



SEAN-CC NEGOTIATION BRIEFING PAPER

Capacity building

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I. Introduction

Capacity building is a cross-cutting issue affecting every aspect of the ability to mitigate and adapt to climate change. Support for capacity building is an issue under the Convention as many developing countries do not have the capacity, knowledge, tools, scientific and technical expertise to carry out efforts to tackle climate change. Without an effective capacity building programme, adaptation and mitigation strategies and implementation in developing countries, as well as long term low-carbon development strategies and pathways in developing countries will suffer.

Capacity-building under the United Nations Framework Convention on Climate Change¹ and its Kyoto Protocol takes place at the individual level (i.e. educational, training and awareness raising activities), institutional level (i.e. developing and improving cooperation between organizations and sectors), and at the systemic level (i.e. creating policies and frameworks to construct enabling environments in which institutions and individuals operate.

As capacity building takes place across multiple scales and is a cross-cutting issue, there is inevitably no universal approach or formula. It is accepted that capacity building must be country-driven, addressing specific needs and circumstances, and take into account national sustainable development strategies, priorities and initiatives, as it will also influence the capacity of countries to fulfil other major environment agreements such as Agenda 21 – a voluntary action plan regarding sustainable development resulting from the UN Conference on Environment and Development (UNCED).

II. History of capacity building under the Convention

Provisions for capacity building under the Convention have been made as far back as the 2nd COP held in Geneva in 1996. Where decision 10/CP.2 highlighted the need for capacity building in order to prepare national inventory reports and integrate climate change into national development plans. Capacity building has featured as an issue in all Conference of the Parties (COPs) from this point onwards particularly as it relates to the transfer of environmentally sound technologies.

In 1999 under decision 10/CP.5, it was agreed that capacity building is critical to the effective participation of developing countries in the Convention and Kyoto Protocol processes; and that financial and technical support should be provided through its financial mechanism and through bilateral and multilateral agencies. It was underlined that it must be country-driven and primarily undertaken by developing countries; emphasized that it is a continuous strengthening of organisations, institutions, and human resources; and emphasised the importance of creating enabling environments for investment in capacity building in developing countries.

Other early decision relating to capacity building in early COPs
1995 COP1: 11/CP.1
1996 COP2: 10/CP.2, 11/CP.2
1997 COP3: 9/CP.3
1998 COP4: 2/CP.4, 4/CP.4, 5/CP.4, 6/CP.4, 7/CP.4, 12/CP.4 and 14/CP.4,

III. Capacity building under the Marrakesh Accords

The decision sets out the scope of capacity building, provides the basis for action for its implementation in a coordinated manner consistent with promoting sustainable development, and

¹ Henceforth referred to as the Convention or the UNFCCC

serves as guide for its operating entities and financial mechanisms to carry out capacity building activities. The Marrakesh Accords included several guiding principles; outlining that this process must be country-driven, address specific needs, reflecting national sustainable development strategies; in a continuous, progressive and iterative process.

Some of the key initial areas and needs that were identified under the Marrakesh Accords are summarised in the following sections. The full list of areas and needs are also listed in the annex of decision 2/CP.7 of UNFCCC document FCCC/CP/2001/13/Add.1.

It was also stated that Annex II Parties should: provide additional financial and technical resources to assist in the implementation of this framework; and give particular attention to the needs of least developed countries (LDCs) and small island developing States (SIDS). Progress is reviewed annually at the COP with support of the Secretariat by the Subsidiary Body for Implementation (SBI), to which the Global Environment Facility (GEF) also reports on its progress relating to implementing capacity building.

IV. Institutional Capacity Building

In 2001 under decision 2/CP.7 of the Marrakesh Accords, a framework for capacity building in developing countries was adopted to guide capacity building activities related to the implementation of the Convention and to effectively participate in its Kyoto Protocol. This framework still guides capacity building under the Convention and its Kyoto Protocol today.

Under the guiding principles of the Marrakesh Accords, it was recognised that existing national institutions have an important role to play in supporting capacity building activities by incorporating traditional skills, knowledge and practices; and that where possible and prudent capacity building should mobilize existing national, sub-regional and regional institutions and the private sector in developing countries, and build on existing processes and endogenous capacities. Moreover, the guiding principles state that national coordinating mechanisms, entities and focal points have an important role in ensuring coordination at country and regional level and may serve as the focal point for coordinating capacity-building activities.

