
Executive Summary

Introduction

The Global Environment Facility (GEF) is pleased to submit this proposal to host the Climate Technology Centre (CTC) for consideration by the Secretariat of the United Nations Framework Convention on Climate Change (UNFCCC). The GEF submission is in response to the Call for Proposal 2012-S1.

Established in 1991, the GEF is a partnership-based organization with 182 member governments, civil society organizations, the GEF Agencies¹, and the private sector to improve the global environment. Across all focal areas, the GEF has allocated US\$10 billion, supplemented by more than \$47 billion in co-financing, for 2,800 projects in 168 developing countries and countries with economies in transition.

This proposal builds on the role of the GEF as an operating entity of the financial mechanism of the UNFCCC. Development and transfer of low-carbon, climate resilient technologies is a core theme of the GEF climate change programs. The GEF has continuously evolved its strategy to support climate technology transfer to improve effectiveness in response to Conference of the Parties (COP) guidance, changing needs, and funding levels. To date, the GEF has supported approximately 500 projects with over \$2.6 billion to promote climate change mitigation technologies. The GEF has also supported climate change adaptation technology transfer with nearly \$190 million from the Least Developed Country Fund (LDCF) and Special Climate Change Fund (SCCF). GEF mitigation and adaptation technologies transcend the topics of energy including bioenergy, water, soil and forest management, and infrastructure.

GEF's Technical Capabilities

The GEF proposal features a number of unique technical, financial, and organizational capabilities, including:

- ✓ The GEF has a track record of financial and technical accountability, and responsiveness to COP guidance. A notable example is the Poznan Strategic Program for Technology Transfer.
- ✓ GEF governance agility includes responsiveness to more than 170 COP decisions to date.
- ✓ GEF strategy to support Climate Technology Centres and Network (CTCN) has already been approved by the GEF Council as part of the Long-Term Program under the Poznan Strategic Program.
- ✓ The GEF has set-aside financial resources to support CTCN activities during the GEF-5 replenishment period (2010–2014) totaling \$42 million from the GEF Trust Fund. SCCF and LDCF financing may also be available for adaptation-related technology transfer.
- ✓ The GEF has an exceptional track record for leveraging of additional resources as co-financing.
- ✓ The GEF has extensive experience in facilitating investments targeting the private sector, a key player for technology transfer.
- ✓ The GEF can work with different governance structures. It is currently accountable to three governing bodies: the GEF Council, Adaptation Fund Board, and LDCF/SCCF Council.
- ✓ The GEF Secretariat and its personnel have a wealth of experience in leading global and regional coordination efforts and implementing technology transfer initiatives.
- ✓ GEF's decentralized decision-making structure enables the Secretariat to process a high volume of technical and policy-relevant requests in short time.

¹ The ten GEF Agencies are: the African Development Bank; Asian Development Bank; European Bank for Reconstruction and Development; Inter-American Development Bank; International Fund for Agricultural Development; United Nations Development Programme; United Nations Environment Programme; United Nations Food and Agriculture Organization; United Nations Industrial Development Organization; and the World Bank.

- ✓ GEF operations demonstrate a high degree of national ownership through the bottom-up approach, while also addressing regional and global priorities.
- ✓ The GEF has excellent experience blending technology projects with capacity building. The GEF has supported enabling activities that address technology transfer, including the Technology Needs Assessments and the National Adaptation Programs of Action.
- ✓ The GEF, as an institution, is transparent, independent and neutral.
- ✓ The GEF has minimum fiduciary standards, environmental and social safeguards, and a gender mainstreaming policy that all GEF Agencies must meet, derived from global best practices. All GEF Agencies follow internationally accepted procurement processes. The GEF Secretariat itself follows the procurement practices of the World Bank with fair and open international tendering.
- ✓ GEF structure features the Scientific and Technical Advisory Panel (STAP) and GEF Evaluation Office, both offering independent advice and assessments on GEF programming.
- ✓ The GEF has spawned and nurtured multiple technology centres and networks over past two decades.

No single Agency or institution can offer a complete set of expertise needed to address all the different aspects of technology development and transfer. The host institution needs to engage and coordinate activities among different institutions and Agencies in the areas of their comparative advantages and minimize conflicts of interest. GEF's working model in coordinating and supporting a wide range of institutions offers a concrete platform for a successful CTCN. If selected to host the CTCN, the GEF is ready to nurture and coordinate a wide array of institutions in an efficient, effective, and neutral manner. The GEF also seeks to balance mitigation and adaptation technologies.

