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Capacity-building

**Compilation and synthesis of capacity-building activities
in countries with economies in transition**

Note by the secretariat

Summary

The Conference of Parties (COP), by its decision 9/CP.9, decided to complete the review of the effectiveness of the implementation of the framework for capacity-building in countries with economies in transition at its tenth session. By the same decision, the COP encouraged Parties with economies in transition to provide information relating to the implementation of the framework for capacity-building in their countries while preparing their national communications. Also by the same decision, it requested the secretariat to prepare a compilation and synthesis report on capacity-building activities in countries with economies in transition, based on information included in their national communications, and on information provided by the Global Environment Facility and other relevant organizations.

Under this agenda item, Parties may wish to consider how this note could assist with the review process, and whether regular compilation and synthesis reports in the intervals between the submissions of national communications might be useful.

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Introduction

A. Mandate

1. The Conference of Parties (COP), by its decision 9/CP.9, decided to complete the review of the effectiveness of the implementation of the framework for capacity-building in countries with economies in transition (EIT countries), annexed to decision 3/CP.7, by its tenth session, and encouraged EIT Parties to provide information relating to the implementation of the framework for capacity-building in their countries while preparing their national communications.

2. By the same decision, the COP requested the secretariat to prepare a compilation and synthesis report on capacity-building activities in EIT Parties, based on information included in the national communications by these countries, and on information provided by the Global Environment Facility (GEF) and other relevant organizations.

B. Scope of the note

3. This compilation and synthesis report summarizes available information on capacity-building actions undertaken in EIT Parties consistent with the priority areas identified by these Parties in the framework annexed to decision 3/CP.7. It is based on limited information available to the secretariat on key ongoing capacity-building activities in EIT Parties. The information is drawn from the reports of activities provided by EIT Parties and Annex II Parties in their national communications, and on information available from the GEF and its implementing agencies, and other international organizations.

4. Because most of the EIT Parties and Annex II Parties submitted their latest national communications before the seventeenth session of the Subsidiary Body for Implementation (SBI), there is little new information available that was not already presented in document FCCC/SBI/2002/INF.15. The countries which submitted their latest national communications after SBI 17 are Belarus, Denmark, Greece, Iceland, Ireland, Italy, Lithuania, Portugal and Russia.

5. Moreover, because EIT Parties were not previously requested to submit information on capacity-building activities in their national communications, this information is largely unavailable in the national communications of these Parties.

C. Possible action by the Subsidiary Body For Implementation

6. The SBI may wish to take note of this synthesis report and request Parties, the GEF, bilateral and multilateral agencies and relevant international organizations to provide additional information to the secretariat on the status and scope of capacity-building activities relating to the implementation of decision 3/CP.7. This additional information will allow the secretariat to prepare summary reports on capacity-building activities in the EIT Parties in the intervals between the submissions of national communications in order to monitor progress in the implementation of the capacity-building framework. The SBI may also wish to encourage EIT Parties to include information on capacity-building activities in their future national communications as specified in paragraph 5 of decision 9/CP.9.

II. Status of capacity-building activities in countries with economies in transition

A. Capacity-building activities

1. National greenhouse gas inventories, and national systems for estimation of GHG emissions

7. The United Nations Development Programme (UNDP)/GEF provided assistance to Croatia, Hungary and Slovenia with their greenhouse gas (GHG) inventories through its Training Programme on Climate Change. The Regional Environment Centre for Central and Eastern Europe with its project "Capacity-building for Improving the Quality of Greenhouse Gas Inventories (Europe/CIS Region)" initiated a regional programmatic approach to build capacity for improving the quality of data inputs to national GHG inventories. EIT Parties Croatia and Slovenia participate in this project. The European Union is planning to provide assistance to Belarus and Ukraine on climate change capacity-building, including assistance with setting up national GHG inventory systems and improving annual GHG inventories. Denmark is launching a new capacity-building project in Bulgaria that will also assist with the national GHG inventory.

8. According to information from the technical review of national GHG inventories from Annex I Parties performed by the secretariat, the EIT Parties still need assistance with their national GHG inventories. In 2003, three EIT Parties (Lithuania, the Russian Federation, Ukraine) did not submit their annual GHG inventories as requested by decision 19/CP.8, and Slovenia submitted it without using the common reporting format (CRF). In addition, several EIT Parties did not include the base year in the annual inventory (Czech Republic, Estonia, Poland, Romania, Slovakia) or provided information that did not encompass all years of the time series (Hungary, Estonia, Poland, Romania, Slovakia and Slovenia). All these reporting problems constitute a departure from the reporting requirements under the Convention and represent a failure to meet the methodological and reporting requirements under the Kyoto Protocol, for the purpose of eligibility to participate on mechanisms pursuant Articles 6, 12 and 17 of the Protocol.

