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Matters relating to finance

**Report of the Global Environment Facility to the Conference of the Parties
and guidance to the Global Environment Facility**

Report of the Global Environment Facility to the Conference of the Parties

Note by the secretariat

Addendum

Progress report on the Capacity-building Initiative for Transparency

This addendum to the report of the Global Environment Facility (GEF) to the Conference of the Parties¹ contains additional information on the operationalization of the Capacity-building Initiative for Transparency (see the annex to this document). The text is reproduced here as received from the GEF secretariat on 4 November, with the original pagination.

¹ FCCC/CP/2017/7.

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Annex



GEF/C.53/Inf.06
November 2, 2017

53rd GEF Council Meeting
November 28 – 30, 2017
Washington, D.C.

PROGRESS REPORT ON THE CAPACITY-BUILDING INITIATIVE FOR TRANSPARENCY

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INTRODUCTION

1. The Paris Agreement was adopted at the Twenty-first Conference of the Parties (COP) to the United Nations Framework Convention on Climate Change (UNFCCC) in December 2015. Paragraph 84 of the COP decision adopting the Paris Agreement decided to establish “a Capacity-building Initiative for Transparency in order to build institutional and technical capacity, both pre- and post-2020” that “will support developing country Parties, upon request, in meeting enhanced transparency requirements as defined in Article 13 of the Agreement in a timely manner.”
2. Paragraph 86 of the COP decision urged and requested the Global Environment Facility (GEF) to make arrangements to support the establishment and operation of the Capacity-building Initiative for Transparency (CBIT), including through voluntary contributions to support developing countries during GEF-6 and future replenishment cycles.
3. The purpose of this document is to provide an update on activities undertaken by the GEF to support the CBIT establishment and operations. The update covers activities since the Progress Report presented for the 52nd GEF Council Meeting, between April 26, 2017 and October 31, 2017.

CBIT TRUST FUND CAPITALIZATION

4. The CBIT Trust Fund was established in September 2016, in accordance with the World Bank’s applicable policies and procedures.²
5. Since March 31, 2017, additional donors, including Ireland and Norway, pledged contributions to the CBIT Trust Fund bring the total amount pledged to \$56.3 million.
6. As of September 30, 2017, thirteen donors had signed their respective contribution agreements, and the Trustee had received the majority of the pledges. The total donor contributions to the CBIT Trust Fund were \$50.5 million.
7. Financial procedures agreement with the Trustee to access the resources of the CBIT Trust Fund have been fully executed with Conservation International (CI), while negotiations for the same are ongoing for the Food and Agriculture Organization (FAO), Inter-American Development Bank (IADB), United Nations Development Programme (UNDP) and UN Environment (UNEP).

² See document GEF/C.51/Inf.06, which can be accessed from: <https://www.thegef.org/council-meetings/gef-51st-council-meeting>

