned with NDC priorities, we can create a robust foundation for sustainable development. This holistic approach not only reinforces accountability but also ensures that the initiatives undertaken are both actionable and adaptable to evolving climate challenges. Any concept note or pipeline development will be aligned with priorities from the NDC. Strategies and plans updated through this support will be adopted and integrated into the relevant institutional framework (DECC being responsible) with supporting coordination mechanisms. Guidelines, curricula related documents developed through the project will be transferred to and owned by the DECC, NDA and other relevant stakeholders.

137. **Grant closure:** Upon completion of the grant activities, UNDP will transfer all tangible (equipment) and intangible (such as data, information, knowledge and reports) assets and their ownership to the grant beneficiaries, or any other bodies designated by the NDA and DECC.

138. **Prohibited practices policies:** UNDP has a strict Anti-Money Laundering and Countering the Financing of Terrorism Policy (AML/CFT). There are several measures designed to impose stringent controls and due diligence requirements, raise awareness, and facilitate the appropriate reporting process to prevent and detect activities linked to money laundering and financing of terrorism.

139. Measures include screening potential counterparties prior to contractual agreement against the United Nations Global Marketplace Ineligible Vendor Lists. Contractual arrangements will have appropriate representations and warranties from UNDP's Counterparties regarding AML/CFT, with termination clauses in case of breach of such AML/CFT representations and warranties.

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140. All credible allegations of activities believed to contravene the principles set out in this AML/CFT Policy will be assessed and investigated, as appropriate, in accordance with the Charter of the UNDP Office of Audit and Investigations ("OAI"), the OAI Investigation Guidelines and the UNDP Legal Framework for Addressing Non-compliance with UN Standards of Conduct, when applicable. The AML/CFT Policy will be strictly followed during the project implementation.

141. Further UNDP has a policy for reporting misconduct and a strict Policy for Protection Against Retaliation for reporting misconduct and cooperating with a duly authorized audit or investigation.

142. **Social and Environmental Screening:** This project proposal has been screened (i) to identify and reflect the significance of potential impacts or risks that project activities might present, and (ii) to identify opportunities to enhance benefits and to support stakeholders. UNDP's mandatory Social and Environmental Screening Procedure (SESP) provides detailed requirements and guidance on screening and assessment. Categorization is undertaken to reflect the level of review and resources required for addressing such impacts and risks. UNDP will utilize its SESP to identify potential social and environmental risks and opportunities associated with the project. Concept notes developed under the project for submission to GCF will be scrutinized as to its type, location, scale, sensitivity and the magnitude of its potential social and environmental impacts. Potential adverse gender impacts related to project activities will also be identified and differentiated measures will be adopted to prevent gender-based discrimination. Potential risks of gender-based violence and/or sexual exploitation and abuse of men, women, girls and boys that may occur in connection with any of the designed activities will be considered.

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Section 6. Budget, Procurement, HR and Implementation plans:

6.1. Budget Plan

6.2. Procurement Plan

6.3. Human Resources (HR) Plan

6.4 Implementation Plan

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Total Budget and Work Plan			
Quantum Award ID:	1382790	Quantum Output Project ID:	01004329
Quantum Proposal or Award Title:	PIMS 10137 Bhutan GCF NDA Readiness		
Quantum Business Unit	UNDP-BTN		
Quantum Primary Output Project Title:	Preparation of Bhutan's NDC 3.0 and enhanced strategies, systems and in-country capacities to achieve its climate objectives and targets		
UNDP-GCF PIMS No.	10137		
Implementing Partner	UNDP		

Quantum Outcome (GCF Component)	Quantum Output (GCF Outcome)	Quantum Activity (GCF Output)	Quantum Responsible Party (UNDP, IP, or Responsible Party)	Quantum Fund ID	Quantum Donor ID	Quantum Budgetary Account Code	Quantum Budget Account Description	Amount Year *2025* (USD)	Amount Year *2026* (USD)	Amount Total (USD)	See Budget Note
Objective 2 : Strategic Frameworks.	**Outcome 2.2. GCF recipient countries have developed or enhanced strategic frameworks to address policy gaps, improve sectoral expertise,**	Output 2.2.2. Long-term, Low Emission Development Strategy (LT-LEDs / LTS) developed.	001981 UNDP	66001	12526	*72100*	*Contractual Services-Companies*	87,500.00	-	87,500.00	1
						71300	*Local Consultants*	44,000.00	-	44,000.00	2
						75700	*Training, Workshops and Confer*	45,000.00	-	45,000.00	3 & 4
						72800	*Information Technology Equipment*	16,000.00		16,000.00	5
		Total Output 2.2.2						**192,500.00**	**-**	**192,500.00**	

	and enhance enabling environments for GCF Programming in low-emission investment.	Output 2.2.3. NDC updated or revised and/or financing strategy or related policies developed.	001981 UNDP	66001	12526	*72100*	*Contractual Services-Companies*	135,600.00	-	135,600.00	6 & 8
						71300	*Local Consultants*	35,200.00	-	35,200.00	7
						75700	*Training, Workshops and Confer*	50,000.00	-	50,000.00	9 & 10
						74200	*Audio Visual Productions*	7,400.00	-	7,400.00	11
		Total Output 2.2.3						228,200.00	-	228,200.00	
		Output 2.2.7. Appropriate climate technologies/ solutions identified and prioritized.	001981 UNDP	66001	12526	*72100*	*Contractual Services-Companies*	-	68,600.00	68,600.00	12
						71300	*Local Consultants*	-	35,200.00	35,200.00	13
						75700	*Training, Workshops and Confer*	-	40,000.00	40,000.00	14 & 15
		Total Output 2.2.7						-	143,800.00	143,800.00	
	Total Outcome 2.2							**420,700.00**	**143,800.00**	**564,500.00**	
	Outcome 2.4. Strategies for transforming and attracting private sector investment for low emissions and resilience developed and being used.	Output 2.4.1. New business models incubated and/or innovative financial mechanisms and schemes created to increase low - emission and climate resilient investment.	001981 UNDP	66001	12526	*72100*	*Contractual Services-Companies*	-	53,200.00	53,200.00	16
						71300	*Local Consultants*	-	35,200.00	35,200.00	17
						75700	*Training, Workshops and Confer*	-	47,500.00	47,500.00	18 & 19
						71600	*Travel*	-	7,000.00	7,000.00	20
		Total Output 2.4.1						-	142,900.00	142,900.00	
	Total Outcome 2.4							-	**142,900.00**	**142,900.00**	
	Outcome 4.1. Increase in the number of quality project concept	Output 4.1.4. Prefeasibility studies conducted.	001981 UNDP	66001	12526	*72100*	*Contractual Services-Companies*	-	30,000.00	30,000.00	21
		Total Output 4.1.4						**-**	**30,000.00**	**30,000.00**	

