

# CGE SUPPLEMENTARY TRAINING MATERIAL FOR THE TEAM OF TECHNICAL EXPERTS

## Module 2.3

Technical analysis of biennial  
update reports: thematic elements

*Finance, technology and capacity-  
building needs and support received*

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## ABBREVIATIONS

<b>Annex I Parties</b>	Parties included in Annex I to the Convention
<b>BUR</b>	biennial update report
<b>CGE</b>	Consultative Group of Experts on National Communications from Parties not included in Annex I to the Convention
<b>COP</b>	Conference of the Parties
<b>GCF</b>	Green Climate Fund
<b>GEF</b>	Global Environment Facility
<b>LDCs</b>	least developed countries
<b>LDCF</b>	Least Developed Countries Fund
<b>Non-Annex I Parties</b>	Parties not included in Annex I to the Convention
<b>SCCF</b>	Special Climate Change Fund
<b>TNA</b>	technology needs assessment

## 1. INTRODUCTION AND BACKGROUND

### 1.1. INTRODUCTION

The objective of this module is to facilitate the analysis of the information contained in the biennial update reports (BURs) on financial, technical and capacity-building needs and support received for activities relating to climate change, including for the preparation of BURs by Parties not included in Annex I to the Convention (non-Annex I Parties).

The module aims to provide the technical experts, in the context of their training, with a detailed account of the applicable reporting requirements, as well as of additional guidance for the elaboration of national communications and BURs prepared both by the Consultative Group of Experts on National Communications from Parties not included in Annex I to the Convention (CGE) and the UNFCCC secretariat. Exposing technical experts to such elements during their training will ensure that their technical analysis is based on a full understanding of the guidelines outlined in the “UNFCCC biennial update reporting guidelines for Parties not included in Annex I to the Convention” contained in annex III to decision 2/CP.17, and any additional technical information that may be provided by the Party concerned, and the context in which the information submitted has been prepared.

The module seeks to provide technical experts with a description of relevant aspects that may be taken into consideration in analysing the information being submitted in accordance with decision 2/CP.17, annex III, paragraphs 14–16. Additionally, in accordance with decision 2/CP.17, annex III, paragraph 2 (g) the Party may include in its BUR any other information it considers relevant to the achievement of the objective of the Convention.

*Extract from annex III to decision 2/CP.17 relevant for finance, technology and capacity-building needs and support received*

...

*14. Non-Annex I Parties should provide updated information on constraints and gaps, and related financial, technical and capacity-building needs.*

*15. Non-Annex I Parties should also provide updated information on financial resources, technology transfer, capacity-building and technical support received from the Global Environment Facility, Parties included in Annex II to the Convention and other developed country Parties, the Green Climate Fund and multilateral institutions for activities relating to climate change, including for the preparation of the current biennial update report.*

*16. With regard to the development and transfer of technology, non-Annex I Parties should provide information on technology needs, which must be nationally determined, and on technology support received.*

...

## 1.2. BACKGROUND

This background information provides a snapshot of the key elements of the support framework under the UNFCCC. This information should support technical experts in understanding the scope of the information submitted by non-Annex I Parties in the BUR and should facilitate the technical analysis of such information.

Additional background information and exercises can be found in the background material for module 2.3.

### 1.2.1. CLIMATE FINANCE

The contribution of countries to climate change, and their capacity to prevent and cope with its consequences, vary enormously. Based on the principle of common but differentiated responsibilities and respective capabilities, the Convention and the Protocol foresee financial assistance from Parties with more resources to those less endowed and more vulnerable. Developed country Parties and other developed Parties included in Annex II shall provide financial resources to assist developing country Parties in implementing the Convention (see Articles 4.3 to 4.10 of the Convention). To facilitate this, the Convention established a financial mechanism to provide funds to developing country Parties.

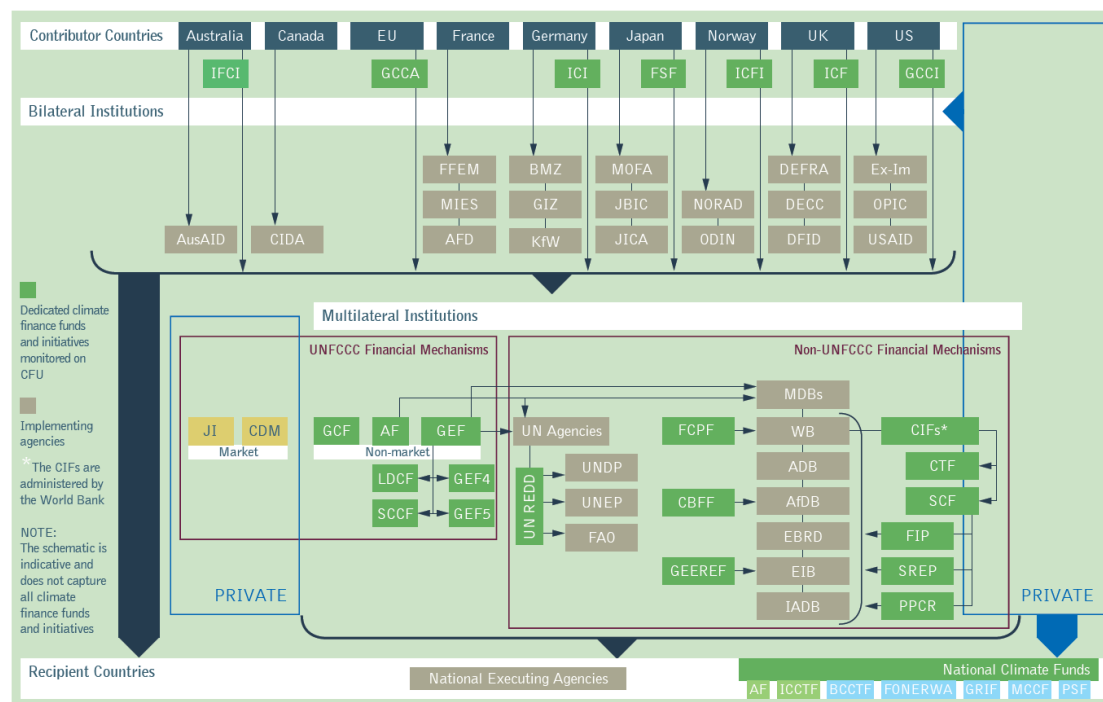
The Convention, under its Article 11, states that the operation of the financial mechanism is entrusted to one or more existing international entities. Initially, the operation of the financial mechanism was partly entrusted to the Global Environment Facility (GEF) on an ongoing basis, subject to review every four years. Currently, the Green Climate Fund also serves as a financial mechanism to the Convention. The financial mechanism is accountable to the Conference of the Parties (COP), which decides on its climate change policies, programme priorities and eligibility criteria for funding, based on advice from the Subsidiary Body for Implementation (SBI). The Kyoto Protocol also recognizes, under its Article 11, the need for the financial mechanism to fund activities by developing country Parties.

