

# Readiness Proposal

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**With FUNBIO for the Federative Republic of Brazil**

06 April 2022 | Capacity Building, Strategic frameworks and Knowledge sharing and learning



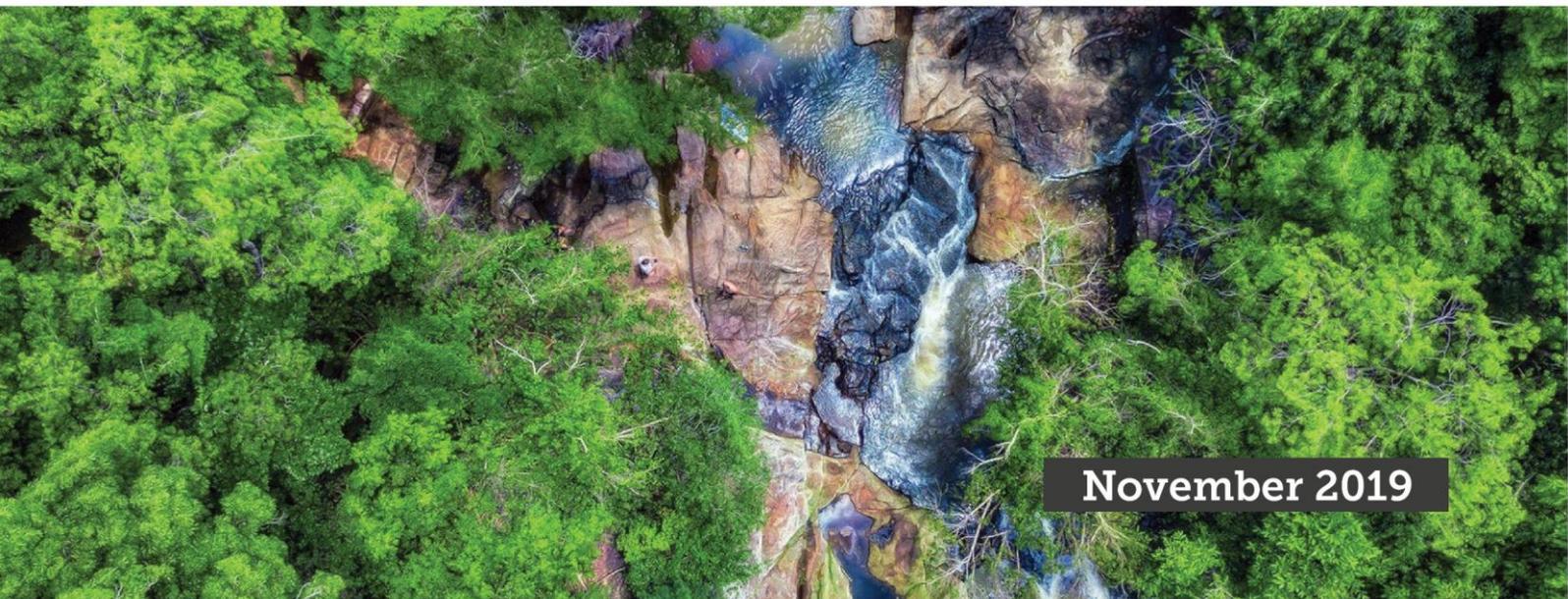
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# READINESS & PREPARATORY SUPPORT

## PROPOSAL TEMPLATE



<b>Proposal title:</b>	Strengthening the Brazilian NDA to provide better support to climate change projects and to build its capacity on climate finance to develop new alternatives for attracting national and international capital
<b>Country:</b>	Brazil
<b>National designated authority:</b>	Secretariat for International Economic Affairs, Ministry of Economy
<b>Implementing Institution:</b>	FUNBIO
<b>Date of first submission:</b>	30 June 2021
<b>Date of current submission / version number</b>	28 March 2022 V.6



November 2019

## 1. SUMMARY

<b>1.1 Country submitting the proposal</b>	Country name:	Brazil
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<b>1.2 Date of initial submission</b>	30 June 2021	
<b>1.3 Last date of resubmission</b>	28 March 2022	<b>Version number</b> V.6
<b>1.4 Which institution will implement the Readiness and Preparatory Support project?</b>	<input type="checkbox"/> National designated authority <input checked="" type="checkbox"/> Accredited entity <input type="checkbox"/> Delivery partner	
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**1.5 Title of the Readiness support proposal**

Strengthening the Brazilian NDA to provide better support to climate change projects and to build its capacity on climate finance to develop new alternatives for attracting national and international capital

**1.6 Type of Readiness support sought**

- I. Capacity building
- II. Strategic frameworks
- III. Adaptation planning
- IV. Pipeline development
- V. Knowledge sharing and learning

**1.7 Brief summary of the request**

In view of the increased ambition level in the updated Nationally Determined Contribution (NDC) and growing domestic interest on climate issues, reflected on the rising number of funding requests and proposals, the Brazilian NDA needs to enhance its role and coordination capacities. Given the diversity of themes or areas for mitigation and adaptation projects, there is a need to create procedures for screening the potential projects and coordinate proponents to avoid overlaps and take advantage of projects' possible complementarities.

This readiness proposal aims to promote the strengthening of the Brazilian NDA's technical, managerial and coordination capacities, as well as of other key stakeholders, such as: line Ministries (e.g. Environment, Regional Development, Agriculture, Energy, Science & Technology, Women, Family and Human Rights, etc.), the Securities Exchange Commission, and National Accredited Entities (e.g. the National Development Bank), on climate-related issues, and to create tools and procedures to fully take advantage of the country's diverse possibilities for robust and timely project design.

Over its 18 months of expected duration, this readiness will develop activities to:

- strengthen the NDA's capacity vis-à-vis the different GCF financing models, instruments and eligibility criteria of innovative mitigation and adaptation projects;
- exchange experiences and best practices with relevant stakeholders;
- improve the NDA's work and coordination system;
- develop project pipelines for three sectoral ministries in the Brazilian Government;
- assess Brazil's financial needs to comply with its NDC;
- establish a tracking system for GCF projects in Brazil; and,
- increase the information exchange regarding NDA's role, activities and GCF projects with other countries in the region.

In the future, a stronger NDA anchored in the Ministry of Economy may become a driver of change in the Brazilian financial system as a whole through the development of regulatory frameworks, policies, and awareness by encouraging a stronger mandate for public banks and fostering the adoption of Environmental, Social and Governance (ESG) criteria by the private financial sector.

**1.8 Total requested amount and currency**

USD 297.497

**1.9 Implementation period**

18 months

**1.10 Is this request a multiple-year strategic Readiness implementation request?**

- Yes
- No

### 1.11 Complementarity and coherence of existing readiness support

- Yes  
 No

Brazil has the following GCF Readiness grants approved:

Proposal	Status	Objective	Linkage
<p>Technology Needs Assessment for the Implementation of Climate Action Plans in Brazil</p> <p>USD 700,000</p> <p>Delivery Partner: UNEP</p> <p>Expected End Date: Closed</p>	Closed	<p>The objective of the proposal was to implement a technology needs assessment and to build a technology roadmap as a guide for the country to develop high quality proposals to be submitted to GCF.</p>	<p>The present proposal will be complementary to the TNA Readiness activities as it will better prepare Brazil to develop sectoral capacities for the preparation of funding proposals - including projects that apply the use of the technologies mapped in the TNA.</p>
<p>Strengthening Brazilian DAEs for the implementation and execution of GCF projects</p> <p>USD 515,217</p> <p>Delivery Partner: Funbio</p> <p>Expected End Date: February 2022</p>	Under implementation	<p>The proposal's objectives are:</p> <p>(i) to strengthen the capacities of the Brazilian Direct Access Entities (DAE) in relation to GCF's climate rationale, gender policies, Environmental and Social Standards, which favors the fulfilment of the accreditation conditions required before the first disbursement of an approved funding proposal; and</p> <p>(ii) to develop the entities' work plan.</p>	<p>This proposal aims to increase Brazil's capacity to better implement GCF funded activities, in line with this proposal's objective.</p>
<p>Support from PwC for Caixa's Accreditation</p> <p>USD 33,343</p> <p>Delivery Partner: PwC</p> <p>Expected End Date: Closed</p>	Closed	<p>The objective of the proposal was to identify institutional gaps for accreditation and to generate action plans to address these gaps.</p>	<p>This proposal aimed to increase Brazil's capacity to better implement GCF funded activities, thus helping to pave the ground for this current proposal.</p>
<p>WRI Brasil's Climate program</p>		<p>WRI Brasil's Climate program works with three main objectives: to increase the ambition of Brazil's climate policy in line with the Paris Agreement; improve the country's capacity to implement and achieve defined goals and commitments without reducing its economic productivity; and increase transparency of climate action, monitoring and evaluating the progress of necessary actions. This ability to monitor and measure progress is key</p>	<p>The readiness proposal will be an instrument to point out transparency and the WRI's Climate program is also intended to measure progress of Brazil's climate policy.</p>

		for the country and its economic sectors to prove that they are doing their part and attract investors.	
GIZ: Market Regulation for Green Financing and Green Bonds (Sustainable Brazilian Finance - FiBraS) EUR 4.000.000,00	Under implementation	The project's objective is to support the Brazilian Government with international expertise and experience to develop policies and instruments that attract investments in sectors such as "green" infrastructure, low-carbon agriculture, renewable energies, basic sanitation, sustainable urban transport and mobility, energy efficiency and sustainable management of water resources.	The FiBraS project is also intended to attract investors and to train the government on the subject of sustainable finance.

## 2. SITUATION ANALYSIS

Brazil is the 5<sup>th</sup> largest country in the world with a population of 212 million (2020), almost 16,000 km of terrestrial borders with 10 countries (almost every country in South America, except Chile and Ecuador) and a substantial marine territory with a 7,400 km long coast. Brazil is also a country with a wealth of natural resources and a supplier of goods and commodities based on land use and extractivism for several value chains worldwide. According to the Brazilian Ministry of Economy, in 2020, out of the 10 top products exported by the country, 90% are commodities, 60% are related to agriculture, and 20% are fossil fuels. The key five destinations for these products, by value, are China, USA, Argentina, Netherlands and South Korea.

Brazil also has a remarkably diverse society with different levels of social, economic, and educational contexts. Because of this size, nature, and social diversity, Brazil has developed a rich environment of governmental institutions (at national and subnational levels), regulatory agencies, a diverse and organized civil society, a well-represented academia and private sector. Working alone, together, in clusters and partnerships, internally or in regional interventions, over the last decades, these institutional actors have been dealing with several complex issues, for example, poverty alleviation, biodiversity conservation, education improvement, hunger, violence against minorities, etc. Despite not being a steady and linear improvement, social, humanitarian, and environmental advancements are clear, albeit heavily impacted by the Covid-19 pandemic.

Climate change is not a new issue, but it is newer than others challenges and, in a certain aspect, more difficult to understand and be perceived by society as the pace of changes and impacts occur in longer terms. It is also an issue that permeates other dimensions, making possible interventions for climate mitigation and adaptation almost infinite in a country like Brazil with its rich institutional capacity. Transboundary projects are also an interesting possibility with an increased demand and potentially substantial impacts. Thus, climate interventions in Brazil have a great potential for high local, regional, and global impacts - both in mitigation and adaptation. This creates a great opportunity and responsibility for the country to positively impact global climate efforts.

To deal with this responsibility Brazil has created many policies, plans, programs, and projects addressing drivers of greenhouse gases (GHG) emissions, reducing barriers, or creating incentives for decarbonizing the economy, and increasing monitoring systems capabilities and knowledge to increase the effectiveness of these, and future, instruments. Among these instruments are the Brazilian Climate Change Policy, the National Adaptation Plan, the National Inventory of GHG emissions, a Low Carbon Agriculture Plan, the "Forest+ Program", a National Policy of Payment for Environmental Services, deforestation, and fire control programs, and the Legal Amazon Council.

The Brazilian National Policy on Climate Change (PNMC) is the main policy of the federal government, established by Law No. 12,187 of 2009 which was a milestone in Brazilian environmental legislation. Among other innovations, the PNMC incorporated the voluntary goals of Nationally Appropriate Mitigation Actions (NAMAs) and determined the creation of a set of political and economic instruments to achieve them. The PNMC determined the creation of Sectoral Plans to internalize and consolidate the mitigation objectives in the agricultural, industrial, energy, transport policy, etc. The Sectoral Plans had a varied institutionalization, as well as suffered limited budget resources for carrying out actions and projects. The effectiveness of the PNMC can be monitored, among other metrics, by the evolution of greenhouse gas emissions listed in the National Inventory of emissions, in addition to the various sectorial emissions reports. According to Brazil's Fourth Biennial Update Report (BUR4, 2019) to the UNFCCC, in 2016, total greenhouse gas emissions were 1.30 billion tons of CO<sub>2</sub> equivalent, after having reached a level of 3.45 billion in 2004, which represents a 60% reduction in emissions. The main factor for the success of the emission mitigation initiatives was the fight against illegal deforestation in the Amazon. The current PNMC's governance is centered on the Interministerial Committee (CIM) and the Interministerial Commission (CIMGC). The Committee was reformed through Decree No. 10.145 of 2019, which brought a new governance situation to the PNMC. According to this norm, the Interministerial Committee on Climate Change is now consulted on all decisions on the climate change agenda and on the commitments made by the country in relation to this issue. The collegiate goes to the high level of government, with 9 ministers, whose attribution includes "defining the guidelines of the Brazilian Government in policies related to climate change, including the performance of the Brazilian Government in the United Nations Framework Convention on Climate Changes - UNFCCC". The decree also specifies the attributions of each of the bodies (ministries) in relation to the implementation of the instruments of Law 121987/2009. This readiness project could benefit the PNMC financing system.

The National Adaptation Plan (NAP) is an instrument developed by the federal government enacted in May 2016, which aims to "promote the management and reduction of climate risk in the face of adverse effects associated with climate change, in order to seize opportunities, avoid losses and damages and build instruments for the adaptation of natural, human, productive and infrastructure systems". For this plan, 11 sectoral and thematic strategies were considered: Agriculture, Biodiversity and Ecosystems, Cities, Natural Disasters, Industry and Mining, Infrastructure (Energy, Transport and Urban Mobility), Vulnerable People and Populations, Water Resources, Health, Food and Nutritional Security and Coastal Zones. In relation to the NAP, this project would help update the financing modalities, focuses, financial instruments, investment values and scope.

The Sectoral Plan for Mitigation and Adaptation to Climate Change for the Consolidation of a Low-Carbon Economy in Agriculture (ABC Plan) is intended to "organize and plan the actions to be taken to adopt sustainable production technologies, selected with the objective of responding to the commitments to reduce GHG emissions in the agricultural sector assumed by the country". It comprises seven programs, six of them referring to mitigation technologies, and a final program with actions to adapt to climate change. One of the instruments of the ABC Plan is the ABC Program, which is a credit line designed to finance the adoption of sustainable production systems in agriculture and additionally, has the capacity to mitigate GHG and raise the income of rural producers. From 2010 to 2019, this Program financed around 34,000 projects, disbursing approximately R\$ 17 million, which resulted in GHG emission reductions between 106.25 and 169.93 million Mg CO<sub>2</sub>eq. In October 2021, MAPA launched the ABC+ Plan, to be executed from 2020 to 2030. In this second phase, ABC+ will continue to act as an instrument to promote sustainable agriculture, considering an integrated approach to the landscape and contributing to GHG mitigation (with the potential to reduce the equivalent carbon emission by 1.1 billion tons in the agricultural sector). To this end, the successful strategies adopted and consolidated in the first cycle (2010-2020) are reinforced, focused on encouraging the adoption of Sustainable Production Systems, Practices, Products and Processes (SPSABC), based on technical-scientific bases. The current project will be able to help ABC Plan goals fulfillment through pipeline development.

