

WORK OF THE CONTACT GROUP ON ITEM 3

Section I

Revision, 11 February 2015 @ 20.30h¹

I. [Capacity-building²

[General]

[Option 1:

58. [The objective of capacity-building should be to enable [developing country Parties] [Parties not included in annex X] [all Parties] to identify, design and implement adaptation and mitigation actions and [to enable domestic development and absorption of technologies] [to enhance the capacities of national governments to be able to absorb technology and finance for the implementation of the Convention.]]

59. [Capacity-building to be guided by the following:

new a. The principles and provisions of the Convention;

- a. The framework for capacity-building in [developing countries] [Parties not included in annex X] established under decision 2/CP.7;
- b. A formal, structured, clear, predictable, effective, coordinated, [demand-driven] [country-driven], sustainable and long-term and gender-responsive way;
- b bis. An effective, coordinated, continuous, progressive and iterative process that is participatory, country-driven and gender-responsive with a long-term vision for sustainable development;
- [c. Clear and predictable targets and outcomes];
- d. Responding to national needs and fostering country ownership [including at the national, subnational and local levels]:
 - Building on existing provisions and lessons learned on capacity-building under the Convention;
 - [Using the INDC preparation and measurement, reporting and verification (MRV) processes;][Establishing the INDC preparation and measurement, reporting and verification (MRV) of capacity-building support against needs identified by Parties, such that capacity is not a barrier to implementation beyond 2020];
 - To develop national capacity with regard to international MRV requirements;
 - Supporting preparatory and readiness programmes, including [on climate finance][through the Financial Mechanism];
 - [Until [developing country Parties] [Parties not included in annex X] have acquired the capacity to fully implement climate change actions under the Convention [Developing countries] [Parties not included in annex X] will enhance their climate change actions according to the means of implementation provided by [Annex I] [annex X] and [Annex II Parties] [annex Y] [all countries in a position to do so] under the Convention].
- e. [Responding to needs at the national, subnational and local levels][Developing countries will enhance their climate change actions subject to the means of implementation provided by developed country Parties under the Convention:
- e bis. Developing countries will enhance their climate change actions subject to the provision of additional sustainable and predictable means of implementation provided by developed country Parties under the Convention through the appropriate mechanisms including the Climate Resilience and Sustainable Development Mechanism:

[Option (a): Taking into account the potential role of the private sector in supporting capacity-building and the need for enhanced coordination among donors and institutions;]

¹ Revisions are shaded in grey.

² Headings and subheadings used throughout these elements for a draft negotiating text are provisional and only intended to orientate the reader.

Option (b): Public sector bears the main responsibility [for the provision of funding], and private funding should only be complementary;

[Option (c): No provision necessary.]

- f. Ensuring that capacity-building is effective, [demand-driven] [country-driven] and sustainable over the long term.]

60. [Capacity-building to be enhanced through:

[a. The development of climate policies;]

[b. The mobilization of private sector capital and public engagement;]

c. The promotion of public awareness and education;

[d. The strengthening of domestic institutions and the creation of enabling environments;]

e. Integrating capacity-building activities [into mitigation and adaptation programmes] [into all other elements];

f. The strengthening of traditional knowledge systems for adaptation including those of indigenous peoples and local communities.]

Option 2: No general provisions on capacity-building.]

[Commitments]

61. **Option 1:** The [developed] [[Parties] [Annex I Parties] [Parties included in annex X] and other Parties in a position to do so] [All countries in a position to do so] [should] [shall] cooperate to enhance the capacity of [developing countries] [Parties not included in annex X] to support the implementation of their [contributions under the agreement] [climate change actions] based on the principles and provisions of the Convention [and other Parties in a position to do so to cooperate to enhance the capacity of [developing country Parties] [Parties not included in annex X] in all areas of climate change action, to support the implementation of their [commitments][contributions] under this agreement and to foster South–South and triangular cooperation schemes];

Option 2: No commitments on capacity-building in the agreement.

Option 3: Developed country Parties shall enhance the capacity of developing country Parties to support the implementation of their nationally determined contributions under this Agreement based on the principles and provisions of the Convention. Such enhancement of capacity may provide important and relevant guidance to developing country Parties, but shall not interfere with the nature, scope or substance of developing country Parties' nationally determined contributions.

Option 4: Developed country Parties should provide support to developing countries for the implementation of capacity-building initiatives.]

