



United Nations
Climate Change

UNFCCC BTR REVIEW TRAINING: COURSE D

**FINANCIAL, TECHNOLOGY DEVELOPMENT AND
TRANSFER AND CAPACITY BUILDING SUPPORT**

FIRST EDITION
September 2023

BTR Review Training Programme

Technical review of information on financial, technology development and transfer and capacity-building support provided and mobilized to developing countries Parties

Overview

This is the fourth course of the training programme for technical experts participating in the technical expert review of biennial transparency reports.

The MPGs for the transparency framework for action and support referred to in Article 13 of the Paris Agreement (annex to decision 18/CMA.1, chapter V), the Guidance for operationalizing the modalities, procedures and guidelines for the enhanced transparency framework referred to in Article 13 of the Paris Agreement (annex III to decision 5/CMA.3) and the Guidelines for the preparation of national communications by Parties included in Annex I to the Convention, Part II: UNFCCC reporting guidelines on national communications” (annex to decision 6/CP.25, chapter VIII) require developed country Parties to report on their provision of financial support, technology transfer and capacity-building (FTC) to developing country Parties.

Course 4 will help you learn how to review the information reported on financial, technology development and transfer and capacity-building support provided and mobilized to developing country Parties.

This course has following learning objectives:

- Understand how the information on the FTC support relates to commitments of the Parties under the Paris Agreement;
- Understand the reporting requirements related to the FTC support provided in light of chapter V. Information on financial, technology development and transfer and capacity-building support provided and mobilized under Articles 9–11 of the Paris Agreement of the MPGs;
- Understand how to assess the consistency of the information reported by Parties with the reporting requirements provided by the MPGs, including in view of their completeness and transparency; and
- Draft findings related to each of the reporting elements in the review reports and make recommendations and encouragements to the Parties on the areas of improvement.



It should take about 190 minutes to work through this course.

Abbreviations and Acronyms

AF	Adaptation Fund
Annex I Party	Party included in Annex I to the Convention
Annex II Party	Party included in Annex II to the Convention
APA	Ad hoc Working Group on the Paris Agreement
BR	biennial report
BR4s	fourth biennial reports
BTR	biennial transparency report
BUR	biennial update report
CBIT	Capacity-building Initiative for Transparency
CGE	Consultative Group of Experts
CMA	Conference of the Parties serving as the meeting of the Parties to the Paris Agreement
COP	Conference of the Parties
CRT	common reporting table
CTF	common tabular format
DAC	Development Assistance Committee
EIT country/Party	country/Party with economy in transition
ERT	expert review team
ETF	Enhanced transparency framework
EU	European Union
FMCP	facilitative, multilateral consideration of progress
FREL	Forest Reference Emissions Level
FRL	Forest Reference Level
FTC	finance, technology development and transfer and capacity-building
GCF	Green Climate Fund
GEF	Global Environment Facility
GHG	greenhouse gas
GSP	Global Support Program
IAR process	International assessment and review process
ICA process	International consultation and analysis process
IPCC	Intergovernmental Panel on Climate Change
IMF	International Monetary Fund
ITMO	internationally transferred mitigation outcome
LDCs	Least Developed Countries
LDCF	Least Developed Countries Fund
LULUCF	Land use, land use change, and forestry
MDB	multilateral development bank

MPGs	Modalities, procedures and guidelines for the transparency framework for action and support referred to in Article 13 of the Paris Agreement, set out in the annex to decision 18/CMA.1
MRV	measurement, reporting, and verification
NA	not applicable
NAP	National Adaptation Plan
NC	national communication
NDC	nationally determined contribution
NIR	National Inventory Report
Non-Annex I Party	Party not included in Annex I to the Convention
ODA	official development assistance
OECD	Organisation for Economic Co-operation and Development
OOF	Other Official Flows
PAICC	Paris Agreement Implementation and Compliance Committee
REDD+	reducing emissions from deforestation; reducing emissions from forest degradation; conservation of forest carbon stocks; sustainable management of forests; and enhancement of forest carbon stocks (decision 1/CP.16, para. 70)
SBSTA	Subsidiary Body for Scientific and Technological Advice
SDG	Sustainable Development Goal
SID	Small Island Developing State
TACCC Principles	transparency, accuracy, completeness, consistency, and comparability principles
TER	technical expert review
TERT	technical expert review team
UNFCCC reporting guidelines on NCs	Guidelines for the preparation of national communications by Parties included in Annex I to the Convention, Part I: UNFCCC reporting guidelines on annual greenhouse gas inventories

Table of Contents

Introduction to the course.....	8
1. Structure of the course	8
2. Structure of each lesson	9
LESSON 1: Cross-cutting information on FTC support	10
1. Introduction	10
2. Key topics	10
3. National circumstances and institutional arrangements	11
3.1. Review steps - National circumstances and institutional arrangements	11
4. Double counting.....	14
4.1. Review steps - Double counting.....	14
5. Addressing the needs of developing country Parties	17
5.1 Review steps - Addressing the needs of developing country Parties	17
6. Long-term goals of the Paris Agreement	18
6.1. Review steps - Long-term goals of the Paris Agreement	18
7. Support provided by other Parties.....	19
7.1. Review steps - Support provided by other Parties	19
8. Lesson summary	22
9. ANNEXES OF LESSON 1	23
ANNEX 1	23
ANNEX 2	26
ANNEX 3	27
10. Answer key for Lesson 1	28
LESSON 2 – Financial support	29
1. Introduction	29
1.1. Climate finance	29
1.2. Financial support trends	30
1.3. Reporting requirements on financial support	30
1.4. Channels to report on the provision and mobilization of financial support	31
2. Key topics	32
3. New and additional financial support.....	32
3.1. Review steps - New and additional financial support.....	32
4. Amounts.....	35
4.1. Review steps - Amounts.....	35

5. Multilateral channels: inflows and/or outflows.....	38
5.1. Review steps - Multilateral channels: inflows and/or outflows.....	38
6. Financial instruments and sectors (subsectors).....	40
6.1. Review steps - Financial instruments and sectors (subsectors).....	40
7. Finance mobilized through public interventions	43
7.1. Review steps - Finance mobilized through public interventions	43
8. Common tabular format tables	46
8.1. Review steps - Common tabular format tables	46
9. Lesson summary	49
10. ANNEXES OF LESSON 2	50
ANNEX 1.....	50
ANNEX 2.....	51
ANNEX 3.....	54
ANNEX 4.....	55
11. Answer keys of lesson 2.....	62
LESSON 3: Technology development and transfer	63
1. Introduction	63
1.1. Technology transfer.....	63
1.2. Technology transfer trends.....	64
1.3. Technology transfer reporting	64
1.4. Technology transfer enhancement.....	65
2. Key topics.....	65
3. Strategies, technology cycle, innovation and knowledge generated	66
3.1. Review steps - Strategies, technology cycle, innovation and knowledge generated	66
4. Endogenous capacities and technologies	68
4.1. Review steps - Endogenous capacities and technologies	68
5. Involvement of the private sector	71
5.1. Review steps - Involvement of the private sector	71
6. Implemented and planned activities	72
6.1. Review steps - Implemented and planned activities	72
7. Common tabular format tables	73
7.1. Review steps - Common tabular format tables	73
8. Lesson summary	76
9. ANNEXES OF LESSON 3	77
ANNEX 1.....	77

ANNEX 2.....	77
ANNEX 3.....	78
ANNEX 4.....	79
ANNEX 5.....	80
10. Answer keys of lesson 3.....	81
LESSON 4: Capacity-building.....	83
1. Introduction.....	83
1.1. Capacity-building.....	83
1.2. Capacity-building trends.....	84
1.3. Capacity-building reporting.....	84
1.4. Capacity-building enhancement.....	85
2. Capacity building requirements.....	85
2.1. Review steps.....	85
3. Tabular format.....	90
3.1. Review steps.....	90
4. Lesson summary.....	92
5. ANNEXES OF LESSON 4.....	93
ANNEX 1.....	93
ANNEX 2.....	93
ANNEX 3.....	94
ANNEX 4.....	95
6. Answer keys of lesson 4.....	96
REFERENCES.....	97

Introduction to the course

1. Structure of the course

Course D has the following four lessons:

Lesson 1 – Cross-cutting information on FTC support

The lesson provides guidance on the review of information reported by developed country Parties on the national circumstances and institutional arrangements; and underlying assumptions, definitions and methodologies used for reporting FTC support provided and mobilized to developing country Parties.

Lesson 2 – Financial Support

The lesson provides guidance on the review of information on the provision and mobilization of financial resources to developing country Parties.

Lesson 3 – Technology development and transfer

The lesson provides guidance on the review of information on activities related to the support for technology development and transfer to developing country Parties.

Lesson 4 – Capacity-building

The lesson provides guidance on the review of the information on activities related to capacity-building in developing country Parties.

Background documents

- All expert reviewers should be familiarized with the [MPGs for the transparency framework for action and support referred to in Article 13 of the Paris Agreement](#) (annex to decision 18/CMA.1). Trainees can download them from the hyperlink.
- [Paris Agreement](#), 2015
- [Compilation and synthesis of fourth biennial reports of Parties included in Annex I to the Convention](#), 2020
- [Reference Manual for the Enhanced Transparency Framework under the Paris Agreement: Understanding the enhanced transparency framework and its linkages to nationally determined contribution accounting](#), 2020
- [Technical handbook for developing country Parties on preparing for implementation of the enhanced transparency framework under the Paris Agreement](#), 2020
- [Methodological and Technological Issues in Technology Transfer](#)
- [IPCC: Summary for Policymakers. In: Global Warming of 1.5°C. An IPCC Special Report on the impacts of global warming of 1.5°C above pre-industrial levels and related global greenhouse gas emission pathways, in the context of strengthening the global response to the threat of climate change, sustainable development, and efforts to eradicate poverty](#), 2018

2. Structure of each lesson

Each lesson in this course contains:

1. An introduction providing the context for the reporting and review of information;
2. An overview of steps to follow in conducting the review, including:
 - PREPARE: What are the relevant requirements?
 - ASSESS: How to assess the completeness and transparency of reported information?
 - DRAFT: How to draft findings in the technical expert review report?
3. Practice activities;
4. Lesson Summary.

LESSON 1: Cross-cutting information on FTC support

1. Introduction

This lesson focuses on the review of the cross-cutting information reported on the provision and mobilization of FTC support for developing country Parties. In particular, it focuses on the review of the information reported by developed country Parties on national circumstances and institutional arrangements and on underlying assumptions, definitions and methodologies.

2. Key topics

BTRs have five key reporting requirements relating to institutional arrangements and methodologies, as shown below. Click on a topic to jump straight to its section in this lesson, or work through sections 3 to 7 to find out more about each one.

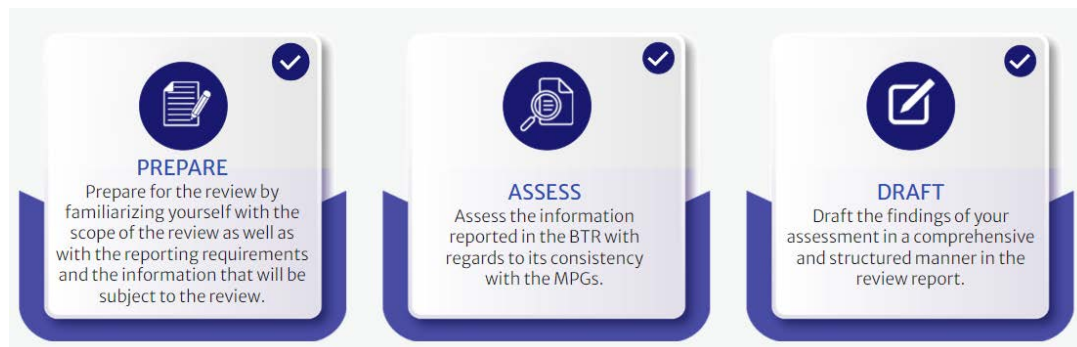


For the complete reporting requirements on national circumstances and institutional arrangements, and underlying assumptions, definitions and methodologies used to report on FTC support provided and mobilized to developing country Parties, see the [annex 1](#) below.

3. National circumstances and institutional arrangements

3.1. Review steps - National circumstances and institutional arrangements

To review the information reported in the BTR on national circumstances and institutional arrangements relevant to reporting on the provision and mobilization of support, follow the three steps shown here:



3.1.1 Prepare

To prepare for the TER, get familiarized with the reporting requirements and key related concepts. According to the MPGs, the following reporting provisions mandate developed country Parties to report their BTRs:

- Information on national circumstances and institutional arrangements relevant to reporting on the provision and mobilization of support, including:
 - Description of the systems and processes used to identify, track and report on support provided and mobilized;
 - Description of challenges and limitations;
 - Efforts made to enhance comparability and accuracy of information reported on financial support provided and mobilized.
- Information, if available, on national circumstances and institutional arrangements for the provision of technology development and transfer and capacity-building support.

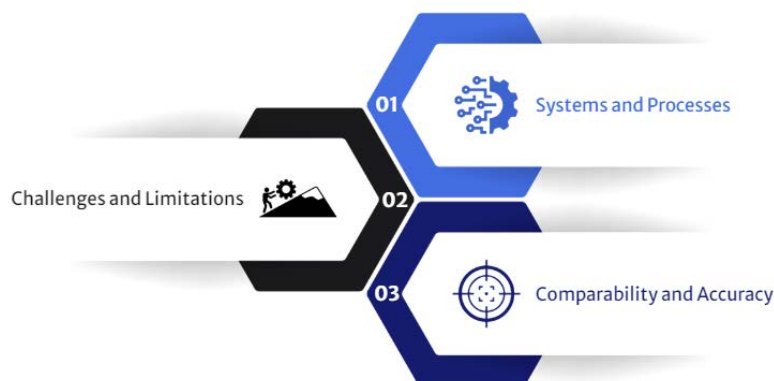
As a reference, please find the related UNFCCC reporting guidelines on NCs:

- A description of the Party's national approach to the tracking of the provision of financial, technological and capacity-building support to non-Annex I Parties, if appropriate. This description shall also include information on indicators and delivery mechanisms used and allocation channels tracked.

For the full reporting requirements, see paragraphs 119 and 120 in [annex 1](#).

3.1.2 Assess

Questions that may help you assess the information reported by Parties on national circumstances and institutional arrangements are grouped under the following three areas:



Assess - Systems and processes

The guiding questions below will help you to understand the description of the systems and processes used to identify, track and report:

- Is there a functioning institutional framework and underlying architecture as well as the related systems and processes for tracking the support provided?
- Are there focal points within the key sector ministries (e.g. ministries in charge of development cooperation, environment, economics and foreign affairs) with mandates and guidelines regarding climate finance tracking and monitoring?
- Is there an inter-ministerial climate change committee or council that receives the aggregated data and compiles the information for reporting in the BTR?
- Is there an underlying legislation or regulation to enforce the required mandates and procedures, so that the relevant government organizations implement the necessary system and processes for data collection?
- What are the definitions used by the Party for climate finance and related sub definitions (mitigation, adaptation, capacity building, technology transfer etc.) as well as activity categories for adaptation (e.g., water management) and mitigation (e.g., renewable energy) to underpin support definitions and climate marker categorization?

According to the UNFCCC reporting guidelines on NCs, Annex II Parties are to provide not only a description of their national approach to tracking the provision of FTC support to non-Annex I Parties, but also information on indicators and delivery mechanisms used and allocation channels tracked.

Allocation channels and delivery mechanisms could be understood as appropriate institutional and operational arrangements to efficiently and effectively deliver funds where they are most needed to facilitate the success of global adaptation and mitigation efforts. See [annex 2](#) for examples of allocation channels/delivery mechanisms.

The TERT can continue to be flexible when Parties do not differentiate between allocation channels and delivery mechanisms.

Assess - Challenges and limitations

The guiding questions below will help you to understand the description of the challenges and limitations encountered by the country Party:

- What are the challenges in reporting on the provision and mobilization of support?
- What are the challenges in tracking private climate finance (i.e. private finance mobilized)?

Assess - Comparability and accuracy

The guiding questions below will help you to understand efforts made to enhance the comparability and accuracy of information reported on financial support provided and mobilized by the country Party:

- Has the Party used the underlying assumptions, definitions and methodologies of international organizations (e.g. OECD, International Development Finance Club, MDBs)? (To learn more, see the [annex 2](#)).
- Has the Party referenced the OECD DAC methodologies and the Rio markers? (To learn more, see the [annex 2](#)).

3.1.3 Draft

When drafting the recommendations, it is important to understand that there are **no agreed definitions or methods to track FTC support** to developing country Parties. Hence, these are nationally determined by the Parties. Although most Parties have reported in their BRs on their use of the Rio markers. Some Parties also reported on indicators that help them to: assess the achievement of the objectives of financial support; evaluate the progress of project implementation; monitor expected and actual development results; and measure the results of financial support operations.

The TER team can accept Parties' varied definitions of indicators and methods to track FTC support, if they are explained in a transparent manner.

Example of transparent reporting by a Party on the approach taken to operationalize Rio Markers developed by the Organisation for Economic Co-operation and Development, Development Assistance Committee (OECD-DAC).

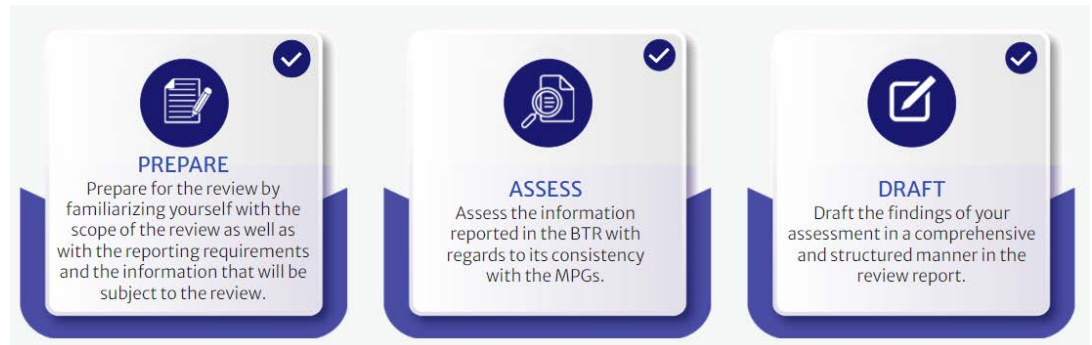
The European Union has adopted the following approach to "translate" data tagged with Rio markers into estimated climate finance flows:

- If an aid activity is marked as principal for mitigation or adaptation, 100 per cent of the support is considered and reported as climate finance;
- If an aid activity is marked as significant for mitigation or adaptation, 40 per cent of the support is considered and reported as climate finance;
- In order to avoid double counting, any activity can only count as 100 per cent, 40 per cent or 0 per cent. If an activity is marked for both mitigation and adaptation, only the highest marking will count when calculating the total climate-relevant financial contribution of the activity.

4. Double counting

4.1. Review steps - Double counting

To review the information reported in the BTR on the efforts made to avoid double counting, follow the three steps shown below:



4.1.1 Prepare

To prepare for the TER, get familiarized with the reporting requirements and key related concepts. According to the MPGs, the following reporting provisions mandate developed country Parties to report their BTRs:

- Developed country Parties shall report information on the efforts made to avoid double counting, including on:
 - How double counting among multiple Parties involved in the provision of support was avoided;
 - How double counting among multiple Parties involved in the mobilization of private finance through public interventions was avoided;
 - How double counting was avoided between the resources reported as provided or mobilized, and the resources used under Article 6 of the Paris Agreement by the acquiring Party for use towards the achievement of its NDC;
 - How support is attributed between multiple recipient country Parties.

For the full reporting requirements, see paragraph 121 (m) in the [annex 1](#).

4.1.2 Assess

Definitions

Double counting means counting the value of the same product (or expenditure) more than once.

Double counting can occur whenever several actors are involved, for instance if support is provided by multiple Parties or goes to various recipient countries.

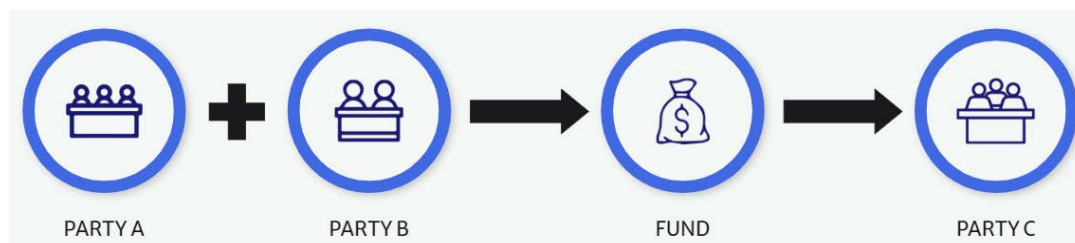
Although the double counting of climate finance could in principle be avoided if a common reporting system or at least consistent accounting boundaries were applied by all actors and country Parties, there is no globally applicable methodology for the accounting of climate finance.

D. Financial, technology development and transfer and capacity-building support provided and mobilized to developing countries

Assess – Examples

In reporting financial support mobilized by public interventions, a Party may be one of multiple Parties involved in a transaction that has mobilized private financial resources.

