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Development and transfer of technologies

SUBSIDIARY BODY FOR IMPLEMENTATION

Twenty-ninth session

Poznan, 1–10 December 2008

Item 7 of the provisional agenda

Development and transfer of technologies

Report of the Expert Group on Technology Transfer for 2008

Note by the Chair of the Expert Group on Technology Transfer

Summary

The terms of reference of the Expert Group on Technology Transfer (EGTT), contained in decision 3/CP.13, annex II, specify that the EGTT shall provide a report at each session of the subsidiary bodies with a view to seeking guidance for further actions. This note reports on the intersessional activities of the EGTT for 2008. It covers the outcomes of its second special meeting held in Accra, Ghana, from 28 to 29 August 2008 and its second regular meeting held in Dublin, Ireland, from 21 to 23 October 2008.

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I. Introduction

A. Mandate

1. The Conference of the Parties (COP), by its decision 3/CP.13, agreed to reconstitute the Expert Group on Technology Transfer (EGTT) for a further five years, with the objective of enhancing the implementation of Article 4, paragraph 5, of the Convention and advancing the development and transfer of technologies under the Convention. The terms of reference of the EGTT, contained in annex II to decision 3/CP.13, specify that the EGTT shall provide a report at each session of the subsidiary bodies with a view to seeking guidance for further actions.

B. Scope of the note

2. This note reports on the intersessional activities of the EGTT in 2008. It covers the outcomes of its second special meeting held in Accra, Ghana, from 28 to 29 August 2008 and its second regular meeting held in Dublin, Ireland, from 21 to 23 October 2008.

C. Possible action by the Subsidiary Body for Implementation and the Subsidiary Body for Scientific and Technological Advice

3. The Subsidiary Body for Implementation (SBI) and the Subsidiary Body for Scientific and Technological Advice (SBSTA) may wish to take note of the information in this document, consider the recommendations of the EGTT and determine what further actions are needed to advance technology transfer activities under the Convention. Parties may wish to provide views on activities completed by the EGTT in the intersessional period.

II. Implementation of the rolling programme of work of the Expert Group on Technology Transfer for 2008–2009

4. The SBI and the SBSTA at their twenty-eighth sessions, endorsed the rolling programme of work of the EGTT for 2008–2009.^{1,2}

5. The EGTT wishes to express its appreciation for the financial contributions provided by Parties, which have enabled it to initiate and advance the implementation of its programme of work for 2008–2009.

A. Responses to decisions 3/CP.13 and 4/CP.13

6. The EGTT, by decisions 3/CP.13 and 4/CP.13, is requested to:

- (a) Develop a set of performance indicators that could be used by the SBI to regularly monitor and evaluate the effectiveness of the implementation of the technology transfer framework, complemented with the set of actions set out in annex I to decision 3/CP.13, and taking into consideration the related work under the Convention and other relevant bodies;
- (b) Identify and analyse existing and potential new financing resources and relevant vehicles in supporting the development, deployment, diffusion and transfer of environmentally sound technologies in developing countries and based on the identification and analysis, assess gaps and barriers to the use of, and access to, these financing resources;

¹ FCCC/SB/2008/INF.1, annex I.

² FCCC/SBI/2008/8, paragraph 60 and FCCC/SBSTA/2008/6, paragraph 81.

- (c) Develop the terms of reference for elaborating a strategy paper, including sectoral approaches, which could draw on the work undertaken by Parties in processes under the Convention and outside the Convention as well as the results of work undertaken by other international organizations and forums. The strategy paper will be considered by the subsidiary bodies at their thirtieth sessions.

7. These activities are reflected in the programme of work of the EGTT for 2008–2009.

1. Developing performance indicators to monitor and evaluate the effectiveness of the implementation of the technology transfer framework

8. The SBSTA, at its twenty-eighth session, endorsed the terms of reference for the EGTT for its work on performance indicators.^{3,4} Its work on this matter is divided into three tasks covering the period up to the fifteenth session of the COP:

- Task A: Develop a set of candidate performance indicators;
- Task B: Test the set of performance indicators;
- Task C: Prepare recommendations for using the indicators.

9. At its second special meeting, the EGTT discussed a background paper on performance indicators, which described the approach for conducting this work and experiences and lessons learned from developing performance indicators within and outside the Convention, and agreed on the approach for conducting this work. Members highlighted the possible input of this work to the discussions under the Ad Hoc Working Group on Long-term Cooperative Action under the Convention (AWG-LCA), in particular on the issue of measurable, reportable and verifiable mitigation actions related to technology, as contained in the Bali Action Plan.⁵ Members highlighted the resource implications of setting up and maintaining a monitoring and evaluation system under the Convention and suggested limiting the number of indicators and using existing indicators and data sources as much as possible. In addition, members suggested that possible indicators could reflect the speed and scale of technology flow, which could be reflected by proxy indicators such as financial flows.

