

Background paper

Addressing Capacity-building Needs in BTR reviews

Third meeting of the BTR Lead Reviewers

19-20 May 2026

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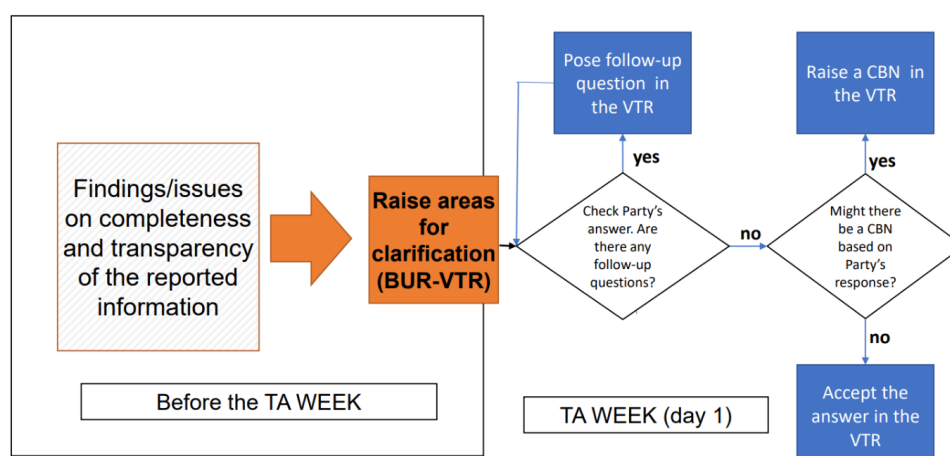
A. Context and purpose of the background paper

Modalities, procedures and guidelines for the transparency framework for action and support (MPGs)¹ establish the scope of the technical expert review (TER) (paragraph 146), which includes identifying areas of improvement (Aols) (paragraph 146(d)) and providing assistance in identifying capacity-building needs (CBNs) for developing country Parties that need it in the light of their capacities (paragraph 146(e)). These provisions are framed by Article 13, paragraph 11, of the Paris Agreement, which establishes that the technical expert review shall, for those developing country Parties that need it in the light of their capacities, includes assistance in identifying capacity-building needs.

Under the technical analysis process of Biennial Update Reports (BURs), the identification of CBNs followed a structured, iterative workflow anchored in the assessment of completeness and transparency of reported information (see figure 1). Initial findings were translated into areas for clarification, prompting engagement with the Party prior to and during the technical analysis week. Based on the Party's responses, the team of technical experts (TTE) assessed whether further follow-up questions were required or when responses revealed underlying capacity constraints that could be considered as potential CBNs. Only when such constraints were substantiated and discussed with the Party were they elevated as CBNs and formally recorded flagging their priority.

This process ensured that CBN identification was evidence-based, responsive to Party inputs, and closely linked to observed capacity constraints, while allowing for progressive refinement through dialogue during the review.

Figure 1: BUR technical analysis procedures – Flowchart for follow-up questions and CBNs



In contrast to the BUR technical analysis process, under which capacity-building needs often served as the primary means through which broader findings and improvement needs were communicated to developing country Parties, the BTR review process under the enhanced transparency framework (ETF) provides a clearer distinction between Aols and CBNs. Aols and CBNs are related but distinct elements of the review. Aols identify inconsistencies or opportunities to improve consistency with the MPGs, while CBNs reflect underlying capacity constraints that may require targeted support, resources or institutional strengthening in order to address one or more Aols over time. Accordingly, not every Aol necessarily results in a CBN, and not every identified capacity constraint should automatically be formulated as a CBN.

¹ Decision 18/CMA.1, annex, [paragraphs 146–149](#).

This distinction is important to ensure that CBNs remain focused on strategic and actionable capacity-development needs, while Aols continue to serve as the primary mechanism for communicating findings related to inconsistencies with the MPGs. The experience from the BUR technical analysis process nevertheless remains relevant, particularly regarding the iterative consultation process with Parties, the evidence-based identification of capacity constraints, and the prioritization and consolidation of broader systemic needs.