In addition to providing guidance to the GEF, Parties have established four special funds: the Special Climate Change Fund (SCCF), the Least Developed Countries Fund (LDCF) (both managed by the GEF) and the Green Climate Fund (GCF) under the Convention; and the Adaptation Fund (AF) under the Kyoto Protocol.<sup>1</sup> Figure 1 provides a snapshot of the architecture of climate finance.

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<sup>1</sup> [http://unfccc.int/cooperation\\_and\\_support/financial\\_mechanism/items/2807.php](http://unfccc.int/cooperation_and_support/financial_mechanism/items/2807.php)

Figure 1  
Global climate finance architecture



Source: <http://www.climatefundsupdate.org/about-climate-fund/global-finance-architecture>.

In light of the complex system of climate finance sources, several developing countries have also established **national funds that receive and channel climate finance from various contributor countries**.

### 1.2.2. CAPACITY-BUILDING

In the UNFCCC process, capacity-building is about enhancing the ability of individuals, organizations and institutions in developing countries and in countries with economies in transition to identify, plan and implement ways to mitigate and adapt to climate change. Capacity-building under the Convention and its Kyoto Protocol takes place on three levels:

- a) **Individual level:** developing educational, training and awareness raising activities;
- b) **Institutional level:** fostering cooperation between organizations and sectors, as well as the development of organizations and institutions, including their missions, mandates, cultures, structures, competencies and human and financial resources;
- c) **Systemic level:** creating enabling environments through economic and regulatory policies and the accountability frameworks in which institutions and individuals operate.



### 1.2.3. TECHNOLOGY DEVELOPMENT AND TRANSFER

Under the Convention, the developed country Parties and other developed Parties included in Annex II shall take all practicable steps to promote, facilitate and finance, as appropriate, the transfer of, or access to, environmentally sound technologies and know-how to other Parties, particularly to developing countries to enable them to implement the provisions of the Convention (Article 4.5). This commitment is echoed in similar provisions under the Kyoto Protocol (Article 10(c)). Parties have taken decisions to promote the development and transfer of environmentally sound technologies at each session of the COP.<sup>2</sup>

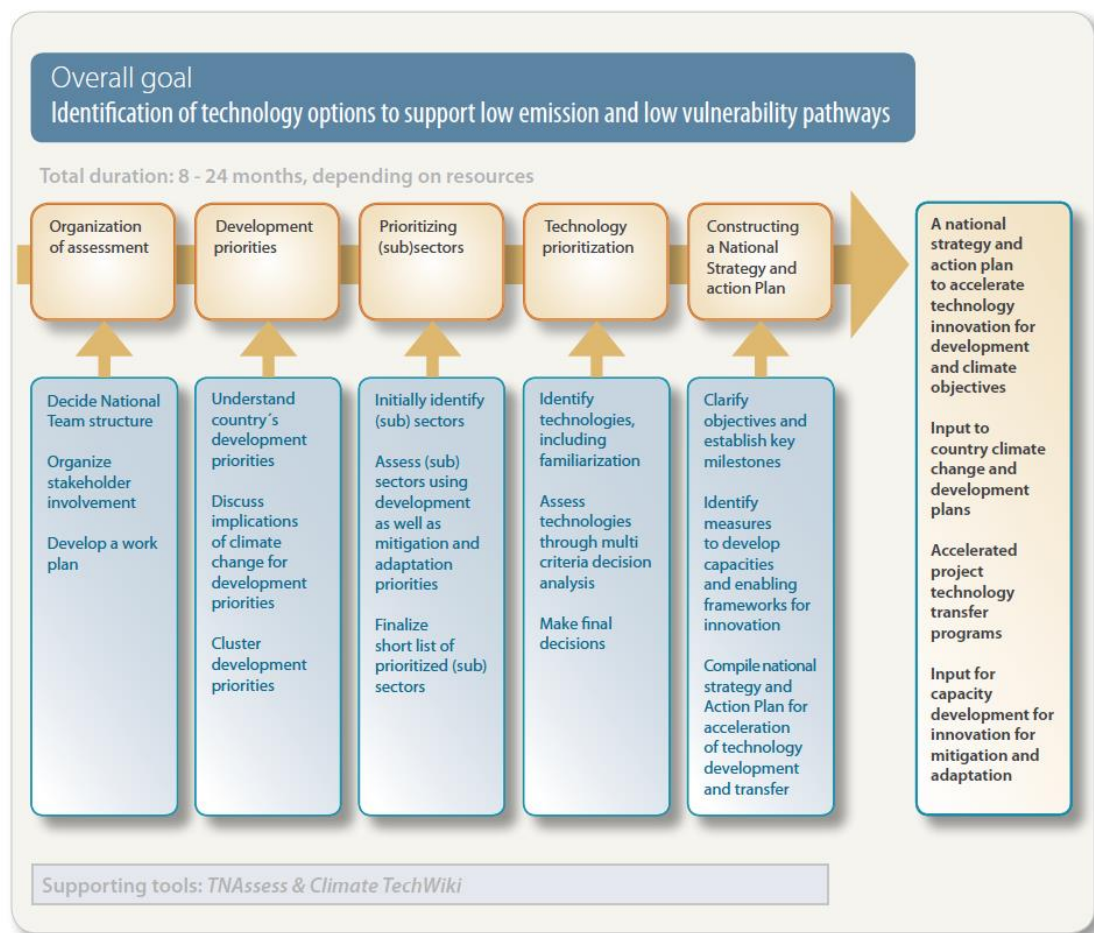
The purpose of technology needs assessment (TNA), which is an optional exercise, is to assist in identifying and analysing priority technology needs, which can be the basis for a portfolio of environmentally sustainable technology (EST) projects and programmes. TNAs (Figure 2):

- a) Are a set of country-driven activities that identify and determine the mitigation and adaptation technology priorities of developing country Parties;
- b) Involve different stakeholders in a consultative process to identify the barriers to technology transfer and measures to address these barriers through sectoral analyses;
- c) May address soft and hard technologies for both mitigation and adaptation, identify regulatory options, develop fiscal and financial incentives and build capacity.