Through the Forest+ Program, from the GCF's payments for results program, the Government created an ambitious and innovative policy for payment of environmental services, which culminated in Law No. 14,119, of 2021, which institutes the National Policy on Payment for Environmental services. The Forest+ program also includes a component that refers to the voluntary carbon market, to encourage investments in forest conservation projects. In addition, being the first GCF program implemented in Brazil, it foresees a series of actions to strengthen national capacities related, for example, to socio-environmental safeguards that will involve the same actors and will complement the training provided for this Readiness project.

In April 2021, the Amazon Plan 2021/2022 was approved, "intended to discipline the Federal Administration bodies actions to combat environmental offenses". This plan proposes "to reduce by the end of 2022

environmental and land illicit activities, particularly forest fires and illegal deforestation, to the historical average levels of PRODES (2016/2020), that is, 8,671 km<sup>2</sup> per year.

The Decree No. 10,239, of February 11, 2020, transferred the National Council for the Legal Amazon from the Ministry of Environment to the Republic Vice-Presidency. It had been inactive since the 2000s and, originally, had no attributions related to climate change. The new decree included as one of the mandates of the collegiate, in its Article 3, “to monitor the actions of sustainable development and the fulfillment of global goals in matters of climate change adaptation and mitigation”. The Council has indirectly dealt with mitigation (via deforestation control) and adaptation (since it is responsible for forest fires).

There are different ways to finance the implementation of these policies, domestic and international, in which the Climate Investment Funds (CIFs), the Global Environment Facility (GEF), and the Green Climate Fund (GCF) stand out. Nonetheless, the contribution of GCF in this context is still small compared with other funds, when considering its potential, with only a few projects implemented in the country so far. Different reasons help to explain why the GCF currently is not more present in Brazil, such as the relatively short time from the DAEs accreditation, soon followed by the Covid-19 pandemic; the steep learning curve to propose projects to the fund; novel requirements for funding proposals, such as feasibility studies; and the difficulty of coordinating the demand for funds from different stakeholders in the country.

To implement GCF projects and programs in Brazil, the Ministry of Economy was appointed as the National Designated Authority (NDA) to organize, analyze, and endorse Brazilian prospects with the fund. There are some advantages of appointing the Ministry of Economy for the NDA role. Some advantages are the central role the ministry has in many aspects of the Brazilian development agenda; the capacity of the ministry to engage with the private sector and include, or expand, climate concerns in a core government body rather than a niche or climate/sustainability institution. One disadvantage came embedded in this decision though, the Ministry of Economy is aware and engaged but it isn't specialized neither in environmental aspects nor in climate issues, creating an even steeper learning curve to work with the GCF.

The first activities of the Brazilian NDA were to develop a robust Country Programme in a participatory way in 2017 and 2018 and to support three Brazilian entities in the accreditation process. It's important to notice that the Country Program is the first climate related document to explicit the need for gender assessments. Since 2019, the NDA has been approached by multiple interested parties to evaluate the possibility of GCF funding for projects and programs. Between 2018 and 2020, the NDA received five requests of no objection that have scaled up to six requests in 2021 so far. Regarding readiness proposals, the NDA received five proposals between 2018 and 2020 and five in 2021 alone. The Brazilian DAE's also reported great interest in the fund in the last years. By working with these potential project proponents, the diversity of approaches and interventions was confirmed and also revealed a difficulty to understand some of the GCF criteria and procedures.

This situation made clear to the NDA that the progress made so far was important but could not cope with both the diversity of potential projects and the need to offer more guidance to potential project proponents, because there isn't a coordinated programming at national and subnational level and at NDA level there is a limited technical capacity related to climate and sustainable finance, blended finance, innovative financial instruments and GCF in general, specifically about procedures and investment criteria, that could allow NDA to support pipeline and project formulation and implementation, which leads to a lack of standardized procedures for pipeline identification, project/ program development and project/program monitoring. So, there is a need for more specialized knowledge about climate finance, GCF procedures, and tools to manage a highly diverse demand which turns into a substantive pipeline that needs to be coordinated, appraised, and monitored as projects get approved.

The NDA, with the assistance of a group of experts, is developing a comprehensive revision of the Country Programme of Brazil. Delivered in 2018, the current Country Programme is considered a state-of-art document produced by GCF country parties. The Country Programme revision also aims at updating the national agenda on climate change, as well as adapting to the news standards of the international community regarding the climate change agenda. The revision will identify key sectors and sub-sectors, to be prioritized in Brazil to the GCF-1 replenishment. Moreover, the revision will identify at least five priority projects/programs to be presented to the GCF over the next four years, taking into consideration its potential to contribute to the Brazilian NDC, and to contribute to a post-COVID economic recovery that is low carbon and resilient to the impacts of climate change, in line with the Fund's guidelines.

Currently, the evaluation process of the GCF proposals is shared with the ministries or other competent bodies on the proposal subject. After receiving subsidies, the NDA prepares a Technical Note and issues the No-

objection letter, but the Country Program update proposes that the evaluating process by NDA would take place in two phases to be better harmonized with the GCF's evaluation:

Phase 1 - General Evaluation, when the relevance of the proposal is evaluated. This evaluation phase will only be carried out by the NDA, when it is requested to indicate the continuation of the proposal preparation or for the "Project Preparation Facility" – PPF phase. In both cases, the evaluations would be carried out at the Concept Note (CN) development stage before the proposals are submitted to the GCF Investment Committee (CIC2) evaluations.

Phase 2 - Evaluation of the Complete Funding Proposal - the analysis will be carried out both by the NDA and by the relevant Ministries. The AE will be able to submit the Funding Proposal – PF to NDA, after approval and demonstration that the project's adjustments have been met, in line with the conditions established by the CIC2 of GCF. With these conditions, the NDA and the competent ministries will carry out the technical analysis of the FP components. If the result is positive, the NDA will issue the no-objection letter to the proposal, authorizing the formal submission of the document to the GCF Secretariat, and the proposal in question will be inserted in the pipeline of projects from Brazil to the GCF.

In conclusion, the GCF business model is dynamic, novel, and to be effective requires national leadership coordination and capacity to catalyze private and public efforts, academic and civil society, leveraging and coordinating with other interventions. This readiness proposal aims at strengthening technical, managerial and communication capacities of the NDA in order to improve project approval, management and monitoring; upgrade the support to those interested in GCF funding; and filter more relevant, impactful and connected funding proposals to the GCF. Over 18 months this readiness will develop activities to:

- strengthen NDA's capacity vis-à-vis the different GCF financing models, instruments, eligibility criteria of innovative mitigation and adaptation projects;
- exchange experiences and best practices with relevant stakeholders;
- improve NDA's work and coordination system;
- develop project pipelines for three sectoral ministries in the Brazilian Government;
- assess Brazil's financial needs to comply with its Nationally Determined Contribution;
- establish a tracking system for GCF projects in Brazil; and
- increase the information exchange regarding NDA's role, activities and GCF projects with other countries in the region.

