

[Section H – Capacity-building]

Main observations:

- Convergence among Parties became clear on the following points:
 - Capacity-building has to be reflected in the Agreement;
 - The need to enhance capacity, including in the interim period pending the entry into force of the Agreement;
 - The need to strengthen institutional arrangements.
- Parties had divergent views on the need to establish new institutional arrangements for capacity-building.
- While several Parties indicated their overall satisfaction with the Co-Chairs' Tool, a group of Parties noted a lack of balance in Part I of the Tool. To re-establish a balanced outline of Parties' positions with respect to the Agreement, they proposed that Article/paragraph 75 (new institutions) of Part III of the Co-Chairs' Tool be moved to Part I. This would address one of the main concerns expressed by that group of Parties, namely the establishment of an international capacity-building mechanism under the Agreement.
- The same group of Parties also proposed placing Article/paragraph 74 (objective, focus of capacity-building), currently of Part III of the Co-Chairs' Tool, in Part II.
- Some Parties had questioned whether Part I was the most appropriate place in which to include a paragraph on Article 6 of the Convention, while others supported its inclusion in this location.
- The Co-Facilitators proposed two informal meetings (spin-off groups). The first was tasked with working on milestones for capacity-building between 2016 and 2020, while the second discussed institutional arrangements. Key issues highlighted at these informal meetings included:
 - The need for concrete ideas or inputs on actions and needs that could help to determine objective, scope, features, modalities and milestones for the work programme;
 - The need to specify concrete actions and action areas for prompt implementation;
 - The linkage between institutional arrangements and the work programme;
 - That the issues relating to institutional arrangements need to be decided upon in order to ensure the prompt and effective delivery of the work programme;
 - Capacity-building for MRV and MRV of capacity-building;
 - Coherence and coordination in the delivery of capacity-building;
 - The need for a long-term and sustainable perspective on capacity-building;
 - That guiding principles should also address capacity-building needs stemming from decisions on workstream 2;
 - That the analysis of existing information and a review of existing arrangements could also help to formulate clearer ideas on what to do with the work programme;
 - That linkages between the capacity-building framework and institutional arrangements, including those with the Financial Mechanism and the Climate Technology Centre and Network, need to be further understood.
- As requested by Parties, the Co-Facilitators presented a text proposal with their understanding of the elements that were raised during the negotiations by Parties. The Co-Facilitators clarified that this text proposal does not capture elements that, however relevant, were not raised by Parties, nor it does necessarily reflect convergence on the issues raised.

Further observations and notes of the Co-Facilitators:

- The Co-Facilitators noted repeated strong calls from Parties to continue negotiations on the basis of text. Textual negotiations will also help further clarify the conceptual issues.

- Institutional arrangements: With regard to institutional arrangements in the Agreement, the Co-Facilitators noted that the negotiations revealed the following options:
 - Option 1: The institutional arrangements established under the Convention shall enhance and intensify their work on capacity-building.
 - Option 2: An international capacity-building mechanism is hereby established.
- Regarding these two options, a group of Parties noted that existing institutional arrangements will continue to play an important role in the Agreement for the provision of capacity-building, and that the question therefore refers to the option of creating new institutional arrangements that will coexist with the existing institutions.
- Work programme: The Co-Facilitators also noted fruitful discussion on the work programme, which was attempted to be captured in the textual proposal prepared by the Co-Facilitators below. It was also noted that this text is an attempt to capture the status of progress in Parties' deliberations. The Co-Facilitators recognized that there are still open aspects that will have to be discussed further at the ADP session in October, where it is expected that Parties may also wish to exchange views on this at the workshop on capacity-building.²⁴
- Parties raised a number of issues relating to the work programme including:
 - The need that capacity-building should be enhanced within and beyond the framework;
 - The need to take into account the outcome of the third comprehensive review of the capacity-building framework before the establishment of a work programme;
 - The need to take into account references to equity and the principles of common but differentiated responsibilities among Parties in the implementation of the work programme;
 - The need to consider evolving capacity-building needs for the implementation of all elements of the Agreement, including for the provision of finance and technology development and transfer;
 - The need to take into account relevant previous COP decisions in considering activities and modalities of the work programme;
 - Issues relating to a specific or continuous time frame for this work programme.
- Furthermore, the Co-Facilitators noted cross-linkages in other areas of the Co-Chairs' Tool, as follows:

Part II: draft Decision 1/CP.21

- [E. Adaptation and loss and damage]
 - i) Paragraph 22
- [F. Finance]
 - i) Paragraph 29, f. iv
- [G. Technology development and transfer]
 - i) Paragraph 37, a
- [I. Transparency of action and support]
 - i) Paragraph 52
- [J. Time frames and process related to commitments/contributions/Other matters related to implementation and ambition]
 - i) Paragraph 54, option (b)

²⁴ FCCC/SBI/2015/10, paragraphs 88 and 94.

IV. [POSSIBLE ELEMENTS ON PRE-2020 AMBITION (WORKSTREAM 2)]

- [I. Transparency of action and support]
- i) Paragraph 86

Textual proposal

1. *Decides* to hereby establish an initial [x year] work programme on capacity-building (hereinafter referred to as the work programme) under the [body] to further enhance the implementation of the framework for capacity-building in developing countries, starting in [2016];
2. *Invites* Parties to assess their capacity-building needs for the implementation of all elements of the Agreement, taking into account a long-term perspective, and preferably by [date];
3. *Decides* that the work programme will address, inter alia, the following areas:
 - a. Gaps and needs, current and emerging, in the delivery of capacity-building, in particular at the national level and for the implementation of all elements of the Agreement;
 - b. Enhancement of coordination and coherence in the provision of capacity-building, including within existing institutional arrangements providing capacity-building;
4. *Requests* the [body]:
 - a. To consider and further elaborate at subsequent sessions potential additional activities and modalities of the work programme, taking into account the outcome of the 3rd review of the framework for capacity-building and the summary reports of the Durban Forum;
 - b. To consider at subsequent sessions the results of initial activities and to provide guidance, as appropriate, on further action;
 - c. To review and report on the work programme to the Conference of the Parties at its [xx] session.