Example 1



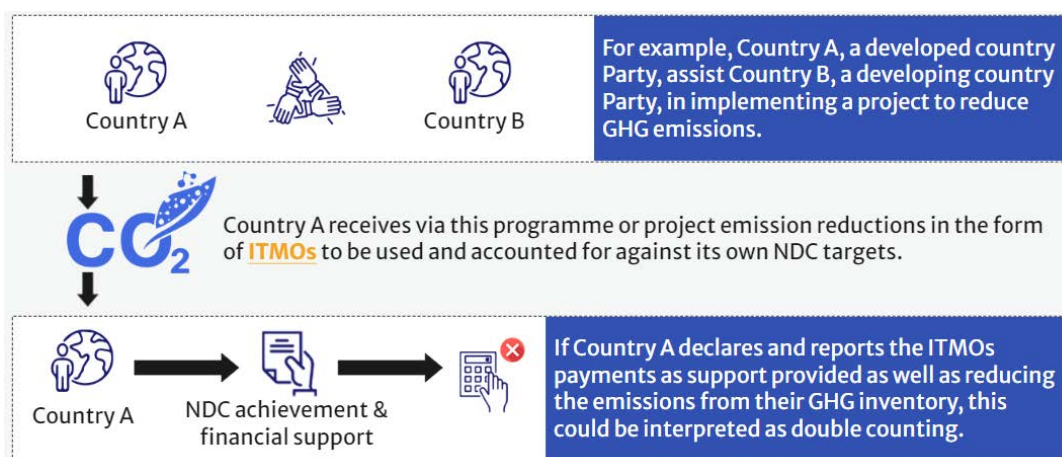
Party A and Party B may both provide finance to a fund that is investing in climate projects in Party C (developing country Party). The fund also raises finance from private financial actors to invest in the same climate projects. If both Party A and Party B report the total private finance mobilized in the fund, without applying an attribution calculation, then it may result in double-counting.

Example 2

Another way of a possible double counting may occur when emissions reductions are transferred, and related payments are made.

In terms of emission reduction, double counting would occur if emission reductions are reflected in the GHG emission inventory of the transferring country party while at the same time being used for NDC achievement of the acquiring country.

Applying this situation to the related payments, double counting could occur when a payment is made for emissions reductions to be accounted against achieving an NDC while at the same time the payment is declared and reported as (financial) support provided.



ITMOs are units from the new mechanism for international emissions trading between Parties to the Paris Agreement.

Example of how to avoid double counting

Within the OECD DAC system, double counting of multilateral core contributions by donor countries is avoided on a highly aggregate level: donor countries report only their core contributions to multilateral funds and exclude multilateral outflows in order to avoid the multilateral core contributions being counted twice. Recipient countries avoid underestimating support received by considering the total amount of multilateral outflows reaching them, while disregarding multilateral core contributions by donor countries.

To reduce the risk of double counting, the Climate Policy Initiative applies a definition of climate finance that counts public and private investment costs plus public framework expenditures but excludes revenue support (such as carbon market payments or feed-in tariffs), as these are finance flows that pay back investments costs and therefore would lead to double counting.

4.1.3 Draft

When drafting recommendations on the issue of double counting, make sure that the accounting boundaries and definitions applied are clearly described in the BTR, so that the approach to avoiding double counting is transparent.

While there is no **common reporting system, consistent set of accounting boundaries or particular methodology** for reporting on the provision of support, and each Party can choose how it reports on how it avoids double counting, Parties should make an effort to provide relevant information on their avoidance of double counting.

When drafting your findings, there are several aspects to look out for regarding potential occurrences of double counting:

- Financial support that reporting Parties provide to a developing country Party in the context of supporting implementation of that country's NDC should not be intermingled with the transfer of ITMOs that are counted towards achieving their own NDC.
- When claiming shares of climate finance provided for developing country Parties through investment vehicles such as dedicated climate finance funds, facilities or programmes with multiple Parties investing in them, reporting Parties should claim only their original shares and not larger sums from the total contribution.
- Allocation formulas for private finance mobilized need to be reported to avoid the situation of multiple Parties claiming all the private finance mobilized at the same time.



Practice activity

What are the possible situations in which double counting may occur?

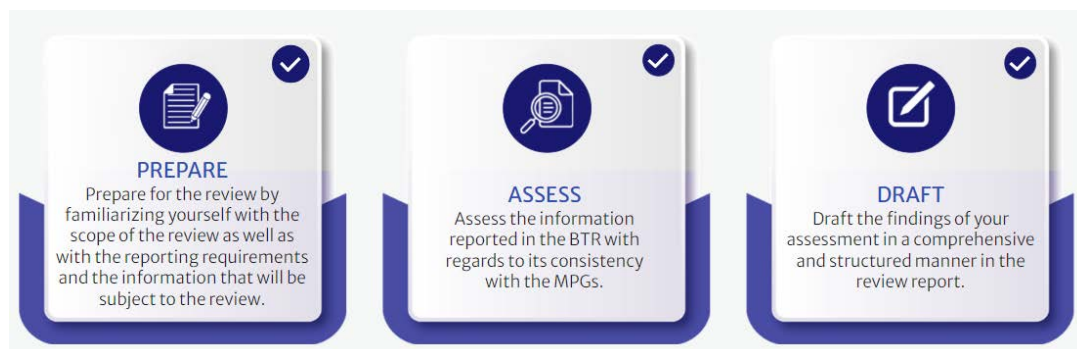
- A. When multiple Parties are involved in the provision of support.
- B. When multiple Parties are involved in the mobilization of private finance through public interventions.
- C. When resources reported as provided or mobilized are intermingled with the transfer of ITMOs towards the achievement of their own NDC.
- D. When support is attributed between multiple recipient countries.

Check the [Answer keys section](#) at the end of this lesson for the correct answer.

5. Addressing the needs of developing country Parties

5.1 Review steps - Addressing the needs of developing country Parties

To review the information reported in the BTR on how the developed country Party providing support seeks to ensure that the support effectively addresses the needs of recipient developing country Parties, follow the three steps shown below:



5.1.1 Prepare

To prepare for the TER, get familiarized with the reporting requirements and key related concepts. According to the MPGs, the following reporting provisions mandate developed country Parties to report their BTRs:

A developed country Party shall report information on how it seeks to ensure that support provided and mobilized through public interventions **effectively addresses the needs and priorities of developing country Parties for the implementation of the Paris Agreement**, as identified in country-driven strategies and instruments, such as BTRs, NDCs and national adaptation plans.

For the full reporting requirements, see paragraph 121 (p) in the [annex 1](#).

5.1.2 Assess

When assessing this reporting requirement, take into consideration the following issues:

- The challenge in reporting on addressing the needs and priorities of developing country Parties – and reviewing the reported information – is how to define “effectively”. As there is no agreed definition, it is up to Parties to define what is meant.

According to the MPGs, needs and priorities are identified in country-driven strategies and instruments, such as BTRs, NDCs and national adaptation plans from developing country Parties.

Some of these documents (e.g. BTRs from developing country Parties) may not be available at the time of the preparation of the first developed country Parties’ BTRs; other documents that can be used include biennial update reports and their corresponding technical analysis summary reports.

5.1.3 Draft

Example of reporting on this topic (from Japan's BR)

Through Japanese embassies and the overseas offices of the Japan International Cooperation Agency, which are located in a number of developing countries, the Japanese Government has been planning and implementing projects in close consultation with the governments of developing countries and international organizations in response to the needs of recipient countries. Japan has been providing assistance through various channels, including grant aid, concessional loans and technical assistance, taking into account local economic situations and the content of specific projects.

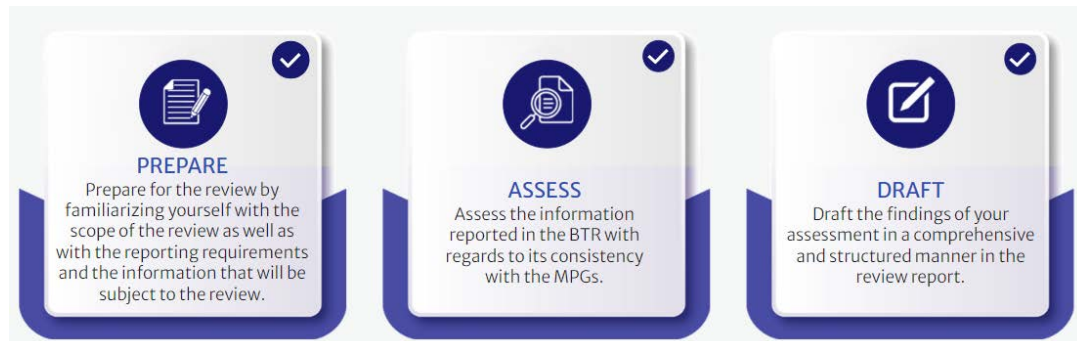
Guidance for TERTs:

- A broad understanding of the notion of “effectiveness” encompassed in the reporting requirement can be exercised as there is no agreed definition thereon.
- Any information provided by Parties that showcases, in a meaningful way, the effectiveness of the resources provided in addressing developing countries’ needs and priorities can be highlighted.

6. Long-term goals of the Paris Agreement

6.1. Review steps - Long-term goals of the Paris Agreement

To review the information reported in the BTR on how the developed country Party seeks to ensure that support is in line with the long-term goals of the Paris Agreement, follow the three steps shown below.



6.1.1 Prepare

To prepare for the TER, get familiarized with the reporting requirements and key related concepts.

According to the MPGs, the following reporting provisions mandate developed country Parties to report their BTRs:

A developed country Party shall report information on how it seeks to ensure that support provided and mobilized through public interventions is **in line with the long-term goals of the Paris Agreement**.

Considering Article 2 of the Paris Agreement, it can be understood that this includes support that seeks to strengthen the global response to climate change and reaffirms the goal of limiting global temperature increase to well below 2°C, while pursuing efforts to limit the increase to 1.5°C.

Furthermore, finance flows should be consistent with a pathway towards low GHG emissions and climate-resilient development.

For the full reporting requirements, see paragraph 121 (q) the [annex 1](#) and [Article 2 of the Paris Agreement](#).

6.1.2 Assess

The TERT should take the following into account:

With no agreed methodology on how to assess that support provided and mobilized through public interventions is in line with the long-term goals of the Paris Agreement, the TERT will need to assess the transparency of Parties' explanations while accepting these explanations may take different forms.

It is not expected that Parties will analyse projected results of the support in recipient developing country Parties to assess whether the support provided is in line with a 1.5 °C scenario. The fact that the climate finance is reported in accordance with the MPGs will suffice as an indication that it is aligned with the goals of the Paris Agreement.

Current examples of demonstrating impacts related to finance or other support provided come from many multilateral climate funds such as the Green Climate Fund, the group of funds managed by the GEF and the Adaptation Fund. For example, the Clean Technology Fund and the Scaling up Renewable Energy Program both project the emission reductions expected to be achieved as a result of investments made in improving energy access.

6.1.3 Draft

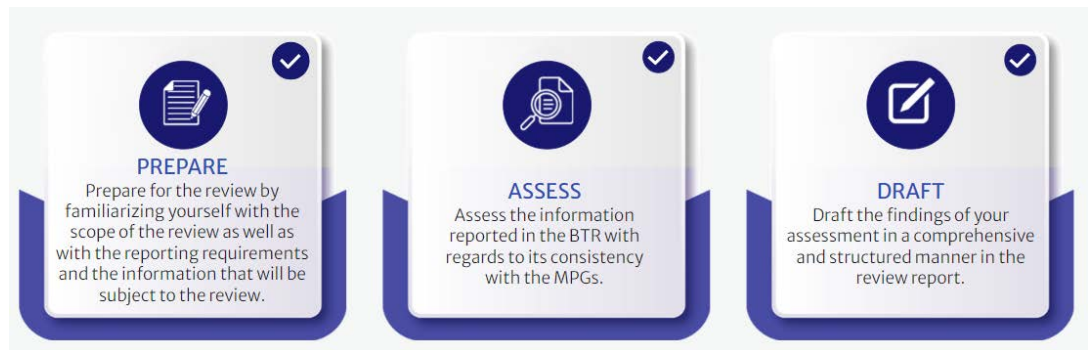
To draft your findings, take into consideration what can be expected in the BTRs regarding the reporting on long-term goals:

- The application of and reference to existing OECD and MDB approaches and methodologies.
- Further evolution of OECD and MDB methodologies, as well as potential variations to them made by reporting Parties (i.e. sector-related and/or project-specific criteria for financing).
- A statement by the reporting Party that the support provided and mobilized is in line with the long-term goals of the Paris Agreement. In this case, the TERT may need to further understand "how" the Party seeks to ensure that, as per the reporting requirements.

7. Support provided by other Parties

7.1. Review steps - Support provided by other Parties

To review the information reported in the BTR on the provision of FTC support by other Parties to developing country Parties, follow the three steps shown below:



7.1.1. Prepare

To prepare for the TER, get familiarized with the reporting requirements and key related concepts. According to the MPGs, the following reporting provisions guide Parties when developing their BTRs:

- Developed country Parties shall provide information on FTC support provided to developing country Parties in accordance with section V of the MPGs
→ This submitted information shall undergo TER
- Other Parties that provide support should provide such information and, in doing so, are encouraged to follow section V of the MPGs
→ This submitted information may undergo TER, at the Party's discretion

As reference, please find the related UNFCCC reporting guidelines on NC:

- Annex II Parties shall provide information on the provision of financial, technological and capacity-building support to non-Annex I Parties.

For the full reporting requirements, see paragraph 118 in the [annex 1](#).

7.1.2. Assess

The following questions may help you assess the information reported by Parties on the provision of FTC support.

- Is there a list of developed countries?

Under the Convention the Parties obligated to report on support provided are Annex II Parties (listed in [annex 2](#)). Under the Paris Agreement, there are no agreed lists of developed and developing country Parties.

- How does the TERT know if a Party shall report on FTC support (i.e. that it is a developed country Parties)?

Paragraph 10(d) and (e) of the MPGs state that developed country Parties shall report using CTFs in Chapter V (support provided and mobilized) of MPGs and developing country Parties should report using CTFs from Chapter VI (support needed and received). Consequently, Parties, by fulfilling their reporting requirements, indicate whether they are doing so in line with the MPGs.

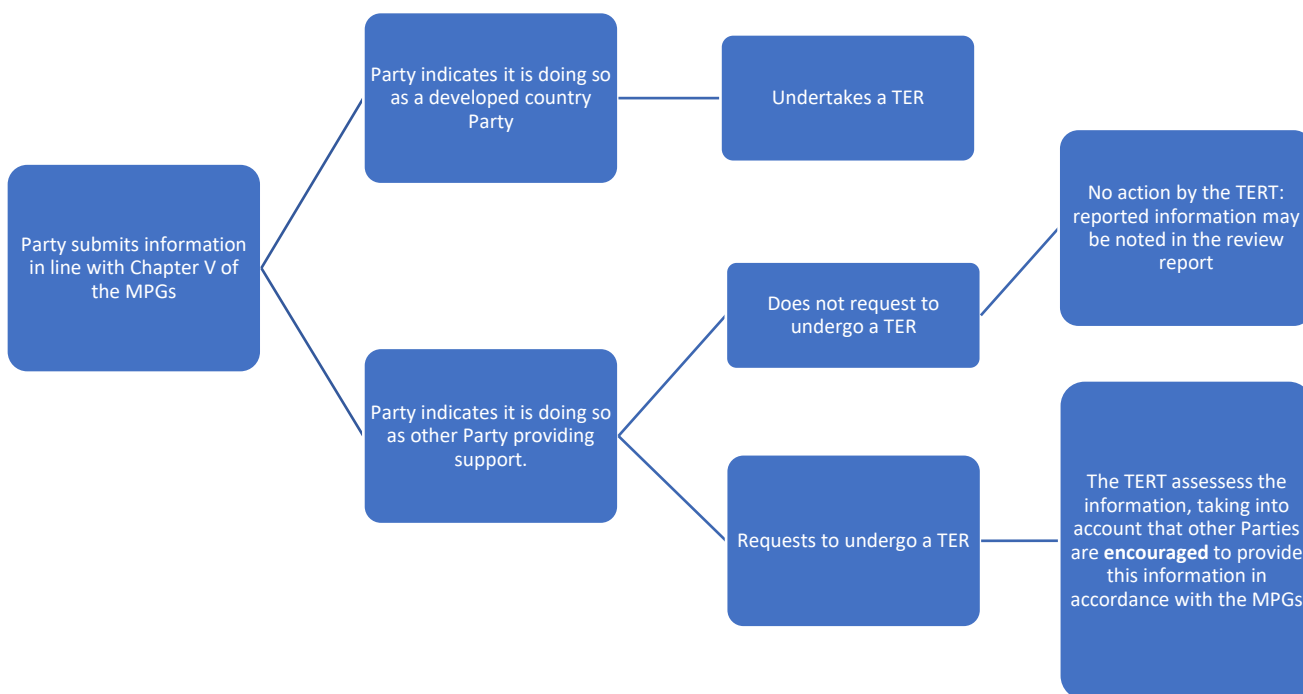
Article 9, paragraph 1 stipulates that “Developed country Parties shall provide financial resources to assist developing country Parties with respect to both mitigation and adaptation in continuation of their existing obligations under the Convention.”

- Does the TERT have to review the information provided by other Parties that provide FTC support?

Other Parties that provide FTC support and submit CTF tables in accordance with section V of the MPGs will need to inform the secretariat whether they would like this information to undergo TER. Only if the other Party wishes a TER will the information be reviewed.

7.1.3. Draft

The following figure summarizes the possible scenarios regarding the review of information reported by other Party providing FTC support.



8. Lesson summary

- Developed country Parties shall provide information on FTC support provided in accordance with the MPGs. Other Parties that provide support should provide such information and, in doing so, are encouraged to use the MPGs; this information may undergo TER, at the Party's discretion.
- Developed country Parties are required to report information on national circumstances and institutional arrangements relevant to reporting on the provision and mobilization of support, including on tracking systems and processes. The TERT can accept Parties' varied underlying assumptions, definitions and methodologies for tracking FTC support if they are explained in a transparent manner.
- Developed country Parties shall report information on the efforts made to avoid double counting. As there is no common reporting system, consistent set of accounting boundaries or particular methodology for reporting on the provision of support, each Party can report how it avoids double counting using its country-specific methodology.
- Developed country Parties shall report information on how they seek to ensure that support provided and mobilized through public interventions effectively addresses the needs and priorities of developing country Parties for implementing the Paris Agreement. The TERT can exercise flexibility regarding the notion of "effectiveness" encompassed in the reporting requirement as there is no agreed definition thereon.
- Developed country Parties shall report information on how they seek to ensure that support provided and mobilized through public interventions is in line with the long-term goals of the Paris Agreement. The TERT may need to accept any explanation provided by the Party as to how it seeks to ensure that support is in line with the long-term goals of the Paris Agreement.

9. ANNEXES OF LESSON 1

ANNEX 1

Full reporting requirements on national circumstances and institutional arrangements; and underlying assumptions, definitions and methodologies used to report on FTC support provided and mobilized to developing country Parties

MPGs paragraphs 118–122:

118. Developed country Parties shall provide information pursuant to Article 13, paragraph 9, of the Paris Agreement in accordance with the MPGs contained in this chapter. Other Parties that provide support should provide such information and, in doing so, are encouraged to use the MPGs contained in this chapter.

A. National circumstances and institutional arrangements

119. Information on national circumstances and institutional arrangements relevant to reporting on the provision and mobilization of support, including:

- (a) Description of the systems and processes used to identify, track and report on support provided and mobilized through public interventions;
- (b) Description of challenges and limitations;
- (c) Information on experience and good practices in relation to public policy and regulatory frameworks to incentivize further private climate financing and investment;
- (d) Efforts taken to enhance comparability and accuracy of information reported on financial support provided and mobilized through public interventions, such as through use of international standards or harmonization with other countries, institutions and international systems.

120. Information, if available, on national circumstances and institutional arrangements for the provision of technology development and transfer and capacity-building support.

