

**Outputs of the work on section H. [Capacity-building]***Consolidation of paragraph 136 (f) ii:*

- 136 (f) ii. [[Using] [Establishing] the INDC preparation and measurement, reporting and verification (MRV) processes of capacity-building support against needs identified by Parties, such that capacity is not a barrier to implementation beyond 2020].

*Observations:*

- Parties agreed not to consolidate sub-paragraphs 136 (f) v, (g) and (h).
- One Party noted that Options (a), (b) and (c) do not belong under sub-paragraph 136 (h) and should be moved to an appropriate place.

*Consolidation of paragraph 138 Options 1 and 3:*

138. [**Option 1:** [The [developed country Parties] [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] [developing country Parties] [Parties not included in annex X] to support the implementation of their [nationally determined] [contributions under this agreement][climate change actions] on the basis of 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]. [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];]

*Observation:*

- Parties agreed that Options 2 and 4 remain unchanged.

*Unpacking of paragraph 139:**Observations:*

- Parties considered but could not agree on a proposal by the co-facilitator to unpack this paragraph.
- No Party present in the meeting took ownership for proposing this paragraph.

*Consolidation of paragraph 140.2 Options (a)-(c):*

- 140.2. [**Option (a):** The international capacity-building mechanism shall comprise:

- 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 for developing country Parties of elaborating plans and strategies for achieving climate resilience and sustainable development trajectories in accordance with their national priorities and legislation.
- An evaluation mechanism with the function:
  - To assess the effectiveness of the delivery of capacity-building.
- Regional capacity-building centres:
  - To facilitate building capacity at the national and regional levels.
- An institute for capacity-building to operate as a consortium of tertiary institutions in all major regions of the world:

- i. 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.
- e. 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 in accordance with their respective capabilities and national circumstances and priorities.  
The centre will have the following functions:
  - i. Compilation of information, from relevant sources, including from the comprehensive review and the outcomes of the Durban Forum on capacity-building;
  - ii. Analysis of information pertaining to capacity-building to identify, inter alia, gaps and needs and other relevant trends;
  - iii. Development and dissemination of tools and methodologies for the enhanced delivery of capacity-building;
  - iv. Development of tools for MRV of capacity-building;
  - v. 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;
  - vi. Close collaboration with other relevant bodies and processes under the Convention, including, but not limited to, the CTCN and the Adaptation Committee;
  - vii. Close collaboration with other intergovernmental organizations involved in capacity-building.
- f. 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.
- g. A network of regional centres, academic institutions, private and public sector bodies and NGOs interested and involved in climate change capacity-building.

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

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

*Consideration of paragraph 140.3:*

*Observation:*

- Many Parties showed understanding that this paragraph in order to become effective would have to be moved to a decision. Parties however were hesitant to agree to move it at this point in time.

*Conceptual discussion on 5 June 2015:*

- Based on a proposal from a Party, Parties engaged in a very rich discussion on capacity-building needs from developing countries, how the needs have been addressed in the past and what will be arising from a new agreement, what gaps have been identified in the delivery of capacity-building, how these gaps are being addressed and what more needs to be put in place to fully meet the needs of developing countries.

*Individual Parties expressed the following points of views:*

- Capacity-building is not a liability of developed countries, but needs to be a collaborative undertaking;
- Capacity needs are very different in each country;
- There is no process or mechanism to identify or assess these needs in a systematic and comprehensive manner;
- The nature and scope of the delivery of capacity-building support does not meet the needs of developing countries;

- In the past capacity-building support mostly focussed on helping developing countries to meet their reporting requirements under the Convention;
- There are a number of institutions established under the Convention and its Kyoto Protocol that have mandates to facilitate capacity-building in their specific thematic areas. However, there is a lack of coordination between these bodies and their work is not country-driven;
- In many cases technical assistance to developing countries is still provided by international consultants, which does not lead to building or enhancing local expertise;
- Capacity-building should be treated as a stand-alone and not a cross-cutting issue in the UNFCCC process similar to finance and technology development and transfer;
- Capacity-building should be long-term and integrated in national development plans rather than incorporated in ad-hoc projects;
- New capacity-building needs are emerging in relation to the new agreement;
- It is necessary to assess whether existing institutional arrangements can respond to existing and emerging needs and how such institutions may need to be enhanced;
- A new mechanism on capacity-building is required to govern, advise, coordinate, monitor and evaluate the delivery of capacity-building.

*Observations:*

- All Parties appreciated the mode of discussion and indicated interest to continue;
- One Party invited other Parties to discuss these matters further bilaterally;
- The facilitator encouraged Parties to also consider aspects of timing of actions required to prepare developing countries for the implementation of the new agreement.

*Conceptual discussion on 8 June 2015:*

- Parties continued to engage in an exchange of views on the need to enhance existing institutional arrangements or establish new ones in order to better understand the rationale behind the proposals on the table.