CBIT OPERATIONALIZATION

8. As of October 31, 2017, the GEF Secretariat has approved fourteen projects under the CBIT, amounting to \$17.4 million or 35% of the total funds held in trust (see Annex for details). These include thirteen national projects of which two are LDCs and one is a SIDS and are Cambodia, Chile, Costa Rica, Cote d'Ivoire, Ghana, Kenya, Mongolia, Papua New Guinea, Peru, South Africa, Uganda, and Uruguay, as well as two global projects. The CBIT Global Coordination Platform project was CEO Approved on August 3, 2017.
9. The projects approved since March 31, 2017 include projects in Cambodia, Chile, Cote d'Ivoire, Ghana, Mongolia, Papua New Guinea, Peru, Uganda and a global project and amount to \$11.6 million in resources from the CBIT Trust Fund.
10. The project in Cambodia will enhance institutional arrangements to coordinate preparation of GHG reports for agriculture, land-use and other relevant sectors, and strengthen capacity to assess and report emissions and removals from the agriculture and land-use sectors and to design and monitor related emission reduction and adaptation activities.
11. The project in Chile will support the integration of climate data and analysis into policy-making and international reporting through the establishment of a centralized national climate information platform, with associated training, guidelines and tools. It will also support the continuous tracking and evaluation of Chile's Nationally Determined Contribution (NDC), supported by the development of metrics, indicators and methodologies for tracking adaptation actions, as well as capacities to monitor and evaluate them. Finally, the project will build the capacity of public institutions to report on delivered climate finance.
12. In Ghana, the project will help establish an effective institutional arrangement to plan, implement and report climate actions. The project will further help establish a centralized national infrastructure for improved data access and information management. Ghana is preparing a 40-year development plan, whereby this project will help incorporate five climate-specific indicators into the first medium-term framework. This way, data and information from key NDC sectors can also flow back into national decision-making processes.
13. Mongolia's project will focus on strengthening agriculture, forestry, and other land use (AFOLU) sector components, including inventories of emission sources and sinks, and information necessary to track progress against priority actions for these sectors as identified in the NDC. The project will also support Mongolia in enhancing the institutional arrangements for information and data coordination from the AFOLU sectors into the transparency processes and reports, including through a national monitoring and reporting road map.
14. In Papua New Guinea, the project will assist in refining the its NDC, which currently excludes GHG emissions from agriculture and land-use sectors due to data uncertainty. Specifically, the project would enhance institutional arrangements to coordinate preparation of transparency reports for agriculture, land-use and other relevant sectors, and strengthen capacity to assess and report emissions and removals, as well as to design and monitor related emission reduction and adaptation activities.

15. The project in Peru aims to support a whole range of components of the transparency system, including transparency of action (mitigation and adaptation) and support. National mitigation MRV will be strengthened with emission quantification methodologies, capacity building in different sectors and reliable emission projections to inform national planning. On adaptation, the project will specifically support the health sector, a priority sector in the NAP process. It will also support Peru in its efforts to track financial resources for climate and train public servants on identifying financial needs for climate change actions.
16. The project in Uganda aims to strengthen institutional arrangements for data collection and processing in four key sectors (agriculture and land use, energy, transport and waste); convene and train field data teams from these sectors in collecting, processing and transmitting GHG emission data, and train local government employees in domestic MRV systems, NDC tracking and enhancing GHG inventories and emission projections.
17. The project in Cote d'Ivoire aims to strengthen the capacities of the country in transparency, according to the decisions of Paris Agreement, by putting in place institutional arrangements for climate transparency; enhancing GHG inventories, including improved methodological guidance and design of a domestic MRV system; and establishing effective progress tracking tools on NDC implementation and transparency.
18. The Global Capacity-building Towards Enhanced Transparency in the AFOLU Sector (CBIT-AFOLU) project aims to help developing countries establish national institutional arrangements and enhance technical capacities in AFOLU, including GHG inventories, domestic MRV systems and tracking of NDCs. The CBIT-AFOLU project will coordinate with the CBIT Global Coordination Platform and FAO supported national CBIT projects. It will also coordinate with FAO's activities supporting the NDC Partnership, the Partnership on Transparency in the Paris Agreement, and Initiative for Climate Action Transparency.
19. The GEF Secretariat has continued to engage in with GEF Agencies and countries about interests to submit CBIT proposals and national priorities. Through these consultations, the GEF Secretariat has been informed about concept development of at least twenty national projects, two multi-country projects, and two regional projects. Some of these proposals have been submitted officially and are undergoing technical review by the GEF Secretariat. Others are expected to be submitted officially over the course of this financial year.
20. While the requested resources will likely be adjusted during the project development and review stage, the requested resources for the concepts under review amount to 19% of the funds available for Council and CEO approval. The financial demand associated with concepts which are still under development and that have been brought to the GEF Secretariat's attention, are likely to fully use or exceed the available balance of the CBIT Trust Fund. On this basis, the GEF Secretariat believes that all available resources in the CBIT Trust Fund will be programmed by June 30, 2018.

