

Meeting Summary
Third Informal Consultation Meeting on
Financial Support for Biennial Transparency Reports
February 24, 2022
8:00-11:00 Eastern Standard Time (virtual)

The GEF organized a third Informal Consultation on Financial Support for the Biennial Transparency Reports (BTRs) to receive informal feedback to help identify and assess any necessary adjustments to the current operational guidelines and costing related to the support for BTR preparation. The informal meeting was designed to gather information relevant to respond to the guidance received by the GEF at the third Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA.3).

Welcome remarks and introduction

The informal meeting was attended by 52 participants, including government representatives, members from the Consultative Group of Experts (CGE), the United Nations Framework Convention on Climate Change (UNFCCC) Secretariat, the United Nations Development Programme (UNDP), the United Nations Environment Programme (UNEP) and the Global Environment Facility (GEF) Secretariat personnel.

Gustavo Fonseca, Director of Programs at the GEF Secretariat, opened the virtual meeting, providing the context based on the developments made since the last informal consultation and highlighting key considerations for revising the current operational guidelines and costing related to the support for BTR preparation to help inform how the GEF can respond to guidance received on enhancing BTR support. First, he emphasized the efforts being made to improve efficiency throughout the entire reporting cycle. Second, he reminded that the technical discussion occurs in parallel with the GEF-8 replenishment negotiations, which is impacted by the consensus to be reached on the set-aside figures.

Filippo Berardi from the GEF Secretariat acted as moderator of the third informal consultation. He explained the objective of the informal meeting and provided a timeline of the milestones and main actions taken by the GEF concerning the support for BTR preparation.

Update on Enhanced Transparency Framework and BTRs

Jigme from the UNFCCC Secretariat provided an update on the outcomes of COP 26 and CMA.3 on Monitoring, Reporting and Verification (MRV) and Transparency. He emphasized that the main transparency issues under negotiation at COP 26 and CMA.3 focused on completing the

modalities, procedures and guidelines (MPGs) for the enhanced transparency framework (ETF) and the support to developing country Parties to implement it.

Jigme also provided a snapshot of a survey conducted by the CGE in 2021, which assessed the challenges faced by developing country Parties to implement the ETF. According to this survey, collecting data is the most challenging phase in the national report preparation process. He also confirmed that BTRs have a broader scope compared to National Communications (NCs) and Biennial Updated Reports (BURs), and require more granular information.

Regarding next steps to facilitate the transition to ETF, he mentioned the need to, *inter alia*, (i) start promoting Glasgow transparency outcomes and universal participation in the ETF, (ii) encourage developing country Parties to transition to the ETF, including accessing funds from the GEF, if needed, as soon as possible, as well as (iii) the need to start building the new ETF processes, including tools, training and procedures.

Key points raised during this session include the following:

- One participant requested a clarification on the focus of the informal consultation and if it included the other two elements as per COP 26 guidance (capacity-building and system establishment for reporting in developing countries).
- Chizuru Aoki of the GEF Secretariat clarified that this meeting was the third of a series of informal consultations related specifically to financial support for BTRs. She stated that capacity-building and related support are provided to countries upon request through the Capacity-building Initiative for Transparency (CBIT). She also touched on the Global Coordination Platform and the annual coordination meetings among countries and institutions as additional support provided for countries to help enhance reporting systems and knowledge sharing.

Costing of BTRs

Esteban Bermudez Forn from the GEF Secretariat started the discussion by giving a presentation that highlighted the CMA.3 guidance to the GEF relevant to the costing of BTRs. The guidance includes the request to 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).

Mr. Bermudez outlined the indicative cost of the three available support modalities for the first BTRs¹: US\$484,000 for stand-alone BTR, \$517,000 for combined BTR and National Communication (NC), and up to \$200,000 for additional financing or top-up. Mr. Bermudez further elaborated that this indicative cost is based on an analysis conducted during the Second BTR Informal Consultation of November 2020 and that it took into consideration the Modalities, Procedures and Guidelines (MPGs) adopted during CMA 1.3 and compared it to the cost of Biennial Update Reports (BURs) and NC. The main question to explore during this session was the following:

Which cost elements merit adjustments in the current agreed full cost amounts for BTR support, based on the adopted modalities, procedures and guidelines (MPGs), and how could they be adjusted?