[Institutional arrangements]

62. [The institutional arrangements [established under the Convention] [and operating entities of the Financial Mechanism of the Convention, as well as intergovernmental and non-governmental organizations] shall enhance and intensify their work on capacity-building:

62.1 The Durban Forum on capacity-building established by decision 2/CP.17 / the institutional arrangements on capacity-building established under the Convention shall serve this agreement by:

a. Enhancing the monitoring and review of the effectiveness of capacity-building [by sharing experiences, best practices and lessons learned regarding the implementation of capacity-building activities];

b. Identifying and addressing capacity gaps in [developing countries] [Parties not included in annex X];

c. Enhancing the coordination between institutions established under the Convention and this agreement as it relates to their work and mandates on capacity-building:

- The governing body may provide further guidance to the Durban Forum and assign specific functions, as appropriate;
- The governing body shall periodically review the commitments of [developed country Parties] [annex Y Parties] [all countries in a position to do so] to provide capacity-building support to [developing country Parties] [Parties not included in annex X] and take appropriate action, which may include the adjustment of such commitments in accordance with the identified national needs and priorities of the [developing country Parties] [Parties not included in annex X];

- The governing body shall regularly review the outcomes of the Durban Forum and take appropriate action.]

63. **[Option 1:** [Building on previous and ongoing work and lessons learned from current institutional arrangements on capacity-building established under the Convention, including the Durban Forum on capacity-building,] [An][an] international capacity-building mechanism is hereby established:

63.1 The purpose of the international capacity-building mechanism under this agreement, funded through the Financial Mechanism of the Convention and linked to technology- and adaptation-related institutions established under the Convention, shall be to enhance the capacity of [developing country Parties] [Parties not included in annex X] to plan and implement mitigation and adaptation actions, including human skills development for the strengthening of domestic institutions, technology innovation and the development of endogenous technologies, and to make a structured assessment of the capacity needs of [developing countries] [Parties not included in annex X] and match them with support;

63.2 **Option (a):** The international capacity-building mechanism shall comprise:

a. A capacity-building committee with the following functions:

- MRV of support received for capacity-building against needs identified by [developing country Parties] [Parties not included in annex X];
- Facilitation of the effective implementation of capacity-building interventions at the national and regional levels;
- Provision of normative guidance on capacity-building related issues concerning this agreement to inform other institutions and mechanisms established under the Convention serving this agreement;
- Promotion of coherence between relevant institutions and mechanisms established under the Convention and this agreement;
- Facilitation of developing country Parties to elaborate plans and strategies for achieving climate resilience and sustainable development trajectories in accordance with their national priorities and legislation.

b. An evaluation mechanism with the function:

- To assess the effectiveness of the delivery of capacity-building.

c. Regional capacity-building centres:

- To facilitate building capacity at the national and regional levels.

d. An institute for capacity-building to operate as a consortium of tertiary institutions in all major regions of the world:

- To build capacity in [developing countries] [Parties not included in annex X] as a means of strengthening the ability and effectiveness of mitigation and adaptation actions.

Option (b): The international capacity-building mechanism shall comprise:

a. A capacity-building coordination centre.

The centre's mission will be to stimulate/foster cooperation on capacity-building and to enhance and support capacity-building. In addition, the centre will assist developing countries in areas of capacity-building consistent with their respective capabilities and national circumstances and priorities.

The centre will have the following functions:

- Compilation of information, from relevant sources, including from the comprehensive review and the outcomes of the Durban Forum on capacity-building;
- Analysis of information pertaining to capacity-building to identify, inter alia, gaps and needs and other relevant trends;
- Development and dissemination of tools and methodologies for the enhanced delivery of capacity-building;
- Development of tools for MRV of capacity-building;
- Matching of identified capacity needs with possible sources of capacity-building support from governments, the private sector, intergovernmental organizations, academic institutions and non-governmental organizations;
- Close collaboration with other relevant bodies and processes under the Convention, including, but not limited to, the CTCN and the Adaptation Committee;
- Close collaboration with other intergovernmental organizations involved in capacity-building.

b. An advisory body of the centre.

The advisory body of the centre shall give guidance to the centre on how to prioritize and address requests from developing countries and, in general, shall monitor, assess and evaluate the performance of the centre.

- c. A network of regional centres, academic institutions, private and public sector bodies and NGOs interested and involved in climate change capacity-building.

Option (c): The international capacity-building mechanism shall, inter alia:

- Assess support received for capacity-building against needs identified by developing country Parties;
- Facilitate the effective implementation of capacity-building actions at the national and regional levels;
- Promote coherence between existing institutions and mechanisms established under the Convention and this mechanism;
- Assess the effectiveness of the delivery of capacity-building support;
- Facilitate building capacity at the national and regional levels.

- 63.3 The governing body shall adopt modalities and procedures for the operation of the international capacity-building mechanism. The international capacity-building mechanism should become operational as soon as possible after 2015 [to prepare all countries for the implementation of this agreement by 2020].

Option 2: No provisions on the establishment of new institutions;

Option 3: Strengthening and improving existing institutions;

Option 4: Enhance the role of the private sector in the delivery of capacity-building.]]

Structural suggestions on section I:

Include references to capacity-building in all other sections.

Include preambular recital on capacity-building and details in decisions.

Include paragraph 62 in a decision.
