Case study

Provision of FTC support

# Material

* Extract from BR3 (below)
* Extract from the BR CTF tables (separate file)
* BR Checklist (separate file)
* Table on findings from TRR.3 (below)
* Review Practice Guidance - 2019 update (proposal)

# Exercise

This exercise is focused on review challenges identified by the ERTs during review of BRs, specifically related to: finance and technology support to developing countries.

Please read the extract from the BR3 below that covers finance and technology support. Check the corresponding BR CTF tables in separate file.

Write your initial findings in BR checklist and fill-in the tables of findings in the TRR.3.

You can consult RPG for suggested approaches in reviewing these parts of the BR.

1. Has the Party addressed all reporting requirements in the checklist?
2. What questions would you raise to the Party?
3. How would you reflect the issues raised in the report tables?
4. What are the main messages you would like to reflect in the text of the review report?

# Extract from BR3

**1. Climate finance**

***1.1 Principles and assumptions***

Engagement in climate action is an integral part of the Party's development policy and vice versa. The impacts of increasing climate change are directly affecting the living conditions and development opportunities of all people. Growth and development strategies must include greenhouse gas neutrality and decarbonisation of the economy as an imperative. With regard to supporting developing countries in climate change adaptation and mitigation, the Party considers the implementation of the Paris Agreement and Agenda 2030 to be closely linked.

***1.2 Overview of climate finance 2015-2016***

The Party’s government stands to its financial obligation and further increased its finance up to 2016 to support developing countries, emerging economies and countries in transition in their efforts to reduce greenhouse gas emissions (GHGs), adapt to the impacts of climate change and protect forests and biodiversity, including REDD+ (Reducing Emissions from Deforestation and Forest Degradation and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries). The Government is aiming to double its international climate finance from the 2014 target value of EUR two billion to EUR four billion by 2020 (from budgetary sources and grant elements of development loans), thus fulfilling the commitment the prime minister made in 2015. In 2016 the Party provided budgetary resources amounting to EUR 3.362 billion (USD 3.719 billion) for international climate finance. This represents an increase of 25.3 % compared with the previous year (2015: EUR 2.684/USD 2.977 billion). In addition, it pledged EUR 5.172 billion (USD 5.721 billion) in mobilised public finance from capital resources through Development Bank. In total, public climate finance ran to around EUR 8.546 billion or USD 9.44 billion (2015: EUR 7.406 billion/USD 8.192 billion).

In addition, steady growth can be observed when extending the observation period to include 2013 with EUR 1.950 billion (USD 2.652 billion) and 2014 with EUR 2.344 billion (USD 3.110 billion). The Party has increased its contribution to climate finance seven-fold since 2005. The increase in the Party's climate finance also reflects the successful mainstreaming of climate related issues in its development cooperation efforts.

***1.3 Climate finance instruments, institutions and initiatives***

The Party’s government uses a broad range of instruments and institutions for its international cooperation activities in the field of climate and development: a) Bilateral financial, technical and academic cooperation: Party’s climate finance focuses on bilateral cooperation. From 2015 to 2016 around 85 % of the budgetary resources allocated to climate finance was spent on bilateral cooperation; b) Multilateral cooperation, such as the Green Climate Fund, the Climate Investment Funds, the Adaptation Fund under the Kyoto Protocol, the Global Environment Facility and the Forest Carbon Partnership Facility as well as cooperation with multilateral development banks and United Nations organisations. During the reporting period for the Biennial Report, the Party set important priorities by instigating and/or providing comprehensive support for international initiatives. These priorities have supported the successful conclusion of the Paris Agreement and should now advance its rapid and ambitious implementation. Noteworthy in these efforts are the NDC Partnership, the G7 climate risk insurance initiative InsuResilience, the Africa Renewable Energy Initiative (AREI), the NAMA Facility and the AFR100 initiative.

***1.4 Methodology used to measure climate finance***

The Party attaches great importance to measuring and communicating its climate finance transparently and comprehensively. For this reason, it has reported its bilateral climate finance in Table 7b on a project-specific basis in order to depict the individual projects in as much detail as possible. The Party distinguishes between two sub-categories of public climate finance: a) Climate finance from budgetary sources, including grant equivalents of development loans that include budgetary sources. Climate finance provided from the public budget is recorded in this category. In the 2014 report, the imputed climate-relevant contributions were recorded for the first time using the methodology developed by the Organisation for Economic Co-operation and Development (OECD) Joint ENVIRONET and WP-STAT Task Team to Improve RioMarkers, Environment and Development Finance Statistics. The grant elements of development loans will be recorded in future as soon as data are available. b) Mobilised public finance is the climate-related loan finance from Party’s Development Bank's market funds. It predominantly comprises finance streams that count as official development assistance (ODA), as a rule in the form of concessional loans. To ensure transparent records of climate finance, the Party has been using OECD climate markers, also known as Rio markers, since the 2011 reporting year. They are presented with a differentiation between different areas: reduction of greenhouse gases, adaptation to climate change and forest and biodiversity conservation, includingREDD+. So far there are no individual international markers for REDD+. Technology transfer and capacity building are components of virtually all of the Party’s government’s bilateral cooperation projects and cannot be categorised separately. The statistical data in Tables 7, 7a and 7b in the Annex to this document contain the funds allocated from public budgetary sources for all climate-related bilateral development cooperation projects that were approved in the year in question. Multilateral contributions to climate finance are considered as disbursements. The Party currently reports on mobilised private climate finance only in those areas in which there are already agreed reporting methods. Using the DAC methodology, mobilised private climate finance amounted to EUR 357 million in 2015 for the Party’s Development Bank. Data on commitments for 2016 is not collected until autumn 2017. Private climate finance mobilised through loans or equity participation is determined based on the overall investment sums of the projects, from which finance from public actors, primarily public development banks, is subtracted. The Party’s government is currently working on internationally agreed criteria for recording the climate finance made possible through government guarantees.