The key points raised during this session included the following:

- One participant requested a clarification on how the initial cost structures for NCs, BURs, and BTRs had been developed. The GEF Secretariat clarified that agreed full costs for NCs and BURs have been determined by the GEF Secretariat based on consultations with relevant agencies, and notified to countries. Historically, the GEF Secretariat has also updated the figures based on feedbacks received. The indicative costs of the modalities to support the first BTR were based on a cost analysis that was presented and discussed during the Second Informal Consultation of November 2020. This analysis compared the indicative cost of the BTR components with the agreed full costs of NC and BUR components.
- Some participants suggested the idea of a survey or a study to further explore and receive input on cost estimation for BTRs. The GEF Secretariat highlighted that the GEF provides supports for the preparation of many reports under multiple conventions, and that conducting a survey each one of them would not be practical. The Secretariat also clarified that the operationalization of support for convention obligations, including costing, is under the purview of the GEF. The informal consultations, such as this meeting, are organized to help inform the process.
- Feedback on the costing of BTRs included the following:
 - Several participants raised the point that the current allocation for certain BTR components may be low, since BTRs require more in-depth information gathering than BURs and NCs.
 - While a number of different costing elements were highlighted as potentially needing more resources compared to the current BTR costing table, several participants converged in indicating that the mitigation component, specifically (i) national greenhouse gas (GHG) inventories and (ii) information on mitigation actions and their impacts, may need more resources compared with BURs and NCs.

¹ 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.

- The GEF Secretariat requested participants to provide specific figures, based on their experiences. One participant suggested that the GHG Inventory element could cost up to \$300,000. Another participant mentioned that the GHG Inventory element could be doubled (currently at \$160,000). Another participant suggested that an option would be to understand the cost for other countries, including developed countries.
- Participants also suggested that the cost can vary significantly based on country circumstances. Moreover, some participants mentioned the tradeoff that some countries face between using the STAR allocation for BTR reporting (or other UNFCCC related reporting) and other climate action priorities. The GEF Secretariat indicated that there is an option for larger countries, who may also have larger STAR allocations, to use a portion of their STAR funds to cover higher than usual costs for their BTRs. Ms. Aoki from the GEF Secretariat mentioned that six out of 131 countries have opted to use a portion of their STAR resources in addition to the allocated BUR set-aside to prepare a total of 17 BURs. She also emphasized that these countries all had significant STAR allocations.
- Another element that was indicated as potentially needing increased resources is the component related to needs and support.
- Participants also asked why the cells for ‘national circumstances and institutional arrangements’ are blank in the BTR costing table presented. The GEF Secretariat clarified that the reason is that information on national circumstances and institutional arrangements are already included under each component of the BTR as presented in the MPGs.
- The importance of gender was raised, and how that may be factored into the BTR costing.
- Participants also raised the issue of “optional” components of the BTR, such as adaptation, and a question was raised as to whether GEF projects adjusted or should adjust the total funding if an optional element was not included in the project. The GEF Secretariat clarified that while in theory that is the case, for all practical purposes, countries and Agencies generally present the case for the full allocated funding for reports, even if the optional elements are not included.
- One participant highlighted that CBIT is a key complement to BTR financial support and suggested exploring how CBIT may best enable countries in BTR preparation.
- One participant stated the importance of ensuring no overlap among NCs and BTR elements vis-a-vis costing.
- One participant emphasized the point that the focus should not only be on mitigation component but other aspects such as adaptation, especially those countries with larger Nationally Determined Contributions (NDCs). And while BTR and its contents are mandated by the Paris Agreement, it is also important to consider what elements a country may want to focus on – and the costing could allow for that flexibility.
- The GEF Secretariat did not receive specific cost suggestions on the BTR components, except for those mentioned above. This may be in part reflective of the limited experiences with BTR preparations at this juncture.

Perspectives on modalities for enhanced BTR support

Patricia Marcos Huidobro from the GEF Secretariat made a presentation on existing modalities for enhanced BTR support. She recalled an extract from the CMA.3 guidance to the GEF relevant to the modalities of support for BTRs, which requests the GEF to consider raising the funding ceiling of expedited enabling activity (EA) projects. Ms. Marcos also noted that the CMA.3 guidance also encouraged the GEF, countries and implementing agencies to work collaboratively to ensure that financing of BTRs is delivered in a timely manner, including the application of the bundled modality and expedited procedures for enabling activities.

Ms. Marcos presented the status of the GEF support to first BTRs. As of February 24, 2022, the GEF had approved support for 12 BTRs covering 11 countries (including two countries that used a portion of their STAR allocation). She stressed that it takes on average 2.5 months between the initial funding request and GEF approval of BTR related projects. She also presented the operational guidelines and considerations relevant to the three modalities to support the first BTR: (1) Stand-alone BTR, (2) Combined BTR and National Communication, and (3) Additional financing (top-up). The key questions to explore during this session were the following:

How are the current operational modalities and procedures responding to the need to further support countries to prepare and submit their first BTR before December 31, 2024, and can any possible adjustment be introduced to enhance efficiency? How can the GEF help to expedite BTR submission to UNFCCC?

Claudia Ortiz and Eva Huttova from UNDP presented the Agency's perspectives on modalities for enhanced BTR support. They provided a snapshot of the submission to the UNFCCC of NCs and BURs, as well as a timeline to support the first BTR before the December 2024 deadline. UNDP representatives also presented their current pipeline for BTR support that is expected to be submitted in the upcoming months (before the end of GEF-7). It includes three countries under the Stand-alone BTR modality and four under the Combined BTR/NC modality.

Suzanne Lekoyiet, Ruth Zugman Do Coutto and Geordie Colville from UNEP also presented their Agency's perspectives on modalities for enhanced BTR support. UNEP representatives expressed that EA and BTR work are important and strategic to their engagement with countries. UNEP's enabling activities and CBIT portfolio cover 84 countries, according to their presentation. UNEP has an ongoing umbrella project approved by GEF to support eight countries in preparing their first BTR. UNEP expects to submit in the upcoming months (before the end of GEF-7) stand-alone submissions for four countries and umbrella submission for 20 to 24 countries. They also mentioned that countries that received CBIT support seemed to be ready for BTR support. UNEP representatives also shared other measures they are exploring to improve their internal efficiency, including (i) a single modular EA project document for all countries for the next UNEP Medium-Term Strategy (MTS) for 2022-2026; (ii) reducing the number of internal reviews to one; and (iii) a discussion on how to improve financial management, for instance through an external partner.

Both UNDP and UNEP agreed in some suggestions to expedite BTR submissions, including (i) raising the ceiling of one-step expedited approval to \$2 million; (ii) bundling two BTRs with NC; (iii) allowing a standardized template for enabling activity projects submission; (iv) GEF approval of new projects even if a country has not yet submitted their NC/BUR reports to the UNFCCC (the Agency commits not to disburse funding until the previous report is submitted to the UNFCCC); and (v) allowing a Project Preparation Grant (PPG) for enabling activities.

The key points raised in this session included the following:

- There was general agreement that the process needed to be more efficient and the bundling approach of two BTRs and one NDC was welcomed.
- The GEF Secretariat clarified that, to date, funding for BTR preparation has been focused on providing the first BTR support to as many countries as quickly as possible to meet the December 2024 deadline. In that context, the focus of the current modalities in GEF-7 has been to fund first BTRs of multiple countries as opposed to bundling of multiple BTRs for one country which would have locked-in available GEF-7 set-aside resources. The set-aside resources for the GEF-7 period have been constrained, as BTR support was not included as part of the GEF-7 replenishment negotiations. As the GEF heads into GEF-8, the Secretariat aims to roll out upfront BTR support on a more sustainable basis and is exploring modalities to do so. Bundling of two BTRs and one NC is one option that is being explored in this context.
- One participant mentioned that a simplified approval process is needed, and clarity was requested for policy adjustments to facilitate for this.
- To make the process more efficient, some participants indicated that a standardized template would be one avenue to explore. One participant noted that such templates could also help in countries where there is high turnover of officials, and one Agency mentioned that they already working on a draft template which they will share with the GEF Secretariat.
- To increase efficiency of the project cycle, it was noted that there are several efforts that Agencies and others, outside the GEF, should be making to improve their process and lead times; and invited participants to provide input on how the GEF could provide assistance on these efforts as well.

Closing: outcomes and next steps

The meeting concluded on a positive note, with participants thanking the GEF Secretariat for the consultation. Ms. Aoki provided the closing remarks by thanking participants for their willingness to come together and share their inputs related to BTRs and acknowledged their deep knowledge and commitment to implement the Paris Agreement and the Enhanced Transparency Framework.

Regarding the costing of BTRs, she highlighted some of the recommendations for possible enhancement of the GHG inventory and mitigation action figures. She also mentioned that there were interesting comments related to the adaptation and gender component which will be taken into consideration by the GEF Secretariat. Regarding capacity, as mentioned by UNEP, she noted

that it is good to see the correlation between CBIT countries and the first movers of the BTRs. She indicated that CBIT can serve as main avenue for capacity building for the ETF.

Regarding the support modalities for BTRs, Ms. Aoki encouraged countries to start requesting funding and support for their first BTR resources as soon as possible rather than waiting till the end of GEF-7 or in GEF-8. She stated that the GEF Secretariat will be taking into consideration the feedback received on the costing elements and operational modalities for BTR support, as well as the from COP 26 and consider whether a decision document on the enabling activity support may be presented to the GEF Council at its meeting in June 2022.

Ms. Aoki thanked one of the Agencies for providing additional measures to increase efficiency which are outside of the GEF's control, and concluded the meeting by reminding the participants that the GEF, Agencies and the countries need to work together to prepare and submit the BTRs in a timely manner for the Paris Agreement.