9. Those Parties that have submitted their GHG inventories need to further improve the quality of their inventories. Individual reviews of the inventories of the EIT Parties, while praising the efforts that these Parties are making to improve their GHG inventories, revealed the following problems: more information is needed to improve the transparency of the national inventory reports (NIR); most countries have incomplete time series of data; most of the countries have problems with uncertainty estimates; and only few of them are able to perform quality assurance and quality control procedures.

10. The information from the technical reviews of national GHG inventories, and reports from the EIT Parties in their national communications, indicate that considerable efforts are being made by these countries to provide enabling environments to promote the sustainability and effectiveness of capacity-building activities in the area of GHG inventory. Many EIT Parties demonstrate mobilization of national capacities, including setting institutional structures for developing national GHG inventories necessary for the effectiveness of capacity-building activities. Capacity-building needs and priorities can be identified through the GHG inventory review process. In addition, questionnaires conducted by the United Nations Institute for Training and Research in 2002 demonstrated that EIT Parties have clear ideas on their needs and weaknesses relating to GHG inventories.

11. The key areas where EIT Parties need assistance with their GHG inventories are: development of an institutional link between national stakeholder institutions to support their national GHG inventory system; improvement of the activity data quality and consistency in time series; estimation of emission factors in key sources; estimation of emissions from hydrofluorocarbons, perfluorinated hydrocarbons and sulphur hexafluoride; and uncertainty calculations.

2. Policies and measures, and the estimation of their effects

12. The GEF, UNDP, the United Nations Environment Programme (UNEP), and the World Bank provided information on several GHG mitigation projects that they support in Bulgaria, Croatia, Czech Republic, Hungary, Latvia, Lithuania, Poland, Russia, Slovakia and Slovenia. These projects focus on energy efficiency and renewable energy and assist countries with building capacity on GHG mitigation policies and measures. Several regional and global projects supported by these institutions cover EIT Parties, including a regional project implemented by International Bank for Reconstruction and Development “Commercializing Energy Efficiency Finance” (Czech Republic, Estonia, Latvia, Lithuania); a global project implemented by UNEP “Promoting Industrial Energy Efficiency through a Cleaner Production/Environmental Management System Framework” (Czech Republic, Hungary, Slovakia); and a “Geothermal Energy in Europe and Central Asia” project supported through the World Bank–GEF Geothermal Development Fund.

13. Annex II Parties also provide assistance to EIT Parties with capacity development in the area of GHG policies and measures. Denmark assists several EIT Parties with capacity-building on GHG mitigation measures by supporting several GHG mitigation projects in Czech Republic, Poland, Romania, Russia and Ukraine. Italy carries out several initiatives in Croatia, Romania and Slovenia that contribute to capacity-building on GHG emission-mitigation measures. Greece provides some assistance with climate change capacity-building in policies and measures in Balkan countries (Bulgaria and Romania). And Iceland supports geothermal projects in several EIT countries.

14. Reports by the EIT countries in their national communications on the actions by their governments to introduce new measures that mitigate climate change indicate that many such countries are working on creating a legal and institutional basis that would provide for sustainability of capacity-building efforts. Many EIT countries are developing and implementing new legislation that promotes energy efficiency and renewable energy. Czech Republic and Slovakia are preparing the institutional and legal basis for the introduction of domestic CO₂ emissions trading as a policy tool to control CO₂ emissions.

3. Education, training and public awareness

15. Several Annex II Parties and multilateral organizations provide education and training support to EIT Parties, including research grants, study tours, and workshops in the climate change field. Many of the climate change capacity-building projects supported by the GEF and UNDP and by bilateral donors (e.g., Denmark, Netherlands) include conferences, workshops and training. The European Community (EC) supported several projects in EIT Parties that included education, training and public awareness components, for example, the “Baseline for Accession States in Europe Programme,” the “Eastern Climate Change Network – Establishment of a Climate Change Network in Central Eastern European Countries and the Commonwealth of Independent States”, and the Synergy Programme which included workshops and development of methodological materials.

4. National communications and national climate action plans, reporting obligations

16. Croatia and Slovenia received financial and technical assistance with national communications from the GEF/UNDP enabling activities, including for development of national GHG inventories, elaboration of GHG emissions forecasts, and evaluation of GHG-related policies and measures. Belarus received assistance from the World Bank with the preparation of its first national communication. The EC is planning to provide financial and technical assistance to Ukraine for the preparation of its second national communication. Bulgaria receives assistance from the Netherlands the development and implementation of an updated and extended national action plan on climate change for 2003–2004, which is in conformity with the European Climate Change Programme (ECCP) and the Kyoto Protocol.

