

62nd GEF Council Meeting
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Washington D.C

**INFORMATION NOTE ON THE UPDATE OF THE COST STRUCTURE FOR THE
FINANCING OF BIENNIAL TRANSPARENCY REPORTS FOR THE DEVELOPING
COUNTRY PARTIES TO THE PARIS AGREEMENT**

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INTRODUCTION

1. Article 13 of the Paris Agreement establishes an enhanced transparency framework for action and support. It states that support shall be provided to developing country Parties for its implementation and for building the transparency-related capacity of developing country Parties on a continuous basis.¹
2. The modalities, procedures, and guidelines (MPGs) for the transparency framework for action and support referred to in Article 13 of the Paris Agreement were adopted in December 2018 at the twenty-fourth session of the Conference of the Parties (COP 24). The Global Environment Facility (GEF), as an operating entity of the Financial Mechanism, was requested to support developing country Parties in preparing their first and subsequent biennial transparency reports (BTRs).
3. The first Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA .1) decided that Parties shall submit their first BTR and national inventory report, if submitted as a stand-alone report, in accordance with these modalities, procedures and guidelines, at the latest by December 31, 2024, and that the least developed country (LDC) Parties and small island developing States (SIDS) may submit this information at their discretion.
4. On June 18, 2020, the GEF organized the first virtual *“Informal Consultation Meeting on Financial Support for Biennial Transparency Reports”*² to discuss support needs, possible modalities, and timing for BTRs with partners. On November 17, 2020, a second informal consultation³ was carried out to present the modalities made available by the GEF to support the BTRs and related indicative costing and get feedback from various stakeholders.
5. Following the informal consultations, the information note on the *“Financing of Biennial Transparency Reports for Developing Country Parties to the Paris Agreement”*⁴ was submitted to the 59th GEF Council, which met in December 2020. The GEF CEO then made the support modalities for the first BTR available and communicated them to all countries in February 2021.
6. The early rollout of the BTR support was done to ensure sufficient lead time for countries to prepare and submit their first BTR by the deadline of December 31, 2024. As the GEF-7 replenishment package did not include support for BTRs, the GEF Secretariat has focused on the provision of support for the first BTRs to as many developing country Parties as feasible in the GEF-7 period.

¹ Paris Agreement to the United Nations Framework Convention on Climate Change, Dec. 12, 2015, T.I.A.S. No. 161104.

² Information is available at: <https://www.thegef.org/events/informal-consultation-meeting-financial-support-biennial-transparency-reports-under-paris>

³ Information is available at: <https://www.thegef.org/events/second-informal-consultation-financial-support-biennial-transparency-reports>

⁴ GEF, 2020, *Information Note on the Financing of Biennial Transparency Reports for Developing Country Parties to the Paris Agreement*, Council Document GEF/C.59/Inf.19.

7. In November 2021, the third Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA.3) provided additional guidance to the GEF. The CMA.3 guidance requests the GEF to estimate the cost to developing countries of implementing the enhanced transparency framework, which includes establishing and enhancing a reporting system, as well as the full agreed cost of reporting and the cost of capacity-building for reporting. The guidance also requests to the GEF to consider how to adequately incorporate the costs of enhancing the reporting system into the set-aside of the eighth replenishment process (GEF-8) while taking the necessary measures to ensure, as appropriate, that the set-aside does not impact the allocation of resources to developing countries under the System for Transparent Allocation of Resources (STAR). It also requests the GEF to report to the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its fourth session, in November 2022, on any actions taken in this regard.

8. On February 24, 2022, the GEF organized its third virtual BTR Informal Consultation in response to the CMA.3 guidance to get feedback on the costing of BTRs and the operational procedures related to the support modalities for the first and subsequent BTRs.⁵ The GEF Secretariat appreciates the feedback received during this meeting, which has been used to help inform the efforts by the Secretariat to update the BTR costing for the GEF-8 period.

9. The current information note has been prepared to communicate the updated cost structure and indicative costing to support the preparation of BTR to the GEF Council, following CMA.3 guidance.

