
Annual Performance Report

Project/Programme title: Mitigating GHG emission through modern, efficient and climate friendly clean cooking solutions (CCS) (FP172)

Accredited Entity: Alternative Energy Promotion Centre (Nepal) (AEPC)

Date of Report submission: 13 April 2026

Version number V1.0



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RATIONALE

This report layout is designed to support the drafting of a structured report that assesses, evaluates, documents, and communicates the progress on Funding Proposal (FP) implementation and on its associated Funded Activity Agreement (FAA). The layout aims to provide a clear and comprehensive understanding of key objectives, progress, and risks, drawing on project implementation related data provided by Accredited Entities (AEs). Considering the Green Climate Fund's (GCF) evolving strategic direction toward a Risk-Based Approach, the report is intended to:

- Track quantitative and qualitative progress of the project implementation.
- Highlight critical findings and emerging trends.
- Identify risks and propose actionable mitigation strategies.
- Support evidence-based decision-making.
- Promote transparency and accountability.
- Align with strategic and regulatory frameworks.
- Serve as a foundation for AE engagement on project performance

METHODOLOGY

The report's layout mirrors, to the extent possible, the structure of the Funding Proposal (FP) to maintain coherence with the presented information. However, the FP and the Report differ in scope and strategic intent; thus, while the FP serves a functional role in informing the Report, it does not dictate a strictly parallel structure.

A. PROJECT DATA (Prefilled where possible)														
Should any information/data prefilled from Section A.1 to Section A.12 be incorrect or require updating, please inform GCF's Project Lead of appropriate corrective action.														
A.1. Date of report submission		13 April 2026												
A.2. Project or programme	Project	A.3. Sector	Public											
A.4. Total Financing (GCF + Cofinance)	<table border="1"> <tr> <td>GCF Financing</td> <td>Mill. USD 21.1</td> </tr> <tr> <td>Grants</td> <td>Mill. USD 21.1</td> </tr> <tr> <td>Co-Financing</td> <td>Mill. USD 28.0</td> </tr> <tr> <td>Grants</td> <td>Mill. USD 28.0</td> </tr> <tr> <td>Total Financing</td> <td>Mill. USD 49.2</td> </tr> </table>				GCF Financing	Mill. USD 21.1	Grants	Mill. USD 21.1	Co-Financing	Mill. USD 28.0	Grants	Mill. USD 28.0	Total Financing	Mill. USD 49.2
GCF Financing	Mill. USD 21.1													
Grants	Mill. USD 21.1													
Co-Financing	Mill. USD 28.0													
Grants	Mill. USD 28.0													
Total Financing	Mill. USD 49.2													
A.5. Total GCF funding disbursed to this date	NA (draft)													
A.6. Implementation period	From 1 November 2021 to NA													
A.7. ESS Category (Refers to GCF revised <u>Environmental and Social Policy</u> and GCF ESS Standards to assess your FP category.)			Category C											
A.8. Executing Entity Information														
Full legal name	Country of registration (or, for intl orgs, country of HQ)	Entity type	Role in project	Focal Point(s) and email(s)										
Alternative Energy Promotion Centre (AEPC)	Nepal	Accredited Entity (AE)	Accredited Entity (AE) and Executing Entity (EE)	Dr. Narayan Prasad Adhikari, narayan.adhikari@aepec.gov.np Ms. Parbata Bhatta , parbata.bhatta@aepec.gov.np										

A.9. Co-Financier information				
Full legal name	Country of registration (or, for intl orgs, country of HQ)	Focal Point(s) and email(s)	Ownership Type	Beneficial Owner(s)
Alternative Energy Promotion Centre (AEPC)	Nepal	Dr. Narayan Prasad Adhikari, narayan.adhikari@aepec.gov.np Ms. Parbata Bhatta , parbata.bhatta@aepec.gov.np	Government Institution	Government
Local Governments	Nepal	Chief Administration Officers	Government Institution	Government

A.10. Alignment with country NDCs & NAP <i>(NB Only populate if applicable, e.g., if your project/programme specifically contributes to a country's NDC or NAP target/s)</i>				
Country	Date of NDC/ NAP submission	NDC/ NAP objective	Brief description of project's alignment with NDC/ NAP objectives	Percentage of target met with proposed project.Beneficial owner(s)
Nepal	8 December 2020	It aims to reduce climate change impacts through adaptation actions so as to protect life and livelihoods of communities vulnerable to climate change. Nepal's NDC covered both adaptation and mitigation actions. In the context of adaptation, the NDC primarily covers agriculture and climate-induced disasters. Similarly, when it comes to mitigation the NDC set targets to reduce greenhouse gas emissions from forest, energy and transportation sectors.	To achieve its goal, low emission technologies and adaptation programmes will be incorporated in settlement development plans, which would mean CCS technology would be a key priority Clean cooking solutions fits perfectly while designing these integrated settlement plans. The introduction of CCS technology in rural and urban habitat will significantly reduce the GHG emissions with shift from current practice of cooking.	98%

A.11. Estimated duration of impact	
A.12 Report to be shared with NDA	Yes ☐ No ☐

B. EXECUTIVE SUMMARY

Should any information/data prefilled in Section “B” be incorrect or require updating, please inform GCF’s Project Lead for appropriate corrective action.

B.1. Summary

Background

The Clean Cooking Solutions project operates across four clusters in Nepal, working in close partnership with local governments to transition households away from traditional biomass-dependent cooking methods toward modern, low-emission alternatives. CY2025 marks a pivotal shift from foundational groundwork into active, on-the-ground delivery the most consequential phase of implementation to date.

Progress and Achievements

The project established strong institutional footing by signing MoUs with 145 municipalities and securing co-financing from 30 local partners, demonstrating meaningful government ownership. A field workforce of 124 trained mobilizers was deployed to drive community engagement across all clusters.

On the technology side, 55,500 units were delivered to local governments, with 20,707 clean cooking solutions successfully reaching households including 6,467 electric cookstoves, 14,112 improved cookstoves, and 128 biogas plants. Each unit directly reduces household dependence on solid biomass fuels, cutting greenhouse gas emissions and improving indoor air quality for families. Monitoring and verification activities are currently underway for 10,000 installed units to confirm sustained climate impact. A robust Management Information System has been established at both central and subnational levels, with Monitoring and Evaluation Plans developed across 81 local governments.

Major Challenges

Implementation encountered significant hurdles, including limited and delayed government co-financing, a flood-induced border blockade that disrupted supply chains, asset losses due to localized civil unrest. Behavioral change among beneficiaries accustomed to traditional cooking practices remains an ongoing effort requiring targeted awareness interventions.

Lessons Learned

In response, the project recalibrated its deployment calendar, scheduling large-scale distribution during the autumn season when weather conditions and road access are more reliable. This adaptive approach underscores a critical lesson: in fragile operational environments, logistics planning and timing are as essential as the technology itself.

With over 20,000 households now cooking cleaner, CY2025 demonstrates strong momentum and positions the project to scale confidently toward its full mitigation targets.

C. RESULTS AND IMPACTS

C.1. Overall Summary of the Project Progress

(This section provides a narrative report summarizing the overall progress of the implementation status of the funded activity progress during the reporting period. 1,500 words)

The Calendar Year 2025 reporting period marks the most transformative and significant implementation milestone in the lifecycle of the Clean Cooking Solutions (CCS) Project. The project successfully transitioned from institutional preparation and procurement activities into active technology distribution and direct beneficiary engagement across the Terai region. The inter-governmental MoU frameworks, Municipal Energy Plans, CCS mobilizer, and procurement systems established in preceding periods are now fully operational and delivering results at scale across all 145 target local governments.

Strong and measurable progress was achieved across all output areas during this reporting period. A total of 55,500 clean cooking units (ECS and ICS) have been deployed to the local level, of which 20,579 units have been distributed directly to beneficiary households. In addition, construction of 1,083 domestic biogas systems is currently underway, with 128 domestic biogas systems fully completed. 124 CCS Mobilizers are deployed and active across local governments, 81 Municipal Energy Plans have been completed, and 139 direct jobs have been created in the clean cooking sector of which 72 are held by women. Institutional, financial, and human resource systems are functioning in a coordinated and effective manner across all 145 target local governments. The project remains well within its five-year implementation timeline and is firmly positioned to sustain and accelerate delivery across all outputs in the coming reporting period.

Under Output 1.1, the project achieved its most critical implementation milestone to date through the large-scale deployment and distribution of clean cooking technologies to beneficiary households across the Terai region.

A cumulative total of 55,500 CCS units comprising Electric Cookstoves (ECS) and Improved Cookstoves (ICS) have been deployed to the local level, of which 20,579 units have been delivered directly to beneficiary households as of the close of this reporting period. Distribution has been carried out across 145 local governments spanning 22 districts, reflecting the operational breadth and geographic reach of the project's delivery systems.

In addition to ECS and ICS deployment, the project has made significant progress in domestic biogas construction. A total of 128 domestic biogas systems have been fully constructed and completed, while 1,083 systems are currently under active construction across project intervention areas. The commencement of technology delivery across all three clean cooking technology streams ECS, ICS, and domestic biogas marks the most consequential milestone of the project to date, bringing the project's direct mitigation impact from a pre-implementation baseline of zero into active and accelerating realization.

Under Output 2.1, the project made substantial progress in consolidating the institutional and policy enabling environment at the local government level.

Municipal Energy Plans (MEPs), which serve as the foundational planning instrument for clean cooking deployment at the local level, have been completed in a cumulative total of 81 local governments. Active preparation of MEPs for the remaining 69 local governments within the project's scope is underway. MEPs embed clean cooking priorities within formal local government planning and budgetary processes, ensuring institutional commitment to clean cooking is sustained beyond the project's direct implementation period.

The total number of local governments that have signed Memoranda of Understanding (MoUs) with AEPC reached 64 during this reporting period, formalising the roles, responsibilities, and commitments of each local government partner in support of project delivery.

The Management Information System (MIS) was successfully procured and operationalised during this reporting period, with data entry now actively underway. The MIS enables systematic, real-time tracking of demand aggregation, beneficiary selection, technology installations, and performance monitoring across all 145 target local governments, substantially strengthening the project's monitoring, accountability, and evidence-based reporting capacity.

Under Output 3.1, institutional capacity at the provincial and local government levels was further consolidated during this reporting period.

All four cluster offices remained fully operational throughout the reporting period, with Provincial Coordinators and Provincial Energy Officers actively engaged across all four provincial clusters. These offices continue to serve as the primary coordination and oversight mechanism between national implementing entities and local government partners across the Terai.

Annual review and consultation meetings were successfully conducted, bringing together stakeholders across provincial and local government levels to assess implementation progress, resolve emerging challenges, and align upcoming activities with annual targets. The cumulative completion of 81 Municipal Energy Plans further reflects sustained and

measurable progress in strengthening local government planning capacity and institutional ownership of the clean cooking agenda.