*Individual Parties expressed the following points of views:*

- Capacity-building is key to the implementation of climate action and therefore provisions on capacity-building must be in the agreement;
- The agreement should give a signal to governments to allocate resources for capacity-building in their national budgets;
- The agreement should contain a provision on the establishment of a capacity-building mechanism, while details on its functions and modalities should be contained in an accompanying decision;
- It is important to understand what needs to be done in terms of capacity-building between 2015 and 2020 to enable developing countries to implement the agreement;
- If a new institutional arrangement is established by the agreement, it will only become operational after 2020, which would not allow for supporting developing countries in preparing for the implementation of the agreement. It may therefore be better to use existing arrangements for this purpose;
- Some Parties still lack capacity to even identify and assess their capacity needs;
- It is not sufficient to provide access to technology as successful technology transfer also depends on capacity to deploy and maintain such technology in a local context;
- The coordination of capacity-building support beyond bodies established under the Convention could be cumbersome given the large number of bilateral and multilateral agencies and other entities involved in the delivery of capacity-building;
- Issues related to MRV of capacity-building support were extensively discussed under the SBI in the previous years and did not result in an agreed outcome;
- New reporting requirements under the Convention pose additional challenges to developing countries rendering the current arrangements insufficient;
- Various United Nations organizations and financial institutions have their capacity-building portfolios and approaches. However, there is no coordination mechanism in place to ensure coherence and adequate support for all countries;
- A possible way to ensure country-drivenness is to develop a national capacity-building strategy and/or action plan;
- There is a need to move from the current ad-hoc approach to capacity-building to a long-term, country-driven, predictable and sustainable one;

- There is a need to analyse the capacity-building work of existing institutions and explore possibilities to improve and strengthen this work before deciding on the need to establish a new institution;
- A potential expanded role of CTCN should be considered;
- The third comprehensive review of the implementation of the framework for capacity-building in developing countries under the COP and the CMP could be used, inter alia, to assess the work of existing bodies established under the Convention and its Kyoto Protocol;
- Existing institutions have specific mandates and it may not be prudent to give them additional mandates outside their core expertise;
- Examples of capacity-building support arrangements from other processes should be reviewed, such as the International Trade Centre established under the General Agreement on Tariffs and Trade;
- A new mechanism on capacity-building is required to govern, advise, coordinate, monitor and evaluate the delivery of capacity-building in a holistic manner.

*Observations:*

- A Group of Parties invited the proponents of provisions on enhancing the existing institutional arrangements to elaborate what this enhancement would specifically entail;
- A Group of Parties tabled a proposal for the establishment of a capacity-building committee under SBI 42;
- One Party proposed to establish a new institutional arrangement at this session and agree on its modalities at COP 21;
- The facilitator encouraged Parties to focus on specific functions to be undertaken by the proposed capacity-building mechanism and explore a time line for building capacity of developing countries for the implementation of the new agreement.

*Conceptual discussion on 9 June 2015:*

- Parties engaged in an exchange of views on whether and how existing institutional arrangements can be used to meet identified capacity-building needs and requirements of developing countries.

*Individual Parties expressed the following points of views:*

- Key functions of the proposed international capacity-building mechanism as contained in paragraph 140.1 of the Geneva Negotiating text, are already being implemented by existing institutions. Specifically the TEC supports planning processes through TNAs and TAPs, while the CTCN provides implementation support;
- Capacity-building needs are not limited to that for technology development and transfer and TNAs do not cover all the range of capacity needs of developing countries, such as the implementation of Article 6 of the Convention;
- The CTCN does not have a mandate to support developing countries in areas other than technology development and transfer and cannot provide its advice to other bodies established under the Convention and its Kyoto Protocol on capacity-building issues;
- Human skills development is a crucial component of capacity-building that cannot be addressed through the technology mechanism;
- The possibility could be explored to nominate the CTCN as an international capacity-building mechanism;
- A new mechanism on capacity-building is required to govern, advise, coordinate, monitor and evaluate the delivery of capacity-building in a holistic manner. Key functions of the proposed international capacity-building mechanism according to paragraph 140.1 of the Geneva Negotiating text are coordination, guidance and coherence;
- The mandates of the technology mechanism do not match the proposed mandate of an international capacity-building mechanism;
- The third comprehensive review of the implementation of the framework for capacity-building in developing countries under the COP and the CMP should be used, inter alia, to assess the work of existing bodies established under the Convention and its Kyoto Protocol and to analyse how it can be strengthened to meet the needs of developing countries;
- The role of the private sector in capacity-building as mentioned in Option 4 of paragraph 140 of the Geneva Negotiating text should be further explored and possibly included in an accompanying decision;

- The Durban Forum for in-depth discussion on capacity-building should play a key role in promoting a coordinated and holistic approach to capacity-building;
- There is a need for a paradigm shift in relation to the approach to capacity-building to make it holistic and scaled up.

*Observations:*

- In preparation for the August session, the following could be undertaken:
  - The proponents of enhancing existing institutional arrangements to explain what such enhancements would entail and how they would meet the needs of developing countries;
  - The secretariat to prepare a concise version of section H, keeping all proposals on the table;
  - The secretariat to identify models within the UN System that provide effective capacity-building;
  - A workshop immediately before the August session to be organized to brainstorm on how best to address identified gaps in the delivery of capacity-building;
  - The secretariat to prepare a cost estimate for the proposed new institutional arrangements;
  - The secretariat to prepare an overview of the work related to capacity-building undertaken by bodies established under the Convention and its Kyoto Protocol;
  - Parties to further reflect on what needs to be done before 2020 for developing countries to prepare for the implementation of the Agreement, taking into account paragraph 140.3 of the Geneva Negotiating text.

*General observations<sup>80</sup>:*

- One group of Parties commended the flexibility shown by Parties in combining options beyond consolidation and encouraged Parties to show the same flexibility in discussing other sections.
- Parties went through the whole section paragraph by paragraph and agreed that no further consolidation or streamlining possibilities could be identified.
- One Party considered that paragraph 140.2 could be further consolidated by its proponent.
- Parties discussed the structure of the section and agreed that it is clear and does not require restructuring.
- Parties also discussed which paragraphs could potentially be moved to an accompanying decision with a number of proposals made to that end (for example, paragraphs 135-137 and 139.1-140.3). However, many Parties found it premature to agree on potential decision material.

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<sup>80</sup> These observations relate to section H.