	notes developed and submitted.	Output 4.1.1. Concept notes for priority sectors developed with the support of the RPSP for submission to the GCF.	001981 UNDP	66001	12526	*71200*	*International Consultants*	-	15,400.00	15,400.00	22
						71300	*Local Consultants*	-	8,800.00	8,800.00	23
						75700	*Training, Workshops and Confer*	-	10,000.00	10,000.00	24
		Total Output 4.1.4						-	34,200.00	34,200.00	
	Total Outcome 4.1							**-**	**64,200.00**	**64,200.00**	
Project Management Cost (PMC)	**Project Management Cost (PMC)**	**Project Management Cost (PMC)**	**001981 UNDP**	**66001**	**12526**	*61000*	*Staff Cost*	24,222.00	24,222.00	48,444.00	25
						74596	*Services to Projects - GOEs*	3,710.00	3,710.00	7,420.00	26
						74100	*Audit Fees*	1,000.00	1,000.00	2,000.00	27
Total PMC								28,932.00	28,932.00	57,864.00	
Total Project Grant without fee								**449,632.00**	**379,832.00**	**829,464.00**	
DP Fee 8.5%								**38,218.72**	**32,285.72**	**70,504.44**	
Total Grant								**487,850.72**	**412,117.72**	**899,968.44**	

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Budget Notes

Budget Note	Deatiled description
1	One professional service / company/firm with expertise in LT-LEDS and NDC development. The professional service / company/firm will lead on ACT 2.2.2.1a Conduct a comprehensive TL-LEDs-related stock-take and gap assessment,, ACT 2.2.2.1b, Develop an action plan to address the gaps identified, ACT 2.2.2.1c, Update the LT-LEDS on food security, human settlement, industry, and transport and ACT 2.2.2.1d Develop a roadmap to implement the LT-LEDS, incl. trainings. The professional service / company/firm will also attend / lead workshops and trainings in support of these activities. The lumpsum (USD 87.500) is all inclusive of experts and one trip / travel
2	One national consultant (LT-LEDs Expert) bringing local knowledge and network. The consultant will support the professional service / company/firm above to conduct ACT 2.2.2.1a Conduct a comprehensive stock-take and gap assessment, ACT 2.2.2.1b, Develop an action plan to address the gaps identified, ACT 2.2.2.1c, Update the LT-LEDS on food security, human settlement, industry, and transport and ACT 2.2.2.1d Develop a roadmap to implement the LT-LEDS, incl. trainings. The consultant also will attend / lead workshops and trainings together wih the professional service / company/firm. The consultant will be engaged for 110 days at USD 400 per day.
3	Four 2-days workshops targeting diverse stakeholders(LG, Gov, CSO/NGO/ and youth and women groups) in support of activities 2.2.2.1a/b/c/d. Each workshop will targed 30 participant (>30 % women) at an estimated cost of USD 5,000 per event. The cost includes venue/ Catering (USD 3,000), and DSA (USD 2,000 for 30 people for 2 days).
4	Two, 5-days trainings to strengthen the capacities of government staff and key actors to as part of activities 2.2.2.1d. Each training will targed 30 participant (>30 % women) at an estimated cost of USD 12500 per event. The cost includes venue / catering (USD 7500) and DSA (USD 5,000 for 30 people for 5 days).
5	IT Equipment: 10 computers/ laptops at USD 1600 a piece. The computers / laptops will be distributed to PMU and taskforce team supporting the project in implementation and the update of the multiple LT-LEDS (Human settlement, Industry, Agriculture and Transport). The task team will also be involved in data collection, progress tracking and monitoring facilitating proper planning, update and reporting. It is essential to equip the focal and project team with high performance laptops and carry out the responsibilities effectively and independently contributing to overall success of the project as part of activity 2.2.3.1d.
6	One professional service / company/firm (same as budget note 1) with expertise in LT-LEDS and NDC development (same as under budget note 1). The professional service / company/firm will lead on ACT 2.2.3.1a Conduct a NDC 2.0-related stock-take and gap assessment, ACT 2.2.3.1b Develop an action plan to address the gaps identified, ACT 2.2.3.1c Update the NDC, ACT 2.2.3.1d Develop a comprehensive and overarching investment / resource mobilization plan and ACT 2.2.3.1e Use the GIS-NRP NDC roadmap to implement the updated NDC, incl. trainings. The professional service / company/firm will also attend / lead workshops and trainings in support of these activities. The lumpsum (USD 75.600) is all inclusive of experts and one trip / travel
7	One or multiple national consultant(s) (NDC and climate / financing / resource mobilization expert(s)) bringing local knowledge and network. The consultant(s) will support the professional service / company/firm above to conduct ACT 2.2.3.1a Conduct a NDC 2.0-related stock-take and gap assessment, ACT 2.2.3.1b Develop an action plan to address the gaps identified, ACT 2.2.3.1c Update the NDC, ACT 2.2.3.1d Develop a comprehensive and overarching investment / resource mobilization plan and ACT 2.2.3.1e Use the GIS-