The Consultative Group of Experts (CGE) undertakes an annual assessment of the existing and emerging needs and gaps of developing countries in implementing the existing measurement, reporting and verification arrangements under the Convention and the ETF under the Paris Agreement. This work is carried out with the aim of providing technical assistance and support in a targeted and strategic manner, and the results of the assessment are compiled and presented each year in a technical paper.

The information on the existing and emerging constraints and challenges, lessons learned and capacity-building needs draws on, among others, biennial transparency reports and technical expert review reports, following an analytical framework that details the scope of the compilation and synthesis process and aspects of the information examined.²

This background paper proposes a structured approach to identifying and prioritizing CBNs. It draws on the experience by the secretariat in conducting reviews of BTRs in the period 2024–2026. It aims to provide guidance to TERTs to facilitate the identification and prioritization of CBNs and to ensure consistency in reviews. This approach is based on current review practice and provides a clearer basis for consistent lead reviewer guidance.

It covers the following components:

- Scope of CBNs (discussed in a separate background paper);
- Distinction between CBNs and Aols;
- Basis for identification of CBNs;
- Prioritization of CBNs;
- Stepwise approach to identifying CBNs;
- Consolidation of CBNs;
- Consultation on CBNs.

B. Scope of CBNs

As per the MPGs (para. 146), the scope of the TER includes assistance in identifying CBNs for those developing country Parties that need it in the light of their capacities. The scope of the CBNs to be identified by the TERT in consultation with the Party could potentially include:

- (a) CBNs related to meeting MPG provisions;
- (b) CBNs related to provisions for which MPG established flexibility;
- (c) CBNs related to the review scope of the MPGs as applicable to the Party.

The solution proposed below is aimed at clarifying the scope of CBNs to be identified by the TERT in consultation with the Party in the TER.

² For more information on the analytical framework, see figure 2 in the document available at https://unfccc.int/sites/default/files/resource/tp2025_02.pdf.

In accordance with para. 162 (d) of the MPGs, the obligation of the TERT to communicate any CBNs at the end of the review week comprises any CBNs identified relating to flexibilities and follows consultation with them. Such CBNs identified by the TERT in consultation with the Party will be clearly identified as relating to any flexibilities.

In addition, as per paras. paras. 7³ and 146 of the MPGs, the TERT will separately include all other CBNs related to meeting MPG provisions as identified by the TERT in consultation with the Party and by the Party during the review by clearly highlighting them as such. The TERR template and checklists and reflect this approach.

C. Guidance on how to identify and prioritize CBNs

I. Distinction between CBNs and Aols

A key challenge in the review process, as identified in several BTR reviews so far, is distinguishing CBNs from Aols. While both are derived from the assessment of consistency with the MPGs, they serve different purposes. Aols reflect specific findings on inconsistency in relation to MPG provisions. They are typically technical and provision-specific, and aim to directly enhance Party's capacity to meet MPG provisions in the next BTR cycle.

CBNs, by contrast, reflect underlying capacity constraints that require efforts, resources or systemic strengthening to enable the Party to address the MPG provisions over time. They do not necessarily reflect direct improvements in reporting that will be visible in the next submission, and their scope could be broader and impacting multiple MPG provisions. CBNs are not limited to "shall" provisions and do not distinguish between "shall" and/or non-"shall" provisions of the MPGs.

Accordingly, the distinction should be guided by the following considerations outlined in table 1:

³⁷. To facilitate continuous improvement, each Party should, to the extent possible, identify, regularly update and include as part of its biennial transparency report information on areas of improvement in relation to its reporting pursuant to chapters II, III, IV, V and VI of these MPGs, including, as applicable:

- (a) Areas of improvement identified by the Party and the technical expert review team in relation to the Party's implementation of Article 13 of the Paris Agreement;
- (b) How the Party is addressing or intends to address areas of improvement as referred to in paragraph 7(a) above, as appropriate;
- (c) Those developing country Parties that need flexibility in the light of their capacities are encouraged to highlight the areas of improvement that are related to the flexibility provisions used;
- (d) Identification of reporting-related capacity-building support needs, including those referred to in paragraph 6 above, and any progress made, including those previously identified as part of the technical expert review referred to in chapter VII below.