Under Output 3.2, the CCS Mobilizer programme reached full operational momentum during this reporting period, significantly strengthening the project's community-level engagement and demand creation capacity.

A total of 124 CCS Mobilizers are now deployed and active across target local governments. Two full-day CCS Mobilizer orientation trainings were successfully conducted during the reporting period, equipping mobilizers with technical knowledge on cookstove use and maintenance, gender-sensitive community engagement methodologies, and the project's grievance referral and redress processes. Mobilizers have been directly instrumental in driving demand aggregation, supporting beneficiary identification and selection, and facilitating the smooth household-level delivery of ECS and ICS technologies.

A total of 11 awareness and sensitisation events were conducted across project intervention areas during this reporting period, with women as the primary target audience. These events raised community awareness on clean cooking technologies, their safe and effective use, and available project support mechanisms. Cumulative awareness events now total 11, with activities planned to scale significantly in the coming period toward the midterm target of 120 events.

Under Output 3.3, meaningful progress was achieved in establishing the service and maintenance infrastructure necessary to support the long-term performance and durability of distributed clean cooking technologies.

The identification of potential provincial-level service centre locations has been completed, and procurement for equipment and facility strengthening is actively scaling up. In parallel, the identification of Clean Cooking Champions community-level technicians who will provide installation, repair, and maintenance services at the local level is progressing through structured coordination between Province Coordinators and local governments. These investments will establish a functional, community-anchored after-sales service network across all target intervention areas.

The project has created a cumulative total of 139 direct jobs in the clean cooking sector, encompassing CCS Mobilizers, Energy Officers, Consultants, and other project-generated roles. Of these, 72 positions representing 51.8% of total project employment have been filled by women, directly delivering on the project's gender equality and social inclusion commitments.

Financial execution strengthened considerably during CY2025. GCF disbursements and co-financing from the Government of Nepal are being applied systematically across all activity components. Budget utilisation increased substantially compared to the previous reporting period, consistent with the commencement of large-scale technology procurement and distribution as the dominant project expenditure at this stage of implementation.

CY2025 has been the most productive implementation year of the CCS Project to date. The deployment of 55,500 clean cooking units to the local level, the direct household distribution of 20,579 units, the completion of 128 domestic biogas systems with a further 1,083 under active construction, the deployment of 124 CCS Mobilizers, the completion of 81 Municipal Energy Plans, the operationalisation of the MIS, and the creation of 139 direct jobs 72 held by women collectively demonstrate strong and sustained delivery performance across all project outputs.

While the pace of awareness and sensitisation activities requires acceleration in the coming period, all other output areas are progressing in line with or ahead of planned targets. Minor scheduling variances are attributed to the delayed first disbursement in January 2024; however, the overall five-year implementation timeline remains fully achievable. The project is well-positioned to build on the delivery momentum established in CY2025 and to intensify progress across all outputs in the coming reporting period.

C.2. Performance against the Funding Proposal Logical Framework Indicators

For each of the indicators please report only the 'annual value' for the reporting year; this means reporting solely the values achieved from January 1st, 2025, to December 31st, 2025. The "cumulative value" will automatically be updated by the system by aggregating reported annual values since project FAA effectiveness.

Please ensure that targets are clearly defined and reported using the following categories:

- *Midterm Target: The results to be achieved by the midpoint of implementation.*
- *Final Target: The results to be achieved by the conclusion of project or programme implementation.*
- *Lifetime Target: The total results expected over the entire operational period of the project or programme.*

Note that the baseline, midterm, final and lifetime targets will be prefilled based on your previous Annual Performance Report and/or Funding Proposal. It is imperative that you carefully review, verify and update where relevant.

Should the project be Multicounty, please report the achievement by Country.

Lastly, avoid using commas or periods as thousand separators. Periods should only be used as decimal separators.

For REDD+ Results-Based Payment (RBP) projects, you are only required to report on the progress of activities.

Should any prefilled information/data in the Logical Framework be incorrect or require updating, please inform GCF's Project Lead for appropriate corrective action.

GCF Outcome Level: Standardized Indicators

PMF/IRMF Results Management Framework

No indicators/questions defined.

(PMF) M1 Tonnes of carbon dioxide equivalent (tCO₂eq) reduced as a result of GCF-funded projects/programmes (IRMF) Core 1 Greenhouse gas (GHG) emissions reduced, avoided or removed/sequestered

Provide the total GHG emissions reduced, avoided or removed/sequestered (tCO₂eq) as a result of GCF support.

Unit						Tonnes of CO ₂ -equivalent
Baseline	Target			Previous Year Cumulative Value	Annual value	Cumulative Value <i>(automatically calculated)</i>
	Mid-term	Final target	Lifetime			
0	897,604	3,537,473	6,513,629	0	34,044	34,044

(PMF) M1 Tonnes of carbon dioxide equivalent (tCO₂eq) reduced as a result of GCF-funded projects/programmes (IRMF) Core 1 Greenhouse gas (GHG) emissions reduced, avoided or removed/sequestered

Provide the total GHG emissions reduced, avoided or removed/sequestered (tCO₂eq) as a result of GCF support, disaggregated by result area.

Unit							Tonnes of CO ₂ -equivalent
Disaggregation by: Result Areas (Mitigation)	Baseline	Mid-term	Final target	Lifetime	Previous Year Cumulative Value	Annual value	Cumulative Value
Buildings, cities, industries and appliances		897,604	3,537,473	65,136,290	0	34,044	34,044

(PMF) M1 Tonnes of carbon dioxide equivalent (tCO₂eq) reduced as a result of GCF-funded projects/programmes (IRMF) Core 1 Greenhouse gas (GHG) emissions reduced, avoided or removed/sequestered

Provide the total GHG emissions reduced, avoided or removed/sequestered (tCO₂eq), disaggregated by Country.

Unit							Tonnes of CO ₂ -equivalent
Disaggregation by: Project Countries	Baseline	Mid-term	Final target	Lifetime	Previous Year Cumulative Value	Annual value	Cumulative Value
Nepal	0	897,604	3,537,473	6,513,629	0	34,044	34,044

Buildings, cities, industries and appliances

No indicators/questions defined.

(PMF) M7.1 Energy intensity/improved efficiency of buildings, cities, industries and appliances as a result of Fund support

(IRMF) Supplementary 1.1 Annual energy savings

Provide the total energy savings (MWh)

Baseline	Unit		Previous Year Cumulative Value	Annual value	Megawatt-hour
	Target				Cumulative Value <i>(automatically calculated)</i>
0	1,389,722	4,494,444	0	144,722	144,722

(PMF) M7.1 Energy intensity/improved efficiency of buildings, cities, industries and appliances as a result of Fund support (IRMF) Supplementary 1.1 Annual energy savings						
Provide the total energy savings (MWh) disaggregated by Country.						
Unit						Megawatt-hour
Disaggregation by: Project Countries	Baseline	Mid-term	Final target	Previous Year Cumulative Value	Annual value	Cumulative Value
Nepal	0	1,389,722	4,494,444	0	144,722	144,722

(PMF) M7.1 Energy intensity/improved efficiency of buildings, cities, industries and appliances as a result of Fund support (IRMF) Supplementary 1.1 Annual energy savings						
Provide the total energy savings (MWh) disaggregated by intervention type.						
Unit						Megawatt-hour
Disaggregation by: Intervention Type	Baseline	Mid-term	Final target	Previous Year Cumulative Value	Annual value	Cumulative Value
Building Efficiency	0	1,389,722	4,494,444	0	144,722	144,722

Project Specific Indicators							
Indicator	Unit	Baseline	Target		Previous Year Cumulative Value	Annual value	Cumulative Value <i>(automatically calculated)</i>
			Mid-term	Final target			
No. of after sales service providers established and strengthened ensuring participation of women technicians	No. of Actors	0	275	900	0	0	0
No. of service center strengthened at provincial level ensuring participation of women technicians	No. of Entities	0	4	4	0	0	0
No. of (Management information system) MIS with real time data collection developed at LGs	No. of Items	0	150	150	0	145	145
Cost savings from the use of CCS	Percentage	0	39	39	0	0	0
New Job creation in CCS sector	No. of Full-time equivalent jobs	0	760	3,025	8	131	139
Reduction in the use of traditional biomass as cooking fuel	Metric tonnes	5	30	30	5	1	6
No. of awareness campaigns and promotional activities	No. of knowledge-sharing events/platforms	0	120	300	3	11	14

% of HH with continued use of CCS technology	Percentage	0	90	90	0	0	0
No. of HH with TCS shifted to biogas and Tier 3+ ICS	No. of Households	0	154,000	490,000	0	14,112	14,112
No. of HH with TCS shifted to biogas and Tier 3+ ICS	No. of Households	89,983	93,983	99,983	89,983	128	90,111
No. of HH with LPG shifted to electric stoves	No. of Households	11,626	161,626	511,626	11,626	6,467	18,093
No. of HH with LPG shifted to electric stoves	No. of Households	11,626	161,626	511,626	11,626	6,467	18,093
Independent verification and third party monitoring is in place and operational	Percentage	0	10	10	0	1	1
No. of testing centers strengthened	No. of Entities	0	1	1	0	0	0
Standards on CCS strengthened	No. of Strategic Frameworks	0	1	1	0	0	0
No. of PGs with dedicated energy units	No. of Entities	0	4	4	4	0	4
No. of clean cooking champions	No. of Items	0	450	450	0	0	0
No. of LGs with dedicated CCS facilitator	No. of Entities	0	150	150	0	124	124
No. of LGs with MEP	No. of Entities	0	38	150	26	55	81
M5.1 Institutional and regulatory systems that improve incentives for lowemission planning and development and their effective implementation	No. of Policy Instruments	0	150	150	0	124	124
M5.1 Institutional and regulatory systems that improve incentives for lowemission planning and development and their effective implementation	No. of Policy Instruments	0	38	150	26	55	81
M7.1 Energy intensity/improved efficiency of buildings, cities, industries and appliances as a result of Fund support	Terajoule	0	5,003	16,180	0	639	639