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	NRP NDC roadmap to implement the updated NDC, incl. trainings. The consultant also will attend / lead workshops and trainings together wih the professional service / company/firm. The consultant will be engaged for 88 days at USD 400 per day.
8	One or two professional services / companies/firms (potentially university with consultancy extension) bringing local knowlede and network. The professional services / companies/firms will conduct any feasibility study(ies), write proposals (or similar) as prioritized under the NDC and resource moilization plan as part of activity 2.2.3.1e. The professional services / companies/firms will be engaged through a lumpsum of USD 60.000, which can be split into smaller amounts for different assignments.
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11	Audio Visual & Printing: Materials for all activities and workshops / trainings, including awareness raising video about the NDC as part of activity 2.2.3.1a/b/c/d/e. at a lumpsum of USD 7400
12	One professional service / company/firm (same as budget note 1) with expertise in TNA development / climate technology and private sector engagement / investment in low emission development and climate change adaptation including business models, financial mechanisms. The professional service / company/firm will lead on Activity 2.2.7.1a Conduct a 2013 TNA-related stock-take and gap assessment, Activity 2.2.7.1b, Develop an action plan to address the gaps identified, Activity 2.2.7.1c Update the TNA and identify priority cc technologies/solutions, and Activity 2.2.7.1d Conduct trainings to ensure TNA adoption. The professional service / company/firm will also attend / lead workshops and trainings in support of these activities. The lumpsum (USD 68.600) is all inclusive of experts and one trip / travel
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17	One or multiple national consultant(s) (private sector investment / business models, financial mechanisms expert(s)) bringing local knowledge and network. The consultant(s) will support the professional service / company/firm to conduct Activity 2.4.1.1a Conduct an inventory of business models and financial mechanisms, Activity 2.4.1.1b Develop a priority list of business models and financial mechanisms The consultant(s) will also attend / lead workshops and trainings together with the professional service / company/firm in support of these activities, and Activity 2.4.1.1c Conduct trainings to ensure adoption of the business models and financial mechanisms. The consultant will be engaged for 88 days at USD 400 per day.
18	Two 2-days workshops targeting diverse stakeholders(LG, Gov, CSO/NGO/ and youth and women groups) in support of activities 2.4.1.1a/b. Each workshop will targed 30 participant (>30 % women) at an estimated cost of USD 5,000 per event. The cost includes venue/ Catering (USD 3,000), and DSA (USD 2,000 for 30 people for 2 days).
19	Three 5-days trainings to strengthen the capacities of government staff and key actors to as part of activities 2.4.1.1c. Each training will targed 30 participant (>30 % women) at an estimated cost of USD 12500 per event. The cost includes venue / catering (USD 7500) and DSA (USD 5,000 for 30 people for 5 days).
20	One-week ex-country capacity building trip to gain hands-on understanding and training on the development and implementation of business models and financial mechanisms, and the application of the carbon market under article 6 for 2 TWG members or any other key actors in support of activity 2.4.1.1c. at an estimated cost of USD 3500 pp. The cost pp include ticket (USD 1500); Hotel/DSA and training costs (USD 2000).
21	One professional service / company/firm. The professional service / company/firm will conduct a feasibility study of select business models as part of activity 4.1.4.1. The professional service / company/firm will be engaged through a lumpsum of USD 30.000
22	One international consultant(s) (concept note development expert, bringing regional and global experience). The consultant will lead on Activity 4.1.1.1a. Develop a concept note. The consultant(s) will also attend / lead workshops in support of the development and verifcation of the concept note. The consultant will be engaged for 22 days at USD 700 per day.
23	One national consultant(s) (concept note development expert, bringing local knowledge and network). The consultant(s) will support the international consultant(s) to conduct Activity 4.1.1.1a. Develop a concept note. The consultant(s) will also attend / lead workshops in support of the development and verifcation of the concept note. The consultant will be engaged for 22 days at USD 400 per day.
24	Two 2-days workshops targeting diverse stakeholders(LG, Gov, CSO/NGO/ and youth and women groups) in support of Activity 4.1.1.1a. Each workshop will targed 30 participant (>30 % women) at an estimated cost of USD 5,000 per event. The cost includes venue/ Catering (USD 3,000), and DSA (USD 2,000 for 30 people for 2 days).
25	Project coordinator: full-time to coordinate the project and consultants. The coordinator will be engaged for 22 months
26	Direct Project cost for services to project (DPC) covering expertise related to finance, Procurement, Communications and Gender experts
27	Audit Fee: two audits at USD 1,000 per year to be dione by a local consultant

GREEN CLIMATE FUND

Readiness Grant Budget Preparation Guidelines

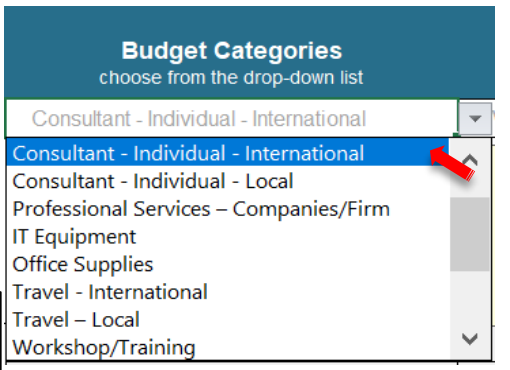
This file contains three specific planning tools to complete the supplementary information required when submitting a proposal for Readiness Programme support (including for Objetive 3. Aptation planning):

- Budget plan and accompany Budget notes
- Procurement and HR plan
- Implementation plan

The following considerations are important when completing the budget:

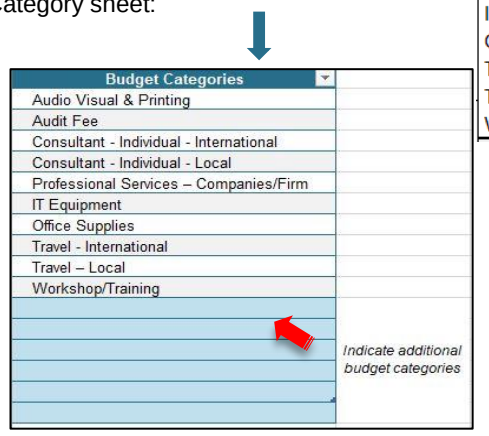
1. Before preparing the Readiness and budget, procurement and HR, and implementation plans, please read the full guidance contained in the Readiness Programme Guidebook, specifically **Part IV Sections 5 and 6**

2. You can select the appropriate budget categories from the dropdown list in the budget plan:



3. To insert additional rows, right click on the row number below where you wish to insert the new row and choose INSERT.

4. Additional budget categories may be added by manually typing them on the Budget Category sheet:



5. The Budget Notes sheet should be used to record explanations, further details or cost breakdowns for individual lines

Project Management Cost:

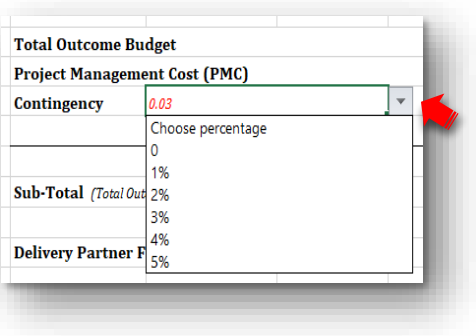
Project management costs (PMC) are the direct administrative costs incurred to execute a grant. They should cover only incremental costs incurred due to the GCF contribution. In most cases, these costs are directly related to the support of a dedicated project management unit which manages the day to day execution related activities of the grant.