B. Underlying assumptions, definitions and methodologies

121. In order to enhance the transparency of reporting, a description of the underlying assumptions, methodologies and definitions, as applicable, used to identify and/or report, including:

- (a) The chosen reporting year (calendar year, fiscal year);
- (b) The conversion between domestic currency and United States dollars;
- (c) The status (committed, disbursed);
- (d) The channel (bilateral, regional, multi-bilateral, multilateral);
- (e) The funding source (official development assistance, other official flows, other);
- (f) The financial instrument (e.g. grant, concessional loan, non-concessional loan, equity, guarantee, insurance, other (specify));
- (g) Information on instruments and funding sources reported, including how a Party has determined finance to be concessional and/or official development assistance, including by using information such as grant equivalency, institution and/or instrument-based approaches;

D. Financial, technology development and transfer and capacity-building support provided and mobilized to developing countries

- (h) The type of support (e.g. adaptation, mitigation, cross-cutting);
- (i) The sector;
- (j) The subsector;
- (k) Whether it supported capacity-building and/or technology development and transfer objectives;
 - (l) The support as being climate-specific;
 - (m) Information on the efforts taken to avoid double counting, including on:
 - (i) How double counting among multiple Parties involved in the provision of support was avoided;
 - (ii) How double counting among multiple Parties involved in the mobilization of private finance through public interventions was avoided, including the methodologies and assumptions used to attribute the mobilized resources through public interventions reported to the Party that reports them, if possible relative to the type of instrument used for the mobilization;
 - (iii) How double counting was avoided between the resources reported as provided or mobilized, and the resources used under Article 6 of the Paris Agreement by the acquiring Party for use towards the achievement of its NDC;
 - (iv) How support is attributed between multiple recipient countries, in cases where a project involves multiple recipient countries and where this information is reported on a country-by-country basis;
 - (n) The definition of public and private finance, in particular where entities or funds are mixed;
 - (o) How private finance was assessed as mobilized through public interventions, including by:
 - (i) Identifying a clear causal link between a public intervention and mobilized private finance, where the activity would not have moved forward, or moved forward at scale, in the absence of the Party's intervention;
 - (ii) Providing information on the point of measurement (e.g. point of commitment, point of disbursement) of the private finance mobilized as a result of the public intervention, to the extent possible in relation to the type of instrument or mechanism used for the mobilization;
 - (iii) Providing information on the boundaries used to identify finance as mobilized by public intervention;
 - (p) How it seeks to ensure that support provided and mobilized through public interventions effectively addresses the needs and priorities of developing country Parties for the implementation of the Paris Agreement, as identified in country-driven strategies and instruments, such as biennial transparency reports, NDCs and national adaptation plans;
 - (q) How it seeks to ensure that support provided and mobilized through public interventions is in line with the long-term goals of the Paris Agreement;
 - (r) An indication of what new and additional financial resources have been provided, and how it has been determined that such resources are new and additional;
 - (s) How the information provided reflects a progression from previous levels in the provision and mobilization of finance under the Paris Agreement;
 - (t) Information on reporting on multilateral finance, including:

D. Financial, technology development and transfer and capacity-building support provided and mobilized to developing countries

- (i) Whether the multilateral finance reported is based on the Party's inflow contribution to a multilateral institution and/or on the Party's share in the outflow of the multilateral institution;
 - (ii) Whether and how multilateral finance has been reported as climate-specific and how the climate-specific share was calculated, including by, for example, using existing international standards;
 - (iii) Whether multilateral finance has been reported as core/general, with the understanding that the actual climate finance amount it would transfer into depends on the programming choices of the multilateral institutions;
 - (iv) Whether and how multilateral finance has been attributed to the reporting Party.
122. A description of the underlying assumptions, definitions and methodologies used to provide information on technology development and transfer and capacity-building support.

MPGs paragraph 150:

150. Information submitted under Article 13, paragraphs 7 and 9, of the Paris Agreement shall undergo a technical expert review consistent with the MPGs contained in this chapter. This includes:

- (a) A national inventory report of anthropogenic emissions by sources and removals by sinks of GHGs, as referred to in paragraph 10(a) above, submitted by each Party;
- (b) Information necessary to track progress made in implementing and achieving its NDC under Article 4, as referred to in paragraph 10(b) above, submitted by each Party;
- (c) Information on financial, technology development and transfer and capacity-building support provided to developing country Parties under Articles 9, 10 and 11 of the Paris Agreement referred to in paragraph 10(d) above. Information submitted by other Parties that provide support, as referred to in Article 9, paragraph 2, of the Paris Agreement, may undergo a technical expert review of this reported information at the Party's discretion.

Article 13, paragraph 9, of the Paris Agreement:

Developed country Parties shall, and other Parties that provide support should, provide information on financial, technology transfer and capacity-building support provided to developing country Parties under Articles 9, 10 and 11.

Article 2, paragraph 1 of the Paris Agreement:

This Agreement, in enhancing the implementation of the Convention, including its objective, aims to strengthen the global response to the threat of climate change, in the context of sustainable development and efforts to eradicate poverty, including by:

- (a) Holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels, recognizing that this would significantly reduce the risks and impacts of climate change;
- (b) Increasing the ability to adapt to the adverse impacts of climate change and foster climate resilience and low greenhouse gas emissions development, in a manner that does not threaten food production; and

D. Financial, technology development and transfer and capacity-building support provided and mobilized to developing countries

(c) Making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development.

Article 2, paragraph 2 of the Paris Agreement:

This Agreement will be implemented to reflect equity and the principle of common but differentiated responsibilities and respective capabilities, in the light of different national circumstances.

NC reporting guidelines paragraph 48-50:

48. Parties included in Annex II to the Convention (Annex II Parties) shall provide information on the provision of financial, technological and capacity-building support to Parties not included in Annex I to the Convention (non-Annex I Parties), including information to show how this support is new and additional. In reporting such information, Parties should distinguish, to the extent possible, between support provided to non-Annex I Parties for mitigation and adaptation activities, noting the capacity-building elements of such activities, where relevant. For activities with multiple objectives, the funding could be reported as a contribution allocated partially to the other relevant objectives.

49. Each Annex II Party shall provide a description of its national approach to the tracking of the provision of financial, technological and capacity-building support to non-Annex I Parties, if appropriate. This description shall also include information on indicators and delivery mechanisms used and allocation channels tracked.

50. In reporting information in accordance with paragraphs 52 and 53 below, Annex II Parties shall use any methodology to be developed under the Convention, taking into account international experience. Annex II Parties shall describe the methodology used and shall report in a rigorous, robust and transparent manner the underlying assumptions and methodologies used to produce information on finance.

ANNEX 2

Annex II Parties

Australia	Luxembourg
Austria	Netherlands
Belgium	New Zealand
Canada	Norway
Denmark	Portugal
European Union	Spain
Finland	Sweden
France	Switzerland
Germany	United Kingdom of Great Britain and
Greece	Northern Ireland
Iceland	United States of America
Ireland	
Italy	
Japan	

ANNEX 3

Examples of allocation channels and delivery mechanisms

Examples include the Financial Mechanism of the Convention (including the Green Climate Fund), the Climate Investment Funds and the Adaptation Fund, as well as new, evolving mechanisms such as performance-based payments (e.g. those for REDD+), bilateral and multilateral channels (e.g. the Food and Agriculture Organization of the United Nations and the United Nations Development Programme) and national financial mechanisms (e.g. national development banks and simple trust funds).

Examples of climate finance tracking

MDBs and the International Development Finance Club have together developed common principles for climate finance tracking for mitigation and adaptation. The mitigation principles include a list of eligible activities while adaptation principles are more general and process-oriented. OECD DAC has developed a system to differentiate between climate finance and development finance, as well as between mitigation and adaptation activities.

Rio markers

A set of policy markers, now known as the Rio markers, was introduced to indicate whether each development cooperation activity reported to OECD targets environmental objectives. The first policy marker was a general environment marker. Based on the Rio Conventions, four markers were added: biodiversity, desertification, climate change mitigation and climate change adaptation. Climate change thus represents a subset of total development finance with an environmental focus.

The Rio markers use a scoring system of three values:

- (1) Principal: when the objective (climate change mitigation or adaptation) is explicitly stated as fundamental in the design of, or the motivation for, the activity (score “2”);
- (2) Significant: when the objective (climate change mitigation or adaptation) is explicitly stated but it is not the fundamental driver or motivation for undertaking it (score “1”);
- (3) “0”: indicates the activity was examined but was found not to target the objective (climate change mitigation or adaptation) in any significant way.

The set-up of the Rio markers system allows development finance to be differentiated from climate finance and mitigation from adaptation activities. The qualitative nature of the markers does not, however, provide an exact quantification. Activities principally targeted at mitigation may for example have adaptation benefits that are not captured by the scoring system.

10. Answer key for Lesson 1



Double counting – Draft: practice activity

What are the possible situations in which double counting may occur?

- A. When multiple Parties are involved in the provision of support.
- B. When multiple Parties are involved in the mobilization of private finance through public interventions.
- C. When resources reported as provided or mobilized are intermingled with the transfer of ITMOs towards the achievement of their own NDC.
- D. When support is attributed between multiple recipient countries.

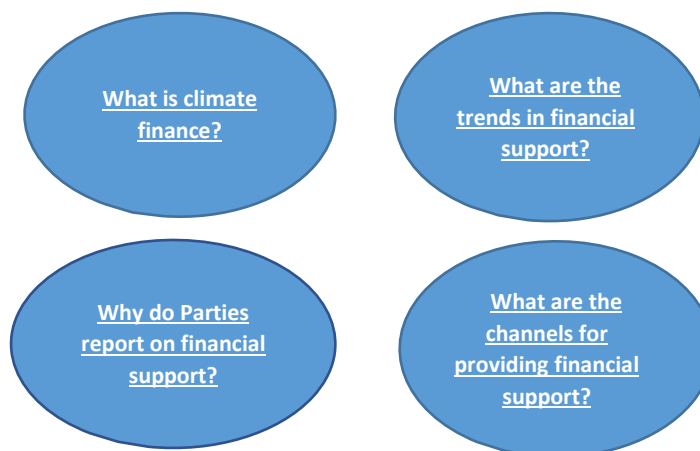
Answer: all of the above (A, B, C, and D)

LESSON 2 – Financial support

1. Introduction

This lesson focuses on the review of the information reported by Parties on their provision of financial support to developing country Parties.

Four introductory topics will be covered first in the lesson, as shown below. Click on a question to jump straight to its answer, or work through sections 2 to 5 to find out more about each topic.



1.1. Climate finance

Climate finance can refer to local, national or transnational financing – drawn from public, private and alternative sources – that seeks to support mitigation and adaptation actions that will address climate change.

The Convention, the Kyoto Protocol and the Paris Agreement call for Parties with more financial resources to financially assist those that are less endowed and more vulnerable. This recognizes that the contribution of countries to climate change and their capacity to prevent it and cope with its consequences vary enormously.

Climate finance is needed for the large-scale investments required to significantly reduce emissions and to adapt to the adverse effects and reduce the impacts of a changing climate.

More information on climate finance is available on the [UNFCCC website](#).

The [Climate Finance Data Portal](#) houses information on the mobilization of resources to support developing country Parties in implementing adaptation and mitigation projects and other activities under the Convention. You may also want to review the latest [Biennial Assessment and Overview of Climate Finance Flows](#).

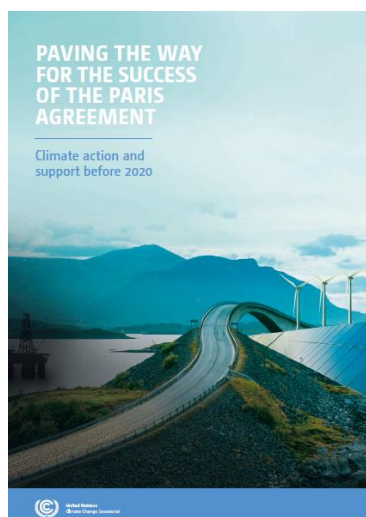
D. Financial, technology development and transfer and capacity-building support provided and mobilized to developing countries

1.2. Financial support trends

Climate finance has continued to increase, reflecting a continued commitment to support the global transition to a low-emission, climate-resilient future. As reported in the BR4s, total climate support reached an annual average of USD 52.2 billion in 2017–2018; on a comparable basis, this represents a 5.9 per cent increase over the previous biennium 2015–2016.

Two-thirds of all climate finance reported in the BR4s was provided through bilateral, regional and other channels, an increase of 6.1 per cent since the BR3s. Of that, nearly two-thirds was allocated to mitigation activities. While a greater overall volume of support was allocated to mitigation, at the individual level many Parties continued to view adaptation as a priority and allocated more than half of their annual support to it.

The [report on the compilation and synthesis of BR4s](#) contains information on what developed country Parties are reporting their financial support.



1.3. Reporting requirements on financial support

Article 9 of the Paris Agreement requires developed country Parties to provide financial resources to assist developing country Parties with respect to both mitigation and adaptation in continuation of their existing obligations under the Convention. It further states that developed country Parties shall provide transparent and consistent information on support for developing country Parties provided and mobilized through public interventions biennially.

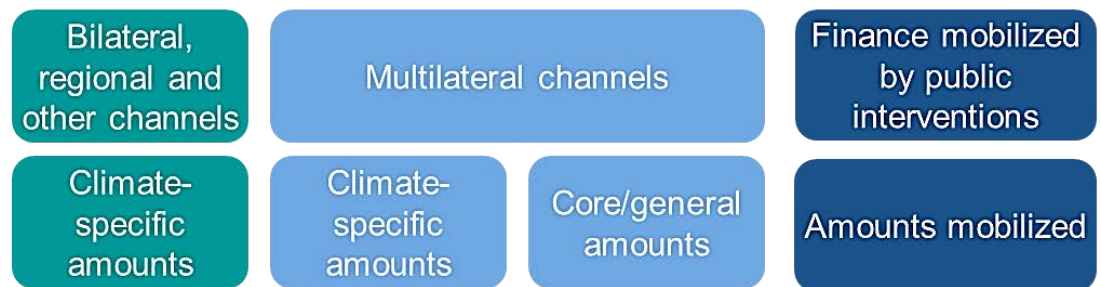
For the full text of Article 9, see the [annex 1](#).

The MPGs ([section V.C. "Information on financial support provided and mobilized under Article 9 of the Paris Agreement"](#)) specify the information to be reported by developed country Parties on financial support provided.

D. Financial, technology development and transfer and capacity-building support provided and mobilized to developing countries

1.4. Channels to report on the provision and mobilization of financial support

Developed country Parties can provide financial resources through bilateral, regional and other channels as well as multilateral channels. They may also report on finance mobilized through public interventions.



Bilateral, regional and other channels

A Party reports funding for climate change activities through bilateral, regional and other channels such as bilateral development cooperation agencies or bilateral development finance institutions where the Party typically allocates the financing directly.

Multilateral channels

Support provided through multilateral channels includes climate-specific contributions and core/general contributions provided to multilateral institutions and/or for uses that Parties do not consider to be climate-specific. Multilateral channels include financing through:

- Multilateral financial institutions;
- Operating entities of the Financial Mechanism (see the [annex 3](#) for more information);
- Entities of the Technology Mechanism (see the [annex 3](#) for more information);
- International organizations.

Examples of multilateral financial institutions and bilateral development cooperation agencies can be found on the [UNFCCC website](#).

The following should be taken into account regarding multilateral channels:

Reporting on contributions to multilateral financial institutions poses challenges in terms of distinguishing climate-specific from core/general finance – finance to a multilateral institution for which a Party cannot identify as climate-specific. This issue is also relevant to bilateral, regional and other channels, but in the case of multilateral institutions, the donor country often does not have information at the project level that would allow it to attribute the climate-specific portion of the finance on the basis of activity lists or by using other methods.

Most multilateral financial institutions actively engage in improving the information available and provide information on the share of their climate finance outflows to projects in developing

D. Financial, technology development and transfer and capacity-building support provided and mobilized to developing countries

countries, disaggregated for mitigation and adaptation. These shares can be applied to a donor country's contribution to the institution (inflows), also called an imputed multilateral contribution.

Another issue with multilateral financial institutions is the fact that they normally have multi-year commitment periods. Replenishment takes place every few years, which means Parties' contributions are not received on an annual basis. This is not generally a problem except in that it leads to large fluctuations in individual Parties' climate finance contributions, which therefore do not necessarily reflect real changes in the level of funding. This is important when aggregating and interpreting reported information. It also impacts the attribution of climate-specific funding, as shares are calculated annually based on finance outflows.

Finance mobilized by public intervention

Finally, according to the MPGs, developed country Parties shall and other Parties should report on finance mobilized through public interventions, including private finance. In doing so, Parties may choose to report it in textual or tabular format, or both.

2. Key topics

BTRs have six key reporting requirements relating to financial support, as shown below. Click on a topic to jump straight to its section in this lesson, or work through sections 3 to 8 to find out more about each one.

New and additional financial support	Financial instruments and sectors (sub-sectors)
Amounts	Finance mobilized through public interventions
Multilateral channels: inflows and/or outflows	Common tabular format tables

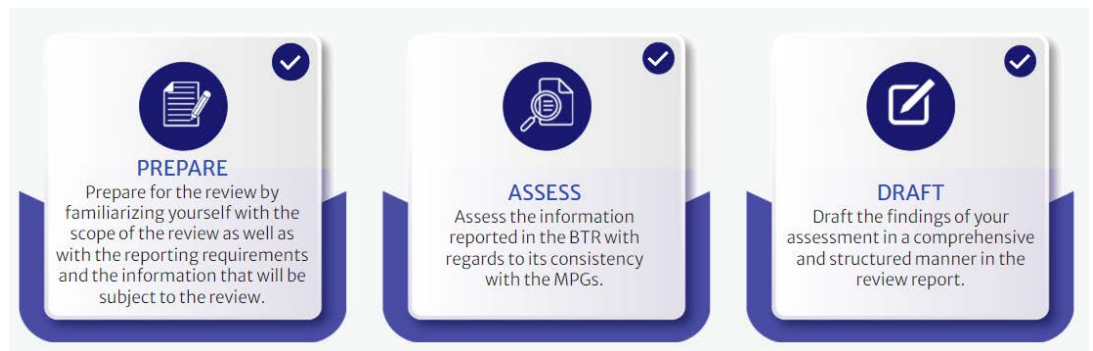
For the complete reporting requirements on the provision of financial support, see the [annex 2](#).

3. New and additional financial support

3.1. Review steps - New and additional financial support

To review the information reported in the BTR on the provision of new and additional financial support, follow the three steps shown below.

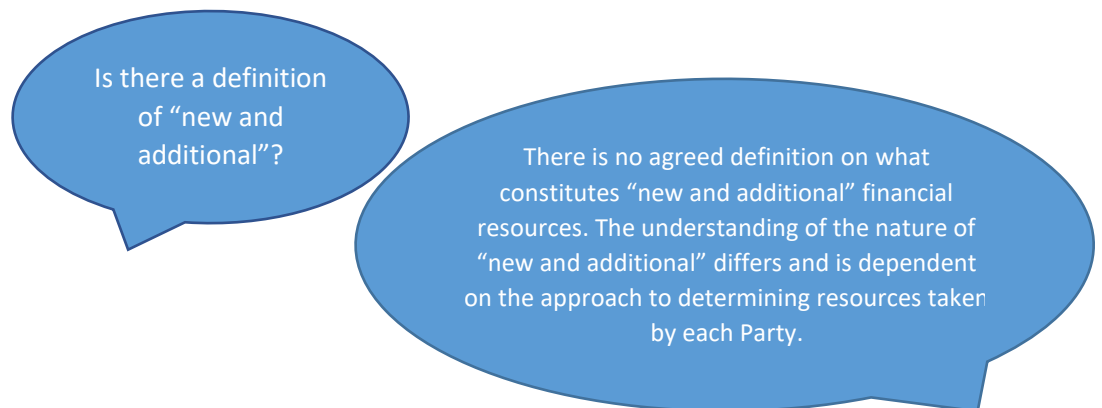
D. Financial, technology development and transfer and capacity-building support provided and mobilized to developing countries



3.1.1 Prepare

According to the MPGs (para. 121(r)), Parties shall indicate what new and additional financial resources have been provided, and how it has been determined that such resources are new and additional.

For the full reporting requirements, see paragraph 121 (r) in the [annex 2](#).



3.1.2 Assess

Ask yourself the following questions when reviewing the BTR. If you are unable to find the answers in the reported information, direct relevant questions to the Party.

How has the Party determined what new and additional financial resources are?

What new and additional financial resources has the Party provided?

The UNFCCC Standing Committee on Finance has collated some definitions of new and additional from the literature:

D. Financial, technology development and transfer and capacity-building support provided and mobilized to developing countries

Examples of definitions related to the source or channel:

- Only funds mobilized from new sources, such as a levy on emissions trading
- Only funds delivered through new channels, such as the GCF

Examples of definitions based on the relationship to ODA:

- Only climate finance that is not reported as ODA
- Only funds in excess of current ODA
- Only funds in excess of ODA levels from a specified baseline year

Examples of definitions based on characteristics of funded activities:

- Funds for projects and programmes that would not have come about without the climate finance investment
- Funds for projects that have been initiated since a particular baseline year or in a new reporting year
- Projects in action areas that were not otherwise covered or financed adequately by other sources



Parties can use their own definition of “new and additional”.

3.1.3 Draft

Please see real review report examples from reviews of BRs:

Situation 1:

The Party reported transparently on what “new and additional” financial resources it has provided and how it has determined such resources as being “new and additional”.

Example 1:

In its BR2, the Party reported on the new and additional support it has provided and further explained how this support is considered to be new and additional. It is stated by the Party that the Parliament decided to increase the level of official development assistance (ODA) to 0.5 per cent of the gross national income by 2015. Consequently, new and additional resources of USD 150 million were made available and used by the Party Agency for Development and Cooperation to expand its climate change activities.

D. Financial, technology development and transfer and capacity-building support provided and mobilized to developing countries

Situation 2:

The Party did not report what “new and additional” financial resources it has provided.

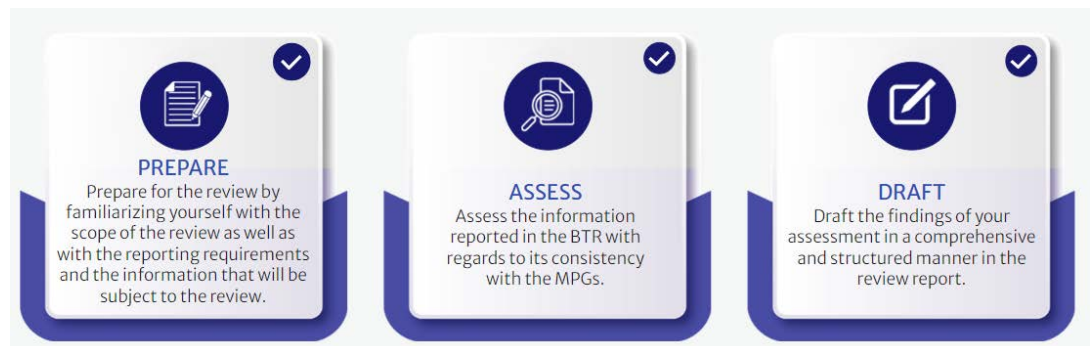
Example 2:

The BR2 does not include, as required by the UNFCCC reporting guidelines on BRs, an indication of what new and additional financial resources the Party has provided for the reporting years 2013 and 2014. The expert review team (ERT) noted that in a footnote to common tabular format (CTF) table 7, the Party explained how it determines how much of its support is new and additional. In determining new and additional financial resources, the Party considers its increasing ODA volumes, as well as the growing share of climate-related ODA in its total ODA. The ERT **recommends** that the Party include in its next BR submission an indication of what new and additional financial resources it has provided for the reporting years.

