



DRAFT

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Record of the facilitative sharing of views at the sixty-third session of the Subsidiary Body for Implementation: Bhutan

Note by the secretariat

Abbreviations and acronyms

BUR	biennial update report
CBIT	Capacity-building Initiative for Transparency
CO ₂ eq	carbon dioxide equivalent
COP	Conference of the Parties
ETF	enhanced transparency framework under the Paris Agreement
FSV	facilitative sharing of views
GHG	greenhouse gas
ICA	international consultation and analysis
LULUCF	land use, land-use change and forestry
NDC	nationally determined contribution
non-Annex I Party	Party not included in Annex I to the Convention
PaMs	policies and measures
SBI	Subsidiary Body for Implementation

I. Background and mandate

1. COP 16 decided that ICA of BURs from non-Annex I Parties would be conducted under the SBI in a manner that is non-intrusive, non-punitive and respectful of national sovereignty with the aim of increasing the transparency of mitigation actions and their effects reported by those Parties.¹
2. COP 17 adopted the ICA modalities and guidelines² and decided that the first round of ICA would be conducted for developing country Parties commencing within six months of the submission of the first round of BURs.³
3. According to the ICA modalities and guidelines, the ICA process consists of two steps: technical analysis of non-Annex I Parties' BURs by teams of technical experts, resulting in a summary report for each Party; and FSV, to which the BURs and summary reports serve as input.⁴

¹ Decision [1/CP.16](#), para. 63.

² Decision [2/CP.17](#), annex IV.

³ Decision [2/CP.17](#), para. 58(a).

⁴ Decision [2/CP.17](#), annex IV, para. 3.

4. Pursuant to the ICA modalities and guidelines, the nineteenth FSV workshop was convened at SBI 63 in Belém, Brazil, on 14 November 2025 for the following three non-Annex I Parties for which there was a BUR and a final summary report⁵ by 3 September 2025: Bhutan, Honduras and United Arab Emirates.
5. The three-hour workshop session was chaired by the SBI Vice-Chair, Eyad Aljubran, and open to all Parties.
6. As one of the participating Parties, Bhutan received eight written questions in advance of the FSV workshop⁶ from China, the European Union, Japan, Mexico, New Zealand and the United Kingdom of Great Britain and Northern Ireland. This FSV record for Bhutan summarizes the proceedings and, together with the summary report on the technical analysis of its first BUR,⁷ constitutes the outcome of the first round of ICA for the Party.

II. Summary of proceedings

7. Bhutan made a brief presentation on its first BUR. The presentation was followed by a question and answer session.
8. Bhutan was represented by Karma Tshering from the Ministry of Energy and Natural Resources.
9. Bhutan presented an overview of its national circumstances and institutional arrangements, national inventory of anthropogenic emissions by sources and removals by sinks of all GHGs not controlled by the Montreal Protocol, mitigation actions and their effects, support needed and received, and preparations at the national level for implementing the ETF.
10. Bhutan highlighted that it was a net sink in 2020 with GHG removals of 6,790.22 Gg CO₂ eq, which increased between 2016 and 2020 by 10.7 per cent with emissions and removals from LULUCF. The Party's total GHG emissions without emissions and removals from LULUCF decreased between 2016 and 2020 by 16.9 per cent, owing mainly to the impacts across sectors of the coronavirus disease 2019 pandemic.
11. Bhutan presented its NDC target under the Paris Agreement, updated in 2021, which is to maintain economy-wide carbon-neutrality, meaning that its total GHG emissions do not exceed the total GHG removals from its forests and land-based sinks. Bhutan presented key PaMs for achieving its NDC target, including its Climate Change Policy, adopted in 2020, and mitigation success stories such as the Dagachhu and Mangdechhu hydropower projects, which have also brought about co-benefits of ensuring energy security and contributing to energy exports and socioeconomic development.
12. Furthermore, Bhutan provided information on support needed and received, and capacity-building needs. The Party reported total financial support needs of USD 4.37 billion, of which USD 82.5 million was received between 2014 and 2023. Bhutan highlighted its need for more consistent and reliable data in order to improve its reporting under the Convention and the Paris Agreement.
13. Bhutan presented information on its current initiatives for enhancing its institutional arrangements for compliance with requirements under the ETF. It is implementing a CBIT project to strengthen institutional frameworks, enhance national capacity and establish arrangements for inventory preparation and NDC implementation. Bhutan submitted its first biennial transparency report on 31 December 2024, which underwent an in-country technical expert review from 6 to 10 October 2025. The Party plans to submit its second biennial transparency report and its fourth national communication as a joint document in December 2026.