10. At its second regular meeting, the EGTT discussed its draft interim report prepared for the twenty-ninth sessions of the SBI and the SBSTA.⁶ The interim report describes the approach in conducting its work on performance indicators and contains a draft set of candidate performance indicators to monitor and evaluate the effectiveness of the implementation of the technology transfer framework.

2. Identifying, analysing and assessing existing and potential new financing resources and relevant vehicles in supporting the development, deployment, diffusion and transfer of environmentally sound technologies

11. The SBSTA, at its twenty-eighth session, endorsed the terms of reference for the EGTT for identifying, analysing and assessing existing and potential new financing resources and relevant vehicles in supporting the development, deployment, diffusion and transfer of environmentally sound

³ FCCC/SBSTA/2008/INF.2, annex I.

⁴ FCCC/SBSTA/2008/6, paragraph 82.

⁵ Decision 1/CP.13, paragraph 1 (b) (ii).

⁶ FCCC/SB/2008/INF.6.

technologies in developing countries.^{7,8} This work comprises three tasks covering the period up to the thirtieth sessions of the subsidiary bodies:

- Task 1: Identify and analyse existing and potential new financing sources and relevant vehicles in supporting the development, deployment, diffusion and transfer of technologies for mitigation and adaptation in developing countries;
- Task 2: Assess gaps in and barriers to the use of, and access to, these financing resources;
- Task 3: Prepare recommendations on future financing options and risk mitigation tools necessary for enhancing the implementation of the Convention with regard to the technology transfer framework.

12. At its second special meeting, the EGTT discussed background papers related to tasks 1 and 2, the overall methodology for conducting this work and the preliminary results for these tasks. Members discussed the need to concentrate on tasks 2 and 3, as the outcomes of these tasks could provide possible input to the discussions on technology and financing under the AWG-LCA. Some members highlighted the need to expand the analysis of this work beyond the quantitative aspects (i.e. to include qualitative aspects such as policy incentives and leveraging), focus on the areas that need to be financed and determine which financial resources under the Convention could be influenced.

13. At its second regular meeting, the EGTT discussed the draft interim report prepared for the twenty-ninth sessions of the SBI and the SBSTA.⁹ The interim report describes the methodological approach and interim results of this work, in particular regarding tasks 1 and 2.

3. Developing a strategy paper for the long-term perspective beyond 2012, including sectoral approaches, to facilitate the development, deployment, diffusion and transfer of technologies under the Convention

14. At its first regular meeting, the EGTT discussed and agreed on the terms of reference for conducting this work. This work is structured around four tasks covering the period up to the thirtieth sessions of the subsidiary bodies:

- Task I: Identify and assess effective means and ways that could scale up the diffusion and transfer of existing technologies for mitigation and adaptation;
- Task II: Identify and assess effective means and ways that could accelerate the deployment and demonstration of mitigation and adaptation technologies;
- Task III: Identify and assess ways and means that could greatly enhance investments in research, development and demonstration of innovative technologies;
- Task IV: Prepare a consolidated strategy for the development and transfer of technologies and make recommendations for its implementation.

15. At its second special meeting, the EGTT discussed the overall methodology and the draft outlines of the three background papers related to tasks I, II and III. Members highlighted the fact that the outcomes of this work could enhance the discussion on the development and transfer of technologies

⁷ FCCC/SBSTA/2008/INF.2, annex II.

⁸ FCCC/SBSTA/2008/6, paragraph 83.

⁹ FCCC/SB/2008/INF.7.

under the AWG-LCA. In this context, members stressed the need to focus on specific proposals and how the different elements, or functions, of these proposals could be used under the Convention. Members also referred to experiences and lessons learned from mechanisms and tools outside the Convention and how these might work under the Convention.

16. At its second regular meeting, the EGTT discussed the draft interim report prepared for the twenty-ninth sessions of the SBI and the SBSTA.¹⁰ The interim report describes the methodological approach and interim results of the first three tasks.

B. Technology needs assessments

17. The COP, at its thirteenth session, requested the secretariat to update the United Nations Development Programme (UNDP) handbook *Conducting Technology Needs Assessments for Climate Change*,¹¹ in collaboration with the EGTT, UNDP, United Nations Environment Programme (UNEP) and the Climate Technology Initiative (CTI), taking into account the terms of reference to be prepared by the EGTT, with a view to finalizing a new version of the handbook by the first quarter of 2009. This activity is included in the programme of work of the EGTT for 2008–2009.

18. