

50<sup>th</sup> GEF Council Meeting  
June 07 – 09, 2016  
Washington, D.C.

Agenda Item 07

## **PROGRAMMING DIRECTIONS FOR THE CAPACITY-BUILDING INITIATIVE FOR TRANSPARENCY**

**Recommended Council Decision**

The Council, having reviewed document GEF/C.50/06, *Programming Directions for the Capacity-building Initiative for Transparency*, approves the programming and implementation modalities for the Capacity-building Initiative for Transparency, to be supported by a new Trust Fund as per document GEF/C.50/05, *Establishment of a New Trust Fund for the Capacity-building Initiative for Transparency*.

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## **INTRODUCTION**

1. The Paris Agreement was adopted at the Twenty-First Conference of the Parties (COP) to the United Nations Framework Convention on Climate Change (UNFCCC). Paragraph 84 of the COP decision adopting the Paris Agreement decided to establish “a Capacity-building Initiative for Transparency in order to build institutional and technical capacity, both pre- and post-2020” that “will support developing country Parties, upon request, in meeting enhanced transparency requirements as defined in Article 13 of the Agreement in a timely manner.”
2. The Capacity-building Initiative for Transparency (CBIT), as per paragraph 85 of the COP decision adopting the Paris Agreement, will aim:
  - (a) To strengthen national institutions for transparency-related activities in line with national priorities;
  - (b) To provide relevant tools, training and assistance for meeting the provisions stipulated in Article 13 of the Agreement;
  - (c) To assist in the improvement of transparency over time.

Annex I presents relevant sections of the COP decision adopting the Paris Agreement.

## **TRANSPARENCY IN THE PARIS AGREEMENT**

3. The Paris Agreement in Article 13 establishes an enhanced transparency framework for action and support, with built-in flexibility which takes into account Parties’ different capacities and builds upon collective experience.
4. The purpose of the framework for transparency of actions is to provide a clear understanding of climate change action in light of the objective of the Convention as set out in its Article 2, including clarity and tracking of progress towards achieving Parties’ individual nationally determined contributions, and Parties’ adaptation actions, including good practices, priorities, needs and gaps, to inform the global stocktake under Article 14 of the Paris Agreement. Annex II presents the Article 13 text.
5. Specifically, each Party is required to provide the following information:
  - (a) A national inventory report of anthropogenic emissions by sources and removals by sinks of greenhouse gases, prepared using good practice methodologies accepted by the Intergovernmental Panel on Climate Change and agreed upon by the Conference of the Parties servicing as the meeting of the Parties to the Paris Agreement;
  - (b) Information necessary to track progress made in implementing and achieving its nationally determined contribution under Article 4.

6. The Paris Agreement also states that countries should provide information on climate change impacts and adaptation under Article 7 of the Agreement.

7. The purpose of the framework for transparency of support is to provide clarity on support provided and received by relevant individual Parties, and, to the extent possible, to provide a full overview of aggregate financial support provided, to inform the global stocktake.

8. Developed country Parties shall, and other Parties that provide support should, provide information on financial, technology transfer, and capacity-building support provided to developing country Parties under Articles 9, 10, and 11 of the Agreement, and developing country Parties should provide information on financial, technology transfer, and capacity-building support needed and received under these Articles.

#### **ROLE OF THE GEF IN THE CBIT AS PER THE PARIS AGREEMENT**

9. Paragraph 86 of the COP decision adopting the Paris Agreement urged and requested the Global Environment Facility (GEF) to make arrangements to support the establishment and operation of the CBIT, including through voluntary contributions to support developing countries during GEF-6 and future replenishment cycles.

10. The decision also requested that the GEF include in its COP 22 report the progress of the work in the design, development, and implementation of the CBIT from 2016, and decided to assess the CBIT implementation in the context of the upcoming seventh review of the financial mechanism for the UNFCCC.

#### **ESTABLISHMENT OF THE CBIT AT THE GEF**

11. In practice, the COP decision requires that the GEF establishes a new trust fund that is fully able to accept contributions above and beyond those included in the GEF Trust Fund for the GEF-6 replenishment cycle. The GEF Secretariat has therefore prepared two documents for the 50th GEF Council. The first document, *Establishment of a New Trust Fund for the Capacity-building Initiative for Transparency* (GEF/C.50/05), concerns the establishment of a new trust fund, and includes the proposed governance, sunset clause, and financial management structure of the trust fund. In addition, this document (GEF/C.50/06) includes proposed programming directions and other key issues for the GEF Council to consider.

12. As described in the trust fund establishment document (GEF/C.50/05), the CBIT Trust Fund is proposed to be governed by the GEF Council acting as the CBIT Council (the “CBIT Council”), which will utilize the operational policies, procedures, and the governance structure of the GEF Council. All GEF policies and procedures, such as monitoring and evaluation policies, reporting requirements, gender policy, and environmental and social safeguards, will apply to projects supported by the CBIT. An evaluation of CBIT Trust Fund projects will be carried out during GEF-7.

13. Sunset provisions are also described in the trust fund establishment document. The CBIT Trust Fund will not receive new contributions from donors after the end of the GEF-6 period. The funds in the Trust Fund will be used to approve projects, activities or programmatic frameworks until the end of GEF-6 period, unless otherwise decided by the Council. If any funds remain unprogrammed at the end of GEF-6 period, the Council may decide to extend the programming period beyond GEF-6 period. If the Council decides not to extend such period, the Trustee and the respective donors need to agree on the modality of disposition of unprogrammed funds, including rolling up of such funds into the GEF Trust Fund.

14. The Trustee will continue to make commitments and cash transfers to the GEF Partner Agencies for the projects, activities or programs until five years after respective approval date (initially June 30, 2023). Extension of this date may be requested by the GEF Secretariat through submission of a 50 days prior request in writing to the Trustee, taking into account the status of projects under preparation and implementation.

15. The CBIT Trust Fund will terminate 18 months after the final commitment and cash transfer date (initially December 31, 2024) during which period, the Trustee will work with the relevant GEF Partner Agencies to receive relevant final financial reporting on the CBIT funds, as well as any unused funds from closed projects to be returned to the CBIT Trust Fund. The Trustee will also take any other necessary steps towards closure of the trust fund in accordance with its policies and procedures during this period.

16. Alignment and coordination with the GEF-6 Climate Change Programs will be sought, particularly for reporting-related projects, as described further in the section on Alignment with Existing GEF Support of this document. The CBIT efforts will also be an integral part of GEF's climate change support for GEF-7, financed by the GEF Trust Fund under regular replenishment. Elaboration of the integration of CBIT efforts into GEF-7 will be included in the Programming Directions document for GEF-7 as part of the GEF-7 replenishment exercise.

#### **PROPOSED PROGRAMMING PRIORITIES**

17. The CBIT is proposed to support activities aligned with its aim at the national and regional/global levels.

##### **National level**

18. Developing countries can request resources to implement the priority needs to build capacity to meet enhanced transparency requirements as defined in Article 13 of the Paris Agreement at the national level. The portfolio of support may include a range of activities included in the following non-exhaustive list.

##### **Activities to strengthen national institutions for transparency-related activities in line with national priorities:**

- (a) Support to national institutions to lead, plan, coordinate, implement, monitor,

and evaluate policies, strategies, and programs to enhance transparency, including identification and dissemination of best/good practices for institutional strengthening and national network of practitioners;

- (b) Support on how to integrate knowledge from transparency initiatives into national policy and decision-making; and
- (c) Assistance with deployment and enhancement of information and knowledge management structure to meet Article 13 needs.

**Activities to provide relevant tools, training, and assistance for meeting the provisions stipulated in Article 13:**

- (d) Access to tools, templates, and applications to facilitate the use of improved methodologies, guidelines, datasets, and database system tools and economic models needed for implementation of enhanced transparency-related activities;
- (e) Country-specific training and peer exchange programs on transparency activities, such as establishing domestic MRV systems, tracking nationally determined contributions (NDCs), enhancement of greenhouse gas (GHG) inventories and economic and emissions projections, including methodological approaches, data collection, and data management, and adaptation monitoring, evaluation, and communication measures;
- (f) Development of country-specific emissions factors and activity data;
- (g) Assistance in quantifying and reporting impact of policy measures;
- (h) Clarifying key NDC information, e.g. baseline projections including for business-as-usual targets, and reporting progress towards achieving their NDCs; and
- (i) Assistance in quantifying and reporting on support provided and received.

**Activities to assist with improvement of transparency over time:**

- (j) Capacity needs assessment for transparency, in particular to assess institutional arrangements for data collection, analysis, and reporting: the assessment supports mapping of current baseline and planned reporting and related activities, including associated institutions, tools, methodologies, MRV systems, associated data systems;<sup>1</sup> and
- (k) Support to introduce and maintain progress tracking tools for transparency-related actions and progress towards targets/goals.

19. Recently completed analyses, such as identification of capacity building needs as identified in the technical analysis of Biennial Update Reports through the international

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<sup>1</sup> The assessment is to include a stocktake of the inventory and MRV-related capacity support provided by bilateral, multilateral and other initiatives, and incorporates the recommendations and lesson learned from that support. The assessment is also expected include an analysis of gaps in implementing transparency-related activities and knowledge. It is expected to articulate priority needs to be addressed as well as targets/goals for enhancing transparency of action.

consultation and analysis (ICA)<sup>2</sup>, is expected to inform this exercise. If a country has carried out a GEF National Capacity Self-Assessment (NCSA) for Global Environmental Management recently, the NCSA findings should also be utilized. Assessments done by other organizations should also be utilized as appropriate.

### **Regional and global level**

20. *Global coordination platform:* A global, cross-cutting CBIT program coordination platform will be established to support the CBIT management, with the engagement of the GEF Secretariat. The platform will enable coordination, maximize learning opportunities, and enable knowledge sharing to facilitate transparency enhancements. The platform will engage countries, the GEF Partner Agencies, and other relevant entities and institutions with related programming activities to enhance partnership of national, multilateral, and bilaterally-supported capacity-building initiatives.

21. Additional elements will also be eligible for support at the regional and global level, as presented in the following non-exhaustive list:

- (a) Global assessment of transparency, and capacity needs and achievements as needed;
- (b) Development and sharing of best practices on establishing and enhancing transparency, and building capacity, building on existing best practice materials, sharing of tools, methodologies, and data, and technical consultations on lessons learned from ongoing/existing assessments;
- (c) Implementation of progress tracking tools in all participating countries;
- (d) Regional and global capacity building programs to enhance transparency, such as institutional and policy measures, tools, methodologies, and data, tracking progress and enhancements;
- (e) Exchange of transparency practitioners and experts, planners and implementers: south-south and north-south exchange of experiences and lessons learned;
- (f) Collaboration with ongoing Global Programs that support NDC implementation;
- (g) Collaboration with UNFCCC bodies on transparency and capacity building;
- (h) Collaboration with Intergovernmental Panel on Climate Change, including Taskforce on National Greenhouse Gas Inventories and other initiatives supporting UNFCCC processes; and
- (i) Contributions to knowledge management on transparency-related initiatives.

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<sup>2</sup> As part of the ICA of developing country Biennial Update Reports, teams of technical experts work with countries to identify capacity building needs to facilitate transparency-related activities. This process provides developing countries with a menu of capacity-building needs from which they could build programming applications.

## RESOURCE ENVELOPE AND INDICATIVE ALLOCATIONS

22. The total resource envelope for the CBIT is expected to be approximately \$50 million. This resource envelope is to be programmed by the end of the GEF-6 period, to enable countries to start addressing needs in the pre-2020 period. The allocation under the CBIT will be demand-driven, within its mandate. The indicative allocations for the proposed programming priority categories are shown in Table 1. The scope of activities will be impacted by resource availability and cash flow.

**Table 1: Indicative Allocations for CBIT Activities**

<b>Activity</b>	<b>Indicative allocation</b>
<b>National programs</b>	<b>\$40 million<sup>3</sup></b>
<b>Regional/global programs and coordination</b>	<b>\$10 million</b>
<b>Total</b>	<b>\$50 million</b>

## ELIGIBILITY TO ACCESS CBIT SUPPORT

23. In line with the Paris Agreement and its decision, all developing country Parties will have access to the CBIT, upon request.

24. The GEF Secretariat will make a dedicated effort to enhance awareness about the CBIT and to encourage countries to access support, including through outreach activities in connection with UNFCCC meetings, GEF Extended Constituency Workshops, National Dialogues, GEF Introduction Seminars, workshops and meetings organized by relevant partner institutions, and other activities.

## PRIORITIES FOR SUPPORT

25. All developing country Parties may make proposals that meet CBIT objectives to access CBIT resources. The CBIT will seek to fund a diversity of countries and regions, taking into account of each country's capacity. Proposals for both full-sized projects and medium-sized projects, as per the established policies and procedures of the GEF, will be considered. Medium-sized projects can be submitted for CEO consideration on a rolling basis, consistent with regular processing modalities.

26. Proposals will be prioritized based on demonstrated responsiveness to Paris Agreement transparency requirements under Article 13. Proposals will also be prioritized for those countries that are in most need of capacity-building assistance for transparency-related

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<sup>3</sup> Each country may request up to US\$100,000 for an optional capacity needs assessment, which is item (j) of national level programming priorities in paragraph 18 of this document.

activities, in particular small island developing States (SIDs) and least developed countries (LDCs).<sup>4</sup>

27. Countries will be requested to submit a proposal to the GEF Secretariat through GEF Partner Agency/Agencies, as per the established policies and procedures of the GEF. Engagement of national entities as execution partners will be strongly encouraged. Proposals should identify priorities to be addressed as well as robust justifications for the level of support requested.

## RESULTS FRAMEWORK

28. The results framework for the CBIT is to be harmonized with the GEF-6 Climate Change Mitigation results framework, which includes seven core outcome indicators as described in the GEF-6 Programming Directions document.<sup>5</sup>

29. For CBIT projects, four core outcome indicators for GEF-6 Climate Change Mitigation results framework will be monitored. Indicators 1 through 3 are used for all GEF-6 projects with resources from the Climate Change Mitigation focal area, while the fourth indicator (indicator 7 for the GEF-6 Climate Change Mitigation results framework) is applied to monitor projects that address Convention obligations and enabling activities.<sup>6</sup> They are as follows:

- (a) Indicator 1: Tons of GHGs reduced or avoided
- (b) Indicator 2: Volume of investment mobilized and leveraged by GEF projects for low GHG development
- (c) Indicator 3: MRV systems for emissions reductions in place and reporting verified data (see Annex III for further information)
- (d) Indicator 7: number of countries meeting Convention reporting requirements and including mitigation contributions.

30. The indicator on Convention obligations will be used to also monitor timeliness of submissions and number of countries reporting on progress towards GHG targets.

31. The CBIT projects will also monitor an additional indicator on institutional capacity built for transparency-related activities under Article 13 of the Paris Agreement. This is a qualitative indicator, described further in Annex IV.

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<sup>4</sup> Pursuant to paragraph 90 of the COP decision adopting the Paris Agreement, LDC Parties and SIDS may submit information under the enhanced transparency framework at their discretion.

<sup>5</sup> The programming directions for GEF-6 was endorsed by the GEF Council as part of the *Summary of Negotiations of the Sixth Replenishment of the GEF Trust Fund* (GEF/C.46/07/Rev.01).

<sup>6</sup> For CBIT projects, outcome indicators 2 and 3, and the indicator on Convention obligations and enabling activities are directly relevant. While outcome indicator 1 on GHG emissions may not be directly relevant for CBIT, it is included to facilitate consistency in results management with projects supported by the regular GEF Trust Fund.

32. Targets for the CBIT indicators include:
- (a) 100%: percentage of countries receiving CBIT support that have shown improvements in the outcome indicator of MRV system improvements, and
  - (b) 100 countries: minimum number of countries that have articulated their capacity needs and priorities for transparency.
33. Data on indicators are collected and analyzed at the time of the CEO endorsement, at mid-term, and at the project completed, using the GEF Tracking Tool.

#### **GENDER MAINSTREAMING AND INDICATORS**

34. The GEF Policy on Gender Mainstreaming<sup>7</sup> will be applied to the CBIT. This Policy prompts new projects to conduct a gender analysis and to develop gender responsive results-based frameworks. This is a key to ensuring that women's needs, voice, leadership and participation are taken into account in project design, implementation and evaluation.

35. The implementation of the Policy is supported by the GEF's Gender Equality Action Plan (GEAP).<sup>8</sup> The GEAP outlines, among other elements, GEF's results framework for gender mainstreaming and three outcome areas linked to the project cycle: (1) project design fully integrates gender; (2) project implementation ensures gender equitable participation in and benefit from project activities; and (3) project monitoring and evaluation give adequate attention to gender. These gender outcomes will be monitored and tracked at the program level by the following GEF-6 core gender indicators:

- (a) Percentage of projects that have conducted gender analysis during project preparation;
- (b) Percentage of projects that have incorporated a gender sensitive project results framework, including gender sensitive actions, indicators, targets, and/or budget;
- (c) Share of women and men as direct beneficiaries of project;
- (d) Number of national/regional/global policies, legislations, plan, and strategies that incorporate gender dimensions; and
- (e) Percentage of Project Implementation Reports, Mid-term Evaluation and Terminal Evaluation Reports that incorporate gender equality and women's empowerment and assess results/progress.

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<sup>7</sup> GEF Policy on Gender Mainstreaming (GEF/: SD/PL/02) can be accessed from: [www.thegef.org/gef/sites/thegef.org/files/Gender\\_Mainstreaming\\_Policy.pdf](http://www.thegef.org/gef/sites/thegef.org/files/Gender_Mainstreaming_Policy.pdf)

<sup>8</sup> GEF Gender Equality Action Plan (GEF/C.47/09) can be accessed from: [https://www.thegef.org/gef/sites/thegef.org/files/documents/25\\_EN\\_GEF.C.47.09\\_Gender\\_Equality\\_Action\\_Plan.pdf](https://www.thegef.org/gef/sites/thegef.org/files/documents/25_EN_GEF.C.47.09_Gender_Equality_Action_Plan.pdf)

36. Projects will use gender-sensitive indicators and sex-disaggregated data. They will be systematically reported, and integrated into adaptation management responses at the project level. GEF will undertake periodic reviews of the portfolio and highlight best practices in mainstreaming gender into projects, including through Annual Monitoring Review and Learning Missions.