4. Amounts

4.1. Review steps - Amounts

To review the information reported in the BTR on the amount of financial support provided, taking into account currencies and exchange rates as well as face value and grant-equivalent value, follow the three steps shown below.



4.1.1 Prepare

According to the MPGs section on financial support, the amount of financial resources is to be provided in United States dollars and domestic currency, as face value and, on a voluntary basis, grant-equivalent value. Furthermore, the conversion between domestic currency and United States dollars is to be provided.

For the full reporting requirements, see paragraphs 121 (b), 123 (b), 124 (c), 125 (b) the [annex 2](#).







D. Financial, technology development and transfer and capacity-building support provided and mobilized to developing countries

4.1.2 Exchange rates

The conversion of figures into a single currency is highly sensitive to the selection of exchange rate. This poses significant challenges when aggregating data from many Parties in order to observe overall trends and may also have significant implications for the outcome of any analysis using reported figures.

There are no agreed methods for determining which exchange rate to use and the choice relates to two aspects of exchange rates:

1. **Source:** a wide range of sources provide exchange rates, including national financial institutions (e.g. central banks), international institutions (e.g. International Monetary Fund, OECD) and private sector platforms (e.g. OANDA). Differences in exchange rates from various sources are usually small, but given the large sums involved, can have a substantial influence on the sums reported.
2. **Date:** as currency exchange rates can fluctuate quite substantially, the date selected for the exchange rate can significantly change the sums reported. The main options for selecting the date used in an exchange rate are:

 Individual exchange rate for each payment	 A harmonized exchange rate for all reported information
 <i>Date of commitment</i> Using the rate applicable on the date of the formal commitment;	 <i>Fixed date</i> Using the rate applicable at a defined date, usually one close to the reporting date;
 <i>Date of disbursement</i> Using the rate applicable for the date of the transfer of funds;	 <i>Averages</i> Using an annual or multi-year average exchange rate.



Pay careful attention to the exchange rates used by the Party and check for consistency in the source and use of those rates per year throughout the report.

4.1.3 Grant-equivalent value

Financial support may be reported through different financial instruments including grants, concessional loans and non-concessional loans, equity, guarantees, insurance and others. For recipients of climate finance, while loan instruments may result in available financing for projects, they also represent finance to be paid back by a certain time in the future (the loan term) and with interest rate applied.

Concessional loans refer to loans that are extended on terms substantially more generous than loans available in the market. The concessionality is achieved through applying a lower interest rate than the market and/or by extending grace periods for paying back the loans.

The grant-equivalent is an estimate of how much concessionality is provided in monetary terms in instruments such as loans, guarantees and equity.

For example, grants have a grant element of 100 per cent as they are fully provided as 'gifts'. In contrast, a loan offered at market terms has a grant element of 0 per cent. However, this becomes a

D. Financial, technology development and transfer and capacity-building support provided and mobilized to developing countries

positive percentage if the lender adds an element of generosity. The grant element measure of aid provides a more accurate estimate of the donor's effort.

In short, the grant equivalent is an estimate, at today's value of money, of how much is being given away over the life of a financial transaction, compared with a transaction at market terms. The grant equivalent is the grant element multiplied by the amount of money extended.

Please be reminded that according to the MPGs section on financial support, the amount of financial resources is to be provided in United States dollars and domestic currency, as face value and, on a voluntary basis, grant-equivalent value.

Source: [OECD](#)

4.1.4 Assess

If a Party has not provided financial information in its domestic currency or in United States dollars, the TERT should, during the review:

1. Clarify why the Party did not provide that information;
2. Make the Party aware of publicly available exchange rates (e.g. from the IMF/World Bank or OECD);
3. Explain to the Party the importance of financial information being comparable across Parties;
4. Request that the Party provide updated information in its domestic currency or in United States dollars during the review.

If the Party has provided financial information both in its domestic currency and in United States dollars, check that it has provided the exchange rate used to convert the currencies.

4.1.5 Draft

In the review report, the TERT should, as applicable:

1. Present financial information in United States dollars; if amounts have not been reported by the Party nor provided during the review in this currency, financial information should be presented in the currency reported by the Party;
2. When applicable, note that the Party failed to report financial information in its domestic currency or in United States dollars as requested during the review;
3. Include any explanations provided by the Party with regard to currency conversion;
4. Recommend that the Party report the requested financial information in its domestic currency or in United States dollars (whichever is not reported) as well as, if not reported, information on currency conversion.

Below is an example from a BR4 of a recommendation arising from a Party not reporting financial information in United States dollars.

D. Financial, technology development and transfer and capacity-building support provided and mobilized to developing countries

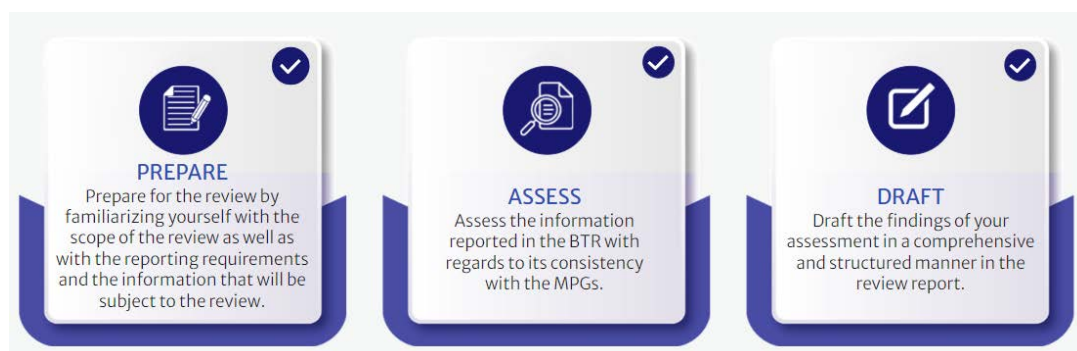
“To enhance the transparency of its reporting, the ERT recommends that the Party provide estimates for support provided to non-Annex I Parties, including estimates reported in CTF tables 7, 7(a) and 7(b), in both domestic currency as well as in USD equivalent.”

If a Party fails to report the grant-equivalent value of financial support provided, draft an encouragement on the matter.

5. Multilateral channels: inflows and/or outflows

5.1. Review steps - Multilateral channels: inflows and/or outflows

To review the information reported in the BTR on **inflows and/or outflows of support provided through multilateral channels**, follow the three steps shown below.



5.1.1 Prepare

According to the MPGs (para. 124 (a)), Parties shall report inflows and/or outflows of support provided through multilateral channels.

- **Inflows** to multilateral financial institutions are contributions that Parties provide to multilateral organizations; either as part of the core budget hence they do not come with any indication of how the funds will be used or earmarked for specific activities and programmes.
- **Outflows** from multilateral financial institutions are funds that flow from a multilateral organization to a recipient project, programme or activity.

For the full reporting requirements, see paragraphs 121 (t) and 124 (e) in the [annex 2](#).

5.1.2 Assess

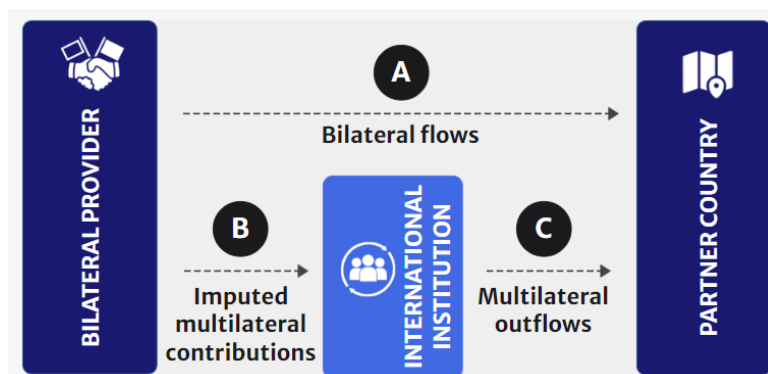
Although Parties can accurately report how much finance they have provided through multilateral channels (i.e. inflows to multilaterals), they are not able to determine either the level of outflows from multilateral channels to projects, programmes or activities in recipient country Parties or the proportion of such outflows that are climate finance or that relates to Party’s initial contribution (inflow).

D. Financial, technology development and transfer and capacity-building support provided and mobilized to developing countries

This means that it is difficult for Parties to report precisely on:

- What proportion of their inflow contribution to multilateral institution is used for climate change purposes (the climate-specific share);
- What specific projects and related sectors the inflow contribution has supported.

Without the cooperation of and provision of data by multilateral financial institutions, reporting on outflows is challenging. The graph below depicts the inflows (B) and outflows (C) to and from an international organization.



5.1.3 Draft

Practice activity



Check examples on how the text in the report might look like in different situations:

Match the relevant situation to its corresponding text:

Example 1: In its BTR, the Party reported on inflows and/or outflows of support provided through multilateral channels. [TERT may ask the Party to explain how the attribution of the outflows have been estimated as per para 121 (t) of the MPGs.]

Example 2: The BTR does not include the outflows of financial support provided through multilateral channels. As the MPGs does not require reporting on outflows as it says "inflows and/or outflows, as applicable" it is important that the TERT understands why this is not applicable for the Party. The TERT recommends that the Party include in its next BTR an explanation on why reporting on this is not applicable.

Situation 1:

The Party did not report on the outflows of financial support provided through multilateral channels and did not provide an explanation as to why this was not reported.

Situation 2:

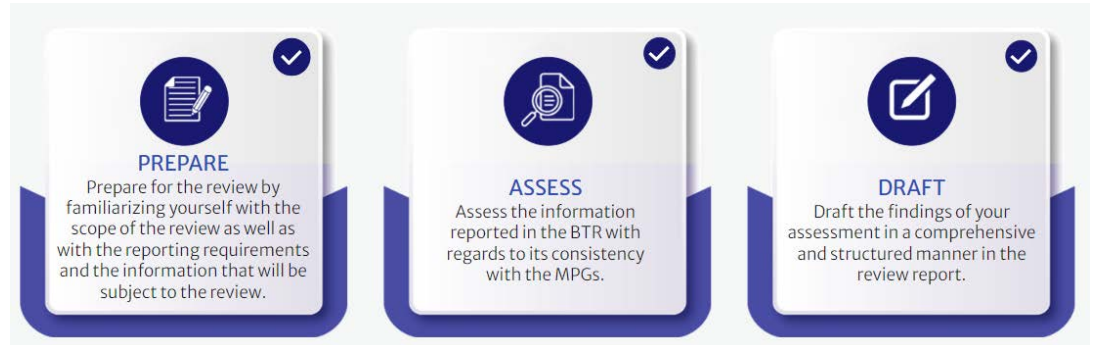
The Party reported transparently on inflows and/or outflows of support provided through multilateral channels.

The correct answers can be found in the [Answer keys section](#).

6. Financial instruments and sectors (subsectors)

6.1. Review steps - Financial instruments and sectors (subsectors)

To review the information reported in the BTR on the financial instruments used to provide financial support and for which sector and subsector the support was provided, follow the three steps shown below.



6.1.1 Prepare

According to the MPGs' section on financial support, when reporting financial support provided through bilateral, regional, multilateral and other channels, Parties shall report on the financial instruments used. Moreover, Parties shall describe the sector and, as available, the subsector for which the support was provided.

For the full reporting requirements, see paragraphs 123 (g) (i) and (j); 124 (j) (l) and (m) in the [annex 2](#).

6.1.1. Financial instruments

Financial instruments have many forms; examples are listed below.

Grant: transfers with no repayment required from recipients. Grants include technical assistance, for example carrying out policy studies, providing advice, supporting project preparation and implementation and assisting in technology transfer, which is normally delivered as a cost-free service.

Concessional loan: loans provided on terms significantly more generous than market rates. OECD has a definition of concessionality based on the interest rate charged, tenor/maturity (time until repayment is due) and grace period (interval of time before the first repayment is due) of a loan. Under OECD, loans are deemed eligible as ODA if they have a grant element of at least 25 per cent; however, there is a spectrum of concessionality from 'hard' (near-market) loans, through 'soft' loans, and up to 'credit finance' loans, which are offered at a zero interest rate.

Non-concessional loan: loans offered near or at market rates.

D. Financial, technology development and transfer and capacity-building support provided and mobilized to developing countries

Equity: finance available on the basis of gaining a share in the receiving entity with the right to receive a portion of the profits and value gain of the business.

Guarantee: a legally binding agreement under which the guarantor agrees to pay any or all of the amount due on a loan instrument in the event of non-payment by the borrower.

Insurance: insurance policies provide for the credit agency to reimburse the lender for losses up to a certain percentage of the credit covered and under certain conditions. Insurance policies typically protect the lender against political or transfer risks in the borrowing country that prevent the remittance of debt-service payments.

Calculating a grant equivalent amount: To calculate the grant equivalent amounts, the value of money in the future (e.g. when a loan is to be paid back with interest) to the value of today (e.g. when the loan is provided) must be accounted for. Money today is worth more than the prospect of the same amount in the future. Any comparison of money now and in the future must take into account the rate at which money loses value. A sum of money in the future can be reduced to its value today by applying a discount rate. A discount rate is an interest rate applied in reverse: it applies tomorrow's value to today's money. Grant element calculations use discount rates to reduce the expected future reflows from a financial transaction to the value they would have today. If the value of expected future reflows in today's money is lower than the amount extended today, then the difference represents a 'gift'. This gift portion is called a grant equivalent if expressed as a monetary value and a grant element if expressed as a percentage of the amount now extended.

6.1.2. Sectors and subsectors

The MPGs (para. 124(l)) provide a list of possible sectors:

- Energy
- Transport
- Industry
- Agriculture
- Forestry
- Water and sanitation
- Cross-cutting
- Other (specify)

The MPGs do not provide a definition of these sectors, which differ from the sectors used in the preparation of GHG inventories, as defined in the *2006 IPCC Guidelines for National Greenhouse Gas inventories*. The sectors in the MPGs are oriented more towards the implementation of activities and relate to both adaptation and mitigation.

The MPGs also require specification of subsectors, as available.

Examples of subsectors for reference as these are not included in the MPGs:

D. Financial, technology development and transfer and capacity-building support provided and mobilized to developing countries

- Energy: energy policy, energy generation, renewable resources (solar, hydro, wind, etc), energy distribution.
- Transport: water transport, air transport, road transport, rail transport.
- Industry: cement production, metal industries, chemical industries, non-ferrous metal industries.
- Agriculture: agricultural water resources, food crop production, agricultural research, livestock.
- Forestry: forestry policy, forestry education, fuelwood, forestry research.
- Water and sanitation: water supply, sanitation, drinking water supply, river basin development.

6.1.2 Assess

The MPGs list a number of response options for financial instruments and sectors. These options are included in the [CTF tables](#), hence it is useful for Parties to use these standardized responses when filling in the information requested. This practice could facilitate understanding of the data reported and could allow for enhanced comparability across country Parties. If a Party cannot assign a sector from the list to a particular financial support provided, it should use “other” and specify the sector.

Regarding subsectors, Parties shall report these, as available, using the subsectors they have assessed as relevant, as there is no list provided in the MPGs.

6.1.3 Draft

The TERT should focus its assessment on enhancing transparency in reporting and comparability across country Parties.

The TERT can exercise flexibility with regard to the sectors and subsectors chosen by the Party.

Below is an example of a recommendation in a BR4 related to the reporting of sectors:

“The Party reported “NA” for some financial contributions made through bilateral and regional channels in CTF table 7(b) in the column “Sector”.

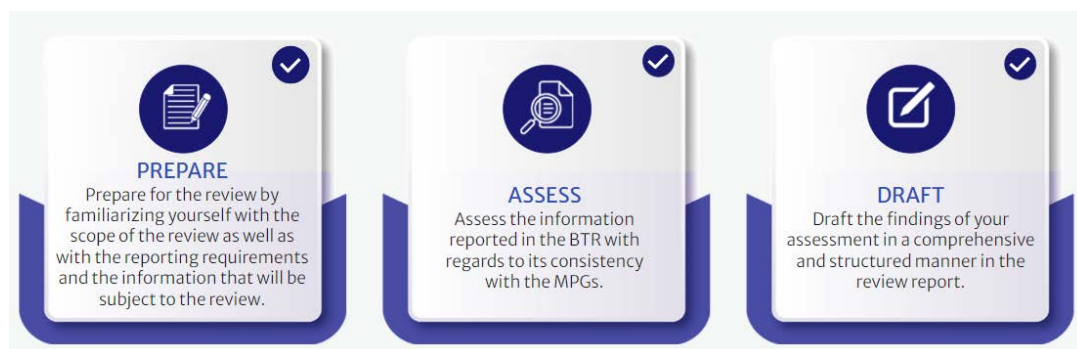
During the review, the Party indicated that the projects for which the sector was categorized as “NA” were those projects for which there was no appropriate category in the predetermined sector list.

The TERT recommends that the Party, in its next BR, include information in CTF table 7(b) following the relevant sectors consistently with the UNFCCC reporting guidelines on BRs. The sector “other” could be specified in the additional information column.”

7. Finance mobilized through public interventions

7.1. Review steps - Finance mobilized through public interventions

To review the information reported in the BTR on financial support mobilized through public interventions, follow the three steps shown below.



7.1.1 Prepare

According to the MPGs (para. 125), Parties, when reporting on finance mobilized through public interventions, are to include information on:

1. Amount mobilized, specifying the face value and, on a voluntary basis, the grant-equivalent value
2. Amount of resources used to mobilize the support
3. Type of public intervention used
4. Type of support
5. Sectors and subsectors for which the support was provided

For the full reporting requirements, see paragraphs 121(o) and 125 in the [annex 2](#).

7.1.2 Assess

No definition is provided in the MPGs for financial support “mobilized through public interventions”.

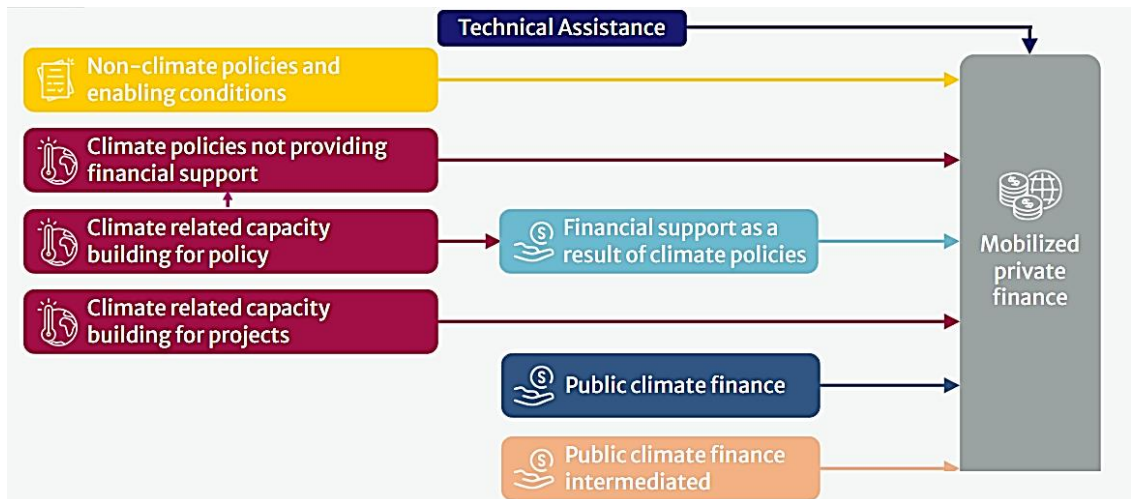
“Mobilizing” can be seen as the process by which private sector capital is delivered to recipients as a consequence of the use of interventions such as financial instruments, policies, capacity-building, technology development and transfer and technical assistance.

The term may also imply that a particular source of public climate finance or support is a critical element in a project’s finance structure, needed to get the project off the ground.

Parties shall report on the type of public interventions available (e.g. grant, concessional loan, non-concessional loan, equity, guarantee, insurance, policy intervention, capacity-building, technology development and transfer, technical assistance).

D. Financial, technology development and transfer and capacity-building support provided and mobilized to developing countries

The figure below shows the different factors that could influence the mobilization of private finance for projects on reducing emissions and improving climate resilience.



Initiatives that clearly target the involvement of the private sector include public–private partnerships, cooperation with the private sector and joint public–private funds.

Parties may choose to report on areas of activities or concrete projects and programmes that directly target the engagement of the private sector.

