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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

An addendum to the report of the Global Environment Facility (GEF) to the Conference of the Parties,¹ presenting additional information on the operationalization of the Capacity-building Initiative for Transparency, is contained in the annex. The text in the annex is reproduced as submitted, without formal editing.*

¹ FCCC/CP/2016/6.

* This document was received from the GEF secretariat on 28 October 2016.

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Annex



October 26, 2016

Addendum to the

Report of the Global Environment Facility to the Twenty-second
Session of the Conference of the Parties to the United Nations
Framework Convention on Climate Change

on

the Capacity-building Initiative for Transparency

Note

The Global Environment Facility (GEF) presented this information document at the 51st GEF Council Meeting held on October 25-27, 2016 in Washington, DC. It provides an update on the activities related to the development of the Capacity-building Initiative for Transparency (CBIT) since the 50th GEF Council Meeting held on June 6-8, 2016, when the GEF Council approved the establishment and programming directions of the CBIT trust fund. This addendum to the GEF report to COP 22 provides additional information on the operationalization of the CBIT.

51st GEF Council Meeting
October 25 – 27, 2016
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 50th GEF Council, held June 6 to 7, 2016, to September 30, 2016.

CBIT Trust Fund establishment

4. The GEF Council approved the establishment of a new CBIT Trust Fund and the Programming Directions for CBIT at its 50th meeting in June 2016.¹
 5. Following the GEF Council approval, in August 2016 the World Bank’s role as the Trustee of the CBIT Trust Fund was approved. The CBIT Trust Fund was established in September 2016, in accordance with the World Bank’s applicable policies and procedures.
 6. Several donors, including Canada, New Zealand, Scotland, the United Kingdom, and the United States, have pledged to make voluntary contributions to the CBIT. Others have also highlighted their intention to pledge in the near future.
 7. The Standard Provisions of the Contribution Agreement, applicable to all contributors, have been finalized. The United States signed the first Contribution Agreement in the amount of US\$5 million on September 23, 2016. The Trustee has been working with other donors to finalize contribution agreements.
 8. Interested GEF Agencies have initiated dialogue with the Trustee regarding the Financial Procedures Agreement to access the resources of CBIT Trust Fund.
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¹ See documents GEF/C.50/05 and GEF/C.50/06, which can be accessed from:
<http://www.thegef.org/council-meetings/gef-50th-council-meeting>

CBIT operationalization

9. The GEF CEO formally notified all GEF Operational Focal Points, GEF Agencies and GEF Council members on August 30, 2016 on the establishment of the Initiative and invited countries to consider the new support opportunities accorded through the CBIT Trust Fund.
10. The GEF Secretariat updated templates for project submissions to include the CBIT, uploaded them onto the GEF website, and included this information in the CEO's notification on August 30, 2016.²
11. The GEF Secretariat held a Second Consultative Dialogue on CBIT with GEF Agencies, UNFCCC, governments, and other relevant initiatives on August 25, 2016 in Washington, DC. The dialogue provided an opportunity to discuss potential scope, modalities and approaches for initial CBIT programming, and to strengthen collaboration with relevant existing and emerging initiatives. The summary report of the consultative dialogue, as well as materials shared during the meeting, have been posted on the GEF website.³
12. Subject to the availability of resources in the CBIT Trust Fund and technically cleared projects, the GEF Secretariat will make every effort to approve the first set of projects prior to the upcoming COP 22 in November 2016.
13. Full-sized CBIT projects have not been presented for the Council's consideration for the October 2016 Council meeting, as the deadline for work program posting preceded contributions to the Trust Fund and technical clearance of proposals. Projects to be approved prior to COP 22 will be medium-sized projects, to be approved by the GEF CEO under her delegated authority based on resource availability in the CBIT Trust Fund.
14. Consultations with interested recipient countries have intensified since the CBIT Trust Fund was established, upon their request. Several GEF Agencies and recipient countries have shared initial concepts or ideas with the GEF Secretariat for feedback. The GEF Secretariat is currently reviewing these initial concepts, and are providing feedback to the countries and Agencies for their further development and refinement.
15. The GEF Secretariat is utilizing multiple communication and outreach channels to inform recipient countries, along with GEF Agencies, on the CBIT and opportunities for support.
16. Communication on CBIT programming opportunities and modalities have also been integrated into GEF Expanded Constituency Workshops to provide up-to-date information to the GEF Operational Focal Points, UNFCCC Focal Points, and other stakeholders.

2The updated templates can be accessed from: www.thegef.org/gef/guidelines_templates

3Information on the consultative dialogue can be accessed from: www.thegef.org/events/second-consultative-dialogue-capacity-building-initiative-transparency

17. The GEF Secretariat has also intensified its efforts for collaboration with existing and emerging initiatives with shared goals. For example, a GEF representative took part in the Partnership Retreat of the International Partnership on Mitigation and MRV on September 5 to 7, 2016 in Cape Town, South Africa, to discuss potential entry points for coordination and collaboration. Consultations have also been held with the Initiative for Climate Action Transparency (ICAT). Representatives of these initiatives, as well as the Coalition on Paris Agreement Capacity Building, also took part in the two Consultative Dialogues held so far.

TOWARDS COP 22

18. Information on the CBIT establishment and operations was included in the Report of the Global Environment Facility to the Twenty-second Session of the Conference of the Parties to the United Nations Framework Convention on Climate Change, which was submitted to the UNFCCC Secretariat on August 18, 2016 after GEF Council approval.⁴ An update on the status of the implementation of CBIT will also be submitted as an addendum to the GEF report prior to COP 22.

19. The GEF Secretariat has consulted with the UNFCCC Secretariat on potential opportunities to continue outreach activities and inform Parties on the progress made on the CBIT establishment and operations at COP 22.

⁴ The GEF report to COP 22 can be accessed from: <http://www.thegef.org/documents/report-gef-22nd-session-cop-unfccc>