**2. Technology development and transfer support**

In recent years, the Party has significantly intensified the number of Memorandum of Understanding with developing countries to implement projects related to mitigation and adaptation measures, which foresee the transfer of technologies according to the needs and specific circumstances of the receiving countries. All the projects implemented, under implementation or planned, consider knowledge transfer and adequate and specific training courses for the installation and maintenance of the equipment (soft technologies) in addition to the essential transfer of technologies (hard technologies). Taking into account learned lessons and previous failures, during the implementation phase of each relevant project, endogenous people are constantly involved in the installation and operation start-up of the plants. Following this phase, tailored training programmes are organized to ensure proper control, function and routine maintenance. With regard to reporting and monitoring activities, the Guiding Principles for the bilateral cooperation Mechanism foresee that each project shall be monitored, through the production of periodic reports, financial and technical evaluations approved by the Joint Committee, including, as appropriate, field missions and on site visits The Joint Committee supervises the projects, assessing the technology transfer, the realization of training courses and the implementation of all activities to facilitate the development of the policies, regulations, and overall institutional framework in the developing countries that is required to enhance technology transfer. The Parties annually prepare a report on the activities under the MoU and a third independent party carries out a final audit within six months of termination or expiration of the MoU. With regards to the private sector involvement, as a general approach, when drafting the bilateral cooperation agreements, the Ministry investigates the potential contribution of the private sector, mainly technologies core and expertise, and tailors their rules in the technical and practical implementation of the projects. In particular, Ministry uses two different ways of involving the private sector. The first consists in publishing on the Ministry's website calls for interest for a specific sector and for a country or a region before organizing the technical missions and defining the needs with the beneficiary country. The second concerns the identification of companies holding specific technologies to implement projects already established with the receiving countries. Finally, the Ministry organizes seminars, workshops and events related to bilateral cooperation and technology transfer, involving companies from the pertinent sectors and organizing business-to-business meetings.

Table 26

**Findings on the approach and methodologies used to track support provided to non-Annex I Parties from the review of the third biennial report of [Party]**

[For each reporting requirement, describe only one finding. Please note that in one paragraph there could be several reporting requirements. In the second column, for each finding choose from the dropdown menus: the relevant paragraph of the reporting guidelines, the type of issue and the type of finding. In the third column, describe which information is incomplete or non-transparent and what was reported during the review and provide the assessment of the ERT, as required. In cases where previously made recommendations and encouragements included in the review reports were not addressed and resolved, reiterate them, if relevant. In case there are no issues, delete the table.]

| *No.* | *Reporting requirement, issue type and assessment* | *Description of the finding with recommendation or encouragement* |
| --- | --- | --- |
| 1 | Reporting requirement specified in Choose an item. | The Party [reported that] [not reported] … in its BR3. The ERT noted that this is not in accordance to the UNFCCC reporting guidelines on BRs. [Please include incomplete or non-transparent information and reference to the reporting requirement this incomplete or non-transparent information is linked to.]  During the review [Party] [explained that] [provided information on] … [Please include additional information provided by the Party during the review]  The ERT [recommends] [encourages] … [Include ERT finding] |
| Issue type: Choose an item. |
| Assessment: Choose an item. |
| 2 | Reporting requirement specified in Choose an item. | The Party [reported that] [not reported] … in its BR3. The ERT noted that this is not in accordance to the UNFCCC reporting guidelines on BRs. [Please include incomplete or non-transparent information and reference to the reporting requirement this incomplete or non-transparent information is linked to.]  During the review [Party] [explained that] [provided information on] … [Please include additional information provided by the Party during the review]  The ERT [recommends] [encourages] … [Include ERT finding] |
| Issue type: Choose an item. |
| Assessment: Choose an item. |
| 3 | Reporting requirement specified in Choose an item. | The Party [reported that] [not reported] … in its BR3. The ERT noted that this is not in accordance to the UNFCCC reporting guidelines on BRs. [Please include incomplete or non-transparent information and reference to the reporting requirement this incomplete or non-transparent information is linked to.]  During the review [Party] [explained that] [provided information on] … [Please include additional information provided by the Party during the review]  The ERT [recommends] [encourages] … [Include ERT finding] |
| Issue type: Choose an item. |
| Assessment: Choose an item. |

*Note*: Paragraph number listed under reporting requirement refers to the relevant paragraph of the UNFCCC reporting guidelines on BRs. The reporting on the requirements not included in this table is considered to be complete, transparent and adhering to the UNFCCC reporting guidelines on BRs.