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<sup>2</sup> [http://unfccc.int/cooperation\\_and\\_support/technology/items/1126.php](http://unfccc.int/cooperation_and_support/technology/items/1126.php)

Figure 2  
Key steps in conducting a technology needs assessment



Source: UNDP (and UNFCCC) 2010, Handbook for Conducting Technology Needs Assessment for Climate Change.

The ultimate goal of a TNA is to prepare a **technology action plan** (TAP) and project ideas. A TAP is an action plan consisting of a group of measures to address identified barriers to the development and transfer of a prioritized technology. In the context of their TNAs, Parties envisaged project ideas as concrete actions for the implementation of their prioritized technologies.<sup>3</sup>

<sup>3</sup> [http://unfccc.int/ttclear/templates/render\\_cms\\_page?TTF\\_tna](http://unfccc.int/ttclear/templates/render_cms_page?TTF_tna)

## 2. GUIDANCE FOR UNDERTAKING THE TECHNICAL ANALYSIS

Guided by decision 20/CP.19, annex, paragraph 15 (and further elaborated in chapter 4 of module 1), the technical analysis of information reported in BURs on finance, technology and capacity-building needs and support received shall entail:

*[Decision 20/CP.19, annex, paragraph 15]*

...

*The technical analysis under international consultation and analysis will aim to increase transparency of mitigation actions and their effects; discussion on the appropriateness of such domestic policies and measures is not part of the process. The TTE shall:*

*(a) Identify the extent to which the elements of information listed in paragraph 3(a) of the guidelines contained in decision 2/CP.17, annex IV, are included in the BUR of the Party concerned;*

*(b) Undertake a technical analysis of information contained in the BUR as outlined in the “UNFCCC biennial update reporting guidelines for Parties not included in Annex I to the Convention” contained in annex III to decision 2/CP.17, and any additional technical information that may be provided by the Party concerned;*

*(c) In consultation with the Party concerned, identify capacity-building needs in order to facilitate reporting in accordance with annex III to decision 2/CP.17, and participating in international consultation and analysis in accordance with annex IV to decision 2/CP.17, taking into account Article 4, paragraph 3, of the Convention.*

### 2.1. IDENTIFYING THE EXTENT TO WHICH THE ELEMENTS OF INFORMATION ARE REPORTED

Decision 2/CP.17, paragraph 41, and paragraphs 14–16 of the BUR Guidelines contained in the annex to decision 2/CP.17, define the basis for preparation and reporting in the BURs of information on finance, technology and capacity-building needs and support received. These requirements fall into the “should” category (Table 1).

Table 1  
**Identification of the extent to which the elements of information on finance, technology and capacity-building needs and support received are included in the [first] biennial update report**

<i>Decision</i>	<i>Reporting requirements</i>	<i>Yes/ Partly/No/NA</i>	<i>Comments on the extent of the information provided</i>
Decision 2/CP.17, annex III, paragraph 14	Non-Annex I Parties should provide updated information on constraints and gaps, and related financial, technical and capacity-building needs: <ul style="list-style-type: none"> <li>• Constraints and gaps</li> <li>• Related financial, technical and capacity-building needs</li> </ul>		
Decision 2/CP.17, annex III, paragraph 15	Non-Annex I Parties should also provide updated information on financial resources, technology transfer, capacity-building and technical support received from the GEF, Annex II Parties and other developed country Parties, the GCF and multilateral institutions for activities relating to climate change, including for the preparation of the current BUR		
Decision 2/CP.17, annex III, paragraph 16	With regard to the development and transfer of technology, non-Annex I Parties should provide information on technology needs, which must be nationally determined, and technology support received: <ul style="list-style-type: none"> <li>• Technology needs, which must be nationally determined</li> <li>• Technology support received</li> </ul>		

## 2.2. UNDERTAKING THE TECHNICAL ANALYSIS

The technical analysis of information reported in BURs on finance, technology and capacity-building needs and support received will be undertaken in accordance with the procedures, modalities and guidelines contained in annex IV of decision 2/CP.17 and the annex to decision 20/CP.19.

### 2.2.1. ANALYSIS OF THE IDENTIFICATION OF CONSTRAINTS AND GAPS

This section deals with the analysis of information submitted in relation to constraints and gaps, and related financial, technical and capacity-building needs as requested by decision 2/CP.17, annex III, paragraph 14.

The main objectives of this section are to provide the technical expert with:

- a) A description of the reporting requirements related to constraints, gaps and related needs;
- b) A familiarization of key issues identified in relevant literature, related to the identification and reporting of constraints, gaps and related needs, through practical exercises.

In analysing this information, the technical experts must check whether there is an overlap with the information required by decision 2/CP.17, annex III, paragraph 16 (in

relation to technology transfer needs), i.e. check whether the Party reports under paragraphs 14 and 16 in the same or in different sections of the BUR.

Decision 2/CP.17, annex III, paragraph 14 requires non-Annex I Parties to report on:

- a) Financial constraints and gaps (barriers, challenges and bottlenecks);
- b) Technical constraints and gaps (barriers, challenges and bottlenecks);
- c) Capacity-building constraints and gaps (barriers, challenges and bottlenecks).

While analysing the identification of financial, technical and capacity-building constraints and gaps reported by the Party, the technical expert must note and specifically take into account the following relevant paragraphs of annex III to decision 2/CP.17:

*[Decision 2/CP.17, Annex III, paragraph 2]*

...

*2. The scope of biennial update reports is to provide an update to the most recently submitted national communication in the following areas:*

...

*(d) Constraints and gaps, and related financial, technical and capacity needs, including a description of support needed and received;*

....