### 3. LOGICAL FRAMEWORK

Strengthening the Brazilian NDA to provide better support to climate change projects and to build its capacity on climate finance to develop new alternatives for attracting national and international capital

Outcomes	Baseline	Targets	Outputs	Activities (brief description)	Deliverables
Outcome 1.1 Country NDA or focal points and the network/ systems that enable them to fulfil their roles, responsibilities and policy requirements are operational and effective.	Limited technical capacity related to climate and sustainable finance, blended finance, innovative financial instruments and GCF investment criteria to support project formulation and implementation. Lack of standardized procedures for pipeline identification, project/ program development and project/program monitoring at NDA level.	Increase NDA capacities as well as other ministries the capacities of understanding climate finance and the GCF (at least 20 permanent staff from 4 different ministries).  Identify country pipeline and develop tools to organize NDA work with systems and procedures	Output 1.1 NDA's, other ministries and DAE's capacity strengthened with training vis-à-vis the different financing models, instruments, eligibility criteria of innovative mitigation and adaptation projects.	Activity 1.1.1 To conduct an analysis of NDA current capacities, aspects inhibiting the NDA from fulfilling all its GCF-related roles and responsibilities and plan it's future development	Deliverable 1.1.1a Analysis report describing areas of improvement for the NDA, including understanding the GCF Gender Policy, to better engage with the GCF and enhance the NDA in the future.
				Activity 1.1.2 Prepare and conduct workshops to increase the capacity of the NDA and other ministries to design GCF projects and awareness.  Three workshops will be promoted with an attendance of 15-20 staff from NDA/ Ministry of Economy, Ministry of Science and Technology, Ministry of Agriculture, Ministry of Environment, Ministry of Energy, Ministry	Deliverable 1.1.2a Workshops materials, including agenda, list of participants, presentations, and reports. Pre and post survey by the workshop participants. Workshop on GCF policies & procedures.  Deliverable 1.1.2b Workshops materials, including agenda, list of participants, presentations, and reports. Pre and post survey by the workshop participants. Workshop on project analysis and assessment, including

				<p>of Women, Family and Human Rights and DAE's, out of which 50% are women.</p>	<p>gender project design tools.</p> <p>Deliverable 1.1.2c Workshops materials, including agenda, list of participants, presentations, and reports. Pre and post survey by the workshop participants. Workshop on climate finance and investments criteria.</p>
				<p>Activity 1.1.3 Develop content for potential project or concept note developers to clear explain the requirements for a GCF proposal</p>	<p>Deliverable 1.1.3a Simplified online tutorial (training material) detailing the essential requirements/ indicators to be included in a GCF project proposal analysis.</p>
			<p>Output 1.2 NDA procedures for project appraisal, no-objections and monitoring improved and validated, stakeholders with clear tools for proposal identification and action plan to monitor project implementation</p>	<p>Activity 1.2.1 Develop procedures on project appraisal to involve other ministries related to the area of the proposal, including consultation and validation processes.</p>	<p>Deliverable 1.2.1a Practitioner's manual for stakeholders with procedures to propose GCF projects for the appraisal of the NDA</p>
				<p>Activity 1.2.2 To develop of a No objection procedure in consultation with stakeholders and other ministries</p>	<p>Deliverable 1.2.2a No objection procedure validated by the NDA</p>

				<p>Activity 1.2.3 To develop an Action Plan to establish an NDA monitoring mechanism on project implementation, including consultation and validation</p>	<p>Deliverable 1.2.3a Monitoring Action Plan validated by the NDA</p>
				<p>Activity 1.2.4 To prepare for the development of an online system to handle projects</p>	<p>Deliverable 1.2.4a Technical specifications for an online system to handle country pipeline, proposals information, and monitoring of projects under implementation in a transparent way, including consultation and validation</p>
				<p>Activity 1.2.5 To appraise potential projects and monitor country project portfolio</p>	<p>Deliverable 1.2.5a Project appraisals reports with notes and conclusions</p> <p>Deliverable 1.2.5b Portfolio monitoring reports with status of each proposal eligible for the GCF</p> <p>Deliverable 1.2.5c Minutes of meetings with stakeholders' as part of the appraisal process and portfolio monitoring</p>
<p>Outcome 2.2 GCF recipient countries have developed or enhanced strategic frameworks to address policy gaps,</p>	<p>Lack of strategy on how to engage different climate finance options</p>	<p>NDA Strategy for GCF engagement considering NDC targets and other climate finance sources</p>	<p>Output 2.2.1: NDA Climate Finance Strategy developed and the role of GCF supporting the Brazilian NDC defined</p>	<p>Activity 2.2.1 Conduct Interviews and validation workshops among different stakeholders to assess NDC financial needs (public sector, researchers, NGOs,</p>	<p>Deliverable 2.2.1a Assessment document on the estimated financial resources needed to achieve Brazil's NDC (methodology: interviews with specialists from different backgrounds like academia, NGOs, public officers and the</p>

improve sectoral expertise, and enhance enabling environments for GCF programming in low-emission investment				private sector) to assess the financial needs to achieve NDC targets	private sector), organization of validation meetings.
				Activity 2.2.2 Develop and validate a NDA climate finance strategy – this include an assessment of barriers for innovative climate finance instruments and definition of the role of GCF towards Brazilian NDC and a validation workshop	2.2.2a NDA climate finance strategy, including the definition of GCF role regarding Brazilian NDC targets (methodology: interviews with specialists from different backgrounds like academia, NGOs, public officers and the private sector), organization of validation meetings.  2.2.2b Validation meetings reports
Outcome 5.2 Partnerships established to foster development and dissemination of methods, frameworks, and information systems for enhanced climate finance programming at subnational, national, and regional levels.	Lack of accessible information in Portuguese on (i) GCF, in general, and specifically about procedures and investment criteria; (ii) pipeline and project implementation - hampering coordinated programming at national and subnational level. Moreover, there is no information exchange with other NDAs in the region to assist decision making and South-South cooperation on transboundary/regional projects.	Accessible information, in Portuguese, about the GCF and its procedures, pipeline and implemented projects. GCF programming and developed pipeline shared with stakeholders. Strengthened coordination with another NDA and possible talks about transboundary/regional projects.	Output 5.2.1 Enhanced stakeholder engagement and communication of the NDA.	Activity 5.2.1 Update website with information about GCF procedures, pipeline and project implementation status	Deliverable 5.2.1a Report on the updated information about GCF procedures, pipeline and project implementation status and site URL
			Output 5.2.2 Information exchange established	5.2.2 To conduct an online workshop with other Latin American NDAS	Deliverable 5.2.2a Report on findings, learning of work of one other NDA in Latin American and possible transboundary/regional pipeline.
			Output 5.2.3 Project pipeline including gender markers is developed and presented. Rules and procedures are disseminated among stakeholders.	5.2.3 To plan and prepare four workshops: Three to develop the pipeline and to prioritize with ministries, subnational governments and other stakeholders potential project proposals for	Deliverable 5.2.3a Workshops materials, including agenda, list of participants, presentations, and reports. Participants will be staff/representatives from NDA/Ministry of Economy, Ministry of Science and

				<p>climate finance; and one final workshop to share the results of the proposal (pipeline, procedures, governance system, documents in Portuguese, etc.) with ministries, subnational governments and other stakeholders.</p>	<p>Technology, Ministry of Agriculture, Ministry of Environment, Ministry of Women, Family and Human Rights, DAE's and Civil Society. Pre and post survey by the workshop participants</p>
					<p>Deliverable 5.2.3b List of Updated Pipeline validated and shared with the GCF.</p>

## 4. THEORY OF CHANGE

The present readiness proposal aims to promote the strengthening of the Brazilian NDA's technical, managerial, and coordination capacities, as well as of other key stakeholders, such as line Ministries (e.g. Environment, Regional Development, Agriculture, Energy, Science & Technology, Women, Family and Human Rights, etc.), the Securities Exchange Commission, and the National Accredited Entities (e.g. the National Development Bank), on climate-related issues, and to create tools and procedures to fully take advantage of the country's diverse possibilities for robust and timely project design. The long-term impact will be the formulation of a greater number of quality projects which can contribute effectively to tackling the causes and effects of climate change.