BTR COST STRUCTURE INTRODUCED IN 2021

10. The reporting format, eligibility for GEF support, and project proposal submission are available in the information note on the *“Financing of Biennial Transparency Reports for Developing Country Parties to the Paris Agreement”*, submitted to the 59th GEF Council in December 2020 as an information document. As outlined in the December 2020 information note, the GEF has made available three modalities for supporting the preparation of the first BTRs, and their indicative costing is the following:

- (a) Modality 1: made available in January 2021, countries can access up to \$484,000 to prepare a stand-alone BTR upon submitting their last GEF-supported BUR.
- (b) Modality 2: made available in January 2021, countries can access up to \$517,000 to prepare a combined BTR and National Communication (NC) upon submitting their last GEF-supported BUR.
- (c) Modality 3: to be rolled out in January 2023, countries can access additional (top-up) financing of \$200,000, maximum, to an ongoing enabling activity (EA) project. This option is only intended to be used for the first BTR, and it is available for countries that, as of January 1, 2023, have an ongoing BUR or NC.

⁵ Information is available at: <https://www.thegef.org/events/third-informal-consultation-financial-support-biennial-transparency-reports>

11. The indicative costs for the preparation of the first BTR mentioned above were based on an analysis carried out by the GEF Secretariat that was presented and discussed during the Second BTR Informal Consultation of November 2020. This analysis considered the Modalities, Procedures and Guidelines adopted during CMA 1.3 and compared them to the cost of Biennial Update Reports (BURs) and NCs.

12. As of the date of finalization and submission of this document, 16 countries had accessed support for 17 BTRs. In addition, the GEF Secretariat has worked with UNEP on a large Umbrella Program which is being submitted to the 62nd GEF Council Meeting. This Umbrella Program will include funding for up to 62 BTRs, 25 of which have already received a Letter of Endorsement from the respective GEF Operational Focal Point.

UPDATED BTR COST STRUCTURE

13. Following the guidance received from CMA.3, the GEF Secretariat organized the third virtual BTR Informal Consultation in February 2022, to receive feedback from participants about whether any of the cost elements of BTR support needed adjustment in light of the adopted MPGs, and determine which elements should be adjusted. Participants included government representatives, members from the Consultative Group of Experts (CGE), representatives of the UNFCCC Secretariat and relevant GEF Implementing Agencies.

14. The indicative costing for the three modalities for supporting the preparation of BTRs has been updated, informed by the feedback received and upon further analysis by the GEF Secretariat.

15. Based on this analysis, the total indicative cost has been increased from \$484,000 to \$600,000 for stand-alone BTR (modality 1) and from \$517,000 to \$633,000 for combined BTR/NC (modality 2). The updated indicative cost will be effective for the GEF-8 period, starting on July 1, 2022.

16. Table 1 shows the updated cost structure and the indicative costing of the stand-alone BTR (modality 1). Table 2 shows the updated cost structure and the indicative costing for the combined BTR/NC (modality 2).

17. The main modifications to the cost elements of modality 1 and modality 2 are the following:

- (a) The “National inventory report of anthropogenic emissions by sources and removals by sinks of greenhouse gases” cost element has been increased from \$160,000 to \$260,000.
- (b) The “Information necessary to track progress made in implementing and achieving nationally determined contributions under Article 4 of the Paris Agreement” cost element has been increased from \$120,000 to \$125,455.

- (c) The “Project Management Cost (PMC)” has been increased accordingly, considering that it should not exceed 10 percent of GEF project financing.⁶

Table 1: Updated Indicative Cost Structure for Modality 1, Stand-alone BTR

BTR components	Original indicative cost (US\$) (until June 30, 2022)	Updated indicative cost (US\$) (from July 1, 2022)
I. National inventory report of anthropogenic emissions by sources and removals by sinks of greenhouse gases	160,000	260,000
II. Information necessary to track progress made in implementing and achieving nationally determined contributions under Article 4 of the Paris Agreement	120,000	125,455
III. Information related to climate change impacts and adaptation under Article 7 of the Paris Agreement	100,000	100,000
IV. Information on financial, technology development and transfer and capacity-building support needed and received under Articles 9–11 of the Paris Agreement	20,000	20,000
V. Other relevant information (e.g. gender)	10,000	10,000
VI. Publication and submission of report, and other project execution support	30,000	30,000
Subtotal BTR	440,000	545,455
Project management cost (10%)	44,000	54,545
Total	484,000	600,000