Table 1. Criteria for distinguishing capacity-building needs from areas of improvement

Criteria	Key consideration
Nature of the issue	<ul style="list-style-type: none"> • Aol: identifies what is inconsistent in relation to MPG provisions • CBN: identifies the capacity needed to address MPG provisions, including CBNs identified by the Party, either in the BTR or new CBNs during the review, and in consultation with the TERT.
Function in the review	<ul style="list-style-type: none"> • Aol: takes the form of recommendations or encouragements that would improve future reporting • CBN: informs capacity-building support and resource mobilization
Link to capacity constraints	<ul style="list-style-type: none"> • Not all Aols imply a capacity constraint. Similarly, not all identified capacity constraints lead to CBNs. • A CBN should be identified where the issue reflects an underlying limitation in institutional arrangements, data systems, coordination mechanisms, methodologies, technical expertise or sustained availability of resources or where it reflects a recurring (not applicable for first BTR cycle) limitation and addressing it requires targeted support, institutional strengthening or sustained capacity development.

II. Basis for identification of CBNs

The identification of CBNs should be grounded in a combination of evidence sources available throughout the review process, ensuring that CBNs are both evidence-based and relevant to the Party's context.

During the review week, the TERT should use the following as the basis for compiling a draft list of CBNs for consultation with the Party:

1. Observed inconsistencies with the MPGs

Substantive issues identified during the review, particularly those linked to:

- Issues that significantly affect a Party's ability to meet any provisions of the MPGs, in both cases prioritized by the Party;
- Constraint in meeting MPG provisions for which the MPGs established flexibility, as applicable
- Recurring inconsistencies (not applicable for first BTR cycle) over multiple BTR cycles across provisions;
- Systemic inconsistencies affecting multiple reporting areas.

These areas, which are generally identified as Aols can substantiate CBNs

2. Capacity constraints explicitly identified by the Party

Including those:

- Reported in the BTR, including any improvement plans reported by the Party;
- Provided in response to preliminary questions;
- Discussed during consultations.

3. Capacity constraints identified by the TERT other than those identified in 1

Based on expert assessment, including:

- Institutional arrangements;
- Data collection systems;
- Coordination mechanisms;
- Methodological capacity.

4. Previously identified CBNs (relevant to 2nd BTR cycle and beyond)

Where relevant, including those that were:

- Identified in previous reviews (e.g. earlier BTRs);
- Reported by the Party in the BTR submission being reviewed.

In applying the above list, the TERT should note that some capacity constraints may relate to multiple MPG provisions; not all identified constraints should automatically be formulated as CBNs; and the draft list should be concise, evidence-based and suitable for engagement with the Party during the review week.

III. Prioritization of CBNs

Experience from previous reviews indicates that, in the absence of clear guidance, all CBNs are often classified as high priority, thereby limiting their usefulness for prioritizing targeted support and informing planning decisions.

Although not mandated, the TERT should propose priority CBNs that would have high impact on improving Parties' meeting MPG provisions (i.e. easy improvements that yield quick gains) based on their experience. It is a good practice for the TERT to consult with the Party on the prioritization of identified CBNs, based on those CBNs that the TERT considers having high impact on improving Parties meeting MPG provisions (i.e. easy improvements that yield quick gains) (e.g. high and medium), as appropriate, and document such prioritization in TERR section II.E.

The objective of prioritization is to move from a fragmented and extensive list of individual CBNs towards a concise and coherent set of prioritized, high-impact CBNs (e.g. 3–5 most important CBNs). Such prioritization should ensure that the identified needs are firmly grounded in the Party's national circumstances, provide clear direction for capacity-building support, and contribute to sustained improvements in transparency and implementation over successive BTR cycles.

Following consolidation, the TERT may, in consultation with the Party, categorize CBNs as high or medium priority and reflect this prioritization in the TERR, including, where appropriate, in section II.E or accompanying addendum tables. This process should enhance the clarity and usability of the report by highlighting key CBNs. Prioritization should be applied selectively and meaningfully; not all CBNs should be classified as high priority. Rather, the objective is to identify a limited number of high-impact CBNs, in consultation with the Party, that can effectively guide support and implementation efforts.

Building on the flow outlined above (including screening of CBNs, consultation with the Party and consolidation of CBNs), the TERT should use the following criteria outlined in table 2, to propose prioritizing each CBN:

Table 2. Criteria for prioritizing capacity-building needs

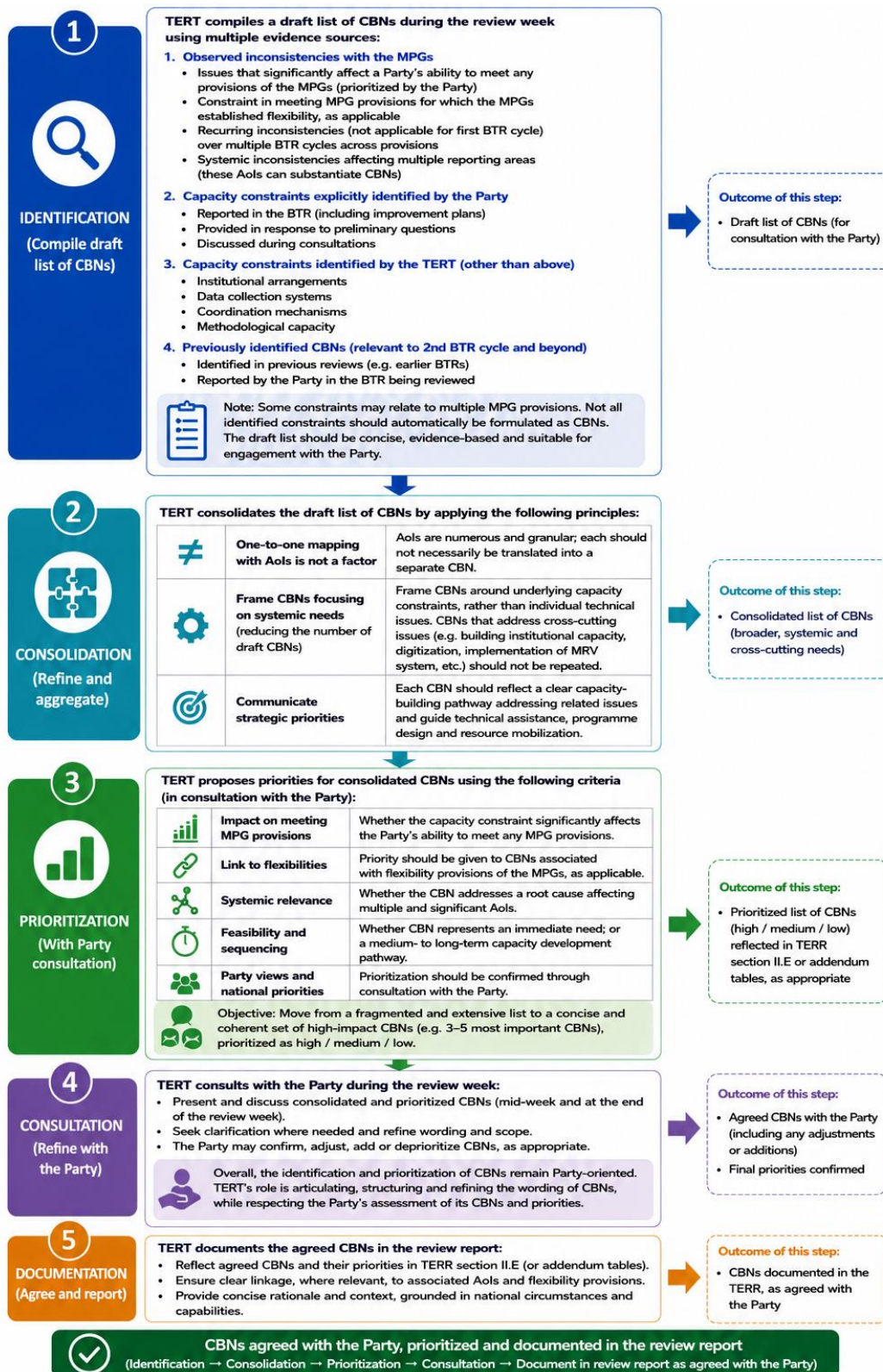
Criteria	Key consideration
Impact on meeting MPG provisions	Whether the capacity constraint significantly affects the Party's ability to meet any MPG provisions.
Link to flexibilities	Priority should be given to CBNs associated with flexibility provisions of the MPGs, as applicable.
Systemic relevance	Whether the CBN addresses a root cause affecting multiple and significant Aols.
Feasibility and sequencing	Whether CBN represents an immediate need; or a medium- to long-term capacity development pathway.
Party views and national priorities	Prioritization should be confirmed through consultation with the Party.