Six barriers for the improvement of the NDA function were identified: 1- Lack of clear NDA procedures to appraise potential proposals; 2- Strong and diverse demand for GCF funding leads to difficulty in determining the country pipeline; 3 - Lack of better understanding of climate finance by NDA staff; 4- Lack of guidance for potential proponents on NDA role and GCF project requirements; 5- Weak stakeholder engagement and 6- NDA staff turnover.

To manage the great diversity of potential projects for funding in Brazil and to support project proponents to understand GCF policies and procedures, the NDA needs to enhance its role and coordination. Given the diversity of themes or areas for mitigation and adaptation projects, there is a need to create procedures for screening and appraise (output 1.2) the potential projects and to prioritize and coordinate proponents to avoid overlaps and take advantage of projects' possible complementarities (output 1.1) (barriers 1 and 2).

The project strategy is not to make NDA staff specialized in all possible issues that may arise from proponents, but to have the capacity to screen and appraise project ideas and proposals against the GCF investment criteria and policies (outputs 1.1 and 1.2), helping to sort the ones capable of being developed as concept notes or funding proposals (barrier 2). This capacity will also directly impact positively Brazilian DAEs who have been receiving many inquiries from stakeholders about the GCF and will have better guidance on how those interested can be an effective and coordinated part of the Brazilian GCF portfolio (outputs 5.2.1 and 5.2.3).

The areas where the Brazilian NDA capacity will be strengthened are: general climate finance, GCF investment criteria, GCF policies including gender, procedures and climate project analysis and appraisal. These will be themes for training and workshops to NDA staff and other stakeholders, provided by consultants. This will enhance the NDA's capacity to identify and sort projects, or project ideas, to better build the Brazilian project pipeline aligned with Brazilian policies, NDC, and GCF criteria, making project proposal development more effective.

To support the work of the enhanced NDA, internal procedures (output 1.2) for project appraisal, no-objections, and the consultation process with other ministries need to be described and manualized (barrier 1), increasing institutional support, buy-in, and resilience against changes in the ministry staff (barrier 6). One project deliverable will be a ministerial ordinance to recognize these procedures and governance tools as public policies.

To cover potential multi-country projects there is an opportunity to establish stronger relations with NDA from neighboring countries. This serves a dual purpose: one is to share knowledge and learning from each other's experience with being a GCF NDA, the other is to improve potential regional project design and coordinate its implementation, which is an increasing demand for the NDA, especially in the Amazon region. The project will support the organization of an online workshop among Latin American NDAs to build these dialogues and seek a common agenda for talks between Brazilian NDA and other South-American NDAs (output 5.2.2).

In addition, knowledge will also be created and shared. Brazil needs an assessment of how much it would cost to implement the country's NDC and thus identify where GCF funds can be used and what other sources may be used (output 2.2.1). Another knowledge product is to organize information about project ideas that may be included in the Brazilian pipeline which can serve as a hub for potential projects to find the best suited accredited entity for implementation, or to merge similar ideas in more robust proposals and support portfolio coordination that is extremely important in a country as diverse as Brazil (output 5.2.3). It will also support the identification of possible leverage with other funds or climate-related interventions. Finally, to make it easier for proponents to fully engage and understand how GCF works and its policies, the NDA will have key GCF policies and procedures translated into Portuguese (output 5.2.1). This is important for project proponents that may not be able to fully understand these documents in English to be aware of what is expected by a GCF project (barriers 4 and 5).

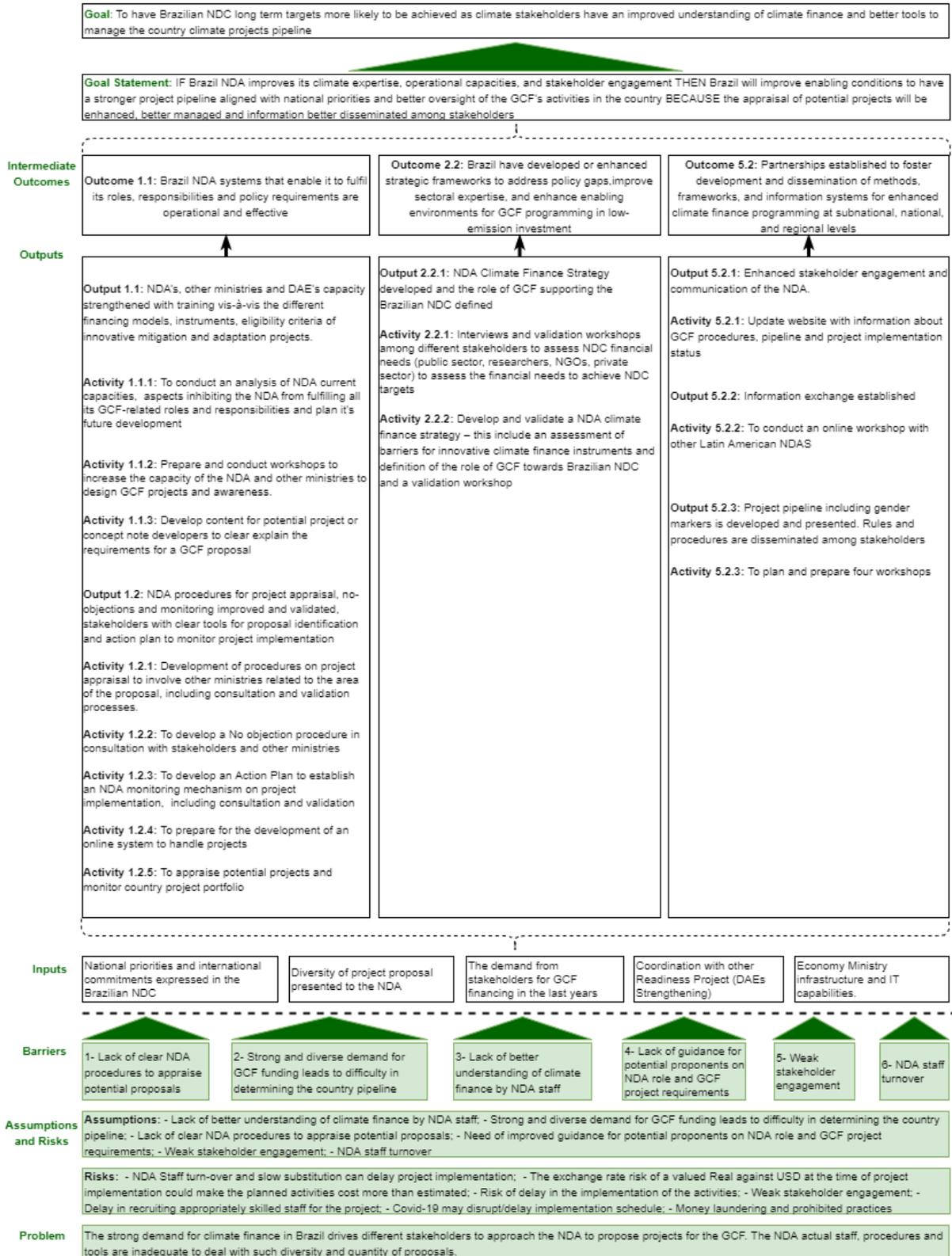
To better coordinate and operationalize potential project demands the readiness grant will support the NDA to specify which kind of system (or adaptation of existing systems) is needed to organize project ideas and information into a potential country pipeline and later following the lifecycle from the idea to proposal submission, approval, and monitoring of project implementation. This online system will be an important source of information about the Brazilian demand on climate funding, how long it takes for an idea to be fully developed into a project, and how the implemented projects are performing, giving the NDA and the general climate project developers in Brazil a unique and transparent tool about the whole process. The project will support the process of elaborating and validating the technical specifications of the system, which itself will be developed and maintained by the Economy Ministry IT staff (output 1.2).

It is expected that major barriers will be addressed by six activities, which will deliver six outputs leading to the achievement of three outcomes, which in turn will place the process of change towards the desired goal (NDA and other governmental agencies capable of understanding GCF policies and procedures, climate finance, project appraisal management and coordination will develop improved pipelines and governance arrangements). These expected changes would be effectively achieved if four assumptions are met.