⁶ GEF, 2020, [Guidelines on the Project and Program Cycle Policy \(2020 Update\)](#), Council Document GEF/C.59/Inf.03.

Table 2: Updated Indicative Cost Structure for Modality 2, Combined BTR/NC

BTR components	Original indicative cost (US\$) (until June 30,2022)	Updated indicative cost (US\$) (from July 1, 2022)
I. National inventory report of anthropogenic emissions by sources and removals by sinks of greenhouse gases	160,000	260,000
II. Information necessary to track progress made in implementing and achieving nationally determined contributions under Article 4 of the Paris Agreement	120,000	125,455
III. Information related to climate change impacts and adaptation under Article 7 of the Paris Agreement	100,000	100,000
IV. Information on financial, technology development and transfer and capacity-building support needed and received under Articles 9–11 of the Paris Agreement	20,000	20,000
V. Other relevant information (e.g. gender) including supplemental NC chapters (research and systemic observation; and education, training and public awareness)	40,000	40,000
VI. Publication and submission of report, and project execution support	30,000	30,000
Subtotal BTR	470,000	575,455
Project management cost (10%)	47,000	57,545
Total	517,000	633,000

18. In the case of additional financing or top-up (modality 3) the total indicative cost has been increased proportional to the increase of stand-alone BTR (modality 1) and rounded from up to \$200,000 to up to \$250,000. Modality 3 will be available from January 1, 2023, onwards.

SUBMISSION OF PROJECT PROPOSALS

19. All project proposals and submissions to the GEF Secretariat are made directly to the GEF Portal. The GEF-8 enabling activity request template can be accessed on the GEF website at the start of the GEF-8 period on July 1, 2022.⁷

20. BTRs and combined BTR/NCs are defined as Enabling Activities at the GEF and follow the applicable GEF policies and guidelines.⁸

21. In response to the CMA.3 guidance regarding the potential of combining the application processes for support for producing BTRs, the GEF Secretariat plans to make available support for countries to access two BTRs and one NC (as applicable) as part of the same enabling activity project. As countries undertake the preparations of the first BTR, their experiences may generate new insights based on experience that may be relevant to further help inform the BTR

⁷ Information is available at: <https://www.thegef.org/documents/request-focal-area-enabling-activity-form-march-2019>

⁸ GEF, 2020, [Guidelines on the Project and Program Cycle Policy \(2020 Update\)](#), Council Document GEF/C.59/Inf.03.

costing and modalities. The GEF Secretariat stands ready to engage with countries and relevant Agency representatives in the GEF-8 period to further assess the BTR support provision.

22. Following the existing Guidelines on the Project and Program Cycle Policy⁹ and the GEF Project and Program Cycle Policy¹⁰, a single country enabling activity project up to USD 2 million is processed under the CEO expedited approval authority procedures, either as an expedited enabling activity up to USD 1 million or as a medium-size project above USD 1 million but up to USD 2 million. Updates, if any, to this policy for enabling activities, will be included in the GEF report to the COP.

COMMUNICATION AND OUTREACH

23. The GEF Secretariat plans to notify all Operational Focal Points (OFPs) and Convention Focal Points about the updated cost structure for the financing of BTRs. This notification is expected to take place by July 1, 2022.

24. The GEF Secretariat will also update the information about its BTR support on the GEF website. This information will also be included in regular GEF outreach efforts, including national dialogues, upstream country discussions, and extended constituency workshops.

⁹ Ibid.

¹⁰ GEF, 2018, [Project and Program Cycle Policy](#), Policy: OP/PL/01