The main difficulties that Parties may face in reporting on mobilized climate finance include:

- Institutionalizing the tracking of (climate) finance mobilized
- Identifying the point of measurement of the finance mobilized as a result of the public intervention, as interventions can occur at the same time as the mobilization (e.g. co-financing of a project) or at an earlier time than the mobilization (e.g. public investment in a fund that later finances projects where private finance has been mobilized)
- Assessing causality (assessing if, and to what extent, there is causality between the intervention and the flow mobilized) and attribution (determining if, and how, an amount mobilized is to be attributed to specific actors, in particular the Party reporting)
- Determining how much climate finance is mobilized by multilateral financial institutions which receive contributions from Parties
- Identifying and categorizing the different types of instruments and public interventions that mobilize finance
- Avoiding double counting (e.g. when multiple partners fund a single activity)

The OECD DAC has developed a set of [instrument-specific standards](#) for the measurement of private finance mobilized by public interventions providing direct guidance on how to assess causality, points of measurement and avoid double-counting in measurements through pro-rata attributions.

D. Financial, technology development and transfer and capacity-building support provided and mobilized to developing countries

Assess: practice activity



What are the types of public intervention used to mobilize financial support? Please choose only one option:

- a. Grant, concessional loan, non-concessional loan;
- b. Equity, guarantee, insurance;
- c. Policy intervention, capacity-building, technology development and transfer, technical assistance;
- d. All of the above.

The correct answer can be found in the [Answer keys section](#) at the end of this lesson.

7.1.3 Draft

Below is an example from a BR4 of an encouragement arising from a Party not reporting on private financial flows leveraged by bilateral climate finance.

Note that this issue resulted in an encouragement as this is a **should** reporting requirement in the “UNFCCC biennial reporting guidelines for developed country Parties”.

“In its BR4, the Party did not report on private financial flows leveraged by bilateral climate finance towards mitigation and adaptation activities in non-Annex I Parties. The ERT noted that this issue was also raised in the previous review report. The BR4 mentions that the Party recognizes the need to strengthen and monitor climate contributions from the private sector and is working with international partners and local stakeholders to develop a methodology for tracking non-grant financing instruments and private sector mobilization.

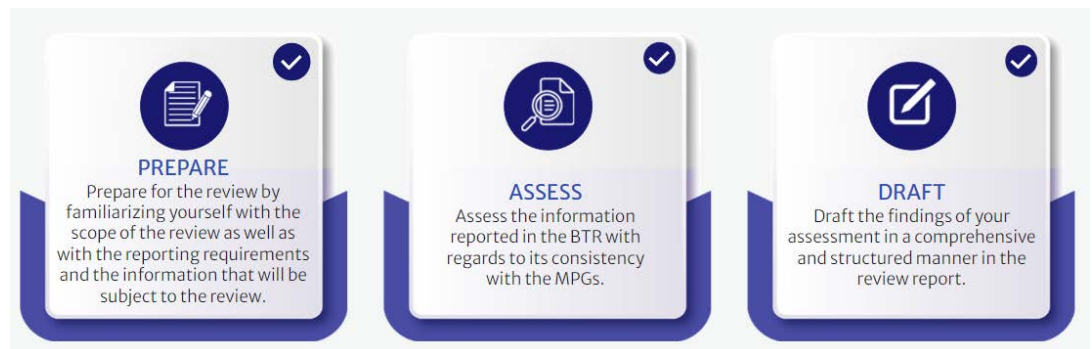
During the review, the Party explained that mobilizing private finance for climate mitigation and adaptation is an emerging focus for the Party and, as such, it would contribute USD 140 million to a new private sector mobilization climate fund specifically designed to mobilize private sector investment in low-emission climate-resilient solutions for the Pacific and South-East Asia. The body responsible for accounting and tracking the Party’s climate finance, is currently developing its approach to reporting on private finance mobilized across the Party’s international development programme. The Party referred to ongoing discussions with OECD, multilateral development banks and other development partners on methods for calculating and reporting on mobilized private finance. The Party hopes to report on mobilized private finance from 2020–2021 onward.

The ERT reiterates the encouragement from the previous review report for the Party to report, to the extent possible, on private financial flows leveraged by bilateral climate finance towards mitigation and adaptation activities in non-Annex I Parties.”

8. Common tabular format tables

8.1. Review steps - Common tabular format tables

To review the information reported in BTR CTF tables III.1, III.2 and III.3, follow the steps shown below.



8.1.1 Prepare


The CTF tables are an integral part of the BTRs and developed country Parties are required by decision 5/CMA.3 to provide information using CTF tables.

CTF table III.1 covers financial support provided through bilateral, regional and other channels.

CTF table III.2 covers financial support provided through multilateral channels.

CTF table III.3 covers financial support mobilized through public interventions.

All three tables can be found in the [annex 4](#).

 *Regarding information on finance mobilized through public interventions, the MPGs (Para. 125) state that the relevant information can be provided in textual and/or tabular format. Hence a Party may decide to present the information in textual format rather than in CTF table III.3.*

8.1.2 Assess

General tips

- When reviewing the completeness of the information reported in the CTF tables, remember to also read the instructions provided in the footnotes to each table. For instance:
 - Parties shall report the information for the previous two reporting years without overlapping with the previous reporting periods in both the domestic currency and United States dollars.
 - Parties shall report in a separate table for each year, namely 20XX–3 and 20XX–2, where 20XX is the reporting year. In the first BTR, developed country Parties shall report separate CTF tables (III.1 and III.2) for each year, namely 2021 and 2022, where 2024 is the reporting year.

D. Financial, technology development and transfer and capacity-building support provided and mobilized to developing countries

- Parties can use notation keys to report the following situations:
 - NA = not applicable. This notation key may be used to indicate the relevant information under the parameter is not applicable. For example, this could apply to parameters qualified as “as applicable” in the MPGs and footnotes of the CTFs such as:
 - reporting on multilateral channels on core-general or climate-specific finance, inflows and/or outflows, and the contribution to capacity-building and/or technology development and transfer objectives
 - reporting on finance mobilized through public interventions
 - UA = information not available at the time of reporting. This notation key may be used to indicate the relevant information under the parameter is unavailable at the time of reporting. For example, this could apply to parameters qualified as “as available” in the MPGs and footnotes of the CTFs, such as,
 - reporting on bilateral, regional and other channels on subsector, additional information, and the contribution to capacity-building and/or technology development and transfer objectives
 - reporting on multilateral channels on recipient, title of the project, programme or activity, sector and subsector, and the contribution to capacity-building and/or technology development and transfer objectives
 - NR = not reported. This notation key may be used where the Party has chosen not to report the information due to the voluntary character of the requirement (e.g. reporting grant-equivalent values on a voluntary basis) as opposed to indicating the information is not applicable or not available.
- Information in shaded cells in CTF tables III.1–3 may be auto-populated to the tables on technology and capacity-building support provided (CTF table III.4–5) when the parameters on contribution to technology/capacity-building objectives are selected.
- The grant-equivalent value of financial support provided is reported on a voluntary basis.
- An expanded list of multilateral institutions in drop-down format is no longer prepopulated with institutions, allowing for multiple rows per institution to provide more granular information
- In the BTRs, Parties shall not report a table with summary information on the provision of public financial support as per reporting in the BRs. Instead, such summary information is to be automatically generated through the web portal developed by the Secretariat as per decision 5/CMA.3 (para. 22).
- Always seek clarification from the Party regarding any gaps in reporting and, where applicable, why the Party’s national circumstances did not allow the reporting of the required information in the CTF tables. Summarize the Party’s explanation in the review report.

Status of support

CTF tables III.1 (bilateral, regional and other channels) and III.2 (multilateral channels) require reporting on the status of financial support. This status can be “committed” or “disbursed”.

The definitions used for the different terms are not always clear, resulting in uncertainties in interpreting reported information. While disbursed funds are in principle mostly interpreted as being de facto delivered to the recipients for the ongoing implementation of a project or activity,

D. Financial, technology development and transfer and capacity-building support provided and mobilized to developing countries

committed funds are mostly interpreted as when the total amount budgeted for a project or activity is committed over its lifetime.

For example, for a project to be implemented over three years, commitments may represent a total amount to be spent, while disbursements may reflect the annual amounts disbursed for project implementation for each of the three years. Difficulties experienced with spending committed funds, such as through project delays or cancellations, under- or over-spend, increases the uncertainty of the predictability of the funds.

For contributions to **multilateral institutions**, “disbursed” can theoretically be interpreted in two ways:

1. When resources are transferred from the provider to the accounts of the fund inflows;
2. When resources are transferred from the fund to the recipient outflows.

In most cases, Parties will report disbursed funds using the first way, as information on spending is often not attributable to individual Parties.

Funding source

CTF tables III.1 and III.2 require reporting on finance by funding source:

- **Official development assistance:** flows of official financing administered with the promotion of the economic development and welfare of developing country Parties as the main objective, and which is concessional in character with a grant element of at least 25 per cent (using a fixed 10 per cent rate of discount);
- **Other official flows:** transactions by the official sector with country Parties on the list of aid recipients that do not meet the conditions for eligibility as ODA or official aid, either because they are not primarily aimed at development, or because they have a grant element of less than 25 per cent;
- **Other:** any other form of financial flows, which can include private sector loans or grants. In such cases the nature of flows reported needs to be further specified by the Party.

While the above-mentioned definitions are the most commonly used for differentiating funding sources, Parties may use other definitions.

8.1.3 Draft

Practice activity



If a Party has provided information on finance mobilized through public interventions in textual format in the BTR and not in tabular format in CTF table III.3, the TERT, during the review, should:

- a. Clarify with the Party why it did not provide the information in CTF table III.3. Explain to the Party that providing the information in both textual and tabular format is a mandatory requirement. In the review report, recommend that the Party provide the relevant information in both textual and tabular format;

D. Financial, technology development and transfer and capacity-building support provided and mobilized to developing countries

- b. Provide no comment, because according to the MPGs, the relevant information can be provided in textual and/or tabular format;
- c. Clarify why the Party did not provide the information in CTF table III.3. In the review report, encourage the Party to provide the relevant information in both textual and tabular format.

The correct answer can be found in the [Answer keys section](#) at the end of this lesson.

9. Lesson summary

- Climate finance is critical because large-scale investments are required to significantly reduce emissions and to adapt to the adverse effects and reduce the impacts of climate change.
- MPGs require amounts to be in domestic currency and United States dollars; careful attention should be paid to the exchange rates used by a Party, checking for consistency in their source and use per year throughout the BTR.
- Reporting using the standardized language provided in the MPGs (e.g. on sectors and instruments) will facilitate understanding of the data reported and could allow for enhanced comparability across country Parties.
- The provision of private finance for projects related to a low-emissions, climate-resilient future is typically the result of the combined effects of a range of public interventions and of broader enabling conditions.

10. ANNEXES OF LESSON 2

ANNEX 1

Article 9 of the Paris Agreement

1. Developed country Parties shall provide financial resources to assist developing country Parties with respect to both mitigation and adaptation in continuation of their existing obligations under the Convention.
2. Other Parties are encouraged to provide or continue to provide such support voluntarily.
3. As part of a global effort, developed country Parties should continue to take the lead in mobilizing climate finance from a wide variety of sources, instruments and channels, noting the significant role of public funds, through a variety of actions, including supporting country-driven strategies, and taking into account the needs and priorities of developing country Parties. Such mobilization of climate finance should represent a progression beyond previous efforts.
4. The provision of scaled-up financial resources should aim to achieve a balance between adaptation and mitigation, taking into account country-driven strategies, and the priorities and needs of developing country Parties, especially those that are particularly vulnerable to the adverse effects of climate change and have significant capacity constraints, such as the least developed countries and small island developing states, considering the need for public and grant-based resources for adaptation.
5. Developed country Parties shall biennially communicate indicative quantitative and qualitative information related to paragraphs 1 and 3 of this Article, as applicable, including, as available, projected levels of public financial resources to be provided to developing country Parties. Other Parties providing resources are encouraged to communicate biennially such information on a voluntary basis.
6. The global stocktake referred to in Article 14 shall take into account the relevant information provided by developed country Parties and/or Agreement bodies on efforts related to climate finance.
7. Developed country Parties shall provide transparent and consistent information on support for developing country Parties provided and mobilized through public interventions biennially in accordance with the modalities, procedures and guidelines to be adopted by the Conference of the Parties serving as the meeting of the Parties to this Agreement, at its first session, as stipulated in Article 13, paragraph 13. Other Parties are encouraged to do so.
8. The Financial Mechanism of the Convention, including its operating entities, shall serve as the financial mechanism of this Agreement.
9. The institutions serving this Agreement, including the operating entities of the Financial Mechanism of the Convention, shall aim to ensure efficient access to financial resources through simplified approval procedures and enhanced readiness support for developing country Parties, in particular for the least developed countries and small island developing states, in the context of their national climate strategies and plans.

ANNEX 2

Decision 18/CMA.1, annex, section V.B/V.C

Underlying assumptions, definitions and methodologies

121. In order to enhance the transparency of reporting, a description of the underlying assumptions, methodologies and definitions, as applicable, used to identify and/or report, including:

- (a) The chosen reporting year (calendar year, fiscal year);
- (b) The conversion between domestic currency and United States dollars;
- (c) The status (committed, disbursed);
- (d) The channel (bilateral, regional, multi-bilateral, multilateral);
- (e) The funding source (official development assistance (ODA), other official flows (OOF), other);
- (f) The financial instrument (e.g. grant, concessional loan, non-concessional loan, equity, guarantee, insurance, other (specify));
- (g) Information on instruments and funding sources reported, including how a Party has determined finance to be concessional and/or ODA, including by using information such as grant equivalency, institution and/or instrument-based approaches;
- (h) The type of support (e.g. adaptation, mitigation, cross-cutting);
- (i) The sector;
- (j) The subsector;
- (k) Whether it supported capacity-building and/or technology development and transfer objectives;
- (l) The support as being climate-specific;
- (m) Information on the efforts taken to avoid double counting, including on:
 - (i) How double counting among multiple Parties involved in the provision of support was avoided;
 - (ii) How double counting among multiple Parties involved in the mobilization of private finance through public interventions was avoided, including the methodologies and assumptions used to attribute the mobilized resources through public interventions reported to the Party that reports them, if possible relative to the type of instrument used for the mobilization;
 - (iii) How double counting was avoided between the resources reported as provided or mobilized, and the resources used under Article 6 of the Paris Agreement by the acquiring Party for use towards the achievement of its NDC;
 - (iv) How support is attributed between multiple recipient countries, in cases where a project involves multiple recipient countries and where this information is reported on a country-by-country basis;
- (n) The definition of public and private finance, in particular where entities or funds are mixed;
- (o) How private finance was assessed as mobilized through public interventions, including by:

D. Financial, technology development and transfer and capacity-building support provided and mobilized to developing countries

- (i) Identifying a clear causal link between a public intervention and mobilized private finance, where the activity would not have moved forward, or moved forward at scale, in the absence of the Party's intervention;
- (ii) Providing information on the point of measurement (e.g. point of commitment, point of disbursement) of the private finance mobilized as a result of the public intervention, to the extent possible in relation to the type of instrument or mechanism used for the mobilization;
- (iii) Providing information on the boundaries used to identify finance as mobilized by public intervention;
- (p) How it seeks to ensure that support provided and mobilized through public interventions effectively addresses the needs and priorities of developing country Parties for the implementation of the Paris Agreement, as identified in country-driven strategies and instruments, such as biennial transparency reports, NDCs and national adaptation plans;
- (q) How it seeks to ensure that support provided and mobilized through public interventions is in line with the long-term goals of the Paris Agreement;
- (r) An indication of what new and additional financial resources have been provided, and how it has been determined that such resources are new and additional;
- (s) How the information provided reflects a progression from previous levels in the provision and mobilization of finance under the Paris Agreement;
- (t) Information on reporting on multilateral finance, including:
 - (i) Whether the multilateral finance reported is based on the Party's inflow contribution to a multilateral institution and/or on the Party's share in the outflow of the multilateral institution;
 - (ii) Whether and how multilateral finance has been reported as climate-specific and how the climate-specific share was calculated, including by, for example, using existing international standards;
 - (iii) Whether multilateral finance has been reported as core/general, with the understanding that the actual climate finance amount it would transfer into depends on the programming choices of the multilateral institutions;
 - (iv) Whether and how multilateral finance has been attributed to the reporting Party.

122. A description of the underlying assumptions, definitions and methodologies used to provide information on technology development and transfer and capacity-building support.

Information on financial support provided and mobilized under Article 9 of the Paris Agreement Bilateral, regional and other channels

123. Relevant information, in a tabular format, for the previous two reporting years without overlapping with the previous reporting periods, on bilateral and regional financial support provided, specifying:

- (a) Year (calendar year, fiscal year);
- (b) Amount (in United States dollars and domestic currency) (the face value and, on a voluntary basis, the grant-equivalent value);

D. Financial, technology development and transfer and capacity-building support provided and mobilized to developing countries

- (c) Recipient, including, to the extent possible, information on the recipient region or country and the title of the project, programme, activity or other (specify);
- (d) Status (disbursed, committed);
- (e) Channel (bilateral, regional, multi-bilateral, other (specify));
- (f) Funding source (ODA, OOF, other (specify));
- (g) Financial instrument (e.g. grant, concessional loan, non-concessional loan, equity, guarantee, insurance, other (specify));
- (h) The type of support (e.g. adaptation, mitigation or cross-cutting);
- (i) Sector (e.g. energy, transport, industry, agriculture, forestry, water and sanitation, cross-cutting, other (specify));
- (j) Subsector, as available; FCCC/PA/CMA/2018/3/Add.2 39
- (k) Additional information, as available (such as project/programme details, implementing agency and, to the extent possible, link to relevant project/programme documentation);
- (l) Whether it contributes to capacity-building and/or technology development and transfer objectives, as available.

Multilateral channels

124. Relevant information, in a tabular format, for the previous two reporting years without overlapping with the previous reporting periods, on financial support provided through multilateral channels, specifying:

- (a) Year (calendar year, fiscal year);
- (b) Institution (e.g. multilateral fund, the operating entities of the Financial Mechanism, entities of the Technology Mechanism, multilateral financial institution, international organization, other (specify));
- (c) Amount (in United States dollars and domestic currency) (the face value and, on a voluntary basis, the grant-equivalent value);
- (d) Core-general or climate-specific, as applicable;
- (e) Inflows and/or outflows, as applicable;
- (f) Recipient (e.g. country, region, global, project, programme, activity, other (specify)), as applicable, as available;
- (g) Status (disbursed, committed);
- (h) Channel (multilateral, multi-bilateral);
- (i) Funding source (ODA, OOF, other (specify));
- (j) Financial instrument (e.g. grant, concessional loan, non-concessional loan, equity, guarantee, insurance, other (specify));
- (k) The type of support (e.g. adaptation, mitigation or cross-cutting), as available;
- (l) Sector (e.g. energy, transport, industry, agriculture, forestry, water and sanitation, cross-cutting, other (specify)), as available;
- (m) Subsector, as available;
- (n) Whether it contributes to capacity-building and/or technology development and transfer objectives, as applicable, as available.

D. Financial, technology development and transfer and capacity-building support provided and mobilized to developing countries

Information on finance mobilized through public interventions

125. Relevant information, in textual and/or tabular format, for the previous two reporting years without overlapping with the previous reporting periods, on financial support mobilized through public interventions through bilateral, regional and multilateral channels, including the operating entities of the Financial Mechanism and entities of the Technology Mechanism, as applicable and to the extent possible:

- (a) Year (calendar year, fiscal year);
- (b) Amount (in United States dollars and domestic currency) (the face value and, on a voluntary basis, the grant-equivalent value, if applicable);
- (c) Amount of resources used to mobilize the support (in United States dollars and domestic currency);
- (d) Type of public intervention used (e.g. grant, concessional loan, nonconcessional loan, equity, guarantee, insurance, policy intervention, capacity-building, technology development and transfer, technical assistance);
- (e) Recipient (country, region, global, project, programme, activity, other (specify));
- FCCC/PA/CMA/2018/3/Add.2 40 (f) Channel (bilateral, regional, multilateral);
- (g) The type of support (e.g. adaptation, mitigation or cross-cutting);
- (h) Sector (e.g. energy, transport, industry, agriculture, forestry, water and sanitation, cross-cutting, other (specify));
- (i) Subsector;
- (j) Additional information.

ANNEX 3

Operating entities of the Financial Mechanism

To facilitate the provision of climate finance, the Convention established a financial mechanism to provide financial resources to developing country Parties. The financial mechanism also serves the Kyoto Protocol and the Paris Agreement.

The Convention states that the operation of the financial mechanism can be entrusted to one or more existing international entities. The [Global Environment Facility](#) (GEF) has served as an operating entity of the financial mechanism since the Convention's entry into force in 1994. At COP 16, in 2010, Parties established the [Green Climate Fund](#) (GCF) and in 2011 also designated it as an operating entity of the financial mechanism. The financial mechanism is accountable to the COP, which decides on its policies, programme priorities and eligibility criteria for funding.

In addition to providing guidance to the GEF and the GCF, Parties have established two special funds—the [Special Climate Change Fund](#) (SCCF) and the [Least Developed Countries Fund](#) (LDCF), both managed by the GEF—and the [Adaptation Fund](#) (AF) established under the Kyoto Protocol in 2001.

At the Paris Climate Change Conference in 2015, the Parties agreed that the operating entities of the financial mechanism – GCF and GEF – as well as the SCCF and the LDCF shall serve the Paris Agreement.