#### **ENGAGEMENT WITH RELEVANT ENTITIES**

37. To further inform CBIT development, the GEF Secretariat has been consulting with a wide array of technical entities already involved in various aspects of enabling activities and transparency-related activities, including the following:

- (a) Existing GEF projects and programs on reporting and Convention obligations, and relevant engaged Agencies;
- (b) Emerging and existing initiatives in related fields, including the Initiative for Climate Action Transparency (ICAT), the Coalition on Paris Agreement Capacity Building, the International Partnership on Mitigation and MRV, and initiatives that support NDC implementation; and
- (c) Other entities engaged in enhancing transparency, such as national institutions, bilateral agencies, international organizations, and others.

38. As the CBIT needs to support the transparency framework, close coordination and consultations with relevant UNFCCC bodies related to transparency, capacity building, and reporting (review) are sought, including ICA and the Consultative Group on Experts on National Communications from non-Annex I Parties (CGE).

39. Engagement with these entities and relevant UNFCCC bodies will be sought at the global and regional level through the coordination mechanism, to facilitate partnerships, share best practices and lessons learned, maximize learning opportunities, coordinate support, and enable knowledge sharing to facilitate transparency enhancements.

40. At the national level, the CBIT support will aim to incorporate the recommendations and lessons learned from support provided by bilateral, multilateral, and other initiatives, and will facilitate national-level partnership enhancement. The assessment of capacity-building needs and gaps should also be shared with stakeholders and partners, so that others can provide support to areas that CBIT does not address.

#### **ALIGNMENT WITH EXISTING GEF SUPPORT**

41. The GEF provides resources to developing countries for the preparation of National Communications, Biennial Update Reports, and National Adaptation Plans of Action in line with the guidance which has been received from UNFCCC. The GEF has also financed preparations of Intended Nationally Determined Contributions (INDCs) in 46 countries. In terms of capacity building support, GEF's ongoing programs such as the Global Support Program for National

Communications, Biennial Update Reports, and INDCs provide technical assistance, training, and other support to help prepare these reports and to improve the quality of reports so that they are more widely used for planning, climate negotiations, and for support for low-emission and climate resilient projects. Alignments and coordination with these existing initiatives will be sought to enhance efficiency of support and to minimize duplication of efforts.

42. Furthermore, COP 21 guidance requested the GEF to consider how to support developing country Parties in formulating policies, strategies, and programs and projects to implement activities that advance priorities identified in their respective INDCs. While supporting projects to implement INDCs, the GEF will work with countries and Agencies to coordinate with the CBIT activities to generate good practices and lessons learned in tracking progress made in implementing and achieving INDCs under Article 4.

#### **INDICATIVE TIMELINE**

43. The CBIT Trust Fund establishment and operationalization will have the following indicative timeline:

- (a) The June 2016 GEF Council will deliberate the approval of the CBIT Trust Fund establishment;
- (b) The June 2016 GEF Council will deliberate the approval of the CBIT programming directions, including its indicative allocations, programming priorities, and results framework;
- (c) Upon GEF Council approval, the CBIT Trust Fund proposal will be sent for World Bank's Senior Management Review and approval in accordance with World Bank's applicable procedures for establishing a trust fund;
- (d) The Trust Fund is expected to be established by the Trustee to receive contributions from donors before October 2016 GEF Council meeting;
- (e) Subject to the approval of the Trust Fund establishment and programming directions, availability of resources in the CBIT Trust Fund and technically cleared projects, efforts will be made to approve the first set of projects prior to the 22<sup>nd</sup> COP to UNFCCC in November 2016; and
- (f) The budget request for the GEF Secretariat and the Trustee for their activities under the CBIT Trust Fund will be submitted for GEF Council decision in spring 2017.