General Principles for PMC costs:

1. The percentage of PMC financed by GCF should not be more than the percentage share of the overall budget financed by GCF
2. PMC budget thresholds: Up to 7.5 per cent of total activity budget.
   - > PMC exceeding 7.5 per cent for the readiness (including NAPs) proposals, up to $ 3 million will require detailed documentation and justification supporting the entire PMC budget.
   - > The PMC should be shown as a separate component in the project budget. A detailed breakdown of PMC should be provided by budget category.
   - > Indicative list of eligible project management costs:
     - > **Project staffing and consultants:** Project manager, Project Assistant, Procurement personnel, Finance personnel & Support/admin. Personnel
     - > **Other direct costs:** Office equipment, Mission related travel cost of the PMU, Project management systems and information technology, Office supplies, Audit cost

Contingency :

1. Select the appropriate % of Contingency Budget from the dropdown list :



2. Contingency budget for unforeseen costs arising during the grant implementation should not be included in the outcome budget separately.
3. Contingency budget must be used for any unforeseen programme (output level) cost that is unrelated to implementation/service fee.
4. Any use of contingency must be reported to and agreed by the GCF Secretariat in writing in advance provided with justifications that are acceptable to the GCF.
5. If by the end of the grant implementation period, you have not spent Contingency, you may not increase the scope of the project or make any other expenditures using the Contingency.

If you are unsure about how to complete the budget template, please send your query to: countries@gcfund.org

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Budget Categories
Audio Visual & Printing
Audit Fee
Consultant - Individual - International
Consultant - Individual - Local
Professional Services – Companies/Firm
IT Equipment
Office Supplies
Travel - International
Travel – Local
Workshop/Training
Project coordinator
Procurement, Finance, Gender, Communicat
General Operations Costs

Indicate additional budget categories

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6.1 Budget Plan

Objectives/Outcomes / Outputs			Detailed Budget (in US$) Budget Categories (choose from the drop-down list)	Unit	# of Unit	Unit Cost	Total Budget (per budget category)	Total Budget (per sub-outcome)	Total Budget (per outcome)	Expenditure Plan Year 1	Year 2	Executing Entity	Budget notes
Objective 2 : Strategic Frameworks.	Outcome 2.2. GCF recipient countries have developed or enhanced strategic frameworks to address policy gaps, improve sectoral expertise, and enhance enabling environments for GCF Programming in low-emission investment.	Output 2.2.2. Long-term, Low Emission Development Strategy (LT-LEDs / LTS) developed.	Professional Services – Companies/Firm	Lumpsum	1	87,500.00	87,500.00	192,500.00	564,500.00	87,500.00	-	UNDP	1
			Consultant - Individual - Local	W/Day	110	400.00	44,000.00			44,000.00	-	UNDP	2
			Workshop/Training	Event	4	5,000.00	20,000.00			20,000.00	-	UNDP	3
			Workshop/Training	Event	2	12,500.00	25,000.00			25,000.00		UNDP	4
			IT Equipment	Lumpsum	10	1,600.00	16,000.00			16,000.00		UNDP	5
		Output 2.2.3. NDC updated or revised and/or financing strategy or related policies developed.	Professional Services – Companies/Firm	Lumpsum	1	75,600.00	75,600.00	228,200.00		75,600.00	-	UNDP	6
			Consultant - Individual - Local	W/Day	88	400.00	35,200.00			35,200.00	-	UNDP	7
			Professional Services – Companies/Firm	Lumpsum	1	60,000.00	60,000.00			60,000.00	-	UNDP	8
			Workshop/Training	Event	5	5,000.00	25,000.00			25,000.00	-	UNDP	9
			Workshop/Training	Event	2	12,500.00	25,000.00			25,000.00	-	UNDP	10
			Audio Visual & Printing	Event	1	7,400.00	7,400.00			7,400.00	-	UNDP	11
		Output 2.2.7. Appropriate climate technologies/ solutions identified and prioritized.	Professional Services – Companies/Firm	Lumpsum	1	68,600.00	68,600.00	143,800.00		-	68,600.00	UNDP	12
			Consultant - Individual - Local	W/Day	88	400.00	35,200.00			-	35,200.00	UNDP	13
			Workshop/Training	Event	3	5,000.00	15,000.00			-	15,000.00	UNDP	14
			Workshop/Training	Event	2	12,500.00	25,000.00			-	25,000.00	UNDP	15
	Outcome 2.4. Strategies for transforming and attracting private sector investment for low emissions and resilience developed	Output 2.4.1. New business models incubated and/or innovative financial mechanisms and schemes created to increase low -emission	Professional Services – Companies/Firm	Lumpsum	1	53,200.00	53,200.00	142,900.00	142,900.00	-	53,200.00	UNDP	16
			Consultant - Individual - Local	W/Day	88	400.00	35,200.00			-	35,200.00	UNDP	17
			Workshop/Training	Event	2	5,000.00	10,000.00			-	10,000.00	UNDP	18
			Workshop/Training	Event	3	12,500.00	37,500.00			-	37,500.00	UNDP	19
			Travel - International	Event	2	3,500.00	7,000.00			-	7,000.00	UNDP	20
	Outcome 4.1. Increase in the number of quality project concept notes developed and submitted.	Output 4.1.4. Prefeasibility studies conducted	Professional Services – Companies/Firm	Lumpsum	1	30,000.00	30,000.00	30,000.00	64,200.00		30,000.00	UNDP	21
		Output 4.1.1. Concept notes for priority sectors developed with the support of the RPSP for submission to the GCF.	Consultant - Individual - International	W/Day	22	700.00	15,400.00	34,200.00			15,400.00	UNDP	22
			Consultant - Individual - Local	W/Day	22	400.00	8,800.00				8,800.00	UNDP	23
			Workshop/Training	Event	2	5,000.00	10,000.00				10,000.00	UNDP	24
Total Outcome								**771,600.00**	**771,600.00**	420,700.00	350,900.00	-	
Project Management Cost (PMC) Up to 7.5% of Total Activity Budget			Project coordinator	Month	22	2,202.00	48,444.00	and % of PMC	PMC that can	24,222.00	24,222.00	UNDP	25
			DPC	Lumpsum	1	7,420.00	7,420.00	**57,864.00**	**57,870.00**	3,710.00	3,710.00	UNDP	26
			Audit Fee	Lumpsum	2	1,000.00	2,000.00	**7.50%**	**7.50%**	1,000.00	1,000.00	UNDP	27