D. Financial, technology development and transfer and capacity-building support provided and mobilized to developing countries

Entities of the Technology Mechanism

The Technology Mechanism consists of two bodies: the Technology Executive Committee and the Climate Technology Centre and Network, together they work to enhance climate technology activities. Their functions are complementary and support developing country efforts to address both policy and implementation aspects of climate technology development and transfer.

ANNEX 4

Common tabular format tables

Tables from UNFCCC document [FCCC/PA/CMA/2021/10/Add.2](#)

Table III.1

Information on financial support provided under Article 9 of the Paris Agreement in year 20XX-3:^{a, b, c} bilateral, regional and other channels

Exchange rate used: _____

Recipient country or region ^d	Title of the project, programme, activity or other ^{e, e}	Amount (climate-specific) ^{e, f}				Status ^c	Channel ^f	Funding source ^e	Financial instrument ^{e, g}	Type of support ^c	Sector ^c	Subsector ^{c, h}	Contribution to capacity-building objectives ^{c, h}	Contribution to technology development and transfer objectives ^{c, h}	Additional information ^{c, h, i}
		Face value		Grant equivalent											
		Domestic currency	USD	Domestic currency	USD										
Country					Disbursed	Bilateral	ODA	Grant	Adaptation	Energy		Insert 1 for Yes,	Insert 1 for Yes,		
Region/ ^l					Committed	Regional	OOF	Concessional loan	Mitigation	Transport		0 for No	0 for No		
Global						Multi-bilateral Other (specify) ^e	Other (specify) ^e	Non-concessional loan Equity Guarantee Insurance Other (specify) ^e	Cross-cutting ^k	Industry Agriculture Forestry Water and sanitation Cross-cutting Other (specify) ^e					

Abbreviations: ODA = official development assistance, OOF = other official flows.

Notation keys: NA = not applicable; UA = information not available at the time of reporting; NR = not reported (to indicate the voluntary character of the information).

Note: Where financial support contributes to capacity-building and/or technology development and transfer objectives, information in shaded cells is automatically populated in the relevant CTF table on information on support for technology development and transfer provided under Article 10 of the Paris Agreement (table III.4) and/or information on capacity-building support provided under Article 11 of the Paris Agreement (table III.5).

^a Relevant information, in tabular format, on bilateral and regional financial support provided for the previous two reporting years without overlapping with the previous reporting periods.

^b Parties report in a separate table for each year, namely 20XX-3 and 20XX-2, where 20XX is the reporting year.

^c Parties provide the underlying assumptions, definitions and methodologies, as applicable, used to identify and/or report this reporting parameter in the respective section of the BTR.

^d To the extent possible.

^e If “other”, Parties should specify this information.

^f The face value and, on a voluntary basis, the grant-equivalent value.

^g Parties report, to the extent possible, the different amounts per financial instrument, if applicable and as available.

^h As available.

ⁱ Report, to the extent possible, information on the project/programme and implementing agency and provide a link to any relevant documentation and as appropriate, support to activities related to averting, minimizing and addressing loss and damage associated with the adverse effects of climate change.

^j The region should be reported if data at the country level are not available.

^k This refers to funding for activities that have both mitigation and adaptation components. Parties report, to the extent possible, the different amounts of components, if applicable and as available.

Custom footnotes

The underlying assumptions, definitions and methodologies of the information in this CTF is available at link/page number of the BTR.

Table III.2

Information on financial support provided under Article 9 of the Paris Agreement in year 20XX-3:a, b, c multilateral channels

Exchange rate used: _____

<i>Institution</i>	<i>Amount</i> ^d												<i>Recipient</i> ^{e, g}	<i>Title of the project, programme, activity or other</i> ^{e, g, h}	<i>Status</i> ^c	<i>Channel</i> ^c	<i>Funding source</i> ^c	<i>Financial instrument</i> ⁱ	<i>Type of support</i> ^c	<i>Sector</i> ^e	<i>Subsector</i> ^e	<i>Contribution to capacity-building objectives</i> ^{e, g}	<i>Contribution to technology development and transfer objectives</i> ^{e, g}	<i>Additional information</i>
	<i>Inflows</i> ^{c, e}						<i>Outflows</i> ^{c, e}																	
	<i>Core/general</i> ^{e, f}				<i>Climate-specific</i> ^e				<i>Climate-specific</i> ^e															
	<i>Face value</i>		<i>Grant equivalent</i>		<i>Face value</i>		<i>Grant equivalent</i>		<i>Face value</i>		<i>Grant equivalent</i>													
<i>Domestic currency</i>	<i>USD</i>	<i>Domestic currency</i>	<i>USD</i>	<i>Domestic currency</i>	<i>USD</i>	<i>Domestic currency</i>	<i>USD</i>	<i>Domestic currency</i>	<i>USD</i>	<i>Domestic currency</i>	<i>USD</i>													
Adaptation Fund													Country		Disbursed	Multilateral	ODA	Grant	Adaptation	Energy				
African Development Bank													Region		Committed	Multi-	OOF	Concessional	Mitigation	Transport				
Asian Development Bank													Global			lateral	loan	Cross-	Industry					
Capacity-building Initiative for Transparency																Other	cutting ^g	Agriculture						
Climate Technology Centre and Network																(specify) ^h	Non-concessional	Forestry						
European Bank for Reconstruction and Development																Equity	Water and							
Global Environment Facility																Guarantee	sanitation							
Green Climate Fund																Insurance	Cross-							
Inter-American Development Bank																Other	cutting							
International Finance Corporation																(specify) ^h	Other	(specify) ^h						
Least Developed Country Fund																								
Special Climate Change Fund																								
Trust Fund for Supplementary Activities UNFCCC																								
United Nations Development Programme																								
United Nations Environment Programme																								
World Bank																								
Other (specify) ^h																								

Abbreviations: ODA = official development assistance, OOF = other official flows.

Notation keys: NA = not applicable; UA = information not available at the time of reporting; NR = not reported (to indicate the voluntary character of the information).

Note: Where financial support contributes to capacity-building and/or technology development and transfer objectives, information in shaded cells is automatically populated in relevant CTF on information on support for technology development and transfer provided under Article 10 of the Paris Agreement (table III.4) and/or information on capacity-building support provided under Article 11 of the Paris Agreement (table III.5).

^a Relevant information, in a tabular format, for the previous two reporting years without overlapping with the previous reporting periods, on financial support provided through multilateral channels.

^b Parties fill in a separate table for each year, namely 20XX-3 and 20XX-2, where 20XX is the reporting year.

^c Parties provide the underlying assumptions, definitions and methodologies, as applicable, used to identify and/or report this reporting parameter in the respective section of the BTR.

^d The face value and, on a voluntary basis, the grant-equivalent value.

^e As applicable.

^f This refers to support to multilateral institutions that Parties cannot specify as being climate-specific.

^g As available.

^h If “other”, Parties should specify this information.

ⁱ Parties report, to the extent possible, the different amounts per financial instrument, if applicable and as available.

^j Region should be reported when data at country level are not available.

^k This refers to funding for activities that have both mitigation and adaptation components. Parties report, to the extent possible, the different amounts of components, if applicable and as available.

^l Report, to the extent possible, information on the project/programme and implementing agency and provide a link to any relevant documentation and as appropriate, support to activities related to averting, minimizing and addressing loss and damage associated with the adverse effects of climate change.

Custom footnotes

The underlying assumptions, definitions and methodologies of the information in this CTF is available at link/page number of the BTR.

Table III.3

Information on financial support mobilized through public interventions under Article 9 of the Paris Agreement in 20XX-3^{a, b, c}

Exchange rate used: _____

Recipient ^c	Title of the project, programme, activity or other ^{c, d}	Channel	Amount mobilized ^{c, e}				Amount of resources used to mobilize the support ^c		Type of public intervention ^{c, f}	Type of support	Sector ^c	Subsector ^c	Additional information ^{c, i}
			Face value		Grant equivalent								
			Domestic currency	USD	Domestic currency	USD	Domestic currency	USD					
Country		Bilateral						Grant	Adaptation	Energy			
Region ^g		Regional						Concessional loan	Mitigation	Transport			
Global		Multilateral						Non-concessional loan	Cross-cutting ^h	Industry			
								Equity		Agriculture			
								Guarantee		Forestry			
								Insurance		Water and sanitation			
								Policy intervention		Cross-cutting			
								Capacity-building		Other (specify) ^d			
								Technology development and transfer					
								Technical assistance					
								Other (specify) ^d					

Notation keys: NA = not applicable; UA = information not available at the time of reporting; NR = not reported (to indicate the voluntary character of the information).

Note: Where financial support contributes to capacity-building and/or technology development and transfer objectives, information in shaded cells is automatically populated in relevant CTF on information on support for technology development and transfer provided under Article 10 of the Paris Agreement (table III.4) and/or information on capacity-building support provided under Article 11 of the Paris Agreement (table III.5).

^a Relevant information, in textual and/or tabular format, for the previous two reporting years without overlapping with the previous reporting periods, on financial support mobilized through public interventions through bilateral, regional and multilateral channels, including the operating entities of the Financial Mechanism and entities of the Technology Mechanism, as applicable and to the extent possible.

^b Parties fill in a separate table for each year, namely 20XX-3 and 20XX-2, where 20XX is the reporting year.

^c Parties provide the underlying assumptions, definitions and methodologies, as applicable, used to identify and/or report this reporting parameter in the respective section of the BTR.

^d If “other”, Parties should specify this information.

^e The face value and, on a voluntary basis, the grant-equivalent value, if applicable.

^f Parties report, to the extent possible, the different amounts per financial instrument, if applicable and as available.

^g Region should be reported when data at country level are not available.

^h This refers to funding for activities that have both mitigation and adaptation components. Parties report, to the extent possible, the different amounts of components, if applicable and as available.

ⁱ Report, to the extent possible, information on the project/programme and implementing agency and provide a link to any relevant documentation and as appropriate, support to activities related to averting, minimizing and addressing loss and damage associated with the adverse effects of climate change.

Custom footnotes

The underlying assumptions, definitions and methodologies of the information in this CTF is available at link/page number of the BTR.

11. Answer keys of lesson 2



Multilateral channels: inflows and/or outflows: draft – practice activity

Text 1 corresponds to situation 2.

Text 2 corresponds to situation 1.



Finance mobilized through public interventions: assess – practice activity

The correct answer is (d).



Common tabular format tables: draft – practice activity

The correct answer is (b).

LESSON 3: Technology development and transfer

1. Introduction

This lesson focuses on the review of the information reported by Parties on their provision of technology development and transfer support to developing country Parties.

The following introductory questions are discussed in sections 1.1–1.4 below:

- **What is technology transfer?**
- **What are the trends in the provision of technology transfer support?**
- **Why do Parties report on technology transfer?**
- **How can technology transfer be enhanced?**

1.1. Technology transfer

Technology transfer is about the sharing among stakeholders of knowledge, experience and equipment for mitigating and adapting to climate change.

It is a process of learning to understand, utilize and replicate technology, including the capacity to choose it, adapt it to local conditions and integrate it with **indigenous technologies**.

According to UNESCO definition, indigenous knowledge can be defined as the local knowledge that is unique to a culture or society. This knowledge is passed from generation to generation, usually by word of mouth and cultural rituals, and has been the basis for agriculture, food preparation, health care, education, conservation and the wide range of other activities that sustain societies in many parts of the world.

To learn more about technology transfer, check out these two landmark publications:

1. IPCC, 2000: [Methodological and Technological Issues in Technology Transfer](#).
2. IPCC, 2018: [Global Warming of 1.5°C](#). An IPCC Special Report on the impacts of global warming of 1.5°C above pre-industrial levels and related global greenhouse gas emission pathways, in the context of strengthening the global response to the threat of climate change, sustainable development, and efforts to eradicate poverty.
 - See chapter 4.4.4 Enabling Technological Innovation (pg. 369), SR15 chapter 4

1.2. Technology transfer trends

To support action on mitigation and adaptation, many developed country Parties engage bilaterally with both developed and developing country Parties at all stages of the technology cycle on activities relating to research and development, demonstration, deployment, diffusion and transfer of technology. Work with developing country Parties focuses on the latter stages of the cycle, usually in the form of efforts to share knowledge and foster enabling environments to transfer technology.

Until 2018, most technology transfer activities reported by developed country Parties in their BRs targeted mitigation. The majority of these activities were in the energy sector and had the aim of deploying and diffusing technologies related to **renewable energy** and **energy efficiency**. Support for adaptation technology transfer activities mainly targeted the agriculture, cross-cutting and water sectors in 2017–2018.

Most of the reported programmes and projects are implemented in the Asia-Pacific and the Africa regions.

While bilateral cooperation is the predominant channel for providing international support for climate technology activities, the majority of developed country Parties consider partnerships between various stakeholders an effective channel for the successful transfer of technology to developing country Parties.

See the [report on the compilation and synthesis of BR4s](#) to learn more about what developed country Parties have been reporting on technology transfer during the most recent reporting cycle under the Convention.

1.3. Technology transfer reporting

Below you will find the source of the main reporting requirements that guide developed country Parties reporting in their BTRs:

Article 10, paragraph 6, of the Paris Agreement requires support to be provided to developing country Parties for strengthening cooperative action on technology development and transfer at different stages of the technology cycle with a view to achieving a balance between support for mitigation and adaptation. For the full text of Article 10, paragraph 6, of the Paris Agreement, see [ANNEX 1](#).

The MPGs for the transparency framework for action and support referred to in Article 13 of the Paris Agreement are set out in the annex to decision 18/CMA.1. Section V of that annex, “Information on financial, technology development and transfer and capacity-building support provided and mobilized under Articles 9–11 of the Paris Agreement”, specifies the information to be reported by developed country Parties and other Parties providing support for technology development and transfer. For more information on the MPGs, see [ANNEX 2](#).

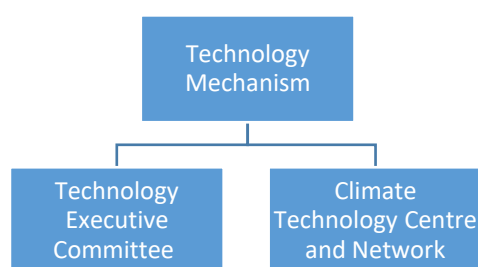
Annex II Parties report on technology development and transfer in their NCs. To learn more about these reporting requirements under the Convention, see [ANNEX 3](#).

1.4. Technology transfer enhancement

To enhance the development and transfer of technology, the Technology Mechanism was established under the Convention. The Technology Mechanism consists of the Technology Executive Committee and the Climate Technology Centre and Network. These bodies also serve the Paris Agreement under a technology framework established at COP 21, which provides overarching guidance to the Technology Mechanism.

Developing country Parties prepare technology needs assessments to help identify their specific climate technology needs to support climate action.

For more information on the Technology Mechanism, visit the following UNFCCC [Climate Technology webpage](#).



2. Key topics

BTRs have five key reporting requirements relating to technology development and transfer. Click on a topic to jump straight to its section in this lesson, or work through sections 3 to 7 to find out more about each one.

[Strategies, technology cycle, innovation and knowledge generated](#)

[Endogenous capacities and technologies](#)

[Involvement of the private sector](#)

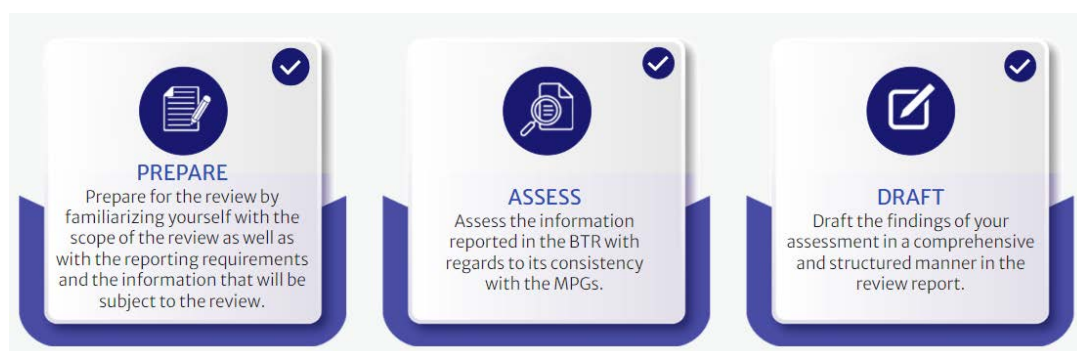
[Implemented and planned activities](#)

[Common tabular format tables](#)

3. Strategies, technology cycle, innovation and knowledge generated

3.1. Review steps - Strategies, technology cycle, innovation and knowledge generated

To review the information reported in the BTR on strategies to support technology transfer, support provided at different stages of the technology cycle, efforts to enable innovation, and knowledge generated, follow the three steps shown below.



3.1.1 Prepare

In **BTRs**, developed country Parties **shall** report on strategies employed to support technology development and transfer, including case studies (MPGs, para. 126(a)).

Developed country Parties, for their support strategies, may draw on the technology needs assessments of the developing country Parties they wish to support. A technology needs assessment supports national sustainable development, builds national capacity and facilitates the implementation of prioritized climate technologies.

Developing country Parties have also been developing technology action plans, which are concrete action plans for implementing their prioritized technology needs. Technology action plans can orient developed country Parties in designing their support strategies.

3.1.2 Assess

It is difficult to draw on previous experience with reporting on strategies, technology cycle, innovation and knowledge generated, considering they are new requirements for BTRs. Examples of reporting on some of these aspects can be found below; these examples illustrate the type of information Parties might report.

Examples of information that could be reported on the different stages of the technology cycle:

Stages 1 and 2 – research, development and demonstration: In its BR4, one Party reported: “The Transforming Energy Access programme is providing X amount over five years to support **early-stage testing** and **scale up** of innovative technologies and business models that will accelerate access to affordable, clean energy services for poor households and enterprises, especially in Africa. The programme will include partnership with Foundation, **enabling support** to be provided

to at least 30 early-stage private sector innovations; using Party's Energy Catalyst to stimulate technology innovation by Party enterprises; building other strategic clean energy innovation partnerships (e.g. testing a new peer-to-peer solar crowdfunding platform, and scoping a potential new partnership with the Gates Foundation on Mission Innovation); and developing skills and expertise."

Note on early-stage testing: This covers activities in stage 1, which are often done in a research setting.

Note on scaling up: This is a key term for stage 2, where investment capital is needed to move beyond the research and development phase. The demonstration phase is particularly critical and risky.

Note on enabling support: This covers the reporting requirement on innovation.

Stage 3 – deployment: At this stage, climate-friendly technologies that have been tried and tested are rolled out in a selected market. The Technology Executive Committee recommends that successful deployment of technologies needs to focus not just on technical issues but also on topics such as economics, policy, workforce development and standards.

Stage 4 – diffusion: In its BR4, one Party reported that it has been supporting the dissemination of advanced low-carbon and decarbonizing technologies through public–private partnerships via the Joint Crediting Mechanism, via which it established partnerships with 17 partner countries and supported more than 160 projects.

Stage 5 – transfer of technology: This final stage of the cycle relates to the actual transfer of climate technologies, usually from a developed country Party to developing country Party, and focuses on successful societal uptake of those technologies.

See [ANNEX 4](#) for an example of reporting on **strategies**.

After assessing the transparency and completeness of the reporting under review, you may need to ask the Party for clarification of issues that aren't transparent or complete.

Here are several questions you can ask yourself when assessing the reports, as well as in formulating your questions to the Party.

1. Has the Party presented its support activities using the technology cycle as the basis?
2. Has the Party reported on collaborations in research and development?
3. Has the Party provided transparent information on how it decides which technology projects to support?
4. What actions on enabling innovation has the Party reported?
5. Has the Party reported on activities to enhance know-how for climate technologies?
6. What has the Party reported about support provided in the software aspect of technology development and transfer?
7. Has the Party provided concrete examples of projects it is supporting?

3.1.3 Draft

After completing the technical assessment, write up your findings in the review report. Be as specific as possible and follow the review report template and the steps described in lesson 4 of course 1.

The following is an example of how to draft the review report in terms of the technology cycle:

Example – Support provided at different stages of the technology cycle

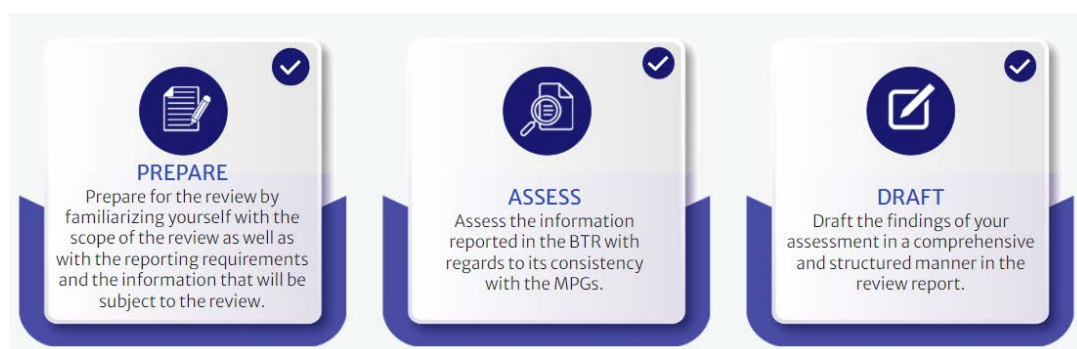
The BTR1 does not include the information required by the UNFCCC reporting guidelines on BTRs (the MPGs) on support provided at different stages of the technology cycle. While the Party does report on the support it provided, it did not specify for which stage or stages of the technology cycle the respective projects or programmes were targeted. The TERT recommends that the Party transparently report in its next BTR the information required by the MPGs on support provided at different stages of the technology cycle.