Activities				
Activity Name	Implementation Progress (%)	Utilised GCF Budget	Allocated GCF Budget	% (Automatically calculated)
Activity 1.1.1 Development of Annual Procurement and Deployment Procedures	100	0	0	0
Activity 1.1.2 Procurement and Deployment of Annual Targeted Number of CCS	10	234,774	12,590,669	1
Activity 1.1.3 Disbursement of initial 60% payment installment to the supplier upon delivery of CCS to respective municipalities	10	0	0	0
Activity 1.1.4 Monitoring and Verification of installed CCS units for Result Based Payment	10	0	658,357	0
Activity 2.1.1 Develop partnership agreement between AEPC, Province Governments, Local Government and other implementation Partners	84	0	0	0
Activity 2.1.2 Update existing standards and set benchmarks for the technologies required for the project implementation	40	21,244	45,800	46
Activity 2.1.3 Develop Municipal Energy Plan template by analyzing standards and formats	100	56,169	59,200	94
Activity 2.2.1 Strengthening and establishing testing center/s for ensuring the quality of the proposed technologies	15	8,082	165,000	4
Activity 2.2.2 Development of Management Information System (MIS) as a national monitoring system with real time data collection from LGs	50	3,466	230,000	1
Activity 3.1.1 Conduct National Level Stakeholders Consultation Workshop between AEPC, PG, LG	40	0	30,000	0
Activity 3.1.2 Develop LG Municipal Energy Plan (MEP)	64	57,459	240,000	23
Activity 3.1.3 Capacitating Local Governments and Provincial Governments	5	0	90,000	0
Activity 3.1.4 Annual national level review and consultation meeting	15	2,710	290,000	0
Activity 3.2.1 Mobilize clean cooking mobilizers in each Local Government	82	122,956	2,565,000	4
Activity 3.2.2 Development of training materials	55	0	30,000	0

Activities				
Activity Name	Implementation Progress (%)	Utilised GCF Budget	Allocated GCF Budget	% (Automatically calculated)
Activity 3.2.3 Identifying clean cooking champions	20	0	0	0
Activity 3.2.4 Develop material for awareness on CCS (in national and local languages) and its impact potential on livelihoods support to vulnerable communities	10	0	41,747	0
Activity 3.2.5 Campaigns and promotional activities in coordination with the PGs, LGs, community champions, NGOs and volunteers	15	0	75,000	0
Activity 3.2.6 Ameliorate awareness materials and guidelines	15	0	20,000	0
Activity 3.3.1 Capacity and training needs assessment	40	0	40,000	0
Activity 3.3.2 Ameliorate project materials and guidelines	10	0	20,000	0
Activity 3.3.3 Establish and strengthen service centers at provincial and local level	15	0	1,936,701	0
Activity 3.3.4 Conduct trainings to service centre operators and local manufacturers in collaboration with financial and CTEVT institutions	12	0	400,000	0
Activity 3.3.5 Conduct skills development training to CCS beneficiaries and vulnerable groups in collaboration with CTEVT at Province level	2	0	400,000	0
Activity 3.3.6 Strengthen existing regional level service centres under AEPC's past CCS projects into fully operational province level service centres	10	0	200,000	0

C.2.1. Subprojects

Where applicable, include information on sub-projects. For projects and programmes approved until B.31, the logical framework should focus on the mitigation and adaptation Performance Measurement Frameworks (PMF). For projects and programmes approved from B.32 onwards, the logical framework should reflect the Integrated Results Management Framework (IRMF).

Title	Currency	GCF Funds	Co-Financing	Country	GHG Emissions Reduced	Direct Beneficiaries	Indirect Beneficiaries
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
C.3. Compliance with FAA covenants				Yes ☒ No ☐			
Adherence to the legal agreements governing the funded activity remains consistent. Regarding Clause 9.01(c)(i), significant progress has been achieved, with executed Memorandums of Understanding (MoUs) now accounting for over 90% of the total local government co-financing commitment. All general conditions precedent under Clause 9.01(e) are advancing steadily, while remaining provisions of the Funded Activity Agreement (FAA) continue to be implemented in strict accordance with established requirements.							
C.4. Funded Activity Implementation Arrangements in the Following Year				Yes ☐ No ☒			
No material changes are envisaged to the implementation arrangements as defined in the FAA. Project implementation continues to follow the agreed structure, roles, and responsibilities outlined therein.							

D. RISKS ASSESSMENT AND MANAGEMENT

D.1. Risk and mitigation measures

As stated in the Board-approved "Risk Appetite Statement," a cornerstone of the GCF's Risk Framework is proactive risk management. This includes risk identification, assessment, monitoring, reporting and appropriate mitigation to minimize and respond to risks, both directly and through partners implementing GCF's projects and programmes.

Risk Management Matrix

A risk is the probability of an event to adversely affect the achievement of the project Impact (its objectives, outcomes, and results). "Inherent risk" refers to the level of risk present before any of the mitigating measures are applied. "Residual risk" represents the level of risk after mitigating measures have been implemented.

Please update the project risk matrix by reviewing and revising information for all previously identified risks, and adding any new risks identified during implementation by selecting the adequate Risk Area in the drop-down menu. For each risk, ensure you provide a clear risk description, outline the potential negative consequences, specify the mitigating measures in place, and complete the severity scoring as required.

For the Integrity Risk Area, an annual reporting (and more frequent and prompt reporting if stated in the legal agreements with the GCF) is required for each of its 3 Risk Sub-areas, as GCF has zero tolerance for Prohibited Practices, for SEAH in Fund-related Activities, and for working with parties and engaging in activities subject to sanctions imposed by the United Nations Security Council. The AE reporting obligations under GCF's policies and in the legal agreement(s) with the GCF include but are not limited to requiring AEs to take action to identify, mitigate and promptly disclose to the GCF any real or perceived Conflict of Interest, any alleged or suspected Prohibited Practice, promptly notify the Fund of any material risks or other indications of money laundering and/or financing of terrorism in relation to the Project and promptly take remedial steps in consultation with the GCF.

The AE shall also provide updates on the risks and mitigating measures under the other Risk Areas when changes to already identified risks or new risks have been identified.

Risk scoring:

For likelihood, please rate on a scale from 1 to 5: 1. Unlikely, 2. Possible, 3. Likely, 4. Almost certain, 5. Certain

For impact, please rate on a scale from 1 to 5: 1. Close to none, 2. Low, 3. Medium, 4. High, 5. Catastrophic

The severity of each risk is automatically computed based on the likelihood and impact of the risk.

Risk 1	Social Unrest (New/Unforeseen)
Risk Origin	External Factors
Risk Area	Political
Risk Sub-area	N/A
Description	The protests rapidly descended into widespread civil disorder of a severity not witnessed in recent Nepali history. Government buildings, ministerial and municipal offices, commercial establishments, and vehicles were simultaneously targeted, vandalised, and set ablaze across multiple cities and districts nationwide. The destruction was concurrent, indiscriminate, and far beyond any anticipatable or manageable risk threshold. The project was directly and materially impacted. The municipal offices where the MoUs were formally executed were among the institutions destroyed. The Cluster 1 and Cluster 2 offices, both operating from within an MoU-signed Municipal premises, were burnt, resulting in an immediate and complete breakdown of field-level operations and coordination. CCS technology procured and deployed as part of the project's core deliverables was subjected to deliberate destruction and theft. Critical project documents housed within the affected offices were destroyed entirely by fire, resulting in the irretrievable loss of vital operational, administrative, and institutional records.
Consequences	As a direct result of this force majeure event, the project suffered significant, demonstrable, and wide-ranging consequences, specifically including: - The CCS technology and associated project equipment were burnt and subjected to theft during the course of the civil unrest, resulting in the complete loss of critical operational assets central to project delivery - Essential project documents stored within the affected offices were destroyed by fire, resulting in the irreversible loss of administrative, operational, and institutional records

	- The Cluster 1 and Cluster 2 offices, both operating from within the MoU-signed Municipal premises, were burnt, bringing field-level coordination and implementation activities to an abrupt and complete standstill - Delays across multiple project components and milestones arose solely and directly as a consequence of the destruction and disruption caused by the unrest		
Inherent Risk	Likelihood	Impact	Severity
	2 - Possible	5 - Catastrophic	10 - Medium High
Mitigation Measure(s)	Notwithstanding the severity of the disruption, the project management team has moved proactively and with diligence to initiate recovery and restore operational continuity. The following measures have been undertaken to date: - The Management Information System (MIS) operationalisation has begun, with active steps underway to restore systematic data management and project monitoring capabilities - Data entry into the MIS has been formally commenced, reflecting the project's commitment to re-establishing structured record-keeping, institutional memory, and reporting functions following the loss of physical documentation - The burnt CCS technology and the assets subjected to theft have been formally reported to the relevant authorities and comprehensively recorded. A detailed inventory of all damaged and stolen equipment has been compiled and maintained as part of the project's official loss documentation, ensuring full accountability and transparency for audit, and procurement recovery purposes		
Residual Risk	Likelihood	Impact	Severity
	2 - Possible	3 - Medium	6 - Medium
Current Residual Risk	Likelihood	Impact	Severity
	2 - Possible	3 - Medium	6 - Medium
Comments	N/A		
Risk 2	Supply Chain/Logistical Blockade		
Risk Origin	External Factors		
Risk Area	Natural hazard		
Risk Sub-area	N/A		
Description	During the reporting period, the project's logistics chain was severed by extreme climatic events. Heavy, unseasonal rainfall triggered massive landslides and preventing the "last-mile" delivery of CCS Technology.		
Consequences	A significant "push back" of the implementation timeline.		
Inherent Risk	Likelihood	Impact	Severity
	3 - Likely	4 - High	12 - Medium High
Mitigation Measure(s)	The project has implemented seasonal scheduling and supplier coordination; additional mitigations (pre-positioning stock, alternative routing agreements, contractual delivery buffers, and a logistics contingency fund) are being established to reduce delay risk and financial exposure.		
Residual Risk	Likelihood	Impact	Severity
	3 - Likely	2 - Low	6 - Medium
Current Residual Risk	Likelihood	Impact	Severity
	3 - Likely	2 - Low	6 - Medium
Comments	N/A		
Risk 3	Engagement with parties and in activities subject to sanctions		
Risk Origin	Project Related		
Risk Area	Integrity		
Risk Sub-area	Sanctions		
Description	There is a risk that vendors, suppliers, contractors, or other parties engaged under the CCS project may be subject to national or international sanctions imposed by the Government or the International agencies. The root cause lies in the limited capacity of AEPC and local government partners to systematically screen all private sector participants particularly small-scale local vendors involved in bulk tendering against applicable sanctions lists prior to engagement.		
Consequences	If a sanctioned party is engaged under the project, AEPC and GCF could face serious legal, financial, and reputational consequences, including suspension or termination of the funding agreement, return of disbursed funds, loss of GCF accreditation for AEPC,		

	and exposure to regulatory penalties. It would also undermine the integrity of the clean cooking programme and delay technology deployment to target beneficiaries.		
Inherent Risk	Likelihood	Impact	Severity
	2 - Possible	3 - Medium	6 - Medium
Mitigation Measure(s)	AEPC will screen all vendors, contractors, and key project personnel against UN, OFAC, and other applicable sanctions lists prior to contract award and at regular intervals during implementation. Sanctions screening will be embedded into the procurement due diligence process alongside KYC verification. AEPC's Compliance and Ethics Sub-Committee will oversee the screening process and maintain records of all checks conducted. Any match or potential match will be escalated immediately to GCF for guidance before proceeding. The project's dedicated Special Bank Account will ensure all financial flows are traceable and auditable.		
Residual Risk	Likelihood	Impact	Severity
	1 - Unlikely	1 - None	1 - Low
Current Residual Risk	Likelihood	Impact	Severity
	1 - Unlikely	1 - None	1 - Low
Comments	N/A		
Risk 4	Money Laundering (ML)		
Risk Origin	Project Related		
Risk Area	Integrity		
Risk Sub-area	Money Laundering (ML) & Terrorist Financing (TF)		
Description	There is a minimal risk of money laundering or terrorist financing associated primarily with the identification and vetting of private sector vendors engaged in the project. The root cause is the involvement of multiple private vendors in the distribution of GCF-funded subsidies.		
Consequences	If undetected, ML/TF activity could expose AEPC and GCF to significant reputational, legal, and financial risks, including sanctions, withdrawal of accreditation, and legal penalties under Nepali and international law.		
Inherent Risk	Likelihood	Impact	Severity
	1 - Unlikely	1 - None	1 - Low
Mitigation Measure(s)	All funds will be mobilised and monitored through government channels, ensuring accountability. AEPC adheres to Nepal's Asset (Money) Laundering Act 2008. Vendor identification will be conducted using Know Your Customer (KYC) forms. Transactions exceeding Nepal Rastra Bank (NRB) prescribed limits will be recorded and reported. Doubtful or suspicious transactions will be investigated and reported to the Financial Information Unit (FIU).		
Residual Risk	Likelihood	Impact	Severity
	1 - Unlikely	1 - None	1 - Low
Current Residual Risk	Likelihood	Impact	Severity
	1 - Unlikely	1 - None	1 - Low
Comments	N/A		
Risk 5	Prohibited Practice		
Risk Origin	Project Related		
Risk Area	Integrity		
Risk Sub-area	Fraud / Bribery & Corruption / Collusion and any other prohibited practice		
Description	There is a risk of prohibited practices including abuse of authority, conflict of interest, corruption, retaliation against whistleblowers, and fraudulent, coercive, collusive, or obstructive practices within the project. The root causes include complex procurement processes, multi-stakeholder implementation arrangements, and limited oversight at the local level. There is also risk of unauthorised or improper use of project-procured technologies.		
Consequences	Prohibited practices could lead to misallocation of GCF funds, procurement fraud, technology misuse, reputational harm to AEPC and GCF, suspension of the project, and legal or fiduciary consequences. Loss of community trust would also undermine the long-term sustainability of the project.		
Inherent Risk	Likelihood	Impact	Severity
	1 - Unlikely	3 - Medium	3 - Low

Mitigation Measure(s)	AEPC's Compliance and Ethics Sub-Committee and Compliance Unit actively oversee integrity matters. Annual training on procurement compliance and public integrity is provided to all AEPC staff. The project is governed by the Asset (Money) Laundering Act 2008, AEPC's Financial Discipline and Good Governance Regulation, and the Financial Mismanagement and Corruption Prevention Resource Book. A dedicated grievance handling mechanism allows for fraud reporting and investigation. A Special Bank Account with dedicated accounting will ensure GCF funds are used only for intended purposes. Annual auditing will verify proper asset use.		
Residual Risk	Likelihood	Impact	Severity
	1 - Unlikely	1 - None	1 - Low
Current Residual Risk	Likelihood	Impact	Severity
	1 - Unlikely	1 - None	1 - Low
Comments	N/A		
Risk 6	Personal Interest		
Risk Origin	Project Related		
Risk Area	Integrity		
Risk Sub-area	Conflict of interest		
Description	There is a risk that AEPC staff, Local Government energy officers, project management personnel, or procurement committee members may have undisclosed personal, financial, or professional interests in vendors or contractors participating in the project's bulk tendering and reverse auctioning processes. The root cause is the relatively small and interconnected nature of Nepal's clean energy private sector, where personal and business relationships between public officials and vendors are common, and formal conflict-of-interest declaration systems may not be consistently enforced at the local level.		
Consequences	Undisclosed conflicts of interest could compromise the fairness and transparency of procurement decisions, leading to selection of substandard or overpriced technologies, misallocation of GCF funds, and reduced project impact. If discovered, it could trigger GCF investigations, suspension of disbursements, reputational damage to AEPC, and erosion of community trust in the programme. It may also expose individual staff members to disciplinary or legal action.		
Inherent Risk	Likelihood	Impact	Severity
	2 - Possible	2 - Low	4 - Medium
Mitigation Measure(s)	AEPC requires all staff, procurement committee members, and project personnel to submit formal Conflict of Interest declarations before participating in any procurement or selection process. Any individual with a real, perceived, or potential conflict must recuse themselves from the relevant decision-making process. AEPC's Compliance and Ethics Sub-Committee monitors adherence to this policy and conducts annual integrity training. The Internal Grievance Handling Committee provides a confidential channel for reporting suspected conflicts. Procurement decisions are subject to multi-person approval processes to prevent undue individual influence. All procurement documentation is retained and subject to internal and external audit. The GCF Project Guidelines on conflict of interest will be formally incorporated into the project's Operations Manual.		
Residual Risk	Likelihood	Impact	Severity
	1 - Unlikely	1 - None	1 - Low
Current Residual Risk	Likelihood	Impact	Severity
	1 - Unlikely	1 - None	1 - Low
Comments	N/A		
Risk 7	Subsidy Duplication		
Risk Origin	Project Related		
Risk Area	Design and Implementation		
Risk Sub-area	N/A		
Description	There is a risk of overlap or duplication between the Government of Nepal (GoN) subsidies under the Terai Clean Cooking Programme and GCF grant funding. The root cause lies in the absence of a formally agreed demarcation protocol between the two funding streams, which could lead to double-counting of beneficiaries or assets.		
Consequences	If unmitigated, this could result in misuse of public funds, ineligibility findings during GCF audits, reputational damage to AEPC, and potential withdrawal or suspension of GCF		

	funding. Beneficiaries may also receive duplicated subsidies, reducing the cost-effectiveness of the programme.		
Inherent Risk	Likelihood	Impact	Severity
	3 - Likely	3 - Medium	9 - Medium High
Mitigation Measure(s)	A clear demarcation protocol will be established between GoN subsidy support and GCF grant disbursements. The GCF project will operate through a dedicated mechanism using bulk tendering and reverse financing options. A Special Bank Account will be opened to channel GCF and AEPC funds separately. A monitoring matrix (including beneficiary name, address, GPS coordinates, phone numbers, and visual confirmation) will ensure no duplication. The project will fully adhere to GCF Project Guidelines.		
Residual Risk	Likelihood	Impact	Severity
	2 - Possible	2 - Low	4 - Medium
Current Residual Risk	Likelihood	Impact	Severity
	2 - Possible	2 - Low	4 - Medium
Comments	N/A		
Risk 8	Public Procurement Act (PPA/PPR) Compliance in Reverse Auctioning		
Risk Origin	Project Related		
Risk Area	Design and Implementation		
Risk Sub-area	N/A		
Description	AEPC, as a public entity, is required to align all procurement activities with Nepal's Public Procurement Act and Regulation (PPA/PPR). The introduction of bulk tendering and reverse auctioning is a novel procurement modality in Nepal's clean energy sector, and there is a risk that it may not be fully compatible with existing procurement regulations.		
Consequences	Non-compliance with PPA/PPR could result in procurement disputes, legal challenges, delays in technology deployment, or invalidation of procurement processes. This would directly affect the pace of CCS rollout and potentially reduce the number of beneficiaries reached within the project timeframe.		
Inherent Risk	Likelihood	Impact	Severity
	2 - Possible	3 - Medium	6 - Medium
Mitigation Measure(s)	AEPC will undertake careful legal review to ensure bulk tendering and reverse auctioning procedures align with the PPA/PPR. The auctioning mechanism will be designed to meet technical quality standards and product specification standards for biogas, Tier 3+ ICS, and ECS as verified by NAST/RETS, while ensuring selection is based on the lowest compliant bid. Legal counsel and procurement specialists will be engaged during process design.		
Residual Risk	Likelihood	Impact	Severity
	1 - Unlikely	2 - Low	2 - Low
Current Residual Risk	Likelihood	Impact	Severity
	1 - Unlikely	2 - Low	2 - Low
Comments	N/A		
Risk 9	Low User Awareness and Adoption of Electric Cook Stoves (ECS)		
Risk Origin	Project Related		
Risk Area	Design and Implementation		
Risk Sub-area	N/A		
Description	Households in the target Terai region have limited knowledge of electric cooking technologies. Deeply ingrained cooking habits and preferences for traditional fuels (biomass, LPG) are the root cause. Cultural norms, particularly around women's cooking practices, further reduce the likelihood of spontaneous technology adoption.		
Consequences	Low awareness may result in underutilisation or abandonment of installed ECS units, diminishing the project's expected greenhouse gas emission reductions and co-benefits. It could also negatively affect vendor confidence in long-term market viability, weakening the supply chain ecosystem the project aims to build.		
Inherent Risk	Likelihood	Impact	Severity
	2 - Possible	3 - Medium	6 - Medium
Mitigation Measure(s)	Targeted behavioural change communication (BCC) campaigns will be conducted to raise awareness of the benefits of ECS, covering health, cost savings, and		