FOR GREEN CLIMATE FUND SECRETARIAT'S USE ONLY

Breakdown (per budget category)	Total (per budget category)
Audio Visual & Printing	7,400.00
Audit Fee	2,000.00
Consultant - Individual - International	15,400.00
Consultant - Individual - Local	149,600.00
Professional Services – Companies/Firm	374,900.00
IT Equipment	16,000.00
Office Supplies	-
Travel - International	7,000.00
Travel – Local	-
Workshop/Training	192,500.00
Project coordinator	48,444.00
Direct Project cost	7,420.00
Total Outcome Budget + PMC	**820,664.00**

FOR GREEN CLIMATE FUND SECRETARIAT'S USE ONLY

Total Outcome Budget		**771,600.00**
Project Management Cost (PMC)	7.5% requested	**57,864.00**
Contingency		
Sub-Total (Total Outcome Budget + Contingency + PMC)		**829,464.00**
Delivery Partner Fee (DP) - Up to 8.5% of the Sub-Total		**70,504.44**
Total Project Budget (Total Activity Budget + Contingency + PMC + DP)	**$**	**899,968.44**

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Budget Notes

Budget Note	Deatiled description
1	One professional service / company/firm with expertise in LT-LEDS and NDC development. The professional service / company/firm will lead on ACT 2.2.2.1a Conduct a comprehensive TL-LEDs-related stock-take and gap assessment,, ACT 2.2.2.1b, Develop an action plan to address the gaps identified, ACT 2.2.2.1c, Update the LT-LEDS on food security, human settlement, industry, and transport and ACT 2.2.2.1d Develop a roadmap to implement the LT-LEDS, incl. trainings. The professional service / company/firm will also attend / lead workshops and trainings in support of these activities. The lumpsum (USD 87.500) is all inclusive of experts and one trip / travel
2	One national consultant (LT-LEDs Expert) bringing local knowledge and network. The consultant will support the professional service / company/firm above to conduct ACT 2.2.2.1a Conduct a comprehensive stock-take and gap assessment, ACT 2.2.2.1b, Develop an action plan to address the gaps identified, ACT 2.2.2.1c, Update the LT-LEDS on food security, human settlement, industry, and transport and ACT 2.2.2.1d Develop a roadmap to implement the LT-LEDS, incl. trainings. The consultant also will attend / lead workshops and trainings together wih the professional service / company/firm. The consultant will be engaged for 110 days at USD 400 per day.
3	Four 2-days workshops targeting diverse stakeholders(LG, Gov, CSO/NGO/ and youth and women groups) in support of activities 2.2.2.1a/b/c/d. Each workshop will targed 30 participant (>30 % women) at an estimated cost of USD 5,000 per event. The cost includes venue/ Catering (USD 3,000), and DSA (USD 2,000 for 30 people for 2 days).
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16	One professional service / company/firm (same as budget note 1) with expertise in TNA development / climate technology and private sector engagement / investment in low emission development and climate change adaptation including business models, financial mechanisms (same as under budget note 12). The professional service / company/firm will lead on Activity 2.4.1.1a Conduct an inventory of business models and financial mechanisms, Activity 2.4.1.1b Develop a priority list of business models and financial mechanisms The professional service / company/firm will also attend / lead workshops and trainings in support of these activities, and Activity 2.4.1.1c Conduct trainings to ensure adoption of the business models and financial mechanisms. The lumpsum (USD 53.200) is all inclusive of experts and one trip / travel
17	One or multiple national consultant(s) (private sector investment / business models, financial mechanisms expert(s)) bringing local knowledge and network. The consultant(s) will support the professional service / company/firm to conduct Activity 2.4.1.1a Conduct an inventory of business models and financial mechanisms, Activity 2.4.1.1b Develop a priority list of business models and financial mechanisms The consultant(s) will also attend / lead workshops and trainings together with the professional service / company/firm in support of these activities, and Activity 2.4.1.1c Conduct trainings to ensure adoption of the business models and financial mechanisms. The consultant will be engaged for 88 days at USD 400 per day.
18	Two 2-days workshops targeting diverse stakeholders(LG, Gov, CSO/NGO/ and youth and women groups) in support of activities 2.4.1.1a/b. Each workshop will targed 30 participant (>30 % women) at an estimated cost of USD 5,000 per event. The cost includes venue/ Catering (USD 3,000), and DSA (USD 2,000 for 30 people for 2 days).
19	Three 5-days trainings to strengthen the capacities of government staff and key actors to as part of activities 2.4.1.1c. Each training will targed 30 participant (>30 % women) at an estimated cost of USD 12500 per event. The cost includes venue / catering (USD 7500) and DSA (USD 5,000 for 30 people for 5 days).
20	One-week ex-country capacity building trip to gain hands-on understanding and training on the development and implementation of business models and financial mechanisms, and the application of the carbon market under article 6 for 2 TWG members or any other key actors in support of activity 2.4.1.1c. at an estimated cost of USD 3500 pp. The cost pp include ticket (USD 1500); Hotel/DSA and training costs (USD 2000).
21	One professional service / company/firm. The professional service / company/firm will conduct a feasibility study of select business models as part of activity 4.1.4.1. The professional service / company/firm will be engaged through a lumpsum of USD 30.000
22	One international consultant(s) (concept note development expert, bringing regional and global experience). The consultant will lead on Activity 4.1.1.1a. Develop a concept note. The consultant(s) will also attend / lead workshops in support of the development and verifcation of the concept note. The consultant will be engaged for 22 days at USD 700 per day.
23	One national consultant(s) (concept note development expert, bringing local knowledge and network). The consultant(s) will support the international consultant(s) to conduct Activity 4.1.1.1a. Develop a concept note. The consultant(s) will also attend / lead workshops in support of the development and verifcation of the concept note. The consultant will be engaged for 22 days at USD 400 per day.
24	Two 2-days workshops targeting diverse stakeholders(LG, Gov, CSO/NGO/ and youth and women groups) in support of Activity 4.1.1.1a. Each workshop will targed 30 participant (>30 % women) at an estimated cost of USD 5,000 per event. The cost includes venue/ Catering (USD 3,000), and DSA (USD 2,000 for 30 people for 2 days).
25	Project coordinator: full-time to coordinate the project and consultants. The coordinator will be engaged for 22 months
26	Direct Project cost for services to project (DPC) covering expertise related to finance, Procurement, Communications and Gender experts
27	Audit Fee: two audits at USD 1,000 per year to be dione by a local consultant