Remember that reporting can take many forms. Parties aren't obliged to report on all stages of the technology cycle and they won't necessarily use the terminology of the stages of the technology cycle. As long as they report content that is broadly linked to the stages, they fulfil this reporting requirement.

4. Endogenous capacities and technologies

4.1. Review steps - Endogenous capacities and technologies

To review the information reported in the BTR on support provided for the development and enhancement of endogenous capacities and technologies, follow the three steps shown below.



4.1.1 Prepare

In **BTRs**, developed country Parties **shall** report support provided for the development and enhancement of endogenous capacities and technologies of developing country Parties (MPGs, para. 126(c)).

What are endogenous capacities and technologies?

Endogenous capacities and technologies originate from within a system, in this case from within non-Annex I Parties, as opposed to capacities and technologies that originate outside the system and are transferred to the country.

4.1.2 Assess

While technology transfer aims to provide access to technologies developed in other countries (mostly developed country Parties), activities under this aspect of the reporting requirements target the development of technologies and capacities **within the country Party**, based on local knowledge and circumstances.

Activities that support the development of endogenous capacities and technologies include:

- Providing training, education and capacity-building
- Setting up research facilities
- Providing research equipment
- Supporting pilot projects or activities to encourage the in-country production of such technologies

A good example of endogenous technology is efficient cookstoves. The appropriate design for maximum acceptance and deployment in people's homes depends strongly on the local context, available materials and cultural habits. Support for the development of technology on the ground is likely to be more effective than the transfer of solutions from other country Parties.

Assess: guiding questions

If the Party did not report information explicitly addressing its support for the development of endogenous capacities and technologies of non-Annex I Parties, the TERT should raise a question in order to enhance the Party's understanding of the reporting requirement. This could involve asking:

- (a) Whether the Party has supported technologies developed within the recipient country or by a team of in-country and external experts;
- (b) Whether the Party has supported technologies developed elsewhere but then adapted to local needs and conditions;
- (c) Whether the Party has supported the enhancement of the recipient country's capacity to assess climate-related technology needs, identified appropriate technologies to assist in meeting identified needs or adapted technologies to local needs and conditions.

4.1.3 Draft

After completing the technical assessment, write up your findings in the review report. Reporting on this requirement can take different forms and it might be challenging to identify when to raise a recommendation related to transparency or completeness.

The TERT should include a recommendation on transparency if the Party did not report information explicitly addressing its support for the development of endogenous capacities and technologies of developing country Parties, but did include information on support provided for, for instance:

- (a) Projects in which technologies were developed within the recipient country or technologies were developed elsewhere but then adapted to local needs and conditions
- (b) Projects in which the Party enhanced the capacity of the recipient country to assess climate-related technology needs

- (c) Appropriate technologies to assist in meeting identified needs
- (d) Technologies adapted to local needs and conditions

If the Party did not report any information on these issue, then **the ERT should provide a recommendation on completeness.**

Draft – practice activity



See an example of a Party’s BR section on endogenous capacities:

“The Party is home to some of the world’s leading renewable energy research institutions, including the Party’s Centre of Advanced Photovoltaics, based at the University X, which has held the world record for silicon solar cell efficiency for 30 of the last 32 years. During the reporting period, the Party provided around USD 9 million for students from developing country Parties to undertake renewable energy research at these institutions. This training is helping developing country Parties to build their endogenous clean technology capacity, ensuring they have the human resources necessary to support domestic clean technology innovation and development.”

What would you write in response to this reporting? Select one of the options below.

Option 1: In its BTR, the Party did not provide information on measures that support the development and enhancement of the endogenous capacities and technologies of non-Annex I Parties. To improve the completeness of reporting, the ERT recommends that the Party include information on measures that support the development and enhancement of the endogenous capacities and technologies of non-Annex I Parties in its next BTR.

Option 2: In its BTR, the Party provided information on measures that support the development and enhancement of the endogenous capacities and technologies of non-Annex I Parties. For example, during the reporting period, the Party provided around USD 9 million for students from developing country Parties to undertake renewable energy research at the renewable energy research institutions based in the country. Such opportunities helped developing country Parties build their endogenous capacity for clean technology, ensuring that they have the technical skills and human resources necessary to support domestic clean technology innovation and development.

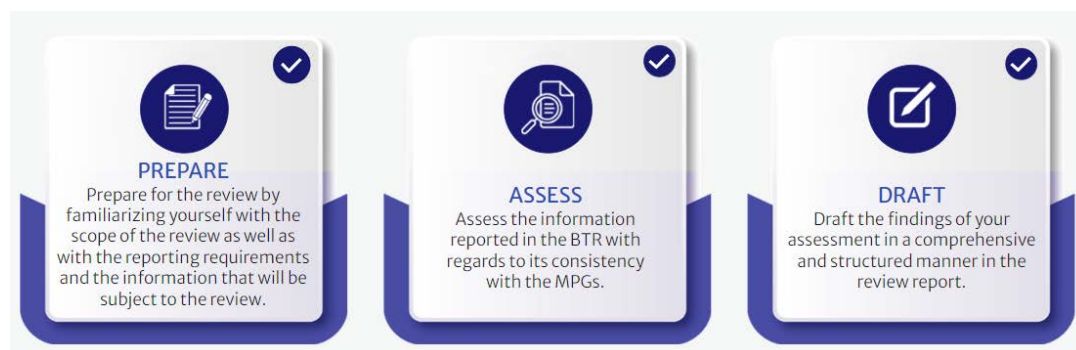
Option 3: There is no need to include this issue in the report.

Remember: endogenous capacities originate *from within* developing country Parties. See [Answer keys of lesson 3](#) for the correct option.

5. Involvement of the private sector

5.1. Review steps - Involvement of the private sector

To review the information reported in the BTR on private sector involvement in technology development and transfer, follow the three steps shown below.



5.1.1 Prepare

To prepare for the TER, get familiarized with the reporting requirements and key related concepts. According to the MPGs, the following reporting provisions mandate developed country Parties to report their BTRs:

- In **BTRs**, developed country Parties **shall** report information on efforts to encourage private sector activities related to technology development and transfer and how such efforts support developing country Parties (MPGs, para. 126(d) and corresponding para. 127(h) on reporting in CTF tables).
- Thus, developed country Parties **shall** indicate how they have encouraged private sector activities and how those activities help Parties to meet their commitments under Article 10 of the Paris Agreement.

5.1.2 Assess

Practice activity



After assessing the transparency and completeness of the reporting under review, you may need to ask the Party for clarification of issues that aren't transparent or complete.

Imagine a Party has not specified whether the support for technology development and transfer it provided was undertaken by the public sector, the private sector or both.

Taking into account that developed country Parties shall distinguish between activities undertaken by the public and private sectors in CTF table III.4, think of a question you would ask the Party on this matter.

See [Answer keys of lesson 3](#) for an example of a good question and a potential answer from the Party.

Remember: Parties need to report how they have encouraged private sector activities *and* how such efforts supported developing country Parties.

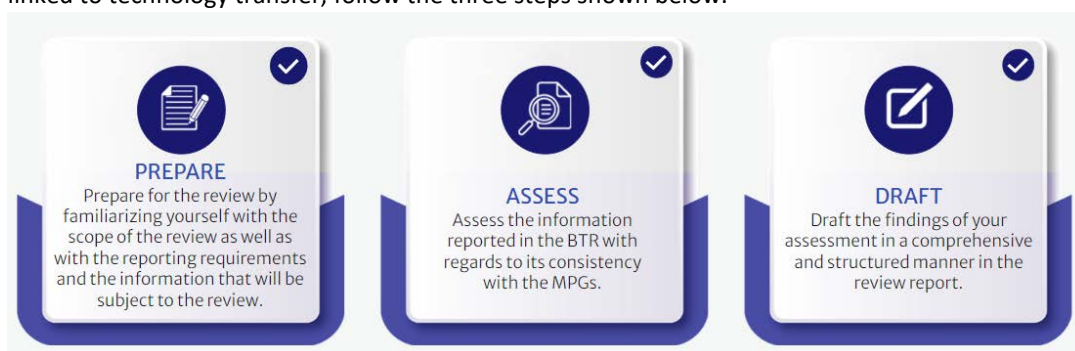
5.1.3 Draft

If a Party has not reported in the CTF table III.4 whether the activity was undertaken by the public and/or private sector and no explanation on why the reporting of this information is not provided, the TERT should provide a recommendation on this issue.

6. Implemented and planned activities

6.1. Review steps - Implemented and planned activities

To review the information reported in the BTR on implemented or planned measures and activities linked to technology transfer, follow the three steps shown below.



6.1.1 Prepare

Each developed country Party **shall** provide quantitative and/or qualitative information in a common tabular format on **measures or activities** related to support for technology development and transfer **implemented or planned** since their previous report, including, to the extent possible and as relevant (MPGs, para. 127):

- (a) Title
- (b) Recipient entity
- (c) Description and objectives
- (d) Type of support (mitigation, adaptation or cross-cutting)
- (e) Sector
- (f) Type of technology
- (g) Status of measure or activity
- (h) Whether the activity was undertaken by the public and/or private sector

Note: In CTF table III.4, Parties are requested to report the status of a measure or activity (as planned, ongoing or completed).

6.1.2 Assess

Information should be reported that is new compared with the previous report submitted to the secretariat. New information can include measures and activities for which:

- Planning has started since the last report, resulting in new measures with the status “planned” in CTF table III.4;

- Status has changed from “planned” to “completed” in CTF table III.4 since the last reporting period;
- Implementation has started since the last reporting period, without the measure having been reported before (“ongoing” in CTF table III.4).

Assess: practice activity



In its BR4, a Party included in the respective CTF table the start year for planning or implementation in the “Additional information” column and included only activities that began in the last two reporting years.

The Party reported transparently on activities implemented or planned since the last reporting period.

- A. True
- B. False

See [Answer keys of lesson 3](#) for the correct answer.

6.1.3 Draft

What if the Party doesn’t clearly indicate the measures and activities related to technology transfer that have been implemented or planned since the previous report? Take a look at how this was reflected in the report of the technical review of the latest NC of one Party:

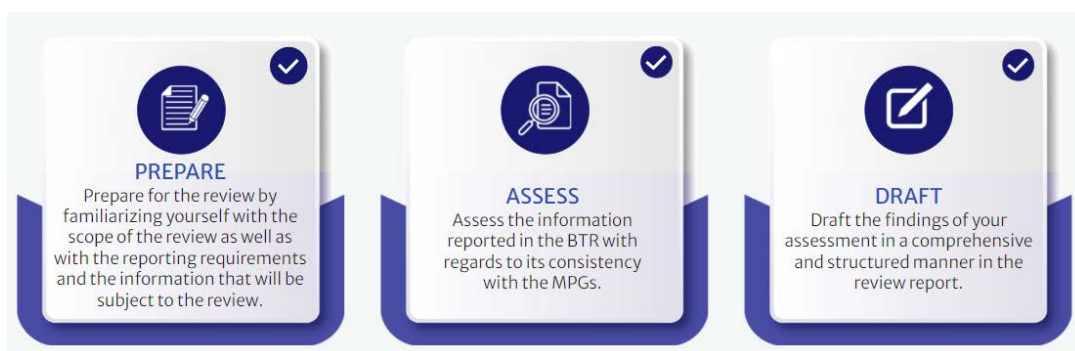
“The NC does not indicate which measures and activities related to technology transfer were implemented or planned since the last national communication as required by the UNFCCC reporting guidelines on NCs. The ERT recommends that Party improves the completeness of its reporting by clearly indicating in its next NC which measures and activities related to technology transfer have been implemented or planned since the last national communication, to enhance the transparency of its reporting.”

Note: To provide the reader of the review report with an understanding of the nature of and trends in technology transfer, write a few sentences to summarize how technology transfer support has changed compared with the previous reporting period.

7. Common tabular format tables

7.1. Review steps - Common tabular format tables

To review the information on technology development and transfer reported in the BTR and NC CTF tables, follow the three steps shown below.



7.1.1 Prepare

Practice activity



CTF table III.4 presents the technology development and transfer information required to be reported in a tabular format.

See [ANNEX](#) for CTF table III.4.

Complete this statement:

According to CTF table III.4, the **targeted area** for the support provided for technology development and transfer could be:

- A. Mitigation, adaptation or cross-cutting
- B. Energy, transport, industry, agriculture, forestry, water and sanitation, cross-cutting or other

See [Answer keys of lesson 3](#) for the correct answer.

7.1.2 Assess

Although CTF table III.4 contains columns for detailed information on technology transfer, a footnote explains that the information is to be reported “to the extent possible and as relevant”. If a Party does not report information in CTF table III.4, it should explain in the text of the BTR (or during the review, in response to your question) the reason it was not possible for it to report the information in tabular format.

Parties are requested, if the information is available, to mark if the reported financially supported projects, programmes and activities contribute to technology development and transfer in the finance CTF tables (III.1 and III.2). This information is automatically added to CTF table III.4.

The following questions can be used as a starting point to help you understand a Party’s technology development and transfer activities and to determine whether the information reported in CTF table III.4 on those activities is transparent:

- Is the level of detail reported in CTF table III.4 sufficient?
- Which countries were the focus of the Party’s technology development and transfer activities in the reporting period?

Remember: if a Party does not report information in CTF table III.4 but provides a valid reason for not doing so in the text of the BTR, a recommendation is not needed.

7.1.3 Draft

In the review report, the TERT should summarize the predominant areas and highlight the trends in the information provided in CTF table III.4 on recipient countries, target areas and focus sectors of technology transfer activities.

For example (from a review report of a Party's BTR):

“The ERT took note of the information provided in table III.4 on recipient countries, target areas, measures and focus sectors of technology transfer programmes. Party indicated in its BTR that the development cooperation focuses on key partner least developed countries that are affected by a substantial energy gap and whose energy is mostly produced by fossil fuels or gas or from wooden biomass. According to table III.4, recipient countries are from Africa, Asia-Pacific, Latin America and the Caribbean, and south-eastern Europe and the Caucasus, and include Botswana, Chad, Egypt, Fiji, Georgia, Lesotho, Maldives, Mozambique, Namibia, South Africa, the United Republic of Tanzania and Zimbabwe. Of the 21 projects identified in table III.4, 13 targeted mitigation, 3 targeted both mitigation and adaptation, and 5 targeted adaptation. The projects focused on the energy sector (14 projects), the agriculture sector (three projects), infrastructure (two projects) and water and sanitation (one project), with one project focused on energy, forestry, water and sanitation.”

8. Lesson summary

- Technology transfer is about the sharing among stakeholders of knowledge, experience and equipment for mitigating and adapting to climate change.
- Developed country Parties shall report information on strategies employed to support technology development and transfer, including case studies.
- Developed country Parties shall report on support provided for the development and enhancement of endogenous capacities and technologies, which are understood to be capacities and technologies that originate from within a system (i.e. a developing country Party).
- Developed country Parties shall report information on private sector involvement (e.g. activities) in the transfer of technology. Parties need to report how they have encouraged private sector activities and how such efforts have supported developing country Parties.
- Developed country Parties shall report on support provided at different stages of the technology cycle.
- Developed country Parties shall report on their efforts to accelerate, encourage and enable innovation, including research, development and deployment efforts, and on collaborative approaches to research and development.
- Developed country Parties shall report on knowledge generated.
- If a Party does not report information in BTR CTF table III.4 but clearly explains in the text of the BTR the justifiable rationale for it not being possible to report the information in the table, a recommendation is not needed.

9. ANNEXES OF LESSON 3

ANNEX 1

Paris Agreement, Article 10, paragraph 6

Support, including financial support, shall be provided to developing country Parties for the implementation of this Article, including for strengthening cooperative action on technology development and transfer at different stages of the technology cycle, with a view to achieving a balance between support for mitigation and adaptation. The global stocktake referred to in Article 14 shall take into account available information on efforts related to support on technology development and transfer for developing country Parties.

ANNEX 2

Decision 18/CMA.1, annex, section V.D

Information on support for technology development and transfer provided under Article 10 of the Paris Agreement

126. Information, in textual format, on support for technology development and transfer provided under Article 10 of the Paris Agreement, including, to the extent possible, qualitative and/or quantitative information on:

- (a) Strategies employed to support technology development and transfer, including case studies;
- (b) Support provided at different stages of the technology cycle;
- (c) Support for the development and enhancement of endogenous capacities and technologies of developing country Parties;
- (d) Efforts to encourage private sector activities related to technology development and transfer and how such efforts support developing country Parties;
- (e) Efforts to accelerate, encourage and enable innovation, including research, development and deployment efforts, and collaborative approaches to research and development;
- (f) Knowledge generated.

127. Quantitative and/or qualitative information in a common tabular format on measures or activities related to support for technology development and transfer implemented or planned since their previous report, including, to the extent possible and as relevant:

- (a) Title;
- (b) Recipient entity;
- (c) Description and objectives;
- (d) Type of support (mitigation, adaptation or cross-cutting);
- (e) Sector;
- (f) Type of technology;
- (g) Status of measure or activity;
- (h) Whether the activity was undertaken by the public and/or private sector.

ANNEX 3

Decision 6/CP.25, annex

Guidelines for the preparation of national communications by Parties included in Annex I to the Convention, Part II: UNFCCC reporting guidelines on national communications

57. Each Annex II Party shall provide information on measures taken to promote, facilitate and finance the transfer of, access to and the deployment of climate-friendly technologies for the benefit of non-Annex I Parties and for the support of the development and enhancement of endogenous capacities and technologies of non-Annex I Parties. Parties shall, where feasible, report activities related to technology transfer, including success and failure stories, using table 9 below.

58. Each Annex II Party shall provide, in textual and tabular formats (see table 10 below), information on measures and activities related to technology transfer implemented or planned since its previous national communication or biennial report. In reporting such measures and activities, Annex II Parties shall, to the extent possible, provide information on the recipient country, the targeted area of mitigation or adaptation, the sector involved and the sources of technology transfer from the public or private sectors, and shall distinguish between activities undertaken by the public and private sectors. As the ability of Parties to collect adequate information on private sector activities is limited, Parties may indicate, where feasible, how they have encouraged private sector activities and how those activities help Parties to meet their commitments under Article 4, paragraphs 3, 4 and 5, of the Convention.

Table 9.

Description of selected projects or programmes that promoted practicable steps to facilitate and/or finance the transfer of, or access to, environmentally-sound technologies

Project / programme title:			
Purpose:			
Recipient country:	Sector:	Total funding:	Years in operation:
Description:			
Factors that led to project/programme's success:			
Technology transferred:			
Impact on greenhouse gas emissions/removals (optional):			

ANNEX 4

Example reporting on strategy from a Party's fourth biennial report

“Through its programmes and its international engagement, Party promotes, facilitates and finances the transfer of technology to developing countries to help address these challenges. Most of Party’s technology transfer support is integrated within Party’s climate finance programmes, recognising the cross-cutting, multi-sectoral needs of developing countries which require integrated support covering technology but also capacity building and finance to ensure they have a positive impact. The below publicly funded programmes have a strong focus on technology development.

In addition to specific programmes, Party continues to use its influence internationally in key fora and institutions to build increased policy commitments, interventions and high-level actions to encourage the promotion of low carbon technologies.”

ANNEX 5

Common tabular format table III.4

Information on support for technology development and transfer provided under Article 10 of the Paris Agreement

<i>Title^b</i>	<i>Recipient entity^b</i>	<i>Description and objectives^b</i>	<i>Type of support^b</i>	<i>Sector^b</i>	<i>Subsector^b</i>	<i>Type of technology^b</i>	<i>Status of measures or activity^b</i>	<i>Activity undertaken by^b</i>	<i>Additional information^c</i>
			Mitigation	Energy			Planned	Public Sector	
			Adaptation	Transport			Ongoing	Private Sector	
			Cross-cutting ^d	Industry			Completed	Public and Private	
				Agriculture					
				Forestry					
				Water and sanitation					
				Cross-cutting					

Notation keys: NA = not applicable; UA = information not available at the time of reporting; NR = not reported (to indicate the voluntary character of the information).

^a Quantitative and/or qualitative information in common tabular format on measures or activities related to support for technology development and transfer implemented or planned since their previous BTR, to the extent possible and as relevant.

^b Parties provide the underlying assumptions, definitions and methodologies, as applicable, used to identify and/or report this reporting parameter in the respective section of the BTR.

^c If “other”, Parties should specify this information.

^d This refers to activities that have both mitigation and adaptation components.

^e Report, to the extent possible, information on the project/programme and implementing agency and provide a link to any relevant documentation and as appropriate, support to activities related to averting, minimizing and addressing loss and damage associated with the adverse effects of climate change.

...

Custom footnotes

The underlying assumptions, definitions and methodologies of the information in this CTF is available at link/page number of the BTR.

10. Answer keys of lesson 3

Below you will find the correct answers for the practice activities in this lesson.

Writing the report

Option 1. This option is incorrect because the Party reported on support provided for the enhancement of endogenous capacities.

Option 2. Correct.

Option 3. This option is incorrect because providing information on support to endogenous capacities is a mandatory requirement, hence the Party's report should include consideration of the issue.