⁵ The BURs and summary reports for each ICA cycle are available at <https://unfccc.int/BURs> and <https://unfccc.int/ICA-reports> respectively.

⁶ As per decision 2/CP.17, annex IV, para. 6.

⁷ [FCCC/SBI/ICA/2023/TASR.1/BTN](https://unfccc.int/BURs).

14. Following the presentation, the following Parties made interventions commending Bhutan on its efforts and asked questions seeking further clarification: China, Denmark, European Union, India, Malaysia, Saudi Arabia and United Kingdom.

15. Questions on the GHG inventory related to the higher emissions from the LULUCF sector compared with those from the energy sector in 2020 and whether this was due to structural characteristics of the economy or the assumptions, methodologies, emission factors and data sources used for estimating emissions and removals for the forest land remaining forest land subcategories.

16. In response, Bhutan explained that the higher emissions from the LULUCF sector compared with those from the energy sector in 2020 can be attributed mainly to the reduction in emissions from the energy and transport sectors that occurred as a result of the pandemic and associated lockdowns. For the LULUCF inventory, the national forest inventory (2012–2015) was the primary data source and country-specific growth factors of about 2.01 t biomass growth per hectare natural forest were used for calculating removals.

17. Questions on mitigation actions and their effects related to why the Party was unable to estimate the effects of PaMs in the transport sector, specifically the promotion of public transport and low- or zero-emission vehicles; and how the Party has been able to achieve and maintain net-negative GHG emissions.

18. In response, Bhutan explained that it faces challenges in measuring the impacts of PaMs across all sectors, as noted by the expert team reviewing its first biennial transparency report. The Party is trying to address these challenges with international support under CBIT and has proposed a project under the Initiative for Climate Action Transparency to build national capacity to identify and measure the impacts of PaMs. Bhutan's commitment to carbon-neutrality is supported by a constitutional mandate to maintain at least 60 per cent of its land under forest cover.

19. Questions on constraints and gaps, and related needs pertained to the unavailability of consistent and reliable data and priority areas for capacity-building and support to ensure a smooth transition to implementing the ETF.

20. In response, Bhutan explained that data-related barriers to enhance reporting are being addressed through its CBIT project, using financial resources from the Global Environment Facility to build capacity, enhance institutional arrangements and streamline data-collection systems. These aim to establish a national measurement, reporting and verification system for storing and archiving data. Bhutan mentioned that to boost climate finance, it is working on establishing a green finance taxonomy.

21. Other questions related to how Bhutan ensures that its climate goals are not just high-level political commitments but integrated into the day-to-day work of all government ministries. In response, Bhutan explained that mainstreaming climate change in all aspects of government's development planning and policies is a challenge due to lack of financial resources and limited capacity and technology and requires public officials' behavioural change. The Party is working on aligning its development plans and climate priorities through the Ecological Diversity and Resilience Programme under its thirteenth Five-Year Plan (for 2024–2029) and by integrating the commitment to remain carbon-neutral into its 21st Century Economic Roadmap.

22. The presentation and subsequent interventions, including the questions asked and the answers provided during the FSV workshop, are accessible via the webcast of the workshop.⁸

23. In closing the workshop, the SBI Vice-Chair congratulated Bhutan for successfully undergoing FSV and completing the first round of the ICA process. They thanked Bhutan and all other participating Parties for engaging in the workshop in a facilitative manner, and also thanked the secretariat for its support.

⁸ <https://unfccc.int/event/19th-facilitative-sharing-of-views-fsv19-mandated-event>.