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GREEN CLIMATE FUND

Readiness Grant Procurement Plan Preparation Guidelines

The following considerations are important when completing the Procurement Plan:

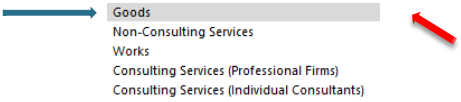
1. Before preparing the Readiness and budget, **procurement** and HR, and implementation plans, please read the full guidance contained in the Readiness Programme Guidebook, specifically **Part IV Sections 5 and 6**

2. Please start populating information on planned procurement items next to dedicated rows titled 'Planned'. Utilize slicer buttons at the top of the worksheet to easily filter out rows dedicated to planned items.



3. Please Specify Item and Item Description under Column C.

4. Choose the appropriate Procurement categories from the dropdown list available in the Procurement plan under column D.



5. Specify the Estimated cost of the Item under Column E.

6. Populate the applicable Procurement Method (e.g., open, limited RFP, ITB, RFQ) in Column G. Ensure alignment with the thresholds (Min-Max monetary value for the indicated procurement method) outlined in Column H, in accordance with the applicable procurement policy.

7. In Column I, specify the name of the Entity executing Procurement (DP/EE, etc.).

8. Indicate estimated timelines under Columns J and K.

9. The Procurement Plan Template provides twenty (20) dedicated rows. To insert additional rows, right-click on the row number below where the new row is desired and select INSERT. When inserting new rows, allocate three rows for each item (Planned, Revised1, Actual) and extend existing dropdown menus or other formulas.

10. Utilize Column L, labeled "Remarks," to record explanations, additional details, or any other pertinent information as needed.

The following considerations are important when completing the Change Request impacting the Procurement Plan:



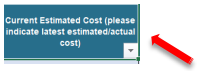
1. Upon approval of the procurement plan by the GCF, the 6.2 Procurement Plan will be locked. Simultaneously, the additional tab 6.2.1 Procurement Plan will be activated for inputs. In this tab, planned items will be automatically populated from the approved procurement plan. Only revisions and actuals can be modified.

2. Change requests within 20% threshold of cost reallocation per procurement category (column D) are not subject to GCF pre-approval provided that the procurement process adheres applicable procurement policy AND follows competitive process.

3. **Any change** from the approved competitive procurement method to a less competitive method, irrespective of financial value, requires GCF pre-approval. Such changes should be submitted as a change request for clearance.

4. **Any change** constituting a new procurement item irrespective of financial value requires GCF pre-approval. Such changes should be submitted as a change request for clearance.

5. When revising a procurement item, utilize the designated row labeled "Revised1" and update the relevant columns from the approved procurement plan. After updating, populate Column F with the Current Estimated Cost (latest estimated/actual cost).



6. For subsequent revisions, please add dedicated rows i.e. "Revised2" for the second revision, "Revised3" for the third revision, etc and update Column F on Current Estimated cost accordingly.

7. To add new procurement items outside the approved procurement plan, allocate three rows for each new item (Planned, Revised 1, Actual). Extend existing drop-down menus or other formulas and input information under **"Revised 1"**

8. For ease of reference please also highlight indicated changes in yellow

9. When deleting procurement items, employ strikethrough and indicate "0" under Column F for the Current Estimated Cost (latest estimated/actual cost).

The following considerations are important when preparing the Annual Progress Report:

1. Please attach this procurement plan to your Annual Progress Report to demonstrate implementation progress as well as any changes that were not sibject to GCF pre-approval as defined in the section above.

The following considerations are important when preparing the Completion Report:

1. Dedicated tab - 6.2.1 Procurement Plan shall illustrate the actual execution of the procurement plan, as a component of the project completion reporting process, in the row titled 'Actual'.

2. Upon provision of actual inputs, the consolidated spreadsheet should delineate information pertaining to the project approval stage. Specifically, the spreadsheet should distinguish between what was initially approved (under the row dedicated to "planned" items), what underwent a single revision (Revised1), what underwent two revisions (Revised2), or remain blank if no revisions occurred. Populate fields related to actual execution, costs, and timelines accordingly.

If you are unsure about how to complete the Procurement Plan template, please send your query to: countries@gcfund.org

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6.2 Procurement Plan

For goods, services, and consultancies to be procured, please list the items, descriptions in relation to the activities in Section 3, estimated cost, procurement method, relevant threshold, and the estimated dates. Please provide a full procurement plan for the entire duration of the implementation period.

Procurement Plan Approval Date:

Please check out the example in the table below, and remove the items before including the proposal's entries. At the proposal submision stage, please populate the raws dedicated to planned items.