Annex of decision 2/CP.7 of the Marrakesh Accords (UNFCCC document FCCC/CP/2001/13/Add.1) listed the initial needs and areas for capacity building, including institutional capacity building, and the strengthening or establishment, as appropriate, of national climate change secretariats or national focal points. The areas also included the enhancement and/or creation of an enabling environment; as well as national communications and national climate change programmes.

Under the six specific initial needs for LDCs and SIDS under the Marrakesh Accords, it was recognised there was a need for strengthening existing and, where needed, establishing national climate change secretariats or focal points to enable the effective implementation of the Convention and effective participation in the Kyoto Protocol process, including preparation of national communications.

In the latest meeting of the Durban Forum in June 2014, it was recognised only a few developing countries have established institutional arrangements for the formulation, coordination, and implementation of mitigation and adaptation related activities. Consequently the majority need to improve or create the institutions tasked with formulating long-term policy responses. This includes mainstreaming climate change issues into other sustainable development initiatives such as those

relating to Agenda 21. Additionally, further work is needed to ensure institutional arrangements allow engagement with the private sector, and presumably NGOs including research bodies. Examples of capacity constraints include the lack of national climate change policies and plans, greenhouse gas (GHG) inventory strategies, national adaptation plans or technology action plans (TAPs), nationally appropriate mitigation action (NAMA) plans and systems of meteorological observation, analytical tools and models.

One of the most cited reasons for this are human capacity constraints relating to knowledge of climate change issues and ability to formulate plans with some still depending heavily on external consultants. In order to remove such barriers adequate financial resources are required, while institutional and technical structures need to be enhanced. This includes collaboration between stakeholders including the limited capacity of financial institutions.

V. Research and observation, including climate services

Under the Marrakesh Accords, another of the initial needs areas was in developing Greenhouse gas inventories, emission database management, and systems for collecting, managing and utilizing activity data and emission factors. For example, in 2013, 40 GHG inventory experts from 29 non-Annex I Parties from the Asia-pacific region attended a UNFCCC training workshop in the Philippines on the use of the NAIS software (non-Annex I GHG inventory software). This was the only activity of its type in 2013 under the category of 'GHG inventories' in the Capacity Building Portal (unfccc.int/capacitybuilding). The hands-on workshop enabled them to prepare their national GHG inventories. The NAIS software is available here: http://unfccc.int/national_reports/non-annex_i_national_communications/non-annex_i_inventory_software/items/7627.php

Under the initial needs areas under the Marrakesh Accords (UNFCCC document FCCC/CP/2001/13/Add.1), it was recognised that there is a need for research and systematic observation, including meteorological, hydrological and climatological services. Under the six initial specific needs and priority areas for capacity building in LDCs and SIDS, one of the priority areas was strengthening the capacity of meteorological and hydrological services to collect, analyse, interpret and disseminate weather and climate information to support implementation of national adaptation programmes of action. For example, UNDP and the Global Environment Facility (GEF) have been working to strengthen the early warning systems in several countries to strengthen the response to climate shocks.

VI. Training and technical expertise

Under the fifteen initial needs and areas for capacity building in developing countries, which are still used as the basis for its understanding under the Convention and its Kyoto Protocol to this day, areas 6, 7 and 8 refer to assessment and implementation needs. These areas, listed in the annex of decision 2/CP.7 of UNFCCC document FCCC/CP/2001/13/Add.1 in the Marrakesh Accords, refer to the vulnerability and adaptation assessment; capacity building for implementation of adaptation measures; and assessment for implementation of mitigation options.

Under the six initial specific needs and priority areas for capacity building in LDCs and SIDS in the Marrakesh Accords, areas 2, 3, and 4 referred to the need for developing an integrated implementation programme which takes into account the role of research and training in capacity

building; developing and enhancing technical capacities and skills to carry out and effectively integrate vulnerability and adaptation assessments into sustainable development programmes and develop national adaptation programmes of action; strengthening existing and, where needed, establishing national research and training institutions in order to ensure the sustainability of the capacity-building programmes.