## ANNEX I. COP DECISION ON TRANSPARENCY AND CBIT

### *Transparency of action and support*

84. *Decides* to establish a Capacity-building Initiative for Transparency in order to build institutional and technical capacity, both pre- and post-2020; this initiative will support developing country Parties, upon request, in meeting enhanced transparency requirements as defined in Article 13 of the Agreement in a timely manner;
85. *Also decides* that the Capacity-building Initiative for Transparency will aim:
  - (a) To strengthen national institutions for transparency-related activities in line with national priorities;
  - (b) To provide relevant tools, training and assistance for meeting the provisions stipulated in Article 13 of the Agreement;
  - (c) To assist in the improvement of transparency over time;
86. *Urges and requests* the Global Environment Facility to make arrangements to support the establishment and operation of the Capacity-building Initiative for Transparency as a priority reporting-related need, including through voluntary contributions to support developing country Parties in the sixth replenishment of the Global Environment Facility and future replenishment cycles, to complement existing support under the Global Environment Facility;
87. *Decides* to assess the implementation of the Capacity-building Initiative for Transparency in the context of the seventh review of the Financial Mechanism;
88. *Requests* that the Global Environment Facility, as an operating entity of the Financial Mechanism, include in its annual report to the Conference of the Parties the progress of work in the design, development and implementation of the Capacity-building Initiative for Transparency referred to in paragraph 84 above starting in 2016;
89. *Decides* that, in accordance with Article 13, paragraph 2, of the Agreement, developing country Parties shall be provided flexibility in the implementation of the provisions of that Article, including in the scope, frequency and level of detail of reporting, and in the scope of review, and that the scope of review could provide for in-country reviews to be optional, while such flexibilities shall be reflected in the development of modalities, procedures and guidelines referred to in paragraph 91 below;
90. *Also decides* that all Parties, except for the least developed country Parties and small island developing States, shall submit the information referred to in Article 13, paragraphs 7, 8, 9 and 10, of the Agreement, as appropriate, no less frequently than on a biennial basis, and that the least developed country Parties and small island developing States may submit this information at their discretion;
91. *Requests* the Ad Hoc Working Group on the Paris Agreement to develop recommendations for modalities, procedures and guidelines in accordance with Article 13, paragraph 13, of the Agreement, and to define the year of their first and subsequent

- review and update, as appropriate, at regular intervals, for consideration by the Conference of the Parties, at its twenty-fourth session, with a view to forwarding them to the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement for consideration and adoption at its first session;
91. *Requests* the Ad Hoc Working Group on the Paris Agreement to develop recommendations for modalities, procedures and guidelines in accordance with Article 13, paragraph 13, of the Agreement, and to define the year of their first and subsequent review and update, as appropriate, at regular intervals, for consideration by the Conference of the Parties, at its twenty-fourth session, with a view to forwarding them to the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement for consideration and adoption at its first session;
92. *Also requests* the Ad Hoc Working Group on the Paris Agreement, in developing the recommendations for the modalities, procedures and guidelines referred to in paragraph 91 above, to take into account, inter alia:
- (a) The importance of facilitating improved reporting and transparency over time;
  - (b) The need to provide flexibility to those developing country Parties that need it in the light of their capacities;
  - (c) The need to promote transparency, accuracy, completeness, consistency and comparability;
  - (d) The need to avoid duplication as well as undue burden on Parties and the secretariat;
  - (e) The need to ensure that Parties maintain at least the frequency and quality of reporting in accordance with their respective obligations under the Convention;
  - (f) The need to ensure that double counting is avoided;
  - (g) The need to ensure environmental integrity;
93. *Further requests* the Ad Hoc Working Group on the Paris Agreement, in developing the modalities, procedures and guidelines referred to in paragraph 91 above, to draw on the experiences from and take into account other ongoing relevant processes under the Convention;
94. *Requests* the Ad Hoc Working Group on the Paris Agreement, in developing the modalities, procedures and guidelines referred to in paragraph 91 above, to consider, inter alia:
- (a) The types of flexibility available to those developing country Parties that need it on the basis of their capacities;
  - (b) The consistency between the methodology communicated in the nationally determined contribution and the methodology for reporting on progress made towards achieving individual Parties' respective nationally determined contribution;

- (c) That Parties report information on adaptation action and planning including, if appropriate, their national adaptation plans, with a view to collectively exchanging information and sharing lessons learned;
  - (d) Support provided, enhancing delivery of support for both adaptation and mitigation through, inter alia, the common tabular formats for reporting support, and taking into account issues considered by the Subsidiary Body for Scientific and Technological Advice on methodologies for reporting on financial information, and enhancing the reporting by developing country Parties on support received, including the use, impact and estimated results thereof;
  - (e) Information in the biennial assessments and other reports of the Standing Committee on Finance and other relevant bodies under the Convention;
  - (f) Information on the social and economic impact of response measures;
95. *Also requests* the Ad Hoc Working Group on the Paris Agreement, in developing recommendations for the modalities, procedures and guidelines referred to in paragraph 91 above, to enhance the transparency of support provided in accordance with Article 9 of the Agreement;
96. *Further requests* the Ad Hoc Working Group on the Paris Agreement to report on the progress of work on the modalities, procedures and guidelines referred to in paragraph 91 above to future sessions of the Conference of the Parties, and that this work be concluded no later than 2018;
97. *Decides* that the modalities, procedures and guidelines developed under paragraph 91 above shall be applied upon the entry into force of the Paris Agreement;
98. *Also decides* that the modalities, procedures and guidelines of this transparency framework shall build upon and eventually supersede the measurement, reporting and verification system established by decision 1/CP.16, paragraphs 40–47 and 60–64, and decision 2/CP.17, paragraphs 12–62, immediately following the submission of the final biennial reports and biennial update reports;