	environmental advantages. ECS options with multiple cooking plates and burner configurations will be offered to cater to diverse household cooking needs. Community mobilisers, particularly women and disadvantaged groups, will be engaged as Clean Cooking Champions to promote adoption at the grassroots level.		
Residual Risk	Likelihood	Impact	Severity
	1 - Unlikely	2 - Low	2 - Low
Current Residual Risk	Likelihood	Impact	Severity
	1 - Unlikely	2 - Low	2 - Low
Comments	N/A		
Risk 10	Insufficient Technical and Project Management Capacity at Local Governments (LGs)		
Risk Origin	Partner Related		
Risk Area	Partner capacity and suitability		
Risk Sub-area	N/A		
Description	Local Governments (municipalities) in the target areas have limited capacity in renewable energy project implementation, monitoring, and use of management information systems (MIS). This gap stems from inadequate training, high staff turnover, and limited prior exposure to clean energy programmes.		
Consequences	Weak LG capacity could lead to poor demand generation, inadequate project monitoring, delayed disbursements, data quality issues in MIS, and failure to sustain project activities after GCF funding ends. It may also undermine the project's goal of institutionalising clean cooking mainstreaming at the local government level.		
Inherent Risk	Likelihood	Impact	Severity
	2 - Possible	3 - Medium	6 - Medium
Mitigation Measure(s)	Local Governments will be actively engaged throughout all stages of the project, including demand generation, MIS operation, implementation support, and monitoring and evaluation. AEPC will coordinate with municipalities to form Municipal Energy Plans (MEPs) and enhance the skills of energy officers. Dedicated capacity-building programmes and on-the-job support will be provided.		
Residual Risk	Likelihood	Impact	Severity
	1 - Unlikely	2 - Low	2 - Low
Current Residual Risk	Likelihood	Impact	Severity
	1 - Unlikely	2 - Low	2 - Low
Comments	N/A		
Risk 11	Absence of Formal Guidelines for Energy Efficiency Programme Implementation		
Risk Origin	Project Related		
Risk Area	Design and Implementation		
Risk Sub-area	N/A		
Description	There is currently no dedicated national-level implementation guideline for energy efficiency programmes within Nepal's clean cooking and municipal energy planning frameworks. Without formal guidance, LGs may implement the programme inconsistently or incompletely.		
Consequences	The absence of formal guidelines could lead to fragmented and inconsistent implementation of energy efficiency components across municipalities, undermining the standardisation and scalability of results. It may also reduce the institutional sustainability of programme activities after project closure.		
Inherent Risk	Likelihood	Impact	Severity
	2 - Possible	3 - Medium	6 - Medium
Mitigation Measure(s)	Municipal Energy Plans (MEPs) will be designed to incorporate energy efficiency programmes with clearly defined roles for municipal energy officers. Energy efficiency guidelines will be embedded within AEPC's operational mechanisms and will feed into policy formulation at the central level. AEPC will advocate for formal policy adoption through its government linkages.		
Residual Risk	Likelihood	Impact	Severity
	1 - Unlikely	2 - Low	2 - Low
Current Residual Risk	Likelihood	Impact	Severity
	1 - Unlikely	2 - Low	2 - Low
Comments	N/A		

Risk 12	Unreliable Electricity Supply and Distribution Infrastructure		
Risk Origin	Project Related		
Risk Area	Design and Implementation		
Risk Sub-area	N/A		
Description	The quality of electricity supply across Nepal, particularly in rural Terai areas, remains unreliable. Numerous distribution transformers have been damaged and the distribution network cannot effectively handle increased electricity loads. The root cause is inadequate grid infrastructure investment and maintenance.		
Consequences	Poor electricity supply will directly undermine the performance and uptake of ECS. Frequent outages or voltage fluctuations can damage appliances, frustrate users, and lead to technology abandonment, reversing the project's climate and health co-benefits. Households may revert to LPG or biomass cooking.		
Inherent Risk	Likelihood	Impact	Severity
	2 - Possible	3 - Medium	6 - Medium
Mitigation Measure(s)	Power system reliability and rural electrification status will be assessed in collaboration with Nepal Electricity Authority (NEA) and AEPC prior to ECS deployment in each target area. ECS will be deployed preferentially in areas with stable power supply. Coordination with NEA for grid upgrades in priority zones will be pursued. Power supply assessments will be incorporated into the project's area selection criteria.		
Residual Risk	Likelihood	Impact	Severity
	2 - Possible	3 - Medium	6 - Medium
Current Residual Risk	Likelihood	Impact	Severity
	2 - Possible	3 - Medium	6 - Medium
Comments	N/A		
Risk 13	Weak After-Sales Service and Supply Chain for Tier 3+ ICS and ECS		
Risk Origin	Project Related		
Risk Area	Design and Implementation		
Risk Sub-area	N/A		
Description	While biogas and basic ICS repair services are available in the project areas, there is a significant gap in after-sales servicing, spare parts availability, and technical capacity for Tier 3+ ICS and ECS. This is a nascent market, and the supply chain ecosystem is underdeveloped.		
Consequences	The absence of reliable after-sales services increases the risk that deployed technologies become non-functional over time, reducing utilisation rates and the long-term impact of the project. Vendors may also be reluctant to expand services without a credible service infrastructure, constraining market development.		
Inherent Risk	Likelihood	Impact	Severity
	2 - Possible	3 - Medium	6 - Medium
Mitigation Measure(s)	Capacity development training will be provided to manufacturers, mobile and electrical appliance repair centres, and metal workshops at local level. Training will be coordinated through CTEVT institutions to ensure quality. A network of local technicians capable of providing after-sales service for Tier 3+ ICS and ECS will be established. Operation and maintenance costs will be borne by beneficiaries to incentivise service providers.		
Residual Risk	Likelihood	Impact	Severity
	1 - Unlikely	2 - Low	2 - Low
Current Residual Risk	Likelihood	Impact	Severity
	1 - Unlikely	2 - Low	2 - Low
Comments	N/A		
Risk 14	Prohibitive Fuel Processing Cost for Tier 3+ ICS		
Risk Origin	Project Related		
Risk Area	Financial		
Risk Sub-area	N/A		
Description	Tier 3+ ICS requires pellets or small-sized woodchips as fuel, which means households must either purchase processed fuel or invest time in processing freely collected firewood into an appropriate size. This additional cost or labour burden is the root cause of this risk.		

Consequences	If the additional fuel processing cost or effort is perceived as too burdensome, households may revert to traditional cook stoves, negating GHG emission reductions and health co-benefits. This could compromise the project's targets for Tier 3+ ICS adoption and sustained utilisation.		
Inherent Risk	Likelihood 3 - Likely	Impact 4 - High	Severity 12 - Medium High
Mitigation Measure(s)	The project will prioritise Tier 3+ ICS models that use locally available fuel sources including woodchips and multiple fuel types, minimising the need for purchased processed fuel. Users who are members of community forest user groups will be facilitated to access free or subsidised raw materials. Trainings and technical assistance will be provided to reduce fuel preparation time and cost. The project will demonstrate that monthly fuel costs under Tier 3+ ICS remain lower than for Traditional Cook Stoves.		
Residual Risk	Likelihood 2 - Possible	Impact 3 - Medium	Severity 6 - Medium
Current Residual Risk	Likelihood 2 - Possible	Impact 3 - Medium	Severity 6 - Medium
Comments	N/A		
Risk 15	Additional Utensil Cost Required for ECS Operation		
Risk Origin	Project Related		
Risk Area	Financial		
Risk Sub-area	N/A		
Description	Electric cook stoves, particularly induction-based models, require specific types of compatible cooking utensils (e.g. flat-bottomed induction-compatible cookware). Most households in the target areas currently use utensils that are incompatible with ECS. The cost of replacing utensils is not covered within the project's ECS subsidy.		
Consequences	The additional out-of-pocket cost for compatible utensils may act as a financial barrier to ECS adoption, particularly for lower-income households. This risk could reduce the rate of LPG-to-ECS switching and limit the volume of emission reductions achieved, directly affecting the project's core outcome.		
Inherent Risk	Likelihood 3 - Likely	Impact 4 - High	Severity 12 - Medium High
Mitigation Measure(s)	The project's estimated ECS cost of approximately Rs 4,600 (\$38) covers the stove and basic household wiring upgrades. Utensil costs are treated as a user contribution. Project communication materials will clearly inform beneficiaries of this requirement upfront so they can plan accordingly. Bulk ECS procurement arrangements may reduce total costs, freeing some budget margin. The project will explore options for integrating low-cost compatible utensils into vendor bundles.		
Residual Risk	Likelihood 2 - Possible	Impact 3 - Medium	Severity 6 - Medium
Current Residual Risk	Likelihood 2 - Possible	Impact 3 - Medium	Severity 6 - Medium
Comments	N/A		
Risk 16	Household Electricity System Upgrade Costs (Power Intake)		
Risk Origin	Project Related		
Risk Area	Financial		
Risk Sub-area	N/A		
Description	Many households in the target areas have low-capacity electrical installations (e.g. 5-amp connections) that are insufficient for running ECS, which typically require 15-amp connections. Upgrading wiring, fuses, and circuit breakers represents an additional cost to the household.		
Consequences	If upgrade costs are not adequately addressed, households may be unable to use their installed ECS, leading to wasted investment, low utilisation rates, and failure to achieve the project's emission reduction and health co-benefits.		
Inherent Risk	Likelihood 2 - Possible	Impact 3 - Medium	Severity 6 - Medium
Mitigation Measure(s)	Basic electrical upgrade costs including wiring, fuse replacement, and Miniature Circuit Breakers (MCBs) have been incorporated into the estimated project cost per ECS unit. The project will ensure that installation includes these upgrades as a standard		

	component. Vendors will be required to verify household electrical adequacy before installation.		
Residual Risk	Likelihood	Impact	Severity
	1 - Unlikely	2 - Low	2 - Low
Current Residual Risk	Likelihood	Impact	Severity
	1 - Unlikely	2 - Low	2 - Low
Comments	N/A		
Risk 17	Technology Abandonment / Rebound to Traditional Cooking Methods		
Risk Origin	Project Related		
Risk Area	Environmental and Social		
Risk Sub-area	Indigenous Peoples		
Description	Beneficiaries who receive clean cooking technologies may revert to traditional cook stoves or continue using LPG after the initial adoption period. The root causes include perceived higher operating costs, unfamiliarity with new technologies, cultural cooking preferences, and disruptions to fuel supply.		
Consequences	Sustained rebound to traditional cooking methods would significantly reduce the project's long-term GHG emission reductions and health co-benefits, undermining the core impact logic of the investment. It would also compromise the financial viability of the vendor ecosystem and the project's ability to demonstrate replicability.		
Inherent Risk	Likelihood	Impact	Severity
	2 - Possible	4 - High	8 - Medium High
Mitigation Measure(s)	Behavioural change campaigns will raise awareness of the operational cost advantages of ECS over LPG and the health benefits of Tier 3+ ICS over Traditional Cook Stoves. Community-based outreach led by women mobilisers and local influencers will reinforce adoption. The project's five-year duration ensures sufficient time for behavioural change to be embedded. Supply chain strengthening activities will ensure that ongoing access to fuel, maintenance, and spare parts is available. The steady growth of Nepal's hydropower supply further supports long-term ECS viability.		
Residual Risk	Likelihood	Impact	Severity
	1 - Unlikely	2 - Low	2 - Low
Current Residual Risk	Likelihood	Impact	Severity
	1 - Unlikely	2 - Low	2 - Low
Comments	N/A		
Risk 18	Electrocution and Fire Hazard from ECS Installation		
Risk Origin	Project Related		
Risk Area	Environmental and Social		
Risk Sub-area	Environmental and Social Safeguards		
Description	The installation and use of electric cook stoves at the household level in areas with poor wiring standards, limited electrical knowledge, and low-quality equipment presents a risk of electrocution or fire incidents. The root cause is the combination of new technology introduction into households with sub-standard electrical infrastructure and low safety awareness.		
Consequences	Electrocution or fire incidents could cause injuries or fatalities, trigger negative public perception of ECS, lead to widespread technology abandonment, expose AEPC to legal liability, and damage GCF's reputation. It could also result in project suspension and prevent further clean cooking technology deployment in Nepal.		
Inherent Risk	Likelihood	Impact	Severity
	1 - Unlikely	3 - Medium	3 - Low
Mitigation Measure(s)	All ECS technologies must comply with national standards set by the National Bureau of Standards and Metrology, including general safety requirements for household electrical appliances, induction hobs, and hotplates. Technical specifications for ECS include installation standards covering power sockets, MCBs, wiring, and cord covers. The project includes dedicated training for beneficiaries and supply chain actors on electrical safety and proper house wiring. NAST/RETS will verify product compliance before deployment.		
Residual Risk	Likelihood	Impact	Severity
	1 - Unlikely	2 - Low	2 - Low
Current Residual Risk	Likelihood	Impact	Severity

	1 - Unlikely	2 - Low	2 - Low
Comments	N/A		

D.2. Report risk incidents <i>If any risk (previously identified or not) has materialized, please capture it here as a risk incident.</i> <i>(this section is confidential)</i>

E. FINANCIAL INFORMATION

E.1. GCF financing

In addition to the financial report in the annex, update the table with relevant GCF financial data for each country and instrument, including amounts and allocation percentages.