*[Decision 2/CP.17, Annex III, paragraph 14]*

*14. Non-Annex I Parties should provide updated information on constraints and gaps, and related financial, technical and capacity-building needs.*

Additionally, the technical expert may also take into account the “CGE Training Materials: Biennial Update Reports – Financial, Technical and Capacity-Building Needs and Support Received”, specifically sections:

- 2.2 on “Identify the constraints and gaps”
- 2.2.1 on “guiding elements for documenting financial barriers/challenges/bottlenecks”
- 2.2.2 on “guiding elements for documenting technical barriers/challenges/bottlenecks”
- 2.2.3 on “guiding elements for documenting capacity-building barriers/challenges/bottlenecks”
- 5.1 on capacity-building
- 5.2 on North–South and South–South cooperation

In taking these materials into account, the technical experts may comment on the perceived usefulness to Parties, based on the level of adherence by Parties to the recommended formats (such comments may be forwarded to the CGE to be taken into account in any potential revision of the training materials).<sup>4</sup>

Finally, the technical experts may also take into consideration the manual “Reporting on Climate Change: User Manual for the Guidelines on National Communications from non-Annex I Parties”, in particular the chapter “Constraints and gaps, and related financial technical and capacity needs”.<sup>5</sup>

Upon completion of the verification of inclusion of the relevant information and of the analysis of the information submitted, the technical expert may, in consultation with the Party concerned identify capacity-building needs in order to facilitate reporting.

### 2.2.2. ANALYSIS OF THE IDENTIFICATION OF NEEDS

Decision 2/CP.17, annex III, paragraph 14 requires non-Annex I Parties to report on:

- a) Technical support needs;
- b) Capacity-building support needs;
- c) Financial support needs.

While analysing the identification of technical, capacity-building and financial needs reported by the Party, the technical expert must note and specifically take into account the paragraphs of Annex III to decision 2/CP.17 listed below.

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<sup>4</sup> The level of perceived usefulness may be assessed based on the adherence of Parties to the formats recommended by the CGE: the more Parties adhere to the formats, the more useful the CGE recommendations may be perceived to be.

<sup>5</sup> <[http://unfccc.int/files/essential\\_background/application/pdf/userman\\_nc.pdf](http://unfccc.int/files/essential_background/application/pdf/userman_nc.pdf)>

In relation to the objectives of the guidelines:

*[Decision 2/CP.17, Annex III, paragraph 1]*

*1. The objectives of the guidelines for the preparation of the biennial update reports from Parties not included in Annex I to the Convention (non-Annex I Parties) are as follows:*

*.....*

*(c) To enable enhanced reporting by non-Annex I Parties on mitigation actions and their effects, needs and support received, in accordance with their national circumstances, capacities and respective capabilities, and the availability of support;*

*(d) To provide policy guidance to an operating entity of the financial mechanism for the timely provision of financial support needed by developing country Parties in order to meet the agreed full costs of preparing their biennial update reports;*

*(e) To facilitate the presentation of information on finance, technology and capacity-building support needed and received, including for the preparation of biennial update reports;*

*.....*

In relation to the scope:

*[Decision 2/CP.17, Annex III, paragraph 2]*

*...*

*2. The scope of biennial update reports is to provide an update to the most recently submitted national communication in the following areas:*

*...*

*(d) Constraints and gaps, and related financial, technical and capacity needs, including a description of support needed and received;*

*....*

In relation to the information to be provided:

*[Decision 2/CP.17, Annex III, paragraph 14]*

*14. Non-Annex I Parties should provide updated information on constraints and gaps, and related financial, technical and capacity-building needs.*

In relation to the information to the development and transfer of technology:

*[Decision 2/CP.17, Annex III, paragraph 16]*

...

*16. With regard to the development and transfer of technology, non-Annex I Parties should provide information on technology needs, which must be nationally determined, and on technology support received.*

...

Additionally, the technical expert may also take into account the CGE training materials<sup>6</sup>, specifically sections:

- 2.1 on “Identify the needs”;
- 2.1.1 on “Technical support needs”;
- 2.1.2 on “Capacity-building support needs”;
- 2.1.3 on “Financial support needs”.

In taking these materials into account, the technical experts may comment on the perceived usefulness to Parties, based on the level of adherence by Parties to the recommended formats (such comments may be forwarded to the CGE to be taken into account in any potential revision of the training materials).

Finally, the technical experts may also take into consideration the manual “Reporting on Climate Change: User Manual for the Guidelines on National Communications from non-Annex I Parties”, in particular the chapter “Constraints and gaps, and related financial technical and capacity needs”.

Upon completion of the verification of inclusion of the relevant information and of the analysis of the information submitted, the technical expert may, in consultation with the Party concerned identify capacity-building needs in order to facilitate reporting.

In analysing these documents, the technical expert may particularly take into account, among others, the following aspects:<sup>7</sup>

- Has the Party described the process for identification of constraints, gaps and needs, including any stakeholder engagement?
- Are constraints, gaps and needs clearly related to national circumstances and national development priorities (as eventually reported in the relevant chapters of the national communication)?

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<sup>6</sup> [http://unfccc.int/national\\_reports/non-annex\\_i\\_natcom/training\\_material/methodological\\_documents/items/7914.php](http://unfccc.int/national_reports/non-annex_i_natcom/training_material/methodological_documents/items/7914.php)

<sup>7</sup> These questions are merely illustrative and have been formulated to help the technical experts perform the proposed exercise. By no means are Parties specifically requested to submit information to answer each of these questions and the technical experts should not address the technical analysis from a perspective of trying to find answers to them.



- Does the Party include constraints, gaps and needs for implementing climate change activities as well as for fulfilling the reporting requirements?
- Does the Party clearly distinguish between technical, capacity and financial constraints, gaps and needs? Does the Party report on any such constraints, gaps and needs specifically related to human resources?
- Has the Party reported on any constraints related to intellectual property rights?
- Does the Party clearly link any measures or recommendations to address constraints and gaps with the identified technical, capacity and financial needs?
- Does the Party relate the constraints, gaps and needs reported with its ambition to mitigate and its capacity to adapt to climate change?
- Does the Party relate technical, capacity and financial constraints, gaps and needs, to unpredictability or discontinuation of financial resources (a) from internal sources and (b) external sources?
- Does the Party refer to constraints, gaps and needs reported in previous national communications and does it provide a status update of such constraints, gaps and needs?
- Has the party described the methods to estimate any quantitative or qualitative needs reported?
- Has the Party clearly reported its definition of climate (support and financing) needs?
- Has the Party distinguished different financing support needs (e.g. grants, concessional lends, private sector investment)?
- Has the Party reported on any barrier or bottleneck in accessing funds from donors, related to preparing a proposal to be presented to the donor?