The barriers are: the size of the country with very diverse project/program possibilities both for mitigation and adaptation with multiple arrangements and stakeholders make the NDA function very complex to maximize impact with high quality programs/projects (barrier 2 and 3); lack of clear procedures and guidance makes the complexity even harder to manage (barriers 1 and 4). The five risks identified are: staff turn-over and slow substitution can delay project implementation (barrier 6); the exchange rate risk of a valued Real against US Dollar at time of project implementation could make the planned activities cost more than estimated; risk of delay in the implementation of activities; weak stakeholder engagement (barrier 5); Covid-19 may disrupt/delay implementation schedule. The four assumptions that need to be met are: there is increasing awareness in governmental agencies in Brazil about the importance of climate change and how it affects all areas; demand for climate related projects are kept high and quality can improve; improved capacity, better tools, and systems and well-established procedures ensure continuity in the long term; public officer change functions but do not leave public service and may times change for correlated functions, meaning the capacities built will stay in place in the mid-term and most will stay related to climate finance in the long-term.

Along with an enhanced and better equipped NDA with assisting tools, this project will also come at an important time as the period of post-pandemic economic recovery creates an opportunity to assist interested parties in the development of projects and programs aimed at adapting and/or reducing emissions in a transformative way. Thus, through this proposed readiness project, it is expected the NDA to scale up opportunities for targeting innovative financial solutions, business models, as well as taking advantage of the chance to learn from other NDAs, whose knowledge and experience could be potentially incorporated into Brazilian or regional projects.

In the future, a stronger NDA anchored in the Economy Ministry may become a driver of change in the Brazilian financial system as a whole through the development of regulatory frameworks, policies, and awareness by encouraging a stronger mandate for public banks and fostering the adoption of ESG criteria by the private financial sector, emphasizing mitigation and adaption aspects. Although this is not the goal of this specific readiness proposal, this may be the subject of a stand-alone project in the future.



## 5. BUDGET, PROCUREMENT, IMPLEMENTATION AND DISBURSEMENT PLAN

### 5.1 Budget plan

Annexed as an Excel file

### 5.2 Procurement plan

Annexed as an Excel file

### 5.3 Implementation Plan

Annexed as an Excel file

### 5.4 Disbursement schedule

#### Readiness Proposal that requires a bilateral Grant Agreement

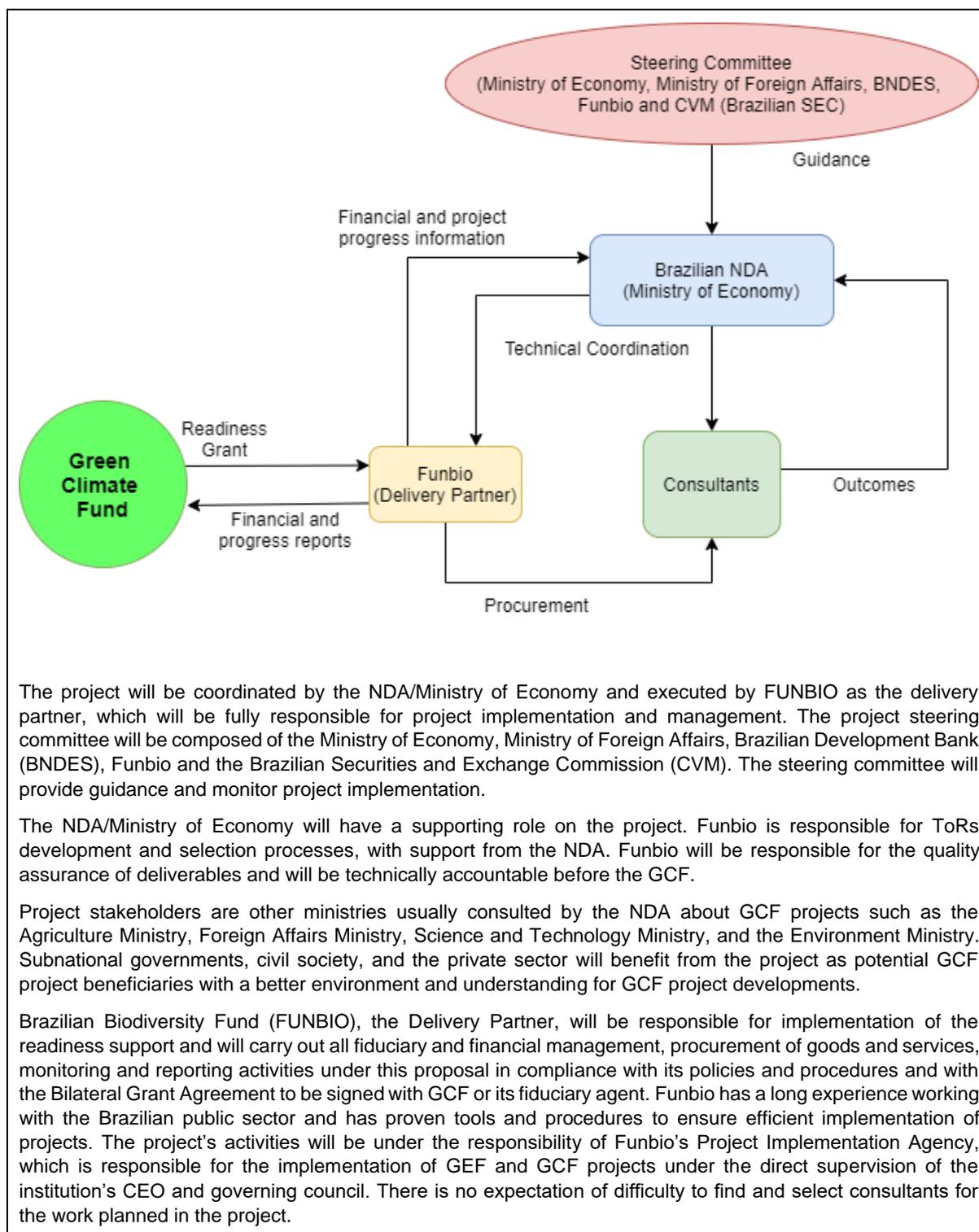
- The first disbursement *amounting USD 130,000.00* will be transferred upon approval of the readiness request and effectiveness of the Grant Agreement;
- The second disbursement *amounting USD 152,000.00* will be transferred upon submission of an interim progress report [and audited financial report]<sup>1</sup>, in form and substance acceptable to the Fund, [including an audited expenditure statement]; and
- The third disbursement *amounting USD 15,497.00* will be made upon submission of a completion report and financial report, in form and substance acceptable to the Fund, including an audited expenditure statement.

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<sup>1</sup> For second disbursement, audited financial report and audited expenditure statement are only required for readiness and preparatory support proposals expected to last over 12 months.

## 6. IMPLEMENTATION ARRANGEMENTS AND OTHER INFORMATION

### 6.1 Implementation arrangements



The NDA/Ministry of Economy and Funbio will hold regular quarterly meetings. The goals of these meetings are to assess project progress and the timeline for further activities, avoid delays, and proactively work to mitigate this risk.

All Knowledge products of the project will be made fully available online.

Regarding gender mainstreaming, the project will train a similar number of men and women and the discussions and deliverables regarding GCF procedures, guidance for potential project proponents and pipeline will stress the importance of project gender assessments, integration in activities and monitoring. The “Strengthening Brazilian DAEs for the implementation and execution of GCF projects” readiness currently underway will also provide a specific gender integration into projects training, including the NDA staff, in the beginning of 2022.

## 6.2 Implementation and execution roles and responsibilities

The National Direction of the project will be under the responsibility of the NDA’s technical team, in the Ministry of Economy, being supported by the consultants and deliverables described in this project.