Country	Instrument	Currency (as per FAA)	Committed Amount	Disbursed Amount	Expenditure (reporting year)	Cumulative Expenditure	Mitigation	Adaptation
Nepal	Grants	USD	21,128,224	2,899,007	569,245	676,582	100%	0%
Total		USD	21,128,224	2,899,007	569,245	676,582	N/A	N/A

E.2. Co-financing

Please populate the table with relevant Co-financing data for each Co-financier and instrument, including amounts and allocation percentages.

Co-financier	Instrument	Currency (as per FAA)	Committed Amount	Disbursed Amount	Expenditure (reporting year)	Cumulative Expenditure	Mitigation	Adaptation
GON	Grants	USD	20,958,151	785,005	758,435	785,005	100%	0%
Country	Grants	USD	7,065,442	301,188	0	0	100%	0%
Total		USD	28,023,593	1,086,193	758,435	785,005	N/A	N/A

E.3. Additional Finance Mobilised Beyond Approved Co-financing

Report the realised (cumulative value) and/or expected volume (Final Target) of private/public finance leveraged as a result of GCF involvement in the investment, in addition to and beyond any co-financing originally committed at approval. This datapoint shall be reported separately from official co-financing figures and is intended to capture the catalytic effect of GCF investments and support institutional learning.

GCF Policy: <https://www.greenclimate.fund/sites/default/files/document/policy-cofinancing.pdf>

No additional finance mobilized information provided.

File Name: Grant-financial-progress-2025.xlsx

F. ENVIRONMENTAL & SOCIAL SAFEGUARDS, GENDER, and INDIGENOUS PEOPLES

This section provides an update against the ESS standards agreed as part of the Environmental and Social Action Plan (ESAP) and Environmental and Social Management Framework (ESMF), as well as Environmental and Social Management System (ESMS), Environmental and Social Impact Assessment (ESIA), Environmental and Social Management Plan (ESMP), Indigenous Peoples Plan (IPP), Indigenous Peoples Plan Framework (IPPF), Resettlement Action Plan (RAP), Resettlement Policy Framework (RPF) when applicable.

F.1. progress on key challenges and updates regarding Environmental and Social Safeguards

Key Environmental and Social Changes

Have there been any changes in the key environmental and social risks and impacts? If you tick 'Yes,' please provide further information.

Yes ☐ No ☒

Environmental and Social Safeguarding Updates

Have there been any change/update on environmental and social safeguarding? you tick 'Yes,' please provide further information.

Yes ☐ No ☒

F.2. Compliance with laws and regulations applicable to ESS. Gender and Indigenous Peoples.

Have there been any changes or updates regarding compliance with applicable laws and regulations of the country, as well as the relevant conditions or covenants under the FAA?

Yes ☐ No ☒

F.3. ESS standards implementation progress

Does this reporting period include any ESS standards-related activities or updates?

Yes ☒ No ☐

If you tick 'Yes', please provide further information to report on the progress made in complying with the requirements of the relevant ESS standards that were triggered during the approval of the funding proposal and during the reporting period, if any; and the GCF Indigenous Peoples Policy, if relevant, describing achievement and specifying details outlined in the tables below.

Activities implemented during the reporting period, including monitoring

The current reporting period marks a significant transition in the project's lifecycle from preparatory groundwork to active technology delivery on the ground. With electric cookstoves (ECS) and improved cookstoves (ICS) now being distributed to beneficiary households across project intervention areas, the project's Environmental and Social Safeguard commitments have moved from planning documents into everyday field practice. The PPMU team has maintained a consistent field presence across project intervention areas, conducting regular monitoring visits to communities receiving ECS and ICS technologies. These field visits serve a dual purpose: monitoring the installation and early use of distributed cookstoves while simultaneously engaging beneficiaries in conversations about safe and effective use. Rather than relying solely on one-time handover events, the project has adopted a follow-through approach where field staff return to communities to check on how households are adapting to new technologies and to address any concerns arising since distribution. In parallel, PPMU teams have been conducting targeted sensitization sessions for biogas users on the effective operation of biogas plants and on the productive use of bio-slurry as a high-value organic fertilizer. These efforts are designed to optimize the operational efficiency of biogas systems and ensure households derive maximum benefit from their investments.

Outputs during the reporting period

- 66 PPMU field visits conducted to communities receiving ECS and ICS technologies, and discussed about bio-slurry as a high-value organic fertilizer
- 11 awareness and sensitization events conducted across project intervention areas
- 30,000 project brochure distributed to local levels, stakeholders and beneficiaries
- 8 community meetings and campaigns on cookstove reuse and recycling
- 2 full-day CCS Mobilizer orientation training sessions completed
- 72 women employed across project-created positions during the reporting period

Key environmental, social and gender issues, risks and impacts addressed during implementation

With ICS and ECS now reaching beneficiary households, the most immediate ESS concern being actively managed is ensuring that users particularly women who are the primary cooks understand how to operate the technologies safely. Incorrect use of electric cookstoves, especially in households with limited exposure to electrical appliances, carries real safety risks. The project has addressed this through the combination of user manuals, live demonstrations, and PPMU follow-up visits described above. The behavioral change challenge also remains real. Many households have cooked with traditional biomass stoves for generations, and shifting that habit takes more than simply receiving a new cookstove. On the supply chain side, child labor risks have been mitigated through contractual safeguards with vendors, and equal pay and equal opportunity commitments for women have been actively practiced rather than merely stated. These measures collectively contribute to a project environment where social equity and environmental responsibility reinforce each other. The domestic biogas initiative is primarily in its developmental stage, with only a fraction of the planned plants fully functional. Bio-slurry management, which was noted as a pending environmental concern in the previous reporting period, has been proactively addressed through targeted awareness and community outreach sessions conducted by PPMU field teams. No significant new environmental or social risks emerged during the reporting period. The project continues to monitor and manage existing safeguard commitments in line with the approved ESMP and relevant safeguarding instruments.

Any pending key environmental, social and gender issues needing accredited entity's actions and GCF attention

No critical issues requiring urgent GCF attention have been identified during this reporting period. The project remains on track with its ESS commitments. Several ESS activities are planned for the coming months, including:

- Awareness and skills development training for vulnerable communities, marginalized minority households, and women's groups
- Activities as per the Gender Action Plan
- Other ESS-related activities linked to funded activity delivery, including training workshops, community events, and technology-specific awareness programs as distribution of all three technology types (ECS, ICS, and biogas) scales up

Remarks/Notes

The project continues to demonstrate meaningful progress in integrating environmental, social, and gender safeguard commitments into day-to-day implementation. The shift from planning to on-the-ground delivery has reinforced the importance of consistent field presence, community engagement, and inclusive beneficiary outreach. AEPC remains committed to ensuring that this progress is delivered in a manner that is environmentally sound, socially responsible, and gender-inclusive.

F.4. Sub-projects information

Have any subprojects been implemented?

Yes ☐ No ☒

N/A

N/A

F.5. Implementation of the stakeholder engagement plan	
Were any actions undertaken to increase engagement of relevant stakeholders in the project, particularly regarding environmental, social, and gender elements?	Yes ☒ No ☐
Activities implemented during the reporting period	
Stakeholder engagement during this reporting period was characterized by depth rather than breadth. While formal meetings with ministries, non-profit organization and institutional engagements such as MoU signings continued, the most substantive stakeholder engagement work took place at the community level through PPMU field visits, awareness events, and demonstration sessions. These interactions brought the project directly to its intended beneficiaries in their homes and communities building the kind of familiarity and trust that formal meetings alone cannot replicate. The two CCS Mobilizer orientation trainings served as an important internal stakeholder engagement mechanism, aligning the project's values and approaches including gender-sensitive community engagement and grievance referral processes. With 124 mobilizers now active across local governments, the project has significantly expanded its community engagement footprint compared to the previous year. Meetings conducted with local level governments have further strengthened institutional relationships and ensured coordinated delivery of project activities within respective jurisdictions.	
Dates and venues of engagement activities	
AEPC Meeting Hall and Dhulikhel Sarathi Hotel — 2 full-day programs (CCS Mobilizer orientation trainings);	
Sex-disaggregated data on stakeholder engagement participants (male + female = total)	
M = 77, F = 73	
Information shared with stakeholders	
During the reporting period, relevant ESS information was systematically disseminated to key stakeholders, particularly CCS mobilizers and field-level implementers, through structured orientation and capacity-building sessions. The information shared included an overview of the AE and CCS project framework, along with clear articulation of roles and responsibilities to ensure accountability in implementing ESS requirements. Stakeholders were further oriented on the MIS, monitoring and evaluation processes, and documentation protocols to strengthen data integrity, reporting accuracy, and traceability of environmental and social compliance. Technical sessions covered CCS technologies, including demonstrations, identification of common flaws, and corrective measures, thereby enhancing field-level capacity to manage environmental and safety risks. Additionally, cross-cutting areas such as financial procedures, store management, coordination with local governments, and use of digital tools were communicated to ensure integrated and compliant project implementation. These engagements contributed to improved stakeholder awareness, strengthened grievance handling readiness, and more effective adherence to ESS standards at the operational level.	
Outputs including issues raised and addressed during the reporting period	
CCS Mobilizers were trained to help in raising awareness on benefits of CCS, facilitate in bottom up need assessment and in designing bespoke technical assistance and capacity development programme for respective Local Governments.	
Remarks/Notes	
N/A	