Status

Actual	Planned	Revised1

No	Status	Item Description	Category	Estimated Cost (US$)	Procurement Method (e.g. open, limited RFP,ITB,RFQ)	Thresholds as per applicable procurement policy (Min-Max monetary	Name of Entity executing Procurement (DP/EE, etc.)	Date of initiating procurement (Tender Issuence)	Estimated contract start date	Remarks
1	Planned	Professional Services – Companies/Firm	Consulting Services	87,500.00	Open - RFQ	$0 - $100.000	DP	15-Mar-25	1-Apr-25	Budget note 1
1	Revised1									
1	Actual									
2	Planned	One national consultant (LT-LEDs Expert)	Consulting Services (Individual Consultants)	44,000.00	Open - RFQ	$0 - $100.000	DP	15-Mar-25	1-Apr-25	Budget note 2
2	Revised1									
2	Actual									
3	Planned	Four two-day workshops. The amount exlcudes DSA at USD 2000 per workshop	Non-Consulting Services	12,000.00	LVA	Max $30,000	DP	15-Mar-25	1-Apr-25	Budget note 3
3	Revised1									
3	Actual									
4	Planned	Two five-day trainings. The amount excludes DSA of USD 5000 per training	Non-Consulting Services	15,000.00	LVA	Max $30,000	DP	15-Mar-25	1-Apr-25	Budget note 4
4	Revised1									
4	Actual									
5	Planned	Ten computers / laptops	Goods	16,000.00	LVA	Max $30,000	DP	15-Mar-25	1-Apr-25	Budget note 5
5	Revised1									
5	Actual									
6	Planned	Professional Services – Companies/Firm	Consulting Services	75,600.00	Open - RFQ	$0 - $100.000	DP	15-Mar-25	1-Apr-25	Budget nite 6
6	Revised1									
6	Actual									
7	Planned	One or multiple national consultant(s) (NDC and climate / financing / resource mobilization expert(s))	Consulting Services (Individual Consultants)	35,200.00	Open - RFQ	$0 - $100.000	DP	15-Mar-25	1-Apr-25	Budget note 7
7	Revised1									
7	Actual									
8	Planned	Professional Services – Companies/Firm	Consulting Services	60,000.00	Open - RFQ	$0 - $100.000	DP	15-Mar-25	1-Apr-25	Budget note 8
8	Revised1									
8	Actual									
9	Planned	Five two-day workshops. The amount exlcudes DSA at USD 2000 per workshop	Non-Consulting Services	15,000.00	LVA	Max $30,000	DP	15-Mar-25	1-Apr-25	Budget note 9
9	Revised1									
9	Actual									
10	Planned	Two five-day trainings. The amount excludes DSA of USD 5000 per training	Non-Consulting Services	15,000.00	IVA	Max $30,000	DP	15-Mar-25	1-Apr-25	Budget note 10
10	Revised1									
10	Actual									
11	Planned	Audio Visual & Printing	Goods	7,400.00	LVA	Max $30,000	DP	15-Mar-25	1-Apr-25	Budget note 11
11	Revised1									
11	Actual									
12	Planned	Professional Services – Companies/Firm	Consulting Services	68,600.00	Open - RFQ	$0 - $100.000	DP	15-Mar-26	1-Apr-26	Budget note 12
12	Revised1									
12	Actual									
13	Planned	One or multiple national consultant(s) (climate technology / TNA expert(s))	Consulting Services (Individual Consultants)	35,200.00	Open - RFQ	$0 - $100.000	DP	15-Mar-26	1-Apr-26	Budget note 13
13	Revised1									
13	Actual									
14	Planned	Three two-day workshops. The amount exlcudes DSA at USD 2000 per workshop	Non-Consulting Services	9,000.00	LVA	Max $30,000	DP	15-Mar-26	1-Apr-26	Budget note 14
14	Revised1									
14	Actual									
15	Planned	Two five-day trainings. The amount excludes DSA of USD 5000 per training	Non-Consulting Services	15,000.00	LVA	Max $30,000	DP	15-Mar-26	1-Apr-26	Budget note 15
15	Revised1									
15	Actual									
16	Planned	Professional Services – Companies/Firm	Consulting Services	53,200.00	Open - RFQ	$0 - $100.000	DP	15-Mar-26	1-Apr-26	Budget note 16
16	Revised1									

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No	Status	Item Description	Category	Estimated Cost (US$)	Procurement Method (e.g. open, limited RFP,ITB,RFQ)	Thresholds as per applicable procurement policy (Min-Max monetary	Name of Entity executing Procurement (DP/EE, etc.)	Date of initiating procurement (Tender Issuence)	Estimated contract start date	Remarks
16	Actual									
17	Planned	One or multiple national consultant(s) (private sector investment / business models, financial mechanism)	Consulting Services (Individual Consultants)	35,200.00	Open - RFQ	$0 - $100.000	DP	15-Mar-26	1-Apr-26	Budget note 17
17	Revised1									
17	Actual									
18	Planned	Two two-day workshops. The amount exlcudes DSA at USD 2000 per workshop	Non-Consulting Services	6,000.00	LVA	Max $30,000	DP	15-Mar-26	1-Apr-26	Budget note 18
18	Revised1									
18	Actual									
19	Planned	Three five-day trainings. The amount excludes DSA of USD 5000 per training	Non-Consulting Services	22,500.00	LVA	Max $30,000	DP	15-Mar-26	1-Apr-26	Budget note 19
19	Revised1									
19	Actual									
20	Planned	Two airfaires for ex-country capacity building trips. The amount exlcudes DSA at USD 2000 pp	Goods	3,000.00	LVA	Max $30,000	DP	15-Mar-26	1-Apr-26	Budget note 20
20	Revised1									
20	Actual									
21	Planned	Professional Services – Companies/Firm	Consulting Services	30,000.00	Open - RFQ	$0 - $90,000	DP	15-Mar-26	1-Apr-26	Budget note 21
21	Revised1									
21	Actual									
22	Planned	One international consultant(s) (concept note development expert)	Consulting Services (Individual Consultants)	15,400.00	Open - RFQ	$0 - $100.000	DP	15-Mar-26	1-Apr-26	Budget note 22
22	Revised1									
22	Actual									
23	Planned	One national consultant(s) (concept note development expert	Consulting Services (Individual Consultants)	8,800.00	Open - RFQ	$0 - $100.000	DP	15-Mar-26	1-Apr-26	Budget note 23
23	Revised1									
23	Actual									
24	Planned	Two two-day workshops. The amount exlcudes DSA at USD 2000 per workshop	Non-Consulting Services	6,000.00	LVA	Max $30,000	DP	15-Mar-26	1-Apr-26	Budget note 24
24	Revised1									
24	Actual									
25	Planned	Audit fee	Consulting Services (Individual Consultants)	2,000.00	Open - RFQ	$0 - $90,000	DP	15-Mar-26	1-Apr-26	Budget note 25
25	Revised1									
25	Actual									
	Planned	**Total $(USD)**		$ -						
	Revised1	**Total $(USD)**		#REF!						
	Actual	**Total $(USD)**		#REF!						

