

## **Submission by the republic of Senegal on behalf of the Least Developed Countries (LDCs) on matters relating to the reporting and review pursuant to Article 13 of the Paris Agreement**

The Least Developed Countries Group (LDCs) is pleased to provide its views on how to address the Group's challenges to implement the Enhanced Transparency Framework (ETF) referred to in paragraph 5 of FCCC/SBI/2022/L.25 in response to the call for submission presented in paragraph 8 of the same conclusions text.

With the view of providing inputs the next session of the Subsidiary Body for Implementation, the LDC Group outlines below its views on provision of financial and technical support for reporting and capacity-building.

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### **1. Introduction**

The ETF is at the core of the Paris Agreement. The LDC Group believes that having a strong international reporting system for climate action and support is fundamental to build confidence and trust among Parties. During the negotiation of the ETF's modalities, procedures and guidelines, the LDC Group advocated for a solid and comprehensive set of rules as they are key to increasing global ambition. However, this new and more stringent reporting system brings several challenges to LDCs, and, as with other implementation actions, international financial and technical support will be necessary to effectively deliver on our responsibilities.

LDCs are willing to report but most of them are lagging behind in terms of reporting experience and in-country capacities. Several LDCs are currently preparing their first Biennial Update Report (BUR) with only 22 out of 46 countries having submitted their first BUR and only 2 their second. And very few countries have participated in the International Consultation and Analysis process. With a more comprehensive reporting system and with less experience and capabilities submitting a Biennial Transparency Report (BTR) following the ETF rules will be extremely difficult for most LDCs.

It is critical for LDCs to receive support from developed countries to build in-country capacities and strengthen national arrangements to be able to successfully transition to the ETF.

Further, the BTR will be an input of the Global Stocktake (GST) and a key source of information on issues of importance for the Group such as adaptation and loss and damage. Not being able to report will have an impact on the representation of the

Group's views and needs in the GST outputs. And it will affect its main objective of assessing the collective progress towards achieving the Paris Agreement purpose and its long-term goals.

## 2. LDCs challenges

LDCs face a broad range of challenges covering all the stages of the reporting cycle, and all components of the current reporting requirements. It is important to note that new challenges will arise, and capacity gaps will increase as LDCs start reporting under the ETF.

Among the main challenges LDCs have self-identified are:

- shortage of sustainable financial resources
- unfamiliarity with guidelines and ETF requirements
- lack of experienced staff within government agencies
- absence of permanent team
- lack of institutional structure
- lack of coordination between institutions
- deficit of technical resources (clear guidelines, computer models)
- limited expertise to carry out climate change modelling and projection
- lack of primary data or access to them (including Activity data, National conversion factors and National emission factors for estimating emission/removals)
- absence of data management systems
- insufficient knowledge on mitigation and adaptation quantification tools
- no proper mechanism for tracking support
- difficulties for measuring and reporting mitigation and adaptation actions.

It is important to note that all these challenges are interrelated and should not be addressed in isolation.

## 3. Overarching guiding principles for support

The LDC Group highlights the importance of the adequacy, predictability and timeliness of the support for building institutional and technical capacity. Moreover, the Group believes that, successful financial and technical support for reporting and capacity building that overcomes current challenges needs to be guided by a series of principles:

1. **Country-driven:** support must follow LDCs priorities and national circumstances and meet their needs, reflecting their national strategies,

priorities and initiatives. Even within the LDC Group there is no “one size fits all” formula for technical and financial support and it must be carefully designed following a bottom up approach based on solid and participatory assessments of gaps and needs.

2. **Long-term:** support for reporting and capacity building must be an on-going and continuous process, in particular considering the increased complexity of transparency reporting over time. Technical and financial support must follow a programmatic approach instead of the current project-based approach. Countries should be able to plan their reporting and capacity building processes in a timeframe compatible with their needs and implementation pace. Establishing and enhancing national reporting systems compatible with the ETF requirements takes time, and must be done progressively to ensure they are embedded in national structures.
3. **Coordinated:** the Paris Agreement includes other reporting instruments and requirements like the national adaptation communication and the mechanisms established by Article 6. Coordination with these instruments under the UNFCCC is important to ensure consistency with their interlinkages with transparency. LDCs will also require technical and financial support to implement all these different processes. Pathways for integration of support and synergies are critical to avoid duplication of efforts and overwhelming countries already overstretched. Coordination between financial institutions and support providers is also critical for an effective and efficient provision of support.
4. **Accessible:** Current available support is not sufficient to build long-term capacities and establish national reporting systems. Moreover, existing support is not easily accessible for LDCs. Complex project proposals and extensive requirements are barriers for countries with limited personnel and experience. LDCs also face language barriers. English is not the first language in most countries and definitely not the main language spoken at technical level. Having to engage and prepare documents in a foreign language also poses serious difficulties to access support.
5. **Flexible:** the BTR includes new components such as tracking progress of NDCs, projections, carbon markets, adaptation, loss and damage and climate finance received. These reporting areas will bring new challenges that most countries will understand when they start reporting. Capacity strengthening and reporting are iterative processes that involve “learning by doing”. Technical and financial support needs to be flexible to be able to cover emerging areas and new developments, and to adapt implementation plans accordingly.

#### **4. LDC Group views and recommendations to overcome capacity building and reporting challenges**

Based on the experience gained reporting under the Convention, the Group proposes the following actions to overcome current and future challenges:

- First of all, technical and financial support must be substantially increased for LDCs to be able to transition to the ETF. The Group acknowledges the existing funding institutions and on-going capacity building initiatives, but additional efforts are required to meet the LDCs' needs.
- As expressed in previous submissions, the current cost structure for producing the BTR with the support of the Global Environmental Facility (GEF) should cover the cost incurred by countries to establish and enhance their reporting system. Considering the new requirements under the ETF, such as the use of reporting tools, it should also include a component focused on capacity building for reporting.
- The Capacity Building Initiative for Transparency (CBIT) programme created at the request of the Parties by the Paris Agreement has proved to be very important to start building LDCs capacities for reporting. It is critical to ensure that the CBIT programme is not a one-off option, and countries can access its support - based on a long term vision- whenever they require it.
- Implementing agencies and capacity building providers should increase the efficiency of the current project cycle. But more importantly, they should rethink the current support model to provide enhanced, streamlined and simplified access for LDCs based on a programmatic and continuous approach with a long-term perspective. This could be promoted and facilitated by establishing or strengthening coordination mechanisms between financial and capacity building providers at the international level.
- The consultative Group of experts (CGE) has played an invaluable role in supporting developing countries in fulfilling their reporting requirements. The LDC Group appreciates the activities to enhance the technical capacity of experts such as hand on workshops and regional webinars. The Group expects the CGE to have a key role in implementing and designing new capacity building initiatives and actions to support the ETF implementation.

- Strengthening and creating institutional arrangements is one of the main challenges of LDCs. In order to tackle this, the LDC Group proposes to create a programme to provide specific support to countries to strengthen their national reporting systems. This programme should follow the principles presented in section three above. In terms of timeframe, it must start immediately, since institutional and data infrastructure is critical to ensure LDCs will be able to report under the ETF.
- Most LDCs also face serious challenges in obtaining the necessary data for reporting as well as in modelling and applying mitigation and adaptation quantification tools. The above-mentioned programme should also support strengthening existing and establishing national research and institutions in order to ensure LDCs can prepare good quality reports. For instance to improve estimation of Green House Gas emission and removals LDCs need to be supported in developing country specific Emission Factors and Activity Data as well as National conversion factors.