F.6. ESS forward planning and lessons learned	
Are there any planned ESS activities for the next reporting period or lessons learned to share from this period?	Yes ☒ No ☐
Provide planned activities on environmental and social safeguards for the next reporting period	

1. Continuation of PPMU field visits and community monitoring across all delivery station, with women's participation tracking across all technology distribution activities 2. Awareness and skills development training for vulnerable communities, marginalized minority households, and women's groups 3. Activities as per the Gender Action Plan 4. ESS activities linked to the expansion of funded activity delivery, including training workshops, community events, and technology-specific awareness programs as distribution of all three technology types (ECS, ICS, and biogas) scales up 5. Biogas user awareness and orientation sessions incorporating gender-sensitive content as domestic biogas plant installations commence		
Provide any success stories, good practices, or challenges, including those related to the engagement of Indigenous peoples and local communities, promoting Indigenous knowledge and benefits to Indigenous peoples and local communities		
In Butwal Sub-Metropolitan City, Ward No. 16, the transition from traditional open-fire cooking to a Tier 3+ Improved Cookstove (ICS) has revolutionized life for Ms. Asha Kumari Chaudhari and her seven-member household. Previously, the family faced the gruelling labour of firewood collection and the severe health risks associated with heavy smoke exposure. Seasonal moisture during winter and monsoon often rendered traditional fuel unusable, creating acute vulnerabilities. Through a strategic intervention by Clean Cooking Solutions (CCS), funded by the Green Climate Fund (GCF), Ms. Chaudhari acquired a high-efficiency ICS for a subsidized cost of NPR 300. This shift has yielded a staggering 70% reduction in firewood consumption. The stove's superior thermal design allows for the use of partially dried wood and agricultural residues; remarkably, Asha can now prepare a full meal of vegetables using just five corn cobs. Beyond efficiency, this technology has mitigated indoor air pollution and enhanced social well-being, allowing Ms. Chaudhari to cook outdoors while interacting with her family. Rating the intervention 4.5 out of 5 stars, her experience serves as a successful model for scaling clean cooking solutions in climate-vulnerable regions.		
F.7. Grievance Redress Mechanism - confirmation & grievances		
<i>Please indicate whether the project can confirm the following statement:</i>		
Fully functional and operational Grievance Redress Mechanisms are in place, have been communicated to and are accessible by all stakeholders applicable to this project		
☒ The accredited entity confirms the statement above at project-level, AE-level, and GCF-level grievance mechanisms.		
☐ The accredited entity does not confirm the statement above		
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%; padding: 5px;"> Have there been any grievances received during the reporting period? </td> <td style="width: 40%; padding: 5px;"> Yes ☐ No ☒ </td> </tr> </table>	Have there been any grievances received during the reporting period?	Yes ☐ No ☒
Have there been any grievances received during the reporting period?	Yes ☐ No ☒	
<i>AEPC's Grievance Redress Committee continues to operate as a reliable, multi-channel mechanism for receiving and resolving stakeholder concerns. Stakeholders can submit grievances through email, a physical grievance box at the PIU office, or through formal written submissions directly to the office. The identities of GRC officers are made publicly available through the AEPC website. CCS Mobilizers and project staff proactively communicate the existence and accessibility of the GRM during all community visits and awareness events, ensuring that beneficiaries know their right to raise concerns and how to do so. No grievances were received during the reporting period.</i>		
F.8. Implementation of activities and actions agreed in the Gender Action Plan		
The current reporting period brought the project's GAP commitments into tangible practice alongside the commencement of ECS and ICS distribution. The most visible manifestation of the GAP this year has been in employment women have been recruited and deployed as CCS Mobilizers, project staff, and in other roles generated by project activities, with equal wages paid across the board without exception.		
Of the 139 positions filled during the reporting period, 72 were taken up by women. The two CCS Mobilizer orientation trainings were conducted with deliberate attention to gender-balanced participation, giving women mobilizers the same preparation and capacity building as their male counterparts.		
Awareness events and demonstration sessions were designed with women as the primary audience, recognizing that women are both the main users of cooking technologies and the individuals who stand to gain most directly from the health, time, and economic benefits of clean cooking. Beneficiary selection at the community level has continued to		

prioritize female-headed households, widows, and single women, with sex-disaggregated data being collected through the demand aggregation process.

Several GAP activities including structured GESI training and skills development programs remain scheduled for the coming months and will be reported in the next cycle.

Are there GAP implementation activities or progress to report for this period?

Yes ☒ No ☐

Summary on Activities and Actions agreed in the Gender Action Plan (max. 200 words)

Provide a progress report on the gender action plan developed during project preparation stage for the reporting period. This will primarily be a report on activities undertaken and results achieved because of completion of an activity. Further, it should also indicate if the project is on track to achieving the intended outcome(s). The reporting should be done for activities, targets and indicators already set in the action plan including on vulnerable groups (youth, poor, female heads of households, etc.) as would have been identified in the gender analysis and action plan. If activities or targets are not achieved as per plan, reasons should be provided, and recourse action should be proposed. Please include reporting on any changes or deviations. Include a Report on implementation challenges and lessons learnt and how these will inform on-going actions and what action will be taken by when to address the challenges faced. Incorporate both quantitative data and qualitative reports on the performance of such actions, and on progress on actions identified.

GAP Activity

Activity 1.1.1 Development of Annual Procurement and Deployment Plan,
Activity 1.1.2 Procurement and Deployment of annual targeted number of CCS
Activity 1.1.3 Distribution of initial 60% payment instalment to the vendor upon delivery of CCS to respective municipality

Indicator

Detailed prioritization scoring system to be included at SOP developed at project implementation phase (IP). % of women and men participants in awareness campaign. Gender focal point (or gender responsible) in each partner and stakeholder

Rating of Indicator

GREEN (on track to be met)

Baseline

0

Target, including sex-disaggregation where applicable

60

Annual progress update (Reporting Period)

- i) The project is transitioning its outreach from administrative levels to direct beneficiary engagement. As per project documents, women are being assigned as key CCS Champion, ensuring gender-responsive leadership remains central to the campaign's expansion.
- ii) The Provincial Project Management Unit (PPMU), in collaboration with local Mayors and Deputy Mayors, has successfully assigned local-level focal points to streamline project execution. Reflecting a strong commitment to gender mainstreaming, the PPMU prioritized assigning women to these roles to lead the coordination with CCS mobilizers in local levels.

Cumulative progress update (Entire period)

Since project inception, the foundational systems required to operationalize gender-responsive beneficiary selection have been progressively established. The Annual Procurement and Deployment Plan has been developed with gender prioritization criteria embedded from the outset, including scoring mechanisms that prioritize female-headed households, widows, and single women. In the current reporting period, CCS technologies have begun reaching beneficiary households, with women being assigned as CCS Mobilizer to lead community-level outreach. While the cumulative target of 60% women's participation remains in progress, the institutional groundwork for achieving this target has been firmly established during this period.

Budget

12,590,669

Currency	USD
Timeline (Planned completion of activity)	10 July 2026
Responsibility	
The Accredited entity is responsible for these tasks.	
Remarks/Notes	
Process for the technologies has commenced and the beneficiary household while annual procurement and deployment plan has embedded gender prioritization	
GAP Activity	
Activity 1.1.4 Monitoring and Verification of Installed CCS units for Output Based Financing	
Indicator	
% of women certified as independent verifier survey and verification sheet (to generate gender statistic) - developed at IP	
Rating of Indicator	GREEN (on track to be met)
Baseline	0
Target, including sex-disaggregation where applicable	33
Annual progress update (Reporting Period)	
i) During the selection process for Third-Party Monitoring and Verification (TPMV), 33% of the proposed personnel were women. They are actively included in this process, contributing to the monitoring and verification of 10% of the technologies out of the total quantity distributed to beneficiaries.	
Cumulative progress update (Entire period)	
Since project commencement, preparatory groundwork for the Third-Party Monitoring and Verification (TPMV) mechanism has been conducted with gender inclusion as a key criterion. During the TPMV selection process in the current reporting period, 33% of the proposed personnel were women, meeting the target threshold from the initial mobilization stage. Women are now actively participating in the monitoring and verification of 10% of CCS technologies distributed to beneficiaries. Cumulatively, the project has ensured that gender-sensitive verification practices are embedded in the quality assurance process from the outset of field deployment.	
Budget	658,357
Currency	USD
Timeline (Planned completion of activity)	23 June 2026
Responsibility	
The Accredited entity is responsible for this task.	
Remarks/Notes	

To ensure readiness, the Project Implementation Unit has already begun the bidding process for third-party monitoring. This work is slated to start as soon as the community distribution phase is complete.

GAP Activity

Activity 2.1.1 Develop partnership agreement between AEPC, Province Governments, Local Governments, and other implementing partners.

Activity 2.1.2 Update existing standards and set benchmarks for the technologies required for the project implementation.

Activity 2.1.3 Develop Municipal Energy Plan template by analyzing standards and format.

Activity 2.2.2 Development of Management Information System as a national monitoring system with real time data collection from LGs

Indicator

% of women in board meetings and stakeholder's consultation of gender session in capacity building and workshops to LG, MEP/standardization formulation board . Gender sensitive 'data collection methodology' and questionnaire guide Survey in the 3rd quarter of year 1: (Periodic review, follow up- surveys and progressive targets)

Rating of Indicator

GREEN (on track to be met)

Baseline

0

Target, including sex-disaggregation where applicable

33

Annual progress update (Reporting Period)

i) The project remains committed to inclusive governance by assigning a high priority to women's participation in all upcoming consultations. Moving forward, the team will ensure the continuous engagement of women in all stakeholder meetings and events to maintain and exceed project targets.

ii) The project has successfully developed a robust MIS software designed to ensure the collection of sex-disaggregated and gender-relevant data. A third-party firm has been assigned the specific responsibility of data entry, ensuring that all information is recorded accurately to maintain transparency across all project indicators.

Cumulative progress update (Entire period)

Since project inception, institutional frameworks for gender-inclusive governance and data management have been progressively developed. Partnership agreements with Province Governments and Local Governments have been established with gender participation provisions embedded. A robust Management Information System (MIS) has been operationalized with specific modules for sex-disaggregated and gender-relevant data collection, ensuring that all stakeholder engagements and consultations are tracked against gender targets. A dedicated third-party firm has been assigned for gender-sensitive data entry to maintain data integrity and transparency. Cumulatively, the project has built the governance and information infrastructure necessary to systematically track and report on women's participation in all institutional processes, positioning the project to meet and sustain the 33% target across the remaining project period.