### 2.2.3. ANALYSIS OF INFORMATION RELATED TO SUPPORT RECEIVED TO IMPLEMENT ACTIONS AND ACTIVITIES RELATING TO CLIMATE CHANGE, INCLUDING PREPARATION OF BIENNIAL UPDATE REPORTS

This section deals with the analysis of information submitted in relation to financial resources, technology transfer, capacity-building and technical support received for climate change activities and for the preparation of the BUR, as requested by decision 2/CP.17, annex III, paragraph 15.

The main objectives of this section are to provide the technical expert with:

- A description of the reporting requirements related support received for climate change activities and for the preparation of BURs;
- A familiarization of key issues identified in relevant literature, related to tracking and reporting support received, through practical exercises.

Decision 2/CP.17, annex III, paragraph 15, requires non-Annex I Parties to report on:

- a) Financial support received;
- b) Technical support received;
- c) Capacity-building support received;
- d) Transfer of technology, for the implementation of climate change activities.

While analysing the information reported by the Party on support received to implement actions and activities relating to climate change, the technical expert must note and specifically take into account the relevant paragraphs of **Annex III to decision 2/CP.17**, listed below.

In relation to the objectives of the guidelines:

*[Decision 2/CP.17, Annex III, paragraph 1]*

*1. The objectives of the guidelines for the preparation of the biennial update reports from Parties not included in Annex I to the Convention (non-Annex I Parties) are as follows:*

*.....*

*(c) To enable enhanced reporting by non-Annex I Parties on mitigation actions and their effects, needs and support received, in accordance with their national circumstances, capacities and respective capabilities, and the availability of support;*

*(d) To provide policy guidance to an operating entity of the financial mechanism for the timely provision of financial support needed by developing country Parties in order to meet the agreed full costs of preparing their biennial update reports;*

*(e) To facilitate the presentation of information on finance, technology and capacity-building support needed and received, including for the preparation of biennial update reports;*

*.....*

In relation to the scope:

*[Decision 2/CP.17, Annex III, paragraph 2]*

*...*

*2. The scope of biennial update reports is to provide an update to the most recently submitted national communication in the following areas:*

*...*

*(d) Constraints and gaps, and related financial, technical and capacity needs, including a description of support needed and received;*

*.....*

In relation to the information to be provided:

*[Decision 2/CP.17, Annex III, paragraph 15]*

...

*15. Non-Annex I Parties should also provide updated information on financial resources, technology transfer, capacity-building and technical support received from the Global Environment Facility, Parties included in Annex II to the Convention and other developed country Parties, the Green Climate Fund and multilateral institutions for activities relating to climate change, including for the preparation of the current biennial update report.*

....

In relation to the information to the development and transfer of technology:

*[Decision 2/CP.17, Annex III, paragraph 16]*

...

*16. With regard to the development and transfer of technology, non-Annex I Parties should provide information on technology needs, which must be nationally determined, and on technology support received.*

...

Additionally, the technical expert may also take into account the CGE training materials, specifically section 3 on “Information on financial resources, technology transfer, capacity-building and technical support received”. In taking these materials into account, the technical experts may comment on the perceived usefulness to Parties, based on the level of adherence by Parties to the recommended formats (such comments may be forwarded to the CGE to be taken into account in any potential revision of the training materials).

Finally, the technical experts may also take into consideration the manual “Reporting on Climate Change: User Manual for the Guidelines on National Communications from non-Annex I Parties”, in particular the relevant parts of the chapter on “Other information”.

Upon completion of the verification of inclusion of the relevant information and of the analysis of the information submitted, the technical expert may, in consultation with the Party concerned identify capacity-building needs in order to facilitate reporting.

In analysing these documents, the technical expert may particularly take into account, among others, the following aspects:<sup>8</sup>

- Has the Party described the system and/or procedures, including the institutional framework and any quality checks, for collecting and managing the data?
- Has the Party clearly defined climate financing and/or climate support? What methodologies have been used to track and report support received?
- Does the Party report any data gaps? If so, has the party addressed such gaps? Have the methods used to close the data gaps been described?
- Are there (any other) discernible data gaps not reported or acknowledged by the Party?
- Has the Party reported any consideration on data accessibility? What are such key considerations?
- Has the Party reported on discrepancies or conflicting information? If so, has the Party reported on how it solved the conflict?
- Has the Party reported on the links between support received and the action reported in the mitigation action and the vulnerability and adaptation chapters of the national communication?
- Has the Party reported any issues related to the exchange rate of the support received and how that may have impacted the implementation of the mitigation or adaptation action?
- Has the Party clearly distinguished support received from bilateral and multilateral donors?
- Has the Party clearly distinguished financial, technical, capacity and technology transfer support?
- Has the Party clearly distinguished support received for mitigation and for adaptation activities as well as for the preparation of the BUR?
- Has the Party identified the sectors in which the support was used?
- Has the Party identified the type of support received (grant, concessional loan, non-concessional loan, other)?
- Has the Party reported on any conditionality upon receiving support?
- Has the Party reported on any private sector involvement in the support received?
- Has the Party reported any considerations on the effectiveness of the support received?

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<sup>8</sup> These questions are merely illustrative and have been formulated to help the technical experts perform the proposed exercise. By no means are Parties specifically requested to submit information to answer each of these questions and the technical experts should not address the technical analysis from a perspective of trying to find answers to them.

## 2.2.4. ANALYSIS OF THE APPROACHES AND KEY CONSIDERATIONS FOR IDENTIFYING AND REPORTING SUPPORT RECEIVED FOR THE PREPARATION OF THE BIENNIAL UPDATE REPORT

Decision 2/CP.17, annex III, paragraph 15 requires non-Annex I Parties to report on:

- a) Financial support received;
- b) Technical support received;
- c) Capacity-building support received;
- d) Transfer of technology, for activities relating to climate change, including for the preparation of the current biennial update report.