Proposed CTCN Structure

The GEF proposes a streamlined CTCN organizational structure including global, regional, and national components, as illustrated in Figure 1:

1. **Global:** The GEF Secretariat proposes to host the coordination functions of the CTCN and the Global Centre.² A small, agile secretariat is envisaged, composed of a core staff with cross-support from GEF personnel and secondments as appropriate. An emphasis will be placed on facilitating South-South cooperation. The global host will also provide the necessary functions to support the Advisory Board and work closely with Nationally Designated Entities (NDEs) to be responsive to requests.
2. **Regional:** Four Regional CTCNs will be supported with GEF financing for mitigation and adaptation. Regional CTCNs will be implemented by one or more GEF Agencies to support functions in paragraph 123 of the COP 16 decision at the regional level. The networks will engage institutions that represent relevant sectors and geographical areas, based on a demand-driven approach. Regional CTCNs will also establish linkages with other bi/multi/private sector initiatives that facilitate technology transfer to address requests that are better suited to be handled outside the CTCN organizational structure.
3. **National:** Countries that wish to establish a National CTCN are invited to do so by utilizing existing GEF national allocations. The functions of National CTCNs will be determined based on country needs. Linkages with Regional CTCNs will be established, as well as cooperation with other (non-GEF) national level initiatives that support technology transfer. Proposals from GEF Agencies and GEF Project Agencies (direct access mode) will be considered.
4. **Other networks and projects:** The GEF via its partners is linked to many, if not all, technology networks worldwide. The GEF has been sponsoring and facilitating networks for two decades, and

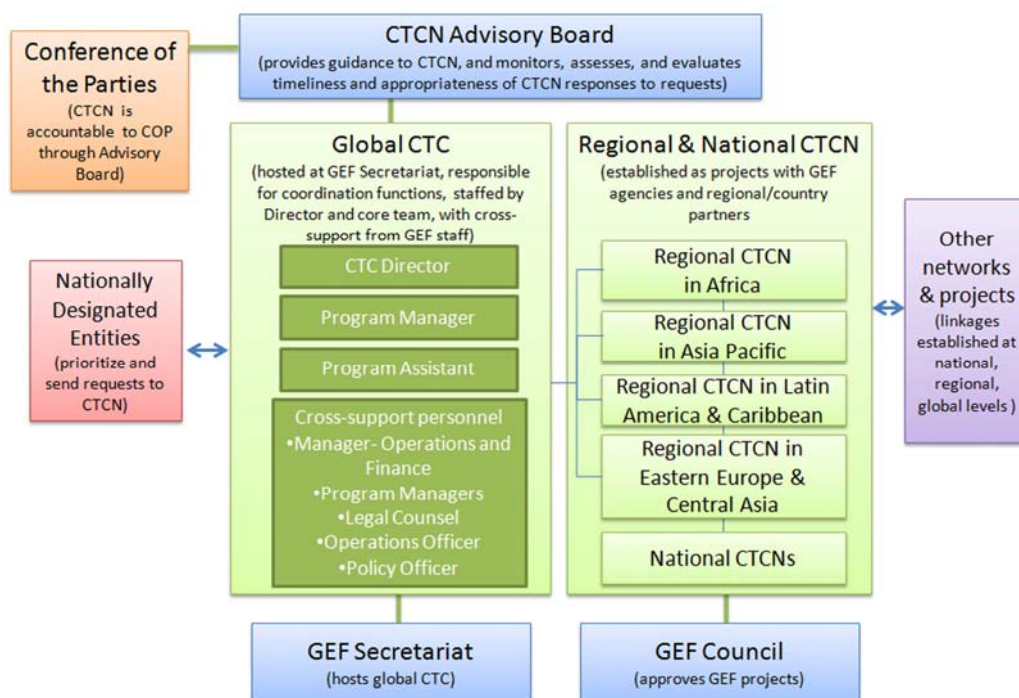
² The CTC is articulated as the Global Centre in the GEF proposal.

the engagement of these networks will be explored to address requests from Parties. Furthermore, requests from Parties may generate concrete technology transfer project proposals for consideration for financing by the GEF and other institutions. Close linkage between the CTCN and the GEF national focal points and Agencies will facilitate investments for technology transfer beyond the CTCN core functions.