VII. Participation in international negotiations

Under the Marrakesh Accords (UNFCCC document FCCC/CP/2001/13/Add.1) another listed need was for improved decision-making, including assistance for participation in international negotiations. For example, in 2013 in Tajikistan the United Nations Institute for Training and Research (UNITAR) facilitated two national capacity development and policy workshops on climate change and the UNFCCC, as well as support to the Government of Tajikistan to participate in 2013 climate change meetings and related formal submissions. This is one of only three such activities under this category that took place in 2013, in the Capacity Building portal (unfccc.int/capacitybuilding).

VIII. Education and public awareness (Article 6)

Article 6 of the Convention refers to “*development and implementation of educational and public awareness programmes on climate change and its effects*”, including public access to information on climate change and its effects; public participation, and training of scientific, technical and managerial personnel. The New Delhi work programme on Article 6 of the Convention (decision 11/CP.8) was a five-year country-driven work programme from 2002-2007 engaging all stakeholders in the implementation of Article 6 commitments. Education, training and public awareness was also identified as an initial need and area under the Marrakesh Accords.

The climate information network clearing house ‘CC:iNet’ serves as an information platform in support of the implementation of Article 6 of the Convention and its implementation. The platform can be found at: http://unfccc.int/cc_inet/cc_inet/items/3514.php. The CC:iNet platform was designed to help governments, organizations and individuals gain access to ideas and materials to motivate people to act on climate change.

The 1st Dialogue on Article 6 of the Convention was held during the SBI 38 in Bonn in June 2013. Representatives of Parties and intergovernmental and non-governmental organizations shared experiences and exchanged ideas, good practices and lessons learned regarding climate change education and training. During SBI 40 in Bonn in June 2014, the 2nd Dialogue on Article 6 of the Convention was convened. At SBI 41 in Lima, the SBI will be invited to take note of the summary report on the 2nd Dialogue on Article 6 of the Convention. Thus so far, two dialogues have occurred on Article 6 but implementation of concrete has not occurred.

IX. Development and transfer of technology

Under the Marrakesh Accords (UNFCCC document FCCC/CP/2001/13/Add.1) one of the listed need areas was for the development and transfer of technology.

In the latest meeting of the Durban Forum, the Subsidiary Body for Scientific and Technological Advice, reported findings from a study synthesizing the information contained in the technology needs assessment (TNA) reports of 31 developing country Parties. Key findings include the

development of national TAPs (Technology Action Plans) following the TNAs conducted by Parties which are instrumental in providing recommendations for enabling frameworks identified by Parties to facilitate the diffusion of prioritized technologies. Parties have drawn attention to specific barriers to, and enabling factors for, technology transfer. Training is among the measures suggested to address endogenous institutional, systemic, scientific and technical barriers. Policymakers, representatives of financing institutions and technology users and operators, including at the community level, request specific training to acquire or enhance technical knowledge and skills to promote and implement mitigation and adaptation projects. The establishment of information and awareness programmes to promote the use of specific technologies was also mentioned as an enabling factor for technology transfer.

X. South-South cooperation

South-South cooperation is a recurring concept under the UNFCCC regarding capacity building. Its importance can be seen through three key areas: the Marrakesh Accords, the Cancun Agreements, and the Kyoto Protocol and its CDM. Under the Marrakesh accords, the idea of South-South cooperation appears under two decisions, decision 2/CP.7 which deals with capacity building in developing countries; and decision 4/CP.7 which deals with the development and transfer of technology. Decision 2/CP.7 stated that in implementing the capacity building framework, developing countries should utilise their institutions which can support capacity building wherever possible and effective. It also called for developing country parties to facilitate the sharing of capacity building related activities to improve South-South cooperation and coordination. Under decision 4/CP.7, South-South cooperation and collaboration was cited as a way to strengthen the capacities of existing national and regional institutions relevant to the transfer of environmentally sound technology.