Involvement of the private sector: Example of a good question and a Party answer

Question: According to the reporting requirements, “Parties shall distinguish between activities undertaken by the public and private sector”, however, the ERT noted that the examples reported in CTF table III.4 do not distinguish between activities undertaken by the public and private sectors. Why couldn't the Party distinguish between activities undertaken by the public and private sectors in its BTR?

Response: The information provided in table III.4 is intended to be a high-level overview setting out some examples of programmes that the Party has invested in that have a strong technology focus. The Party provides the majority of its climate finance by working through trusted delivery partners such as multilateral development banks, which disburse donor money to projects on the ground. This can mean complex delivery chains from its funds through to the final recipient. Further, the Party does not systematically track across its climate finance portfolio who the ultimate end recipient is and what their role is in the project. This is because of the potential complexity of delivery chains.

Activity on tables

In its BR4, a Party included in the respective CTF table the start year for planning or implementation in the “Additional information” column and included only activities that began in the last two reporting years.

The Party reported transparently on activities implemented or planned since the last reporting period.

A. “True” is the correct answer. The Party has clearly and transparently presented information on activities that began in the relevant reporting years in CTF table III.4.

“False” is not correct because the Party has clearly and transparently presented information on activities that began in the relevant reporting years in CTF table III.4

Complete this statement:

According to CTF table III.4, the **targeted area** for the support provided for technology development and transfer could be:

- A. Mitigation, adaptation or cross-cutting
- B. Energy, transport, industry, agriculture, forestry, water and sanitation, cross-cutting or other

“A” is the correct answer.

LESSON 4: Capacity-building

1. Introduction

This lesson of the course focuses on the review of the information stipulated in the MPGs to be reported on activities related to **capacity-building** in developing country Parties.

The following introductory questions are discussed in sections 1.1–1.4 below:

- What is capacity-building?
- What are the trends in the provision of capacity-building support?
- Why do developed country Parties report on capacity-building?
- How can capacity-building be enhanced?

1.1. Capacity-building

Capacity-building is about:

- Creating national expertise and know-how on climate change related issues and responses;
- Strengthening institutions so that, in the long term, developing country Parties will be able to integrate climate change into their planning process and implement a national climate change policy.

Capacity-building can take place on three levels:

- 1) **Individual:** The aim of individual capacity-building activities is to develop the expertise of individuals through education, training and awareness-raising
- 2) **Institutional:** The aim of institutional capacity-building activities is to foster organizational and sectoral cooperation at the national level as well as the development of organizations and institutions, including their missions, mandates, cultures, structures, competencies, and human and financial resources
- 3) **Systemic:** The aim of systemic capacity-building activities is to create enabling environments through economic policies and regulations and by developing the accountability frameworks under which institutions and individuals operate

1.2. Capacity-building trends

Capacity-building support has significantly increased since the BR1s. In the BR4s, 25 Parties reported information on support provided to developing country Parties for a total of 686 capacity-building activities, a significant increase over the 387 activities reported in the BR3s and the 400 reported in the BR2s, as well as compared to the 19 Parties that reported on capacity-building in BR1s.

The Asia-Pacific region has benefited the most from capacity-building support, as reported in the BR4s, accounting for 33.6 per cent of the total number of activities. Multiregional and global activities and activities in the Africa region received the next largest shares of support: 28.2 and 21.1 per cent, respectively. This distribution contrasts with that reported in the BR3s, when Africa had the largest share of capacity-building support.

Annex II Parties provided a very similar share of capacity-building support to adaptation projects in 2017–2018 compared with the previous reporting period. However, Parties reported in their BR4s more projects that have the aim of building capacity for mitigation compared with the BR3s. Of the total projects reported in the BR4s, 40 per cent targeted adaptation and 28 per cent mitigation.

The share of capacity-building projects related to technology, which has never been higher than around 5 per cent of total projects, was at its lowest, only 2 per cent, in the BR4s.

See the [report on the compilation and synthesis of BR4s](#) to learn more about what developed country Parties have been reporting on capacity-building during the most recent reporting cycle under the Convention.

1.3. Capacity-building reporting

Article 11 of the Paris Agreement establishes that “developed country Parties should enhance support for capacity-building actions in developing country Parties” (paragraph 3) and that they “shall regularly communicate on these actions or measures on capacity-building” (paragraph 4).

For the full text of Article 11, paragraphs 3–4, of the Paris Agreement, see [Annex 1](#).

The MPGs specify the information to be reported by developed country Parties and other Parties providing support for capacity-building.

Annex III to decision 5/CMA.3 includes a CTF table (table III.5) for reporting information on capacity-building support provided under Article 11 of the Paris Agreement.

For more information on the MPGs, see [Annex 2](#).

1.4. Capacity-building enhancement

The Conference of the Parties has recognized that the best results are achieved when capacity-building is country-driven and addresses the specific needs and conditions of developing country Parties.

Many specific needs and areas requiring capacity-building have been addressed under the **framework for capacity-building** in developing country Parties established under decision 2/CP.7 (for a list of these needs and areas, see [Annex 3](#)). The annual compilation and synthesis reports (see the latest version [FCCC/SBI/2021/2](#)) on capacity-building, which are based on information included in national reports, have identified emerging capacity-building needs additional to those identified via the framework.

For more information, visit the <https://unfccc.int/cbportal>

2. Capacity building requirements

2.1. Review steps

To review the information related to provision of capacity-building support reported in the BTR, including information on strategies, responsiveness, policies, involvement of stakeholders, lessons learned and best practices, follow the three review steps shown below.



2.1.1 Prepare

In its BTR, each developed country Party **shall** provide information, in textual format, on capacity-building support provided under Article 11 of the Paris Agreement, including, to the extent possible, qualitative and/or quantitative information on (decision 18/CMA.1, annex, para. 128):

D. Financial, technology development and transfer and capacity-building support provided and mobilized to developing countries

1. **Strategies** employed to provide capacity-building support, including case studies
2. How capacity-building support that was provided responds to the **existing and emerging capacity-building needs, priorities and gaps identified by developing country Parties** in the areas of mitigation, adaptation, and technology development and transfer
3. **Policies** that promote capacity-building support
4. Involvement of **stakeholders**
5. How support for capacity-building actions in developing country Parties that was provided promotes the sharing of **lessons learned and best practices**

See [Annex 2](#) for the full reporting requirements related to capacity-building support in the MPGs.

2.1.2 Assess

When reviewing the information reported by a Party on its capacity-building activities, seek to understand the types of capacity being targeted and the developing country Parties being focused on. Also aim to understand how the Party defines capacity-building and how it differentiates capacity-building from technology transfer.

Keep in mind the following important elements related to a Party's reporting on capacity-building.

- 1) **Whether most climate-related activities have a capacity-building component**
If a Party reports in its BTR that most of its climate-related activities have a capacity-building component, the following text should appear in the review report: It is often difficult or impossible to extract the capacity-building elements of all activities and present them in a consistent and comprehensible manner. This can lead to Parties reporting only a selection of their capacity-building activities, for example those whose main focus is capacity-building. The cross-cutting nature of capacity-building activities and the lack of specific markers in the reporting system of the Development Assistance Committee of the Organisation for Economic Co-operation and Development pose substantial challenges to reporting.
- 2) **How activities respond to the existing and emerging capacity-building needs, priorities and gaps identified by developing country Parties**
The challenges in reporting on this are similar to those in reporting on how finance meets the needs and priorities of developing country Parties. However, section V.E of the MPGs does not require developed country Parties to identify how activities "effectively" address identified needs. Reporting on country-driven approaches and providing a reference to assessments of needs, priorities and gaps conducted by developing country Parties can be sufficient to fulfil this requirement.

Guiding questions

The following questions can guide you in assessing the information reported on capacity-building in a BTR – add to or modify the questions as appropriate for the Party under review.

If you are unable to answer the questions using information in the report, ask the Party to provide further explanation.

1) Strategies

- What strategies does the Party have in place for quantifying its capacity-building support and for reporting thereon?
- Which countries are the focus of the Party's delivery of capacity-building?
- If specific entities have the goal of delivering capacity-building, how do they accomplish it?
- Can the Party provide case studies and track its share of funding to an individual capacity-building project in a developing country Party?

2) Policies

- Did the Party report on policies that guide the delivery of capacity-building?
- Did the Party report any adjustments to its prior policies?
- Has there been a change in government policies that may have affected the Party's delivery of or priorities for capacity-building?

3) Stakeholder involvement

- Did the Party report on which actors are involved in planning, implementing and/or evaluating capacity-building projects?
- Does the Party place special emphasis in involving specific groups, such as women, indigenous peoples and disabled persons, in its capacity-building projects?

4) Lessons learned and best practices

- Did the Party report on how it evaluates its capacity-building programmes and projects?
- Did the Party provide any details of successful capacity-building projects that could be seen as best practice examples?
- To what extent did the Party reflect on the effectiveness of its capacity-building activities?
- Did the Party report any concrete lessons learned?

Responsiveness of support provided to capacity-building needs, priorities and gaps

It is mandatory for Parties to report (they "shall") on how the capacity-building support provided responds to the existing and emerging capacity-building needs, priorities and gaps of developing country Parties. The other four reporting requirements (on strategies, policies, stakeholder involvement, and lessons learned and best practices) are also mandatory.

A Party can address mandatory requirements in the BTR in two ways:

- By reporting the required information
- By explaining, clearly and giving concrete reasons, why it was not "feasible" or "possible" to report the required information if it cannot report any information or can report only partial information

If the Party has neither reported the information nor provided an explanation for not reporting or reporting only partial information, formulate a recommendation that is consistent with the language of the reporting requirement (e.g. "The TERT recommends that..., to the extent possible").

Where is information on capacity-building needs, priorities and gaps located?

To inform themselves about the capacity-building needs, priorities and gaps of developing country Parties, developed country Parties can consult resources resulting from the UNFCCC transparency processes, as follows.

According to the Paris Agreement, “developing country Parties should regularly communicate progress made on implementing capacity-building plans, policies, actions or measures to implement this Agreement” (Article 11, para. 4). Further, the MPGs specify which information related to capacity-building developing country Parties should provide (decision 18/CMA.1, annex, section VI.G). This means that the **BTRs of developing country Parties** can be a valuable source of information on needs, priorities and gaps.

Under the international consultation and analysis process, developing countries have been reporting since 2015 on their capacity-building needs in **biennial update reports (BURs)**. These BURs and the reports resulting from their review, **technical analysis summary reports (TASRs)**, can be consulted by developed country Parties to align their capacity-building projects with developing country Party needs.



Practice activity

In its BTR, a developed country Party reports the following text:

“The development cooperation projects supported by the Party’s Cooperation usually have a strong technical assistance component with strong focus on the development of national capacities. The Party tries to pay special attention to the efficiency and aid principles formally assumed in the Declaration of Paris and developed in Accra and, especially: (1) through leadership and control by beneficiaries so they can strategically earmark their resources; (2) by enhancing existing capabilities as a starting point, avoiding the creation of parallel structures and systematically using the national systems for aid implementation; and (3) through technically driven cooperation for the demand of partners.”

Has the Party reported transparently on how the support it provided responds to the capacity-building needs, priorities and gaps of recipients?

- A. True
- B. False

The correct answer can be found in [Answer keys of lesson 4](#) below.

2.1.3 Draft

After completing your technical assessment of a Party's BTR, you must write up your findings in the review report, being as specific as possible in what you say.

An example of how to draft text in the review report is presented below.

Example: responsiveness of support provided to capacity-building needs, priorities and gaps

In this example, the TERT notes that the developing country Party has not provided information on how the capacity-building support it provided responds to the existing and emerging capacity-building needs, priorities and gaps identified by developing country Parties. The Party has also not provided an explanation for not reporting the information.

Description of the issue: "The BTR does not include the information required by the UNFCCC reporting guidelines on BTRs on how capacity-building support provided responds to the existing and emerging capacity-building needs, priorities and gaps identified by developing country Parties with respect to mitigation, adaptation and technology development and transfer."

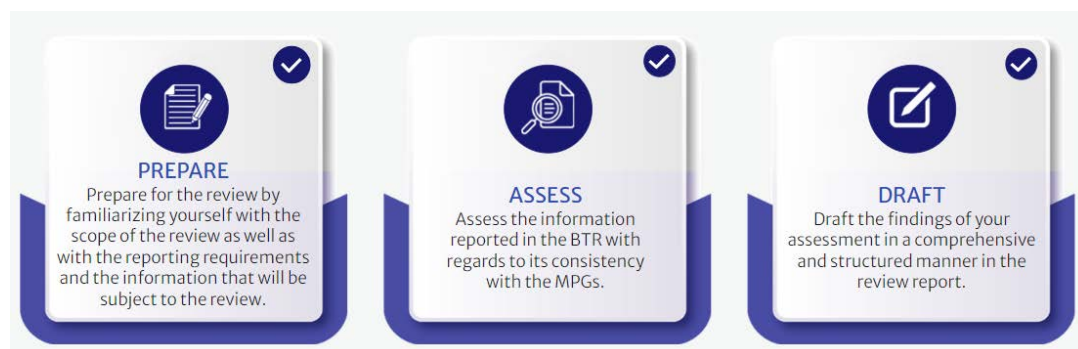
Recommendation: "The TERT recommends that the Party transparently report, to the extent possible, in its next BTR information on how the capacity-building support provided responds to the existing and emerging capacity-building needs, priorities and gaps identified by developing country Parties with respect to mitigation, adaptation and technology development and transfer by, for example, reporting on how it has obtained information on recipient countries' needs, priorities and gaps."

Use the review report template and follow the steps described in Lesson 4 of Course A.

3. Tabular format

3.1. Review steps

To review the information related to provision of capacity-building support reported in the CTF tables submitted with the BTR, follow the same three review steps as for the text, shown below.



3.1.1 Prepare

In addition to reporting in textual format, Parties **shall** also report quantitative and/or qualitative information in a CTF on measures or activities related to capacity-building support implemented or planned since their previous report, including, to the extent possible and as relevant (decision 18/CMA.1, annex, para. 129):

- Title
- Recipient entity
- Description and objectives
- Type of support (mitigation, adaptation or cross-cutting)
- Status of measure or activity (planned, ongoing or completed)

Parties are required to input their data on capacity-building in **CTF table III.5**. There is one exception: Parties are requested, if the information is available, to record whether the reported financial support of projects, programmes and activities contributes to capacity-building objectives in the finance tables (CTF tables III.1 and III.2). This information will automatically be added to CTF table III.5.

Note: The same guidance applies for measures and activities “implemented or planned” as for information on technology development and transfer (refer to the lesson 3 section 2 on “Implemented and planned activities”).

3.1.2 Assess

It is mandatory for Parties to report data in CTF table III.5 (“Information on capacity-building support provided under Article 11 of the Paris Agreement”) (decision 5/CMA.3, annex III). The table

has one column for each of the five above-mentioned reporting elements, and a column for additional information (see [Annex 4](#)).

In the **additional information** column of the table, Parties shall report, to the extent possible, information on the project/programme and implementing agency and provide a link to any relevant documentation and, as appropriate, information on provision of support for activities related to averting, minimizing and addressing loss and damage associated with the adverse effects of climate change.

Note: If a Party does not report on its provision of support for activities related to loss and damage, it should provide an explanation for not reporting information or reporting only partial information.

3.1.3 Draft

Example: missing information in CTF table III.5

In this example, the Party filled the table with some of the required information, but not type of support and additional information. A suggestion on how to reflect this in the review report follows.

Description of the issue: “The Party did not provide complete information on its capacity-building support in CTF table III.5. Information on the type of support (namely, adaptation, mitigation or cross-cutting) is missing. Also, the Party did not report additional information (i.e. on its provision of support for activities related to averting, minimizing and addressing loss and damage) or an explanation for not reporting this information.”

Recommendation: “The ERT recommends that the Party provide information in CTF table III.5, as required by the UNFCCC reporting guidelines on BTRs, on the type of support and, to the extent possible, additional information.”

Note: Instead of leaving CTF table III.5 blank if they have no information to report, Parties can use the following notation keys to explain the situation: “NA”, not applicable; “UA”, information not available at the time of reporting; or “NR”, not reported (to indicate the voluntary character of the information).

Remember: Reporting in tabular format is a mandatory requirement!

4. Lesson summary

- The UNFCCC reporting guidelines on BTRs provide that each developed country Party shall provide information on capacity-building support provided under Article 11 of the Paris Agreement, including, to the extent possible, qualitative and/or quantitative information on strategies and policies to provide and promote capacity-building support, how capacity-building support that was provided responds to the existing and emerging capacity-building needs, priorities and gaps identified by developing country Parties, on the involvement of stakeholders, as well as on lessons learned and best practices.
- Reporting under MPG para 128 is a mandatory requirement. Instead of leaving CTF table III.5 blank, if the Party has no information to report, Parties can use the following notation keys to explain the situation:
 - NA: not applicable
 - UA: information not available at the time of reporting
 - NR: not reported (to indicate the voluntary character of the information)

5. ANNEXES OF LESSON 4

ANNEX 1

Paris Agreement, Article 11

Paragraph 2: “Capacity-building should be country-driven, based on and responsive to national needs, and foster country ownership of Parties, in particular, for developing country Parties, including at the national, subnational and local levels. Capacity-building should be guided by lessons learned, including those from capacity-building activities under the Convention, and should be an effective, iterative process that is participatory, cross-cutting and gender-responsive.”

Paragraph 3: “All Parties should cooperate to enhance the capacity of developing country Parties to implement this Agreement. Developed country Parties should enhance support for capacity-building actions in developing country Parties.”

Paragraph 4: “All Parties enhancing the capacity of developing country Parties to implement this Agreement, including through regional, bilateral and multilateral approaches, shall regularly communicate on these actions or measures on capacity-building. Developing country Parties should regularly communicate progress made on implementing capacity-building plans, policies, actions or measures to implement this Agreement.”

ANNEX 2

Decision 18/CMA.1, annex, section V.E (“Information on capacity-building support provided under Article 11 of the Paris Agreement”)

128. Information, in textual format, on capacity-building support provided under Article 11 of the Paris Agreement, including, to the extent possible, qualitative and/or quantitative information on:

- a) Strategies employed to provide capacity-building support, including case studies;
- b) How capacity-building support that was provided responds to the existing and emerging capacity-building needs, priorities and gaps identified by developing country Parties in the areas of mitigation, adaptation, and technology development and transfer;
- c) Policies that promote capacity-building support;
- d) Involvement of stakeholders;
- e) How support for capacity-building actions in developing country Parties that was provided promotes the sharing of lessons learned and best practices.

129. Quantitative and/or qualitative information in a common tabular format on measures or activities related to capacity-building support implemented or planned since their previous report, including, to the extent possible and as relevant:

- a) Title;
- b) Recipient entity;
- c) Description and objectives;
- d) Type of support (mitigation, adaptation or cross-cutting);
- e) Status of measure or activity.

ANNEX 3

Decision 2/CP.7, annex, paragraph 15

Specific needs and areas for capacity building identified in the Framework for Capacity-Building:

- a) Institutional capacity building, including the strengthening or establishment, as appropriate, of national climate change secretariats or national focal points;
- b) Enhancement and/or creation of an enabling environment;
- c) National communications;
- d) National climate change programmes;
- e) Greenhouse gas inventories, emission database management, and systems for collecting, managing and utilizing activity data and emission factors;
- f) Vulnerability and adaptation assessment;
- g) Capacity building for implementation of adaptation measures;
- h) Assessment for implementation of mitigation options;
- i) Research and systematic observation, including meteorological, hydrological and climatological services;
- j) Development and transfer of technology;
- k) Improved decision-making, including assistance for participation in international negotiations;
- l) Clean development mechanism;
- m) Needs arising out of the implementation of Article 4, paragraphs 8 and 9, of the Convention;
- n) Education, training and public awareness;
- o) Information and networking, including the establishment of databases

ANNEX 4

Decision 5/CMA.3, annex III

Guidance for operationalizing the modalities, procedures and guidelines for the enhances transparency framework referred to in Article 13 of the Paris Agreement

Table III.5

Information on capacity-building support provided under Article 11 of the Paris Agreement^a

<i>Title^b</i>	<i>Recipient entity^b</i>	<i>Description and objectives^b</i>	<i>Type of support^b</i>	<i>Status of measure or activity^b</i>	<i>Additional information^d</i>
			Adaptation	Planned	
			Mitigation	Ongoing	
			Cross-cutting ^c	Completed	

Notation keys: NA = not applicable; UA = information not available at the time of reporting. NR = not reported (to indicate the voluntary character of the information)

^a Quantitative and/or qualitative information in common tabular format on measures or activities related to capacity-building support implemented or planned since their previous report, to the extent possible and as relevant.

^b Parties provide the underlying assumptions, definitions and methodologies, as applicable, used to identify and/or report this reporting parameter in the respective section of the BTR.

^c This refers to activities that have both mitigation and adaptation components.

^d Report, to the extent possible, information on the project/programme and implementing agency and provide a link to any relevant documentation and as appropriate, support to activities related to averting, minimizing and addressing loss and damage associated with the adverse effects of climate change.

...

Custom footnotes

The underlying assumptions, definitions and methodologies of the information in this CTF is available at link/page number of the BTR

6. Answer keys of lesson 4



Responsiveness of support provided to capacity-building needs, priorities and gaps

Has the Party reported transparently on how the support it provided responds to the capacity-building needs, priorities and gaps of recipients?

True: *The Party has clearly and transparently presented information on the correspondence of capacity-building needs, priorities and gaps to support provided.*

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