All selection of consultants and procurement of services will be responsibility of Funbio as the Delivering Partner, as well as all financial recordings and management. Consultants will be hired in accordance with modalities available at FUNBIO, which follow international standards.

Consultants are directly linked to project deliverables and will most probable be national consultants. The selection process will be based on the expertise needed for the required deliverables, but most will have to present, at least, 5 years of specific capacities and experience. The average time to conclude the hiring of consultants shall be 2 to 3 months. All payments will be made directly to the consultants in bank accounts in their names upon receipt and approval of the deliverables defined in the Terms of Reference which are the base for the contracts between them and Funbio.

Funbio and the Economy Ministry (Brazilian NDA) will sign a Technical Cooperation Agreement, which is a legal instrument in Brazilian law, fairly common, and suitable to this kind of arrangement. Funbio has a vast experience signing similar instruments with the Brazilian government.

Funds received by Funbio will be kept at a separated bank account, solely open for this project, as Funbio practice for any project. All project payments will use this specific bank account in accordance with the project budget and procurement plan. No disbursement to any other executing entity will be made.

Funbio and the NDA will keep close communication to ensure all project activities are undertaken accordingly to the project plans and achieve its outcomes.

**Consultants Reference Table**

Title	Skill and Experience	Project Activity	National/ International	Budget note reference
Gap analysis consultant	<ul style="list-style-type: none"> <li>-University degree in economics, law, administration/business, or related field</li> <li>-At least 5 years' experience with Brazilian government bodies (agencies, ministries, etc).</li> <li>- Working experience with senior officials within government and nongovernment organizations</li> <li>-Previous experience in conducting similar work</li> <li>-professional background in conducting qualitative studies and data analysis</li> <li>-Excellent analytical, interpersonal, communication and reporting skills</li> <li>-Ability to manage workload with minimum supervision</li> <li>- Full computer literacy</li> </ul>	1.1.1	National	A
GCF policies & procedures expert	<ul style="list-style-type: none"> <li>-University degree in environmental sciences, engineering, law, administration/business, or related field</li> <li>- At least 5 years' experience with multilateral funds</li> <li>- Previous experience with GCF or the GEF</li> <li>- Experience in training and previous work with live online training</li> <li>- Experience working with intersectoral groups</li> <li>-Excellent analytical, interpersonal, communication and reporting skills</li> <li>-Ability to manage workload with minimum supervision</li> <li>- Full computer literacy including tools for online training</li> </ul>	1.1.2	National	B

<p>Project analysis and assessment expert</p>	<ul style="list-style-type: none"> <li>-University degree in environmental sciences, engineering, energy, administration/business, or related field</li> <li>- At least 5 years' experience with project appraisal</li> <li>- Experience with climate projects</li> <li>- PMO experience is a plus</li> <li>- Experience in conducting workshops</li> <li>- Experience in training and previous work with live online training</li> <li>- Experience working with intersectoral groups</li> <li>-Excellent analytical, interpersonal, communication and reporting skills</li> <li>-Ability to manage workload with minimum supervision</li> <li>- Full computer literacy including tools for online training</li> </ul>	<p>1.1.2 and 1.1.3</p>	<p>National</p>	<p>D</p>
<p>Climate financing and investments criteria expert</p>	<ul style="list-style-type: none"> <li>-University degree in economics, administration/business, environmental sciences or related field</li> <li>- At least 5 years' experience with climate finance</li> <li>- Experience with international aid/ODA support</li> <li>- Experience with investment criteria of multilateral funds</li> <li>- Experience in conducting workshops</li> <li>- Experience in training and previous work with live online training</li> <li>- Experience working with intersectoral groups</li> <li>-Excellent analytical, interpersonal, communication and reporting skills</li> <li>-Ability to manage workload with minimum supervision</li> <li>- Full computer literacy including tools for online training</li> </ul>	<p>1.1.2</p>	<p>National</p>	<p>E</p>
<p>Expert in governance for project appraisal</p>	<ul style="list-style-type: none"> <li>- Master degree in law, economics, administration/business or related field</li> <li>- At least 4 years' experience with governance frameworks</li> <li>- Experience in developing operational manuals</li> <li>- Experience with multiple intersectoral themes</li> <li>- Working experience with senior officials within government and nongovernment organizations</li> <li>- Experience working with intersectoral groups</li> <li>- Excellent analytical, interpersonal, communication and reporting skills</li> <li>-Ability to manage workload with minimum supervision</li> <li>- Full computer literacy</li> </ul>	<p>1.2.1</p>	<p>National</p>	<p>F</p>

Expert in government procedures	<ul style="list-style-type: none"> <li>-University degree in law, government, administration/business or related field</li> <li>-At least 5 years' experience with Brazilian government bodies (agencies, ministries, etc).</li> <li>- Working experience with senior officials within government</li> <li>-Previous experience in conducting similar work</li> <li>- Experience working with intersectoral groups</li> <li>- Excellent analytical, interpersonal, communication and reporting skills</li> <li>- Full computer literacy</li> </ul>	1.2.2	National	G
Expert on project monitoring	<ul style="list-style-type: none"> <li>- Master degree in environmental sciences, management, or related field</li> <li>- At least 8 years' experience with project monitoring</li> <li>- Experience with international standards for project monitoring</li> <li>- Working experience with senior officials within government</li> <li>- Experience in developing operational manuals</li> <li>- Experience working with intersectoral groups</li> <li>- Excellent analytical, interpersonal, communication and reporting skills</li> <li>- Full computer literacy</li> </ul>	1.2.3	National	H
IT Systems developing expert	<ul style="list-style-type: none"> <li>-University degree in computer sciences, IT development, or related field</li> <li>- At least 5 years' experience with online systems design</li> <li>- Experience with interconnecting different datasets for systems aggregation</li> <li>- Working experience with senior officials within government</li> <li>- Experience in developing IT specifications for systems</li> <li>- Experience working with intersectoral groups</li> <li>- Excellent analytical, interpersonal, communication skills</li> <li>- Full computer literacy</li> </ul>	1.2.4	National	I
Senior consultant for the support of the project appraisal process and portfolio monitoring	<ul style="list-style-type: none"> <li>-At least Master degree in engineering, law, economics, administration/business, environmental sciences or related field</li> <li>- At least 6 years' experience with project management</li> <li>- At least 4 years' Experience with project appraisal</li> <li>- Experience with environmental projects (climate projects is a plus)</li> <li>- Experience with multiple intersectoral themes</li> <li>- Working experience with senior officials within government and nongovernment organizations</li> <li>- Experience working with intersectoral groups</li> <li>- Excellent analytical, interpersonal, communication and reporting skills</li> <li>-Ability to manage workload with minimum supervision</li> <li>- Full computer literacy</li> </ul>	1.2.5 and 5.2.3	National	J