5. Modalities for accounting relating to targets, timetables and national registries

17. The Regional Environment Centre for Central and Eastern Europe provided assistance on registry development to six EIT countries: Czech Republic, Hungary, Latvia, Poland, Romania and Slovakia. The project assisted these countries with collecting information for the national registries, and provided an opportunity for sharing information and jointly evaluating options for registry development. The project also included several case studies that looked into legal, technical and financial aspects of GHG registry development. The EC is planning to provide assistance to Belarus and Ukraine for the development of a feasibility study on the institutional and technical requirements for establishing a national GHG registry.

6. Joint implementation projects and emissions trading

18. Many Annex II Parties and multilateral institutions carry out activities in EIT Parties that contribute to capacity-building in the area of joint implementation (JI) and emissions trading. For example, Denmark provides assistance to Bulgaria for the development of JI guidelines and for the preparation of institutional and legal structures for a JI and emissions trading. The EC is planning to provide assistance to Ukraine with the development of JI structure. Denmark also provides capacity-building assistance with JI in Estonia, Latvia, Poland, Romania, Russia, Slovakia and Ukraine. Iceland assists Baltic States with capacity-building for JI through the Nordic Environment Finance Corporation (NEFCO). Italy is planning to make agreements with Bulgaria and Ukraine on developing JI projects in these countries. The EC supported JI capacity development in Czech Republic, Estonia, Hungary, Poland and Slovenia through its Fifth Framework Programme

19. The Organisation for Economic Co-operation and Development organizes Annex I Party expert group meetings on a regular basis. Included in the agenda are such topics as emissions trading, JI registries, GHG inventories, and policies and measures. Almost all EIT Parties participate in these meetings and have an opportunity to obtain new information, share experiences and learn from other Annex I Parties.

20. Many EIT Parties have started to mobilize national capacities, including setting institutional structures and launching regulatory processes, that are necessary for national coordination and the effectiveness of capacity-building activities. EIT Parties are making efforts to provide for enabling environments to promote the sustainability and effectiveness of capacity-building activities in the area of JI and emissions trading.

7. Projections of GHG emissions, impact assessment and adaptation

21. Several EIT countries received support with the development of projections of GHG emissions and formulation of impact assessment and adaptation measures through assistance with national communications. For example, UNDP/GEF included assistance with these issues in the enabling activities projects in Croatia and Slovenia, and Belarus received support in these areas through the World Bank's assistance with its first national communication.

8. Research and systematic observation, transfer of environmentally sound technologies

22. UNDP, through its enabling activities, assists EIT Parties with capacity-building to assess technology needs and for participation in research and systematic observation. No information other than that already included in document FCCC/SBI/2002/INF.15 on capacity-building activities in these areas was available.

B. National capacity self-assessments

23. The GEF, as a sequel to the Capacity Development Initiative (CDI), is assisting EIT countries with national capacity self assessments (NCSAs). All Annex I EIT Parties have already initiated the NCSA process with the GEF's implementing agencies. The objective of the NCSAs is to identify country-level priorities and needs for capacity-building to address global environmental issues, in particular biological diversity, climate change and land degradation.

24. The NCSAs developed by the EIT Parties could be regarded as a step in identifying their needs and priorities for capacity-building.

III. Conclusions

25. Based on the information available on the needs of the EIT Parties in capacity development and on the scope of current capacity-building activities in these countries, the following emerged as priorities:

- (a) Institutional capacity development and strengthening;
- (b) Systematic human resource development;
- (c) Methodological and financial assistance with the development, analysis and implementation of policies and measure to reduce GHG emissions;
- (d) Technical assistance with issues related to JI (Article 6 of the Protocol); and emissions trading (Article 17 of the Protocol);
- (e) Institutional and technical assistance with the development of national GHG inventories and registries;
- (f) Awareness raising on climate change issues.

26. The following progress in capacity development has been achieved in the EIT countries:

- (a) Many EIT Parties considerably improved their national GHG inventories;
- (b) All EIT Parties have submitted their national communications;
- (c) Many EIT Parties had initial experience with JI projects and initiated domestic processes of setting up necessary institutional and legal structures;
- (d) EIT countries that are joining the EC have been involved in the EU discussions on the EU-wide CO₂ emissions trading scheme and enhanced their understanding on this issue. Several of them are already in the process of developing domestic structures to support domestic and international GHG emissions trading.
- (e) Better coordination among donors and close dialogues and coordination with the governments of the EIT Parties led to the development of new capacity-building activities based on the previous ones, thus ensuring sustainability and efficiency of capacity-building efforts.
- (f) EIT countries have developed a good sense of their immediate capacity-building needs and approaches.