## ANNEX II. PARIS AGREEMENT ARTICLE 13 ON TRANSPARENCY

### Article 13

1. In order to build mutual trust and confidence and to promote effective implementation, an enhanced transparency framework for action and support, with built-in flexibility which takes into account Parties' different capacities and builds upon collective experience is hereby established.
2. The transparency framework shall provide flexibility in the implementation of the provisions of this Article to those developing country Parties that need it in the light of their capacities. The modalities, procedures and guidelines referred to in paragraph 13 of this Article shall reflect such flexibility.
3. The transparency framework shall build on and enhance the transparency arrangements under the Convention, recognizing the special circumstances of the least developed countries and small island developing States, and be implemented in a facilitative, non-intrusive, non-punitive manner, respectful of national sovereignty, and avoid placing undue burden on Parties.
4. The transparency arrangements under the Convention, including national communications, biennial reports and biennial update reports, international assessment and review and international consultation and analysis, shall form part of the experience drawn upon for the development of the modalities, procedures and guidelines under paragraph 13 of this Article.
5. The purpose of the framework for transparency of action is to provide a clear understanding of climate change action in the light of the objective of the Convention as set out in its Article 2, including clarity and tracking of progress towards achieving Parties' individual nationally determined contributions under Article 4, and Parties' adaptation actions under Article 7, including good practices, priorities, needs and gaps, to inform the global stocktake under Article 14.
6. The purpose of the framework for transparency of support is to provide clarity on support provided and received by relevant individual Parties in the context of climate change actions under Articles 4, 7, 9, 10 and 11, and, to the extent possible, to provide a full overview of aggregate financial support provided, to inform the global stocktake under Article 14.
7. Each Party shall regularly provide the following information:
  - (a) A national inventory report of anthropogenic emissions by sources and removals by sinks of greenhouse gases, prepared using good practice methodologies accepted by the Intergovernmental Panel on Climate Change and agreed upon by the Conference of the Parties serving as the meeting of the Parties to this Agreement; and

- (b) Information necessary to track progress made in implementing and achieving its nationally determined contribution under Article 4.
8. Each Party should also provide information related to climate change impacts and adaptation under Article 7, as appropriate.
  9. Developed country Parties shall, and other Parties that provide support should, provide information on financial, technology transfer and capacity-building support provided to developing country Parties under Articles 9, 10 and 11.
  10. Developing country Parties should provide information on financial, technology transfer and capacity-building support needed and received under Articles 9, 10 and 11.
  11. Information submitted by each Party under paragraphs 7 and 9 of this Article shall undergo a technical expert review, in accordance with decision 1/CP.21. For those developing country Parties that need it in the light of their capacities, the review process shall include assistance in identifying capacity-building needs. In addition, each Party shall participate in a facilitative, multilateral consideration of progress with respect to efforts under Article 9, and its respective implementation and achievement of its nationally determined contribution.
  12. The technical expert review under this paragraph shall consist of a consideration of the Party's support provided, as relevant, and its implementation and achievement of its nationally determined contribution. The review shall also identify areas of improvement for the Party, and include a review of the consistency of the information with the modalities, procedures and guidelines referred to in paragraph 13 of this Article, taking into account the flexibility accorded to the Party under paragraph 2 of this Article. The review shall pay particular attention to the respective national capabilities and circumstances of developing country Parties.
  13. The Conference of the Parties serving as the meeting of the Parties to this Agreement shall, at its first session, building on experience from the arrangements related to transparency under the Convention, and elaborating on the provisions in this Article, adopt common modalities, procedures and guidelines, as appropriate, for the transparency of action and support.
  14. Support shall be provided to developing countries for the implementation of this Article.
  15. Support shall also be provided for the building of transparency-related capacity of developing country Parties on a continuous basis.

### ANNEX III. GEF-6 CLIMATE CHANGE MITIGATION FOCAL AREA INDICATOR ON MRV

The description below is excerpted from the Programming Directions for GEF-6, included in the *Summary of Negotiations of the Sixth Replenishment of the GEF Trust Fund* (GEF/C.46/07/Rev.01).

