Fact Sheet:
Capacity-Building and The Global Stocktake

Defining credible capacity-building and climate transparency
Addressing current mechanisms to improve transparency-related capacity-building in the GST

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Background

The Global Stocktake (GST) provides a critical opportunity for the world to evaluate collective progress toward the Paris Agreement goals and to assess whether international efforts will be sufficient to meet them[3]. The rapid expansion of accountability, scalability of action, and transparency in country-level capacity to deliver on the GST will be essential to achieve these climate targets. The capacity—funding, resources, and solutions—to provide and input data and information into the GST's process will be crucial to achieving true transparency in this process.

Measuring or assessing this capacity will improve the communication of capacity-building needs both domestically and internationally—leading to more efficient and effective identification of deficiencies and equitable prioritization and allocation of support. These improvements to the GST input process, along with enhanced domestic policies and actions that address capacity constraints, will directly support the effective application of the GST.

Defining climate transparency

Under the Paris Agreement, transparency consists of reporting, review, and consideration. Currently, the GST is working to build the systems necessary to support a new transparency mechanism—the Enhanced Transparency Framework (ETF). Beginning in 2024, the ETF will be the framework under which all parties that have ratified the Paris Agreement will report key climate data and information on their greenhouse gas emissions and climate and mitigation actions.

Transparency is complex and requires clear indicators to measure capacity within the ETF system. Indicators include but are not limited to institutional structure, knowledge and technical skills, and climate reporting capabilities. Meaningful measurement of transparency will incentivize the most credible improvements for realizing the Paris objectives and track the effectiveness of international actions to ensure the global community remains on course in realizing these goals.

Defining capacity-building

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[3] https://unfccc.int/topics/global-stocktake

Capacity involves the ability to do, achieve, and make changes as needed in a complex environment and to meet transparency obligations under the Paris Agreement, including actively participating in all stages of the ETF to measure, report, and verify climate data. There are several ways in which researchers conceptualize and measure transparency-related capacity building. Still, in general, measures are intended to link the outputs from reporting to the other phases of ambition (i.e., planning and implementation).

Even though transparency-related capacity building has been a goal under the United Nations Framework Convention on Climate Change (UNFCCC) for more than 25 years, there has yet to be an international agreement on what exactly transparency-related capacity should constitute. As a result, countries, donors, scholars, and other stakeholders have utilized diverse interpretations of transparency-related capacity, bringing about challenges and opportunities.

Process

There are several ways that the Paris Agreement allows for climate transparency to be inserted into the GST. In recent years, the UNFCCC made a concerted effort to move away from ad-hoc capacity-building for transparency and establish a focus on the long-term enhancement of national capacity to support transparency[4]. The biennial transparency report (BTR)—a new component of the ETF, is a process to build trust in all parties to keep the promises of their pledges by reporting key mitigation and adaptation data and allowing countries to identify areas for capacity-building needs. Each party also participates in a Facilitative Multilateral Consideration of Progress (FMCP)—an additional component of the ETF—to showcase actions and engage in conversation with other countries on their efforts. The ETF, along with an expert team's assessment and multilateral discussion, are all key inputs to the GST.

Challenges

Though a significant opportunity to openly understand and deliver on capacity-building needs, the ETF faces many challenges, including varying levels of reporting success and capacity to report in a timely, comprehensive manner. Rooted in loose and varying definitions, capacity-building is often not reported with planning and implementation in mind[5]. In fact, the third comprehensive review of the capacity-building framework clearly highlights that, collectively, only a little progress has been achieved in establishing self-sustaining capacities within countries.

Future action

Discussions between the Party and the expert review team and discussions that take place during the FMCP, together, provide an opportunity to improve transparency over time. In the context of climate transparency under the Paris Agreement, "capacity" is generally referred to as Parties' ability to implement the ETF effectively. Within this context, capacity-building efforts target developing country Parties, especially countries with the least capacity and those particularly vulnerable to climate impacts.

Developing a framework for measuring transparency

[4] (para 27 and 31 UNFCCC, 2016)
[5] Umemiya, C., White, M.K., Arroyave, V., and Akagi, J. (2020) Global Database of National GHG Inventory Capacity in Developing Countries (UNDP, GHGMI, IGES). Available at: https://www.un-gsp.org/global-database-national-ghg-inventory-ghgi-capacity-developing-countries

A framework for measuring transparency in reporting capacity-building efforts is needed to support countries' submissions to the GST. Dimensions of this framework can include **output quality**, **institutional capacity**, and **knowledge and skills** that, when measured, can be used to evaluate national capacities to meet the goals of the Paris Agreement.

To address data collection and technical needs, a common accounting framework can help ensure that data collection is reliable and consistent. In addition, integrating indicator data collection during the technical expert review phase of the ETF has the potential to be an efficient and effective opportunity for the development of indicator datasets. If countries are able to effectively identify, prioritize, and measure what capacity is needed, they can improve their climate decision-making.

If the GST could evaluate capacity-building progress for transparency, it would help bring focus to the critical capacity issues instead of the common discourse heard at international summits, e.g., that there is a “lack of capacity” or “lack of support” without tangible problems identified that can be solved with targeted and effective support.

A measurement framework would allow us to define, develop, and evaluate indicators across time and progress toward our collective goals. In the case of the GST, indicators help inform the evaluator about whether capacity has improved for any dimensions. Gaps in these dimensions indicate capacity constraints and areas for improved climate transparency. Both Parties and non-Parties can then take this information to inform specific gaps in their capacity to report to the ETF and overall provide more accurate data to the future GSTs. In addition, identifying these gaps can help non-Parties understand where resources (i.e. financial, technical) can be allocated to support implementation and knowledge sharing efforts.

The framework discussed in this brief will be released in full from the author team in the Spring 2023. The framework will expand upon the key indicators for how to building transparency into capacity building and inform a stronger global stocktake process with implementation strategies.