Table 30

**Findings on financial resources from the review of the third biennial report of [Party]**

[For each reporting requirement, describe only one finding. Please note that in one paragraph there could be several reporting requirements. In the second column, for each finding choose from the dropdown menus: the relevant paragraph of the reporting guidelines, the type of issue and the type of finding. In the third column, describe which information is incomplete or non-transparent and what was reported during the review and provide the assessment of the ERT, as required. In cases when previously made recommendations and encouragements included in the review reports were not addressed and resolved, reiterate them, if relevant. In case there are no issues, delete the table.]

| *No.* | *Reporting requirement, issue type and assessment* | *Description of the finding with recommendation or encouragement* |
| --- | --- | --- |
| 1 | Reporting requirement specified in Choose an item. | The Party [reported that] [not reported] … in its BR3. The ERT noted that this is not in accordance to the UNFCCC reporting guidelines on BRs. [Please include incomplete or non-transparent information and reference to the reporting requirement this incomplete or non-transparent information is linked to.]  During the review [Party] [explained that] [provided information on] … [Please include additional information provided by the Party during the review]  The ERT [recommends] [encourages] … [Include ERT finding] |
| Issue type: Choose an item. |
| Assessment: Choose an item. |
| 2 | Reporting requirement specified in  Choose an item. | The Party [reported that] [not reported] … in its BR3. The ERT noted that this is not in accordance to the UNFCCC reporting guidelines on BRs. [Please include incomplete or non-transparent information and reference to the reporting requirement this incomplete or non-transparent information is linked to.]  During the review [Party] [explained that] [provided information on] … [Please include additional information provided by the Party during the review]  The ERT [recommends] [encourages] … [Include ERT finding] |
| Issue type: Choose an item. |
| Assessment: Choose an item. |
| 3 | Reporting requirement specified in  Choose an item. | The Party [reported that] [not reported] … in its BR3. The ERT noted that this is not in accordance to the UNFCCC reporting guidelines on BRs. [Please include incomplete or non-transparent information and reference to the reporting requirement this incomplete or non-transparent information is linked to.]  During the review [Party] [explained that] [provided information on] … [Please include additional information provided by the Party during the review]  The ERT [recommends] [encourages] … [Include ERT finding] |
| Issue type: Choose an item. |
| Assessment: Choose an item. |

*Note*: Paragraph number listed under reporting requirement refers to the relevant paragraph of the UNFCCC reporting guidelines on BRs. The reporting on the requirements not included in this table is considered to be complete, transparent and adhering to the UNFCCC reporting guidelines on BRs.

Table 32

**Findings on technology development and transfer from the review of the third biennial report of [Party]**

[For each reporting requirement, describe only one finding. Please note that in one paragraph there could be several reporting requirements. In the second column, for each finding choose from the dropdown menus: the relevant paragraph of the reporting guidelines, the type of issue and the type of finding. In the third column, describe which information is incomplete or non-transparent and what was reported during the review and provide the assessment of the ERT, as required. In cases when previously made recommendations and encouragements included in the review reports were not addressed and resolved, reiterate them, if relevant. In case there are no issues, delete the table.]

| *No.* | *Reporting requirement, issue type and assessment* | *Description of the finding with recommendation or encouragement* |
| --- | --- | --- |
| 1 | Reporting requirement specified in Choose an item. | The Party [reported that] [not reported] … in its BR3. The ERT noted that this is not in accordance to the UNFCCC reporting guidelines on BRs. [Please include incomplete or non-transparent information and reference to the reporting requirement this incomplete or non-transparent information is linked to.]  During the review [Party] [explained that] [provided information on] … [Please include additional information provided by the Party during the review]  The ERT [recommends] [encourages] … [Include ERT finding] |
| Issue type: Choose an item. |
| Assessment: Choose an item. |
| 2 | Reporting requirement specified in  Choose an item. | The Party [reported that] [not reported] … in its BR3. The ERT noted that this is not in accordance to the UNFCCC reporting guidelines on BRs. [Please include incomplete or non-transparent information and reference to the reporting requirement this incomplete or non-transparent information is linked to.]  During the review [Party] [explained that] [provided information on] … [Please include additional information provided by the Party during the review]  The ERT [recommends] [encourages] … [Include ERT finding] |
| Issue type: Choose an item. |
| Assessment: Choose an item. |

*Note*: Paragraph number listed under reporting requirement refers to the relevant paragraph of the UNFCCC reporting guidelines on BRs. The reporting on the requirements not included in this table is considered to be complete, transparent and adhering to the UNFCCC reporting guidelines on BRs.