1. Indicator 3: The quality of MRV systems tracking results related to low-GHG development and GHG emissions mitigation is essential for ensuring transparency, accuracy and comparability of information with regard to climate change. They also act as repositories of knowledge and information and contribute to improving the design and prioritization of action to reduce GHG.
2. The key elements of an MRV are described by the following table and the assessment of the quality of these elements is done on a scale of 1-10.
3. Guidance for Ratings<sup>9</sup>:
  1. Very little measurement is done, reporting is partial and irregular and verification is not there
  2. Measurement systems are in place but data is of poor quality and/or methodologies are not very robust; reporting is done only on request or to limited audience or partially; verification is not there
  3. Measurement systems are in place for a few activities, improved data quality and methodologies, but not cost or time efficient; wider access to reporting is still limited and information is partial; verification is rudimentary/non-standardized
  4. Measurement systems are strong in a limited set of activities however, analyses still needs improvement; periodic monitoring and reporting although not yet cost/time efficient; verification is only upon specific request and limited
  5. Measurement systems are strong for a limited set of activities and periodically report on key GHG related indicators i.e. mainstreamed into the activity implementation; reporting is improved through few pathways but limited audience and formats; verification limited
  6. Measurement systems are strong and cover a greater percentage of activities – feedback loops exist even if they are not fully functioning; reporting is available through multiple pathways and formats but may not be complete/transparent; verification is done through standard methodologies but only partially (i.e. not all data is verifiable)
  7. Measurement regarding GHG is broadly done (with widely acceptable methodologies), need for more sophisticated analyses to improve policy; Reporting

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<sup>9</sup> While this is a subjective rating, the guidance for the ratings provides direction for benchmarking the quality of the MRV systems

is periodic with improvements in transparency; verification is done through more sophisticated methods even if partially

8. Strong standardized measurements processes established for key indicators and mainstreamed into institutional policy implementation; reporting is widely available in multiple formats; verification is done for a larger set of information
9. Strong Monitoring and Reporting systems – robust methodologies, cost effective and efficient, periodic; verification done to a significant degree
10. Strong MRV systems that provide quality GHG related information in a transparent, accurate and accessible to a wide audience, with feedback of information from MRV flowing into policy design and implementation

4. Questions and elements to consider in assessing the quality of MRV systems in arriving at the rating would include the following:

	<b>Measurement</b>	<b>Reporting</b>	<b>Verification</b>
<b>What</b>	Is what is being measured clearly defined? Are indicators associated with actions appropriate?	What is being reported? In what form? Is it complete information?	What is the process for verification?
<b>How</b>	Are methodologies for measurement robust? How cost effective/efficient is it?	What are the reporting pathways/ formats? Accessible to how many? How cost effective is it?	Are methodologies for verification standard accepted? How cost effective is it?
<b>Who</b>	Who is doing the measurement? Collating the information? Analyzing it?	Who is responsible for reporting the information? To whom?	Who is doing the verification?
<b>When</b>	Is there a standard measurement cycle? Is it periodic or one-time only (eg. Project based)?	When is the reporting done? Does reporting match key milestones / monitoring periods (CIF reporting, Convention reporting etc)?	When is verification done? As a standard or only on demand for specific indicators

#### **ANNEX IV. INDICATOR FOR QUALITATIVE ASSESSMENT OF INSTITUTIONAL CAPACITY FOR TRANSPARENCY-RELATED ACTIVITIES**

CBIT projects will monitor an additional indicator for qualitative assessment of institutional capacity built for transparency-related activities under Article 13 of the Paris Agreement. The assessment will be done on a scale of 1-4. Guidance for ratings is as follows:

1. No designated transparency institution to support and coordinate the planning and implementation of transparency activities under Article 13 of the Paris Agreement exists.
2. Designated transparency institution exists, but with limited staff and capacity to support and coordinate implementation of transparency activities under Article 13 of Paris Agreement. Institution lacks authority or mandate to coordinate transparency activities under Article 13.
3. Designated transparency institution has an organizational unit with standing staff with some capacity to coordinate and implement transparency activities under Article 13 of the Paris Agreement. Institution has authority or mandate to coordinate transparency activities under Article 13. Activities are not integrated into national planning or budgeting activities.
4. Designated transparency institution(s) has an organizational unit with standing staff with some capacity to coordinate and implement transparency activities. Institution(s) has clear mandate or authority to coordinate activities under Article 13 of the Paris Agreement, and activities are integrated into national planning and budgeting activities.