While analysing the information reported by the Party on support received for the preparation of the BUR, the technical expert must note and specifically take into account the following relevant paragraphs of **annex III to decision 2/CP.17**:

In relation to the objectives of the guidelines:

*[Decision 2/CP.17, Annex III, paragraph 1]*

*1. The objectives of the guidelines for the preparation of the biennial update reports from Parties not included in Annex I to the Convention (non-Annex I Parties) are as follows:*

*.....*

*(d) To provide policy guidance to an operating entity of the financial mechanism for the timely provision of financial support needed by developing country Parties in order to meet the agreed full costs of preparing their biennial update reports;*

*(e) To facilitate the presentation of information on finance, technology and capacity-building support needed and received, including for the preparation of biennial update reports;*

*.....*

In relation to the scope:

*[Decision 2/CP.17, Annex III, paragraph 2]*

...

*2. The scope of biennial update reports is to provide an update to the most recently submitted national communication in the following areas:*

...

*(e) Information on the level of support received to enable the preparation and submission of biennial update reports;*

....

In relation to the information to be provided:

*[Decision 2/CP.17, Annex III, paragraph 15]*

...

*15. Non-Annex I Parties should also provide updated information on financial resources, technology transfer, capacity-building and technical support received from the Global Environment Facility, Parties included in Annex II to the Convention and other developed country Parties, the Green Climate Fund and multilateral institutions for activities relating to climate change, including for the preparation of the current biennial update report.*

....

Additionally, the technical expert may also take into account the CGE training materials, specifically section 3 on “Information on financial resources, technology transfer, capacity-building and technical support received.” In taking these materials into account, the technical expert may comment on the perceived usefulness to Parties, based on the level of adherence by Parties to the recommended formats (such comments may be forwarded to the CGE to be taken into account in any potential revision of the training materials).

Upon completion of the verification of inclusion of the relevant information and of the analysis of the information submitted, the technical expert may, in consultation with the Party concerned identify capacity-building needs in order to facilitate reporting.

In analysing these documents, the technical expert may particularly take into account, among others, the following aspects:<sup>9</sup>

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<sup>9</sup> These questions are merely illustrative and have been formulated to help the technical experts perform the proposed exercise. By no means are Parties specifically requested to submit information to answer each of these questions and the technical experts should not address the technical analysis from a perspective of trying to find answers to them.

- Has the Party described the system and/or procedures, including the institutional framework and any quality checks, for collecting and managing the data?
- Does the Party report any data gaps? If so, has the party addressed such gaps? Have the methods used to close the data gaps been described?
- Are there (any other) discernible data gaps not reported or acknowledged by the Party?
- Has the Party reported any consideration on data accessibility? What are such key considerations?
- Has the Party reported on conflicting information? If so, has the Party reported on how it solved the conflict?
- Has the Party clearly distinguished support received from bilateral and multilateral donors?
- Has the Party clearly distinguished financial, technical, capacity and technology transfer support?
- Has the Party reported any issues related to the exchange rate of the support received and how that may have impacted the preparation of the national communication and/or BUR?
- Has the Party reported on the sufficiency of the support received for the preparation of the BUR?

### 2.2.5. ANALYSIS OF NEEDS IDENTIFIED VERSUS AVAILABLE RESOURCES

While analysing the needs identified versus available resources,<sup>10</sup> the technical expert may take into account the CGE training materials, specifically sections 2 and 3.

In analysing such information the technical expert may particularly take into account the following aspects:<sup>11</sup>

- Are there data gaps? Have those been identified by the Party? If so, has the Party described any method used to fill the data gaps?
- Is there any conflict of information? Has the Party identified it and if so, has the Party described how it addressed the issue?
- Has the Party reported on any problem related to the exchange rate applied to the financial support received? If so, has the Party reported on how it impacted in the implementation of the related climate change activity or the preparation of the national communication and/or BUR?

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<sup>10</sup> Technical experts must take into account that the UNFCCC BUR guidelines do not include such a requirement. Nonetheless, given that the CGE training materials include recommendations for reporting on support received versus support needed, it is possible that Parties report on it. Only for such cases is this section of the training relevant.

<sup>11</sup> These questions are merely illustrative and have been formulated to help the technical experts perform the proposed exercise. By no means are Parties specifically requested to submit information to answer each of these questions and the technical experts should not address the technical analysis from a perspective of trying to find answers to them.





## 2.2.6. ANALYSIS OF THE APPROACHES FOR THE NATIONAL DETERMINATION OF TECHNOLOGY NEEDS AND TO IDENTIFY TECHNOLOGY SUPPORT RECEIVED

This section deals with the analysis of information submitted in relation to nationally determined technology needs and technological support received, as requested by decision 2/CP.17, annex III, paragraph 16.

The main objectives of this section are to provide the technical expert with:

- A description of the reporting requirements related to nationally determined technology needs and technological support received;
- A familiarization of key issues identified in relevant literature, related to nationally determined technology needs and technological support received, through practical exercises.

In analysing this information, the technical experts must check whether there is an overlap with the information required by paragraph 14 (in relation to technology transfer needs), i.e. check whether the Party reports under paragraphs 14 and 16 in the same or in different sections of the BUR. While analysing the information reported by the Party on nationally determined technology needs and technological support received, the technical expert must note and specifically take into account the relevant paragraphs of annex III to decision 2/CP.17 listed below.

In relation to the objectives of the guidelines:

*[Decision 2/CP.17, Annex III, paragraph 1]*

*1. The objectives of the guidelines for the preparation of the biennial update reports from Parties not included in Annex I to the Convention (non-Annex I Parties) are as follows:*

*.....*

*(d) To provide policy guidance to an operating entity of the financial mechanism for the timely provision of financial support needed by developing country Parties in order to meet the agreed full costs of preparing their biennial update reports;*

*(e) To facilitate the presentation of information on finance, technology and capacity-building support needed and received, including for the preparation of biennial update reports;*

*.....*

In relation to the information to the development and transfer of technology:

*[Decision 2/CP.17, Annex III, paragraph 16]*

...

*16. With regard to the development and transfer of technology, non-Annex I Parties should provide information on technology needs, which must be nationally determined, and on technology support received.*

...

Additionally, the technical expert may also take into account the CGE training material, specifically sections:

- a) Information on financial resources, technology transfer, capacity-building and technical support received;
- b) Key considerations on technology needs within the framework of development and transfer of technology;
- c) Information on technology needs.