Governance arrangements for the CTCN are expected to be clarified by COP 18. The engagement of the following entity/entities is envisaged:

- **CTCN Advisory Board:** The CTCN will be accountable to—and under the guidance of—the COP through an Advisory Board. The GEF, if need be and if approved by GEF Council, will be in a position to accommodate an alternative governance arrangement.
- **Host governing body:** The GEF Council is the governing body of the GEF and has the responsibility to approve GEF projects. The GEF CEO and Chairperson is responsible for the management of the Secretariat. If Parties decide to establish a CTCN Advisory Board that is different from the GEF Council, then a Memorandum of Understanding will be signed by the two bodies to define the responsibilities of each institution.

Figure 1. Proposed CTCN organizational structure



CTCN Management Plan

As host for the CTC, the GEF Secretariat will establish and manage the key CTCN functions as follows:

- **CTCN location:** The Global Centre and the coordination functions of the CTCN will be hosted within the GEF Secretariat premises in Washington, DC. The Regional CTCNs will be located in: Africa; Asia and the Pacific; Eastern Europe and Central Asia; and Latin America and the Caribbean. For example, the Pilot Asia-Pacific Climate Technology Network and Finance Centre project, implemented by ADB

and UNEP, puts the centre in the Philippines with a network hub in Thailand. The National CTCNs, which will be GEF projects presented by various GEF Agencies and approved by the GEF Council, will be located in their respective countries. They will follow guidance and requirements established by the CTCN Advisory Board. Operations, including requirements for monitoring, budgetary management, and reporting, will also be expected to comply with standard GEF practice and requirements. STAP and the GEF NGO Network will offer access to scientific and research communities and facilitate civil society engagement.

- Operational and infrastructure support: The GEF Secretariat will provide the necessary operational and infrastructure support, including office space, information technology, and other technical and operational needs of the Global Centre. At the Regional and National level, the responsible GEF Agency provides such support, described and approved in individual project documents.
- Global Centre staffing: The Global Centre will be managed by a Director, who would be recruited as soon as possible. The Director will be approved by and be accountable to the GEF as the host governing body so that the CTCN is efficient and effective in carrying out its functions. The Director will manage a small core dedicated team of staff recruited for the CTCN, cross-support personnel from the GEF Secretariat, and/or secondments as appropriate. Regional and National CTCNs will be managed according to the agreed administrative arrangements proposed by each Agency/country. Cross-support will also be provided by the GEF Evaluation Office when needed for starting up monitoring and evaluation arrangements.
- Outsourced activities: Some activities may be outsourced to partners, expert advisors, or consultants. These include development and management of a system to monitor requests submitted to the CTCN, and database management for mapping the institutional and human knowledge capacities within the network.

The GEF proposal includes a comprehensive approach for receiving and responding to requests from NDEs. Using its deep contacts with national focal points, the CTCN will ensure that requests are aligned with national priorities and assigned for response to the Global, Regional and National CTCN components. Networking, leveraging, and liaising with other initiatives and outside partners to reduce delays and duplication will be a hallmark of this approach.

Proposed Budget

The GEF proposal presents a confirmed budget of **\$50 million** through June 2014. This includes \$2 million for the Global Centre and coordination from the GEF Trust Fund set-aside and \$48 million for the four Regional CTCNs (\$40 million from the GEF Trust Fund set-aside and \$8 million from SCCF/LDCF). This use of the GEF Trust Fund set-aside is Council-approved for the GEF-5 period (through June 2014). National CTCNs are to be financed with GEF resources allocated to the countries. Should the GEF be selected to host, a line item on continued support for CTCN hosting functions will be presented to donor discussions in future GEF replenishment discussions.

Conclusion

The GEF proposal offers a comprehensive, tested organizational approach and confirmed financing. Streamlined integration of Global, Regional, and National components will ensure timely and cost-effective response to requests and facilitate investment in technology transfer projects. The GEF has well-established and effective governance, including safeguards, with a proven track record of responsiveness to COP guidance. These unique technical, financial, and organizational capabilities ensure that the GEF can stand-up the CTCN and begin operations immediately upon approval by the COP. If selected, the GEF will be pleased to serve as the host and support the CTCN.