IV. Stepwise approach to identify CBNs

The proposed stepwise approach to identify CBNs is through a screening framework, which operationalizes the mandate under paragraph 146(e) of the MPGs by translating it into a practical set of steps based on application of a set of clearly defined qualitative criteria. It supports reviewers in distinguishing substantive capacity related to meeting MPG provisions from minor issues, while ensuring a consistent and facilitative approach in consultation with the Party. For example, a methodological gap or a lack of data set linked to a flexibility provision may prompt the reviewer to identify it as a candidate CBN. In all cases, CBNs must be identified based on consultation with the Party and thus a CBN that is not confirmed in consultation with the Party should not be included as a CBN.

The following infographic (figure 2) presents the above screening logic visually for use by the TERT during the review.

Figure 2: Stepwise process for identifying, consolidating, prioritizing and consulting capacity-building needs in the review process (in addition to those identified by the Party)



V. Consultation on CBNs

Paragraph 147 of the MPGs requires the TERT to pay particular attention to national capabilities and circumstances (NCC). The first BTR lead reviewers meeting⁴ and the subsequent review guidance⁵ clarified that the TERT should develop an understanding of NCC prior to the review week and this understanding should inform prioritization of issues and the identification of CBNs, without placing any undue burden on Parties. Going into the review week, the TERT should have an in-depth understanding of how the Party's reporting was impacted by the national circumstances and capacities. The review week therefore provides an opportunity for the TERT to consult with the Party, to verify their understanding of national capabilities and national circumstances and inform any changes to the draft CBNs and prioritizing CBNs in the TERR, as per the following steps:

1. When the Party responds to the questions and provided additional information, the TERT should recall this information and engage in discussion during the review week.
2. This information is the basis for prioritizing the CBNs identified during preparatory phase and at the start of the review week and where needed, to propose CBNs. This should address challenges and constraints that emerge from its national circumstances, capabilities and institutional arrangements.
3. Engage in consultation with the Party mid-week, which aims to discuss the draft CBNs and confirm the agreed CBNs that will be documented in the review report. The Party may also present CBNs during the consultation, which may enable a focused discussion.
4. The TERT may also wish to raise questions that can further inform the draft CBNs.

The consultation between the Party and the TERT will enable the refinement of draft consolidated CBNs resulting in more targeted and realistic CBNs for those developing countries that need flexibility in the light of their capacities, which pay attention to national circumstances and capabilities.

It is important to acknowledge that the review report remains the responsibility of the TERT. While the Party may comment on the review report, the substantive content of such findings is determined by the TERT, taking into account the information provided in the BTR, responses to questions and consultations held during the review week. Consultation between the TERT and the Party on CBNs should distinguish between two categories of CBNs:

- CBNs identified and reported by the Party in its BTR: These should be acknowledged and reflected by the TERT as reported by the Party. The TERT may, where appropriate, seek additional clarification or specification during the review process to better understand the context or scope of the identified needs and improve the language. However, any further elaboration or modification remains at the discretion of the Party.
- CBNs identified by the TERT during the review: These should emerge from the assessment of the BTR, NIR, responses to questions, bilateral discussions and other exchanges during the review process. Such CBNs should be proposed and discussed with the Party during the review week to allow the Party sufficient opportunity for consideration, clarification and reaction.

Overall, the consultation process should recognize that the identification and prioritization of CBNs ultimately remain Party-oriented. The role of the TERT is assisting in articulating, structuring and refining the wording of CBNs, while respecting the Party's own assessment of its CBNs and priorities.

⁴ See [Background paper – Attention to national capabilities and circumstances](#).

⁵ See [Review Guidance for BTR Reviews Version 1 \(September 2025\)](#).

D. Conclusion

The approach presented in this paper provides a structured screening framework for consistent identification and prioritization of CBNs; and ensures that important capacity constraints are appropriately recognized within the ETF. Moreover, that CBN identification should be anchored in observed constraints related to meeting MPG provisions and consultation with the Party.

The following proposed conclusions may be considered by lead reviewers of BTR reviews at their 3rd meeting.

Proposed text for draft conclusion

The LRs welcomed the background paper prepared by the secretariat on addressing capacity-building needs (CBNs) in BTR reviews and noted that the paper provides useful guidance for enhancing the consistency, transparency and practicality of identifying, consolidating and prioritizing CBNs during the review process.

The LRs requested the secretariat to incorporate the relevant guidance and approaches contained in the paper into the Review Guidance for BTR reviews, with a view to supporting consistent application by TERTs in subsequent review cycles. The agreed guidance on addressing capacity-building needs in BTR reviews should cover the following aspects:

- **The scope of the CBNs.** In line with MPGs (paras. 7, 146 and 162(d)), the TERT, in consultation with the Party, identifies and communicates CBNs within the scope of the review. This includes CBNs related to meeting MPG provisions, flexibilities, and the overall review scope applicable to the Party. CBNs related to flexibilities are explicitly identified as such following consultation with the Party, while all other CBNs are reported separately. Review report templates and checklists reflect this distinction to ensure clarity and consistency;
- **The distinction between Aols and CBNs.** Aols reflect inconsistency in relation to MPG provisions, take the form of recommendations or encouragements aiming at improving Party's capacity in meeting MPG provisions for the next BTR, and do not necessarily imply a capacity constraint. CBNs, by contrast, inform underlying capacity constraints that require efforts, resources mobilization or systemic strengthening to enable the Party to address the MPG provisions;
- **The evidence-based identification of CBNs, including the consolidation of related CBNs into a smaller set of strategic and cross-cutting needs.** In doing so, the TERT should consider observed inconsistencies with the MPGs, capacity constraints explicitly identified by the Party, and CBNs identified in previous review cycles;
- **The approach/criteria for prioritization of high-impact CBNs.** TERT should identify in the review report, taking into consideration the consultation with the Party, priority levels for the CBNs in accordance to their impact on improving Parties' capacity in meeting MPG provisions, the relation with flexibility provisions, the root cause affecting multiple Aols, and the urgency of overcoming the capacity need;
- **The facilitative consultation process with Parties during the review week, in accordance with a stepwise approach.** While acknowledging that the report is the responsibility of the TERT, the consultation will enable the refinement of draft consolidated CBNs resulting in more targeted CBNs, paying attention to national circumstances and capabilities.

The LRs agreed that the approaches outlined in the paper reflect useful practices emerging from the BTR reviews conducted in 2024–2026 and requested the secretariat to incorporate the relevant guidance and approaches contained in the paper into the Review Guidance for BTR reviews, with a view to supporting consistent application by TERTs in subsequent review cycles.

The LRs further requested the secretariat to continue collecting and analyzing relevant experience, feedback from Parties and TERTs, and lessons learned from future reviews, and to report to the next LR meeting for consideration by the LRs, with a view to further refining the guidance, as appropriate.