Under the Cancun agreements South-South cooperation was encouraged to strengthen endogenous capacities at the subnational, national, and regional levels via the strengthening of networks for the generation, sharing and management of information and knowledge under decisions 1/CP.16. This decision also decided that the Climate Technology Centre should aid South-South cooperation in order to encourage the development of existing and emerging environmentally sound technologies, and establishing twinning centre arrangements to promote partnerships to encourage cooperative research and development. Under the Kyoto Protocol, there is also a call for South-South cooperation to further the implementation of the capacity building framework under decision 15/CMP.7 through strengthened networking and information sharing. Regarding the CDM, South-South cooperation is also invited through decision 1/CMP.2 which calls for non-Annex 1 parties to share experiences in identifying and developing CDM activities.

South-South cooperation can only occur once sufficient capacity building exists amongst some relevant countries and funding exists to allow cooperation to occur. A discussion point which has not been raised is the extent to which South-South cooperation activities across adaptation, mitigation, technology, and climate finance should be funded under the UNFCCC or related bodies such as the CTCN or GCF.

XI. Overview of latest Durban Forum

The Durban Forum on capacity building is an annual in-session event, established in 2011 by decision 2/CP.17 at COP-17 in Durban, South Africa. This decision also encouraged relevant bodies established under the Convention, such as the Consultative Group of Experts on National Communications from Parties not included in Annex I to the Convention, the Least Developed Countries Expert Group and the Global Environment Facility, to continue to elaborate and carry out work on capacity-building in an integrated manner, as appropriate, within their respective mandates. Decision 1/CP.16 of COP-16 (2010), Cancun, Mexico, had affirmed that capacity building is essential to enable developing country Parties to participate and implement their commitments; and that the goal is to enhance the capacity in mitigation, adaptation, technology development and transfer, and access to financial resources. It also decided that developed countries should improve efforts to improve capacity building in developing countries and report on the provisions provided.

The forum was needed to bring information on capacity building under one single forum to encourage progress and ensure information is readily available. A forum was required due to its cross cutting nature across mitigation, adaptation, technology transfer, and access to finance resources. The forum was designed as a place where representatives from Parties, UN organizations, intergovernmental and non-governmental organizations, research, academia and the private sector can share ideas, experiences, lessons learned and good practices on implementing capacity-building activities in developing countries.

However, so far the reality of the Durban Forum has been a 'talking shop', where organisations come to say what they have done. Little progress has made in specific areas such as the Green Climate Fund (GCF), National Adaptation Plans (NAPs), Nationally Appropriate Mitigation Actions (NAMAs), and Technology Action Plans (TAPs).

There are growing signs of frustration from stakeholders regarding the lack of progress the Durban Forum makes to the extent that some feel it needs to be disbanded as part of an upgrade in capacity building efforts. If support for capacity building is to be increased, then an approach different to the Durban Forum may be required. The G-77/China group have proposed a capacity building committee; however, the proposal has not yet been clearly developed. Other groups have proposed the establishment of co-ordinating body to help implement the Marrakech Framework for Capacity Building. It would also be the central body that could co-ordinate, streamline, and integrate capacity building initiatives under the broad areas of adaptation and mitigation across UNFCCC structures and institutions.

The 3rd meeting of the Durban Forum took place in Bonn, Germany, on 12-13 June 2014 during the 40th session of the SBI. Four documents were presented at the 3rd meeting to facilitate discussion. The first was a synthesis report on the implementation of the framework for capacity building in developing countries. The second was an addendum to this report containing a list of capacity building activities undertaken by UN organisations and other institutions. The third was a synthesis report on capacity building work undertaken by bodies established under the Convention and its Kyoto Protocol. The fourth was a compilation of the views submitted by parties on specific issues to be considered at the 3rd meeting of the Durban Forum along with information regarding activities undertaken to implement the framework for capacity building in developing countries.

The majority of national communications submitted by non-Annex I Parties contain information on constraints to building capacity at the institutional, systemic and individual levels. Inadequate or obsolete institutional arrangements and lack of technical expertise are identified as key obstacles to climate change action requiring urgent attention by the international donor community. It was reported that support provided by developed country Parties has been targeted to enhance institutional, systemic and individual capacity at the global, regional, sub-regional, national and local levels. Developed country Parties underline the importance of existing reporting channels, such as national communications, biennial update reports and submissions, for collecting, exchanging and sharing information, and for guiding capacity-building efforts.