In taking these materials into account, the technical experts may comment on the perceived usefulness to Parties, based on the level of adherence by Parties to the recommended formats (such comments may be forwarded to the CGE to be taken into account in any potential revision of the training materials).

The technical experts may also take into consideration the manual “Reporting on Climate Change: User Manual for the Guidelines on National Communications from non-Annex I Parties”, in particular the relevant parts of the chapter on “Other information”. Finally, the technical experts may also take into account the United Nations Development Programme Handbook for Conducting Technology Needs Assessment for Climate Change, in particular chapter 7 “Synthesize technology needs assessment in a report”.<sup>12</sup>

Upon completion of the verification of inclusion of the relevant information and of the analysis of the information submitted, the technical expert may, in consultation with the Party concerned identify capacity-building needs in order to facilitate reporting.

In analysing these documents, the technical expert may particularly take into account, among others, the following aspects:<sup>13</sup>

- Has the Party described the institutional framework and the procedures used to determine national technology needs?

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<sup>12</sup> [http://unfccc.int/ttclear/misc/\\_StaticFiles/gnwoerk\\_static/TNR\\_HAB/b87e917d96e94034bd7ec936e9c6a97a/1529e639caec4b53a4945ce009921053.pdf](http://unfccc.int/ttclear/misc/_StaticFiles/gnwoerk_static/TNR_HAB/b87e917d96e94034bd7ec936e9c6a97a/1529e639caec4b53a4945ce009921053.pdf).

<sup>13</sup> These questions are merely illustrative and have been formulated to help the technical experts perform the proposed exercise. By no means are Parties specifically requested to submit information to answer each of these questions and the technical experts should not address the technical analysis from a perspective of trying to find answers to them.

- Does the Party report on the involvement of stakeholders, including the private sector, entrepreneurs, technology owners, the research community and both urban and rural stakeholders?
- Has the Party identified and described national development priorities? Do such priorities take climate change into account?
- Does the Party identify priority sectors? Are the methods and criteria used to prioritize sectors described?
- Does the Party identify mitigation and adaptation technologies needs? Does the Party report on mitigation and adaptation technology support received?
- Does the Party identify and prioritize technologies? Are these technologies described as climate proof?
- Does the Party identify activities to facilitate and accelerate development and transfer of technology?
- Are the sectors and technologies identified and prioritized aligned with priorities described in the mitigation action and vulnerability and adaptation chapters in the national communication?
- Has the Party reported whether the technology support was received through non-concessional basis, investment incentives (capital grants, low-cost debt and equity) or tradable instruments?

## 2.2.7. CROSS-CUTTING ISSUES

This section deals with the analysis of a range of issues related to the overall information reported in relation to support, including the institutional framework in place and the Party's capacity and capacity-building needs.

The main objectives of this section are to provide the technical expert with:

- a) An overall description of key cross-cutting issues in the preparation of BURs;
- b) An overall description of key issues related to capacity-building needs for the preparation of BURs.

In analysing the information included in the BUR from a cross-cutting perspective, the technical expert may comment on whether the guidelines have, as per their objectives, encouraged the presentation of information in a consistent, transparent, complete, accurate and timely manner, taking into account specific national and domestic circumstances.

### 2.2.7.1. Analysis of the institutional framework and procedures for the identification of gaps, constraints, needs and support received

While analysing the information reported by the Party on gaps, constraints, needs and support received, the technical expert must specifically take into account the following relevant paragraphs of **annex III to decision 2/CP.17**:<sup>14</sup>

In relation to the objectives of the guidelines:

*[Decision 2/CP.17, Annex III, paragraph 1]*

*1. The objectives of the guidelines for the preparation of the biennial update reports from Parties not included in Annex I to the Convention (non-Annex I Parties) are as follows:*

*.....*

*(b) To encourage the presentation of information in a consistent, transparent, complete, accurate and timely manner, taking into account specific national and domestic circumstances;*

*...*

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<sup>14</sup> The analysis of the institutional framework is actually done best if in conjunction with the analysis of the information on constraints, gaps, needs and support received. In that context, analysing the institutional framework is not necessarily a stand-alone exercise.

In relation to the scope:

*[Decision 2/CP.17, Annex III, paragraph 2]*

...

*2. The scope of biennial update reports is to provide an update to the most recently submitted national communication in the following areas:*

...

*(a) Information on national circumstances and institutional arrangements relevant to the preparation of the national communications on a continuous basis;...*

....

In relation to the information to the development and transfer of technology:

*[Decision 2/CP.17, Annex III, paragraph 16]*

...

*16. With regard to the development and transfer of technology, non-Annex I Parties should provide information on technology needs, which must be nationally determined, and on technology support received.*

...

Additionally, the technical expert may also take into account the CGE training materials, specifically section 5.3 on “Institutional Framework”.

In taking these materials into account, the technical experts may comment on the perceived usefulness to Parties, based on the level of adherence by Parties to the recommended formats (such comments may be forwarded to the CGE to be taken into account in any potential revision of the training materials).

#### **2.2.7.2. Analysis of the structure and format of the biennial update report chapter on financial, technical and capacity-building needs and support received in relation to the CGE training material**

In analysing the structure and format of the BUR chapter on financial, technical and capacity-building needs and support received in relation to the CGE training material, the technical expert must take into account the CGE training materials, in particular sections:

- a) Reporting;
- b) Examples of reporting tables.

The technical experts may comment on the perceived usefulness of the training materials to Parties, based on the level of adherence by Parties to the recommended formats (such comments may be forwarded to the CGE to be taken into account in any potential revision of the training materials).

## 2.3. IDENTIFYING CAPACITY-BUILDING NEEDS

In identifying capacity-building needs through the analysis of the information reported by the party in its BUR, the technical expert must also take into consideration the analysis performed in accordance with sections 2.1 and 2.2 above.

In identifying such capacity-building needs – in addition to those identified and reported by the Party itself – the technical expert shall take into consideration the guidelines contained in annex III to decision 2/CP.17, in particular its objectives as described in paragraph 1.

In addition, the expert may take into consideration some key issues referred to in the literature<sup>15</sup> related to key challenges faced by countries in tracking and reporting climate support, for the further identification of capacity-building needs.