AWARENESS RAISING AND OUTREACH

21. The GEF Secretariat continued the awareness raising and outreach efforts for CBIT through various channels.
22. Information on the CBIT opportunities and access to support continued to be featured in the GEF's Expanded Constituency Workshops (ECWs) and Constituency Meetings to raise

awareness among GEF Operational Focal Points, UNFCCC Focal Points, and other stakeholders. Four ECWs and four constituency meetings have been held during this reporting period.

23. The CBIT webpage continues to be regularly updated, including links to approved project documents and an updated tracking tool.³
24. The GEF Secretariat participated in the Bonn Climate Change Conference held on May 8 to 18, 2017 during which the GEF carried out consultations with countries, GEF Agencies, and related initiatives. In addition, the GEF Secretariat was invited to speak on the CBIT and its operationalization at two events. The first on May 14, 2017 was the first Partnership on Transparency in the Paris Agreement (PATPA) meeting and the second on May 16, 2017 was the UNDP/UNEP side event on the CBIT Global Coordination Platform.
25. The GEF Secretariat has been invited to participate in other international workshops and meetings related to transparency under the Paris Agreement. The GEF sent a video message to the PATPA Annual Partnership Retreat held in Kakheti, Georgia on September 5 to 11, 2017. On October 19, 2017, the GEF Secretariat participated in a panel at the Latin American and Caribbean Carbon Forum in Mexico City, Mexico on “Implementing the Transparency Framework: Initiatives and lessons learnt.”
26. The GEF Secretariat utilizes these and other opportunities to continue to coordinate with key partners including Initiative for Climate Action Transparency (ICAT), NDC Partnership and PATPA, and emerging initiatives.

COP 23 ENGAGEMENT

27. The GEF Secretariat will participate in COP 23 on November 6 to 17, 2017, in Bonn, Germany, including with engagement on the CBIT.
28. The GEF Report to the COP, which was published on the GEF website⁴ on August 7, 2017 and the UNFCCC website⁵ on August 23, 2017, includes information on the implementation of the CBIT over the 2017 financial year. This report will be submitted as an addendum to the Report to the COP to provide additional up to date information to Parties.
29. The GEF Secretariat will continue to raise awareness and outreach through new media outlets, including a bifold publication, to be available in print and online, which includes a summary of CBIT programming to date, including key areas of support. The GEF Secretariat is also developing a short, animated video to introduce the CBIT and its opportunities. This video will be premiered at COP 23.
30. The GEF Secretariat will hold a high-level side event on “Enhancing Transparency through the CBIT” scheduled for November 15, 2017 in the evening. It will showcase country experiences with MRV and transparency efforts of climate action and support, in particular the identification of gaps and needs, the development of institutional frameworks and

³ <https://www.thegef.org/topics/capacity-building-initiative-transparency-cbit>

⁴ <https://www.thegef.org/documents/report-gef-23rd-session-cop-unfccc>

⁵ http://unfccc.int/documentation/documents/advanced_search/items/6911.php?preref=600009736

systems, and the strengthening of national capacities to meet the requirements of the enhanced transparency framework. The event will also be an opportunity to explore challenges and opportunities in embracing enhanced transparency to support climate efforts and inform planning and decision-making processes.

31. Additionally, the GEF Secretariat has been invited to participate in other side events related to the transparency framework, during which the GEF will continue to raise awareness of support available through the CBIT, progress to date and lessons learned.

GEF-7 REPLENISHMENT

32. The proposed programming directions for GEF-7, as presented to and discussed at the second replenishment meeting held on October 3 to 5, 2017 in Addis Ababa, Ethiopia included specific provisions for CBIT support. The GEF Secretariat will continue to consult with the UNFCCC and its workstreams toward ensuring that the CBIT will be adequately reflected in the GEF-7 replenishment, as the CBIT is considered a foundation for the effective implementation of the Paris Agreement.