The 3rd meeting of the Durban Forum did not yield any concrete outputs such as decisions. Instead the discussions merely reiterated the rhetoric which surrounds capacity building which itself has been said many times previously. The lack of substantive discussion and progression lead to a call for a mechanism to improve results. In Warsaw, G-77/China called on developed countries to radically upgrade capacity building efforts taking into account new requirements coming onto developing country for a) readiness and capacity to access GCF funding, b) develop NAMA's, and c) work effectively with the new technology institutions.

XII. Looking ahead

Ways forward under current decisions and utilization of existing means

Currently it is clear that capacity constraints exist across all issues and policy arenas to which capacity building is related. It is also yet to be seen how major UNFCCC structures will coordinate efforts and ensure that capacity building activities are not piecemeal, and are aligned with developing countries' plans towards a low-carbon and sustainable development. For instance, how will the GCF collaborate with other institutions in ensure countries have the capacity to access funding, including the involvement of the private sector. Another issue is how to maximise synergies between the Convention and other global environmental agreements such as Agenda 21.

The extent to which the capacity building framework outlined under the Marrakesh Accords has been integrated in operating mechanisms is not yet known. A third comprehensive review of the implementation of the framework for capacity-building in developing countries will be initiated at the Bonn Climate Change Conference in 2015, with a view to completing it by the end of 2016.

Key emerging areas for discussion have been the need for a readiness programme under Green Climate Fund (GCF), which is now being implemented. Also under discussion are the important specific needs for capacity building for NAMAs, NAPAs and Technology Action Plans (TAPs).

Future agreements and links with the Lima CoP

There is growing belief that capacity building should be viewed with paramount importance and that it is a vital component of means of implementation (MOI). Additionally, calls for adequate and predictable support for capacity building should receive equal importance as the finance and technology aspects of the agreement since the capacity to plan and act are integral to adaptation, mitigation, and sustainable development. The MOI need to be regarded collectively so that they can work together in a coordinated and organised manner so that none are restricted or restrict the other.

In March 2014, the report by the co-chairs of the Ad Hoc Working Group on the Durban Platform for Enhanced Action² stated that there has been progress in the elaboration of the content of the 2015 agreement in terms of arriving at a draft negotiating text for COP-20, Lima, Peru. Capacity building features generally as a cross-cutting issue such as in the sections and discussions on mitigation potential of renewable energy and energy efficiency improvements, new institutional arrangements for adaptation in relation to a registry to record NAPs, and in the section on finance, technology and capacity-building.

Capacity building was said to feature prominently as a separate chapter in the 2015 agreement as well as being mainstreamed in all aspects of the 2015 agreement. In the report³, it was noted that key to the 2015 agreement is *“clear, predictable, effective, demand-driven, sustainable and long-term support for capacity-building, responding to national needs and fostering country ownership”*. Support for capacity building should follow a gender-sensitive approach; identify, design and implement adaptation and mitigation actions; and enable domestic development and absorption of technologies. It was highlighted that there is a need for public awareness and education, strengthening of domestic institutions and creation of enabling environments to support Parties in taking effective climate action. Additionally, there is a need to build capacity at the national, subnational and local levels, create multiplier effects and engage the private sector and other stakeholders.

Parties have also called for clear and predictable targets and outcomes; with specific and quantified commitments by Annex II Parties to provide adequate, predictable and sustainable financing for capacity-building through a dedicated window under the GCF⁴. In terms of institutional arrangements, cooperation and coordination, there is to be the establishment of an international capacity building mechanism, linked to technology and adaptation institutions, funded by the GCF. It was also proposed that a capacity building committee, with clearly defined relationships to other bodies established under the Convention, to be made operational well before 2020. This is to ensure that a lack of capacity does not become a barrier to implementing the 2015 agreement. Finally, it was stated that capacity building support to be built on, and enhance, existing arrangements and bodies established under the Convention to intensify their work relating to capacity-building, and for there to be clearly defined arrangements for capacity-building and their linkages to other bodies and institutions under the Convention.

²<http://unfccc.int/resource/docs/2014/adp2/eng/3infnot.pdf>

³<http://unfccc.int/resource/docs/2014/adp2/eng/3infnot.pdf>

⁴<http://unfccc.int/resource/docs/2014/adp2/eng/3infnot.pdf>