Such issues include, among others:<sup>16</sup>

- a) **Double counting:** Is the Party accounting for the same support more than once? For example, is the Party reporting on the same technology support in its reporting under decision 2/CP.17, annex III, paragraph 15 and 16? If so, has the Party clearly identified that case? In any total aggregation of support received reported by the Party are such double counting issues identified and/or solved?
- b) **Support for mitigation action:** Has the party made the link between support needs and support received and its mitigation action reported in the respective chapter of the BUR? Did the Party make the link between the ambition of its mitigation action and the ambition of the support received?
- c) **Definition of climate support:** Has the Party reported a definition of climate support? Has the Party reported only climate-specific support needs and support received or has it also reported climate-relevant support needs and support received?
- d) **Effectiveness of support received:** Has the Party reported on the effectiveness of the support received (e.g. in relation to emissions reductions and/or enhanced resilience or reduced vulnerability)?
- e) **Types of financial support:** Does the Party report on different types of support, such as grants, concessional and non-concessional loans, equity, loan guarantees, insurance and debt-for-nature swaps.

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<sup>15</sup> Jane Ellis – Challenges of regarding MRV of Climate Support (PPT presentation); Tirpak D, Brown LH and Ballesteros A. 2014. *Monitoring Climate Finance in Developing Countries: Challenges and Next Steps*. World Resources Institute. Available at <http://www.wri.org/publication/monitoring-climate-finance-developing-countries-challenges-and-next-steps>

<sup>16</sup> These questions are merely illustrative and have been formulated to help the technical experts identify broader cross cutting capacity-building needs. By no means are Parties specifically requested to submit information to answer each of these questions and the technical experts should not address the technical analysis from a perspective of trying to find answers to them.

- f) **Coverage of support received tracked:** Does the Party report support received by the private sector and the nongovernmental organization (NGO) community? If so, is the support received by each type of organization (public, private and NGO) clearly identified?
- g) **Delivery:** Does the Party report only support which has actually been received (delivered by the donor) or does it also report on other types such as support committed by donors but not yet delivered? Does the Party clearly identify such instances?
- h) **Channels:** Does the Party clearly identify the different support channels, i.e. multilateral and bilateral? Does the Party identify support received from Parties not included in Annex II to the Convention?
- i) **Completeness of the picture:** Do the institutional arrangements allow for tracking both international and national resources (to allow for the development and reporting of a comprehensive climate change strategy)? Do these arrangements allow tracking of general budget support, which is channelled to climate relevant policies?

## 2.4. CAPTURING THE FINDINGS IN A SUMMARY REPORT

A draft summary report with the findings of the technical analysis conducted as per the above, will be prepared and shared with the Party for comments, which will be incorporated in the final report.



## GLOSSARY

**Adaptation:** Initiatives and measures to reduce the vulnerability of natural and human systems against actual or expected climate change effects.

**Adaptation Fund:** The Adaptation Fund was established to finance concrete adaptation projects and programmes in developing countries that are particularly vulnerable and are Parties to the Kyoto Protocol. The fund is to be financed with a share of proceeds from clean development mechanism (CDM) project activities and receive funds from other sources. It is operated by the Adaptation Fund Board.

**Annex I Parties:** Parties included in Annex I to the Convention that were members of the Organisation for Economic Co-operation and Development in 1992, plus countries with economies in transition, including the Russian Federation, the Baltic States, and several Central and Eastern European States.

**Annex II Parties:** Consist of the Organisation for Economic Co-operation and Development members of Annex I, but not the countries with economies in transition. They are required to provide financial resources to enable developing countries to undertake emissions reduction activities under the Convention and to help them adapt to adverse effects of climate change. In addition, they have to "take all practicable steps" to promote the development and transfer of environmentally friendly technologies to countries with economies in transition and developing countries. Funding provided by Annex II Parties is channelled mostly through the Convention's financial mechanism.

**Biennial update reports (BURs):** A report submitted by Parties not included in Annex I to the Convention, which provides updates on actions undertaken by the Party to implement the Convention, including the status of its greenhouse gas emissions and removals by sinks, as well as actions to reduce emissions or enhance sinks.

**Capacity-building:** In the context of climate change, the process of developing the technical skills and institutional capability in developing countries and economies in transition, to enable them to address and report effectively on the implementation of the Convention.

**Expert Group on Technology Transfer (EGTT):** An expert group established at COP 7 with the objective of enhancing the implementation of Article 4.5 of the Convention, by analysing and identifying ways to facilitate and advance technology transfer activities under the Convention. The EGTT completed its work in 2010.

**Fast-start finance (FSF):** At COP 15 in Copenhagen in 2009, developed countries pledged to provide new and additional resources, including forestry and investments, approaching USD 30 billion for the period 2010–2012 and with balanced allocation between mitigation and adaptation. This collective commitment has come to be known as 'fast-start finance'.

**Global Environment Facility (GEF):** The GEF is an independent financial organization that provides grants to developing countries for projects that benefit the global environment and promote sustainable livelihoods in local communities. The Parties to the Convention assigned operation of the financial mechanism to the GEF

on an ongoing basis, subject to review every four years. The financial mechanism is accountable to the COP.

**Green Climate Fund (GCF):** At COP 16 in Cancun in 2010, governments established a Green Climate Fund as an operating entity of the financial mechanism of the Convention under Article 11. The GCF will support projects, programmes, policies and other activities in developing country Parties. The Fund will be governed by the GCF Board.

**Least Developed Country Fund (LDCF):** The LDCF is a fund established to support a work programme to assist least developed country Parties to carry out, inter alia, the preparation and implementation of national adaptation programmes of action (NAPAs). The Global Environment Facility, as the entity that operates the financial mechanism of the Convention, has been entrusted to operate this fund.

**National communication:** A document submitted in accordance with the Convention (and the Protocol) by which a Party informs the Conference of the Parties of activities undertaken to address climate change. Most developed countries have now submitted their fifth national communications; most developing countries have completed their second national communication and are in the process of preparing their third.

**Special Climate Change Fund (SCCF):** The SCCF was established to finance projects relating to adaptation; technology transfer and capacity-building; energy, transport, industry, agriculture, forestry and waste management; and economic diversification. This fund should complement other funding mechanisms for the implementation of the Convention. The Global Environment Facility, as the entity that operates the financial mechanism of the Convention, has been entrusted to operate this fund.

**Technology transfer:** A broad set of processes covering the flows of know-how, experience and equipment for mitigating and adapting to climate change among different stakeholders.