<p>Junior consultant for the support of the project appraisal process and portfolio monitoring</p>	<ul style="list-style-type: none"> <li>-University degree in engineering, law, economics, administration/business, environmental sciences or related field</li> <li>- At least 2 years experience organizing online meetings and preparing minutes</li> <li>- Experience with multiple intersectoral themes</li> <li>- Working experience with senior officials within government and nongovernment organizations</li> <li>- Experience working with intersectoral groups</li> <li>- Excellent analytical, interpersonal, communication and reporting skills</li> <li>-Ability to manage workload with minimum supervision</li> <li>- Full computer literacy</li> </ul>	<p>1.2.5 and 5.2.3</p>	<p>National</p>	<p>K</p>
<p>Public policies cost assessment expert</p>	<ul style="list-style-type: none"> <li>- Master degree in economics, administration/business or related field</li> <li>- At least 8 years' experience with public budgets and/or public policies costs for implementation/economic modelling</li> <li>- Experience in Brazilian government institutions</li> <li>- Working experience with senior officials within government</li> <li>- Experience in training and previous work with live online training</li> <li>- Experience working with intersectoral groups</li> <li>-Excellent analytical, interpersonal, communication and reporting skills</li> <li>-Ability to manage workload with minimum supervision</li> <li>- Full computer literacy</li> </ul>	<p>2.2.1</p>	<p>National</p>	<p>L</p>
<p>Climate finance strategy</p>	<ul style="list-style-type: none"> <li>-PhD degree in engineering, law, economics, administration/business, environmental sciences or related field</li> <li>- At least 10 years experience in project finance</li> <li>- Experience with international aid/ODA support</li> <li>- Experience with multiple intersectoral themes and groups</li> <li>- Working experience with senior officials within government and nongovernment organizations</li> <li>- Excellent analytical, interpersonal, communication and reporting skills</li> <li>- Strong presentation and facilitation skills</li> <li>-Ability to manage workload with minimum supervision</li> <li>- Full computer literacy</li> </ul>	<p>2.2.2</p>	<p>National</p>	<p>M</p>
<p>Communications consultant</p>	<ul style="list-style-type: none"> <li>-University degree in communication or journalism</li> <li>- At least 2 years' experience with online communication and social networks communication</li> <li>- Working experience with senior officials within government is a plus</li> <li>- Capacity to work with intersectoral groups</li> <li>- Excellent writing and communication skills</li> <li>- Full computer literacy</li> </ul>	<p>5.2.1</p>	<p>National</p>	<p>N</p>

GCF READINESS & PREPARATORY SUPPORT

Project management junior consultant	<ul style="list-style-type: none"><li>- University degree in engineering, economics, administration/business, environmental sciences or related field</li><li>- At least 2 years experience working with project execution</li><li>- Excellent communications and organizational skills</li><li>- Experience with multiple intersectoral themes</li><li>- Full computer literacy</li></ul>	PMC	National	T
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### 6.3 Risks and mitigation measures

Risk category	Specific risk(s) / Risk(s) description	Probability of occurrence (low, medium, high)	Impact level (low, medium, high)	Mitigation action(s)	Entity(ies) responsible to manage the risk(s)
Managerial	1. Risk of delay in the implementation of the readiness activities	Medium	High	A technical coordinator will be allocated to assist in the procedures for hiring consultants, as well as to ensure that the products are delivered on time and that they are technically robust.	FUNBIO
Managerial	2. Weak stakeholder engagement	Medium	High	The project team will ensure key stakeholders are involved. To this end, it will reinforce the communication strategy, periodically analyzing and monitoring results and taking the appropriate measures. It will also hold workshops to foster engagement of key stakeholders.	NDA and FUNBIO
Organizational	3. NDA staff turnover	Medium	Medium	Adopt procedures/manuals and institutionalize NDA's work in order to ensure smooth staff transition processes, if necessary.	NDA
Managerial	4. Delay in recruiting appropriately skilled staff for the Readiness Team	Medium	High	The recruitment will be advertised widely commencing as soon as the Readiness proposal is approved for funding.	FUNBIO
Economic	5. Exchange rate risk	Medium	Low	The exchange rate used to budget the activities is based on a public report based on private financial institutions estimates for future exchange rates. The Exchange rates will be important to be monitored during project implementation and contingency funds are planned mostly to mitigate this risk	Funbio
Social	6. Covid-19 may disrupt /delay implementation schedule	Medium	Low	Most activities are being designed to be virtual.	NDA and FUNBIO
Managerial	7. Money laundering, terrorist financing and prohibited practices	Low	Medium	Funbio is a GEF implementing agency and GCF accredited entity with a Policy for the prevention and suppression of money laundering and terrorist financing (P-33) in full compliance with both GEF and GCF policies. This means Funbio currently uses international standards to mitigate	Funbio

				<p>these risks. Funbio will use current tools to avoid this risk which is actively monitored (ex. only make identified payments to regular bank accounts to contractors/consultants), and, if any suspicion arises, or is brought to our attention, it will investigate and inform Brazilian authorities such as the Federal Police.</p> <p>Funbio has fully operational grievance channels and a direct public channel to the Ethics Committee which receives and process any suspicious activities accordingly with Funbio Ethics Code which has zero tolerance with corruption and prohibited practices. Procurement also has provisions into the selection process to give participants to review results and all contracts have clear anti-corruption clauses. Funbio is also prohibited to work with individuals or entities listed on any UN Security Council sanctions list. This is stated on Funbio Policy for the prevention and suppression of money laundering and terrorist financing.</p>	
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#### 6.4 Monitoring

The steering committee will have an overall monitoring role. This will be supported by Funbio's project management system, which makes it easier to verify the achievement of goals by its indicators. SMART indicators will be used for all activities and regular monitoring meetings will be held regularly between Funbio and the NDA.

The activities will follow Funbio's standard financial procedures and Funbio anti-laundering money and prevent the finance of terrorism policy. These involve setting aside a segregated bank account, and clear separation between Funbio's functions, and clear identification of any payment made. Consequently, Funbio will issue financial reports to UNOPS about the progress of the activities and inform NDA. The interim and final reports are the responsibility of Funbio with the inputs of the NDA.

External financial audits will be hired to prepare a report on the controlling and use of grant resources.

Excluding any confidential information (ex. for pipeline development) all products will have their intellectual property rights defined in contracts, following Brazilian legislation on this issue.

After approval of the grant, the start date of the activities will be stated in the bilateral grant agreement between GCF or its fiduciary agent and Funbio. The total duration of the project, 18 months, will be used to calculate the actual end date for the project.

#### 6.5 Other Relevant Information

Due to the nature of the activities, emphasizing capacity building, information exchange and outreach initiatives, environmental and social impacts are not foreseen. On the contrary, one of the aspects that will be stressed by the NDA will be the importance of ESS and gender concerns in project design. The project will use Funbio grievance policy and grievance mechanisms to ensure proper receive and treatment of complaints, these mechanisms include functioning grievance channels. Funbio is part of the Grievance Redress and Accountability Mechanism (GRAM) Partnership with the GCF Independent Integrity Unit.

Funbio is also prohibited to work with individuals or entities listed on any UN Security Council sanctions list. This is stated on Funbio Policy for the prevention and suppression of money laundering and terrorist financing.

In addition, the proposal aims to train other employees and make manuals available to facilitate the work with the GCF, as the topic has grown and reached other areas of the Ministry of Economy, as well as other ministries and public institutions.

The activities will observe gender balance in its initiatives planning and will incentivize the increased participation of women and other minorities in workshops and other open events. The Brazilian NDA in its current configuration presents a positive women/men ratio. The GCF Gender Policy will be focus of attention for the deliverables regarding NDA and other ministries training and will be debated in the workshops with stakeholders, a different project will provide a Gender training to the NDA staff in 2022.

The proposal is designed to use existing structures in the Economy Ministry, including IT support and development capacities. The budget of the Ministry already covers the financial need to keep the NDA staff which is composed of public officials, meaning that even if the team changes from time to time, there is a regular and organized transition. This is a well-known and tested procedure, used for the GEF focal point for more than 20 years and the GCF NDA in the last 5 years. Also, one outcome of the readiness support is the design of procedures and ministerial ordinances that will regulate the NDA work in the future and strengthen its governance. Even if the NDA staff change in the future, the impact will remain as new staff will be able to full the NDA function with better institutional tools.

To avoid any possible conflicts of interest deriving from the delivery partner's role as an accredited entity, the prioritization of investments and projects in the context of this readiness grant, will be made through a broad consultation process with relevant stakeholders, including other potential implementing entities. The final validation of these priorities will be carried out through the countries' own relevant coordination mechanism and institutional arrangements, with the participation of other government agencies, as well as representatives from civil society and private sector as the NDA deems relevant, to ensure chosen priorities are fully aligned with national plans and strategies and adequately includes inputs from consulted stakeholders.