Budget

335,000

Currency

USD

Timeline (Planned completion of activity)

25 June 2026

Responsibility

The Accredited entity is responsible for these tasks.

Remarks/Notes	
Operations regarding these initiatives are actively proceeding.	
GAP Activity	
Activity 3.1.1 Conduct national stakeholder consultation workshop between AEPC, PG and LG Activity 3.1.2 Develop LG Municipal Energy Plan Activity 3.2.1 Mobilize clean cooking mobilizers in each LG	
Indicator	
50% female (75 number) for CCS mobilizers of total recruits (150); 60% female (270 number) for CC champions focus on marginalized communities. At least 1 woman as energy officer (out of 2) in energy units, in each province.	
Rating of Indicator	GREEN (on track to be met)
Baseline	0
Target, including sex-disaggregation where applicable	54
Annual progress update (Reporting Period)	
i) Out of 150 planned CCS Mobilizers, 124 have been deployed, of which 67 are women, representing more than 50% female participation. The project is currently in the process of selecting CCS Champions, with a target of ensuring over 60% female representation.	
Cumulative progress update (Entire period)	
Since project commencement, the project has progressively expanded its female workforce, particularly through the CCS Mobilizer program. Equal wage compliance has been maintained consistently throughout the project period. A cumulative total of 72 women have been employed in project-generated roles to date.	
Budget	2,835,000
Currency	USD
Timeline (Planned completion of activity)	10 September 2026
Responsibility	
The accredited entity is responsible for these task.	
Remarks/Notes	
The project's commitment to equal employment and wages has been consistently upheld throughout implementation. Women mobilizers have played a critical role in community engagement, particularly in reaching female beneficiaries in household settings. This approach has proven effective in building trust with women beneficiaries and ensuring their active and meaningful participation in project activities.	
GAP Activity	
Activity 3.1.3 Capacitating Local Government and Provincial Governments	

Indicator	
Of capacity development trainings. of GESI sessions in each workshops. % of female participation in workshops	
Rating of Indicator	GREEN (on track to be met)
Baseline	0
Target, including sex-disaggregation where applicable	50
Annual progress update (Reporting Period)	
The project team is strategically positioned to ensure the full inclusion of women across all upcoming technical workshops and capacity development initiatives. By designing dedicated Gender Equality and Social Inclusion (GESI) sessions for each cluster, the project has assigned priority to female participation, ensuring that all future training materials are tailored to be gender-responsive and inclusive from the outset.	
Cumulative progress update (Entire period)	
None	
Budget	90,000
Currency	USD
Timeline (Planned completion of activity)	5 October 2026
Responsibility	
The accredited entity is responsible for these task.	
Remarks/Notes	
Will be implemented in the forthcoming reporting period.	
GAP Activity	
Activity 3.1.4 Annual national level review and consultation meeting	
Indicator	
Indicators of GAP will be fully integrated in the M & E framework at SOP and reviewed periodically. Of gender-specific recommendations, include elements of GBV and other gender related implications of project.	
Rating of Indicator	GREEN (on track to be met)
Baseline	0
Target, including sex-disaggregation where applicable	1
Annual progress update (Reporting Period)	
To ensure the highest standards of gender integration, a gender expert has been assigned to conduct rigorous reviews of all CCS project materials. This process ensures that the Gender Action Plan (GAP) is strictly implemented	

and that all outputs include specific recommendations addressing Gender-Based Violence (GBV) and other critical gender implications within the M&E framework.	
Cumulative progress update (Entire period)	
None	
Budget	270,000
Currency	USD
Timeline (Planned completion of activity)	8 July 2026
Responsibility	
The accredited entity responsible for this task.	
Remarks/Notes	
Execution of the annual national-level review and consultation meeting is currently active.	
GAP Activity	
Activity 3.3 Strengthen service center, biomass manufacturers to provide quality and affordable clean cooking solution	
Indicator	
of enterprises women-owned and/managed by women participation in trainings. Of technical trainings provided to beneficiaries. of women beneficiary participation in skill development trainings	
Rating of Indicator	GREEN (on track to be met)
Baseline	0
Target, including sex-disaggregation where applicable	33
Annual progress update (Reporting Period)	
In alignment with the project's gender-responsive indicators, comprehensive preparatory work is currently underway to launch technical and skill development trainings. The project has assigned a high priority to fostering female entrepreneurship and leadership, with a firm commitment to ensuring women represent at least one-third of all participants in collaboration with CTEVT. These upcoming sessions are designed to transition from the baseline of minimal engagement to a robust model of women-owned enterprise growth and professional skill-building.	
Cumulative progress update (Entire period)	
Since project commencement, the enabling conditions for gender-responsive technical and vocational training have been systematically prepared. In the current reporting period, the project has commenced comprehensive preparatory work in collaboration with CTEVT to launch technical skill development trainings for service centers and biomass manufacturers, with a firm commitment that women will represent a minimum of one-third of all participants. While formal trainings have not yet been delivered, the procurement and deployment of CCS technologies to beneficiary households which serves as the prerequisite for technical support has commenced. Cumulatively, the project has established the partnerships, beneficiary mapping, and institutional arrangements required to achieve the 33% women's participation target in technical and entrepreneurship trainings in the subsequent reporting period.	
Budget	2,996,701

Currency	USD
Timeline (Planned completion of activity)	28 June 2026
Responsibility	
The accredited entity is responsible for this task.	
Remarks/Notes	
Once the technologies are distributed, beneficiaries will receive technical training and skill development support.	
F.9. Gender Action Plan implementation review	
Is the gender expert for the project/programme engaged to support the implementation of the gender action plan? If engaged previously, please advise if the gender expert has been retained by the project/programme, including plans to engage another expert if a previously engaged expert has left the project/programme.	Yes ☒ No ☐
<i>AEPC's institutional GESI section provides ongoing technical support for gender mainstreaming across the project. The PIU draws on this support at key implementation stages and retains the flexibility to engage a dedicated third-party GESI specialist as activities expand. This arrangement has ensured that gender considerations remain central to project delivery without creating unnecessary institutional complexity at the current stage.</i>	
Has the implementation of gender action plan/s being implemented according to Funding Activity Agreements and GCF's Updated Gender Policy? Please ensure that the budget is included in the reporting above if it was indicated in the approved or updated gender action plan.	Yes ☒ No ☐
<i>GAP-related expenditures are being made in accordance with the Funding Activity Agreement and GCF's Updated Gender Policy. All relevant costs are tracked and reflected accurately in the project's financial records.</i>	
Are the planned activities, targets, indicators, timelines, etc. on track during the reporting period?	Yes ☒ No ☐
<i>Several GAP activities particularly structured GESI training for vulnerable groups and formal skills development programs have not yet been implemented. This reflects the phased nature of project delivery rather than a lack of commitment. These activities are actively being scheduled for the coming months as part of our phased implementation strategy. We remain fully confident in our ability to achieve all GAP targets within the designated five-year timeline</i>	
Were there any revisions of the approved GAP during the reporting period? Please submit the updated GAP in Annex section of this APR and ensure that the updated GAP has details on each change.	Yes ☐ No ☒
<i>The Gender Action Plan approved at the time of project approval remains in place and unchanged. No revisions were made during this reporting period.</i>	
Are the reported results on track to contribute to meeting the sex-disaggregated targets for the direct beneficiaries in the funding proposal, if applicable?	Yes ☒ No ☐

<i>The project continues to systematically collect and track sex-disaggregated data through the demand aggregation process. With the Management Information System (MIS) now operationalized, this data is being fully integrated to ensure robust reporting and evidence-based decision-making. Current metrics for female participation in awareness campaigns, demonstration sessions, and mobilizer deployments indicate that the project is on track to meet its gender-specific targets. Furthermore, the upcoming annual plan introduces strategic mandates to further mainstream gender, including compulsory gender sessions in all training modules, minimum participation quotas for stakeholder consultations, and a target of 60% female representation among CCS Champions. We also remain committed to involving women in monitoring and verification processes to maintain the highest standards of gender-sensitive data collection.</i>	
Has the project/programme experienced any implementation challenges that affect gender-related activities? If yes, please include lessons learnt and how they are informing ongoing actions.	Yes ☐ No ☒
<i>No significant challenges specifically affecting gender-related activities arose during this reporting period. The project continues to monitor gender mainstreaming progress closely and remains prepared to identify and address any issues that may emerge in the next phase of implementation.</i>	
Were there any best practices identified, or case studies prepared on benefits/activities undertaken as agents of action by women and the female heads of households during the reporting period? Please share any case studies in the text boxes or in the Annex section of the APR.	Yes ☒ No ☐
<i>Two practices stand out from this reporting period. First, the consistent application of equal employment and equal wages for women across all project-created positions has demonstrated that gender equity in the workforce is entirely achievable within a project of this scale and structure. Women CCS Mobilizers have proven to be highly effective community connectors, particularly in engaging female beneficiaries who are the primary users of the distributed cookstoves. Second, the live demonstration model for cookstove onboarding has emerged as a strong practice for gender-responsive technology adoption. These sessions, held in familiar community settings and led by women mobilizers where possible, have made a real difference in how confidently and correctly beneficiary households particularly women use their new cooking equipment.</i>	
Provide planned activities on gender elements for the next reporting period	
1. Awareness and skills development training for vulnerable households, marginalized minority communities, and women's groups, with specific focus on health and livelihood benefits of clean cooking 2. Continued implementation and monitoring of all Gender Action Plan activities, including equal wage verification, women's employment tracking, and GESI-sensitive beneficiary selection 3. Engagement of a dedicated GESI specialist to provide focused support as project delivery accelerates across all three technology streams 4. Integration of sex-disaggregated data into the MIS system to strengthen gender monitoring and reporting 5. Clean Cooking Champion identification and training, maintaining the target of at least 60% women 6. Skills development and vocational training for beneficiaries in partnership with CTEVT, with a target of minimum 33% women participation per cohort 7. Community-level outreach campaigns targeting women beneficiaries, coordinated through CCS Mobilizers and local government partners	

G. ANNEXES (UPLOADED)
Annex 1: GHG emission reduction calculation methodology (for projects reporting GHG emission reductions) and details on the calculations of the annual and cumulative value.
File Name: GHG emission reduction calculation_CCS.XLS
Annex 2: Communication and visibility material
File Name: Banner of program.jpg File Name: Brochure of CCS Technologies.pdf File Name: Orientation Program of CCS Mobilizer.pdf
Annex 3: List of grievances received
No annexes provided.
Annex 4: Procurement information
File Name: Procurement template.xlsx
Annex 5: Updated implementation timetable for the Funded Activity for the following year
File Name: Implementation Plan-Y3.4.5.xlsx
Annex 6: Updated Gender Assessment and/or Action Plan
No annexes provided.
Additional Annexes (if applicable)
No annexes provided.