Breakdown per Category			
Planned Goods	**Total $(USD)**		$ -
Planned Non-Consulting Services	**Total $(USD)**		$ -
Planned Works	**Total $(USD)**		$ -
Planned Consulting Services (PS)	**Total $(USD)**		$ -
Planned Consulting Services (IC)	**Total $(USD)**		$ -

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6.2 Procurement Plan

For goods, services, and consultancies to be procured, please list the items, descriptions in relation to the activities in Section 3, estimated cost, procurement method, relevant threshold, and the estimated dates. Please provide a full procurement plan for the entire duration of the implementation period.

Procurement Plan Approval Date:

Please check out the example in the table below, and remove the items before including the proposal's entries. At the proposal submision stage, please populate the raws dedicated to planned items.

Status

Actual	Planned	Revised1	Revised2

No	Status	Item Description	Category	Estimated Cost (US$)	Current Estimated Cost (please indicate latest estimated/actual cost)	Procurement Method (e.g. open, limited RFP,ITB,RFQ)	Thresholds as per applicable procurement policy (Min-Max monetary value for which indicated procurement method must be used)	Name of Entity executing Procurement (DP/EE, etc.)	Date of initiating procurement (Tender Issuence)	Estimated contract start date	Remarks
1	Planned	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
1	Revised1										
1	Actual										
2	Planned										
2	Revised1										
2	Revised2										
2	Actual										
3	Planned										
3	Revised1										
3	Actual										
4	Planned										
4	Revised1										
4	Actual										
5	Planned										
5	Revised1										
5	Actual										
6	Planned										
6	Revised1										
6	Actual										
7	Planned										
7	Revised1										
7	Actual										
8	Planned										
8	Revised1										
8	Actual										
9	Planned										
9	Revised1										
9	Actual										
10	Planned	0	0	0	0	0	0	0	0	0	0
10	Revised1										
10	Actual										
11	Planned	0	0	0	0	0	0	0	0	0	0
11	Revised1										
11	Actual										
12	Planned	0	0	0	0	0	0	0	0	0	0
12	Revised1										
12	Actual										
13	Planned	0	0	0	0	0	0	0	0	0	0
13	Revised1										
13	Actual										
14	Planned	0	0	0	0	0	0	0	0	0	0
14	Revised1										
14	Actual										
15	Planned	0	0	0	0	0	0	0	0	0	0
15	Revised1										
15	Actual										
16	Planned	0	0	0	0	0	0	0	0	0	0
16	Revised1										
16	Actual										
17	Planned	0	0	0	0	0	0	0	0	0	0
17	Revised1										
17	Actual										
18	Planned	0	0	0	0	0	0	0	0	0	0
18	Revised1										
18	Actual										
19	Planned	0	0	0	0	0	0	0	0	0	0
19	Revised1										
19	Actual										
20	Planned	0	0	0	0	0	0	0	0	0	0
20	Revised1										
20	Actual										
	Planned	Total $(USD)		#REF!							
	Revised1	Total $(USD)		$ -							
	Actual	Total $(USD)		$ -							

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6.3 Human Resources (HR) Plan

For staff to be employed for the duration of the grant.

Please use examples in the table below, and remove them before indicating proposal's requirements.

Item	Item Description	Estimated Cost (US$)	Recruitment Method	Thresholds as per applicaple policy (if any)	Name of Entity executing recruitment (DP/EE, etc.)	Date of initiating recruitment	Estimated contract start date
Project coordinator	Full time project coordinator (budget note 27)	48,444.00	HR Recruitment	$40,000 - $55,000	DP	1-Dec-2024	1-Jan-2025
DPC	DPC (budget note 28)	7,420.00	HR Recruitment	$5,000 - $15,000	DP	1-Dec-2024	1-Jan-2025
Sub-Total (US$)		$ 55,864.00					

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6.3 Implementation Plan

Column B: Please list all output codes the proposed proposal aims to achieve (e.g., 1.2.1 or 2.1.3., etc.)
Column C: Please indicate the month number in which the output will start the implementation (e.g., month 3 = 3)
Column D: Please indicate the month number in which the output will finish the implementation (e.g., month 9 = 9)
Column E: The duration of the implementation for each output will appear automatically using the formula (C-D); therefore, it is not expected for editing.
Column F: Dependency output(s): If the output listed is depending on other output(s), please list those outputs respectively; otherwise, please type "none"

Please check out the example in the table below, and remove them before including the proposal's entries

Output	Start Date (Month#)	End date (Month#)	Implementation period (Months)	Interdependency output(s)
2.2.2	2	12	10	2.2.3
2.2.3	2	12	10	2.2.2
2.2.7	13	18	5	2.2.2/3
2.4.1	13	18	5	2.2.2/3
4.1.4	18	21	3	2.2.7/2.4.1
4.1.1	20	22	2	4.1.4

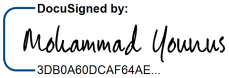
Certificate Of Completion

Envelope Id: 1C826A32-201C-499E-A994-EF58665BD18E
Status: Completed
Subject: Complete with Docusign: 10137 Bhutan GFC readiness_Initiation Plan.pdf
Source Envelope:
Document Pages: 70
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One United Nations Plaza
New York, NY 10017
sonam.rabgye@undp.org
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Status: Original
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Holder: Sonam Rabgye
sonam.rabgye@undp.org
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Signer Events	Signature	Timestamp
Mohammad Younus mohammad.younus@undp.org RR United Nations Development Program - Global Security Level: Email, Account Authentication (None)	DocuSigned by:  3DB0A60DCAF64AE... Signature Adoption: Pre-selected Style Using IP Address: 202.144.133.67	Sent: 21 April 2025 | 02:49 Viewed: 23 April 2025 | 02:45 Signed: 23 April 2025 | 02:46

Electronic Record and Signature Disclosure:
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In Person Signer Events	Signature	Timestamp

Editor Delivery Events	Status	Timestamp

Agent Delivery Events	Status	Timestamp

Intermediary Delivery Events	Status	Timestamp

Certified Delivery Events	Status	Timestamp

Carbon Copy Events	Status	Timestamp

Witness Events	Signature	Timestamp

Notary Events	Signature	Timestamp

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	21 April 2025 | 02:49
Certified Delivered	Security Checked	23 April 2025 | 02:45
Signing Complete	Security Checked	23 April 2025 | 02:46
Completed	Security Checked	23 April 2025 | 02:46

Payment Events	Status	Timestamps