ANNEX: PROJECTS APPROVED AND RECEIVING SUPPORT FROM THE CBIT TRUST FUND

(as of October 31, 2017)

GEF ID	Country	Agency	Project Title	PPG Amount	PPG Fees	GEF Project Financing	Project Agency Fees	GEF Financing	Cofinancing	Total Project Cost	Project Approval Date
9652	Costa Rica	UNEP	Costa Rica's Integrated Reporting and Transparency System			1,000,000	90,000	1,090,000	3,260,000	4,350,000	11/4/2016
9673	South Africa	UNEP	Capacity Building Programme to Implement South Africa's Climate National System	30,000	2,850	1,100,000	104,500	1,237,350	2,289,065	3,526,415	11/4/2016
9674	Kenya	CI	Strengthening National Institutions in Kenya to Meet the Transparency Requirements of the Paris Agreement and Sharing Best Practices in the East Africa Region	50,000	4,500	1,000,000	90,000	1,144,500	1,050,000	2,194,500	11/9/2016
9675	Global	UNEP/UNDP	CBIT Global Coordination Platform			1,000,000	95,000	1,095,000	400,000	1,495,000	11/4/2016
9739	Uruguay	UNDP	Building institutional and technical capacities to enhance transparency in the framework of the Paris Agreement	25,000	2,375	1,100,000	104,500	1,231,875	760,000	1,991,875	3/6/2017
9814	Uganda	CI	Strengthening the Capacity of Institutions in Uganda to	50,000	4,500	1,100,000	99,000	1,253,500	450,000	1,703,500	5/8/2017

			comply with the Transparency Requirements of the Paris Agreement								
9820	Ghana	UNEP	Strengthening Ghana's National Capacity for Transparency and Ambitious Climate Reporting	30,000	2,850	1,100,000	104,500	1,237,350	1,310,000	2,547,350	5/15/2017
9828	Cote d'Ivoire	UNDP	Strengthening the Transparency System for Enhanced Climate Action in Côte d'Ivoire	30,000	2,850	1,160,000	110,200	1,350,875	210,000	1,560,875	10/26/2017
9834	Mongolia	FAO	Strengthening capacity in the agriculture and land-use sectors in Mongolia for enhanced transparency in implementation and monitoring of Mongolia's Nationally Determined Contribution (NDC) under the Paris Agreement	50,000	4,750	863,242	82,008	1,000,000	1,160,000	2,160,000	6/1/2017
9833	Papua New Guinea	FAO	Strengthening capacity in the agriculture and land-use sectors for enhanced transparency in implementation and monitoring of Nationally Determined Contributions (NDCs) under the Paris Agreement in Papua New Guinea	50,000	4,750	863,242	82,008	1,000,000	1,550,000	2,550,000	6/12/2017
9835	Chile	UNEP	Strengthening Chile's Nationally Determined	30,000	2,850	1,232,000	117,040	1,381,890	870,000	2,251,890	6/1/2017

			Contribution (NDC) Transparency Framework								
983 7	Cambodia	FAO	Strengthening capacity in the agriculture and land-use sectors for enhanced transparency in implementation and monitoring of Cambodia's Nationally Determined Contribution (NDC)	50,000	4,750	863,242	82,008	1,000,000	1,731,000	2,731,000	6/1/2017
986 4	Global	FAO	Global capacity-building products towards enhanced transparency in the AFOLU sector (CBIT-AFOLU)	50,000	4,750	1,776,484	168,766	2,000,000	3,000,000	5,000,000	8/15/2017
987 2	Peru	UNEP	Capacity Building for Peru's transparency system for climate change mitigation and adaptation	50,000	4,750	1,199,000	113,905	1,367,655	700,000	2,067,655	9/25/2017
Total				495,000	46,525	15,357,210	1,443,435	17,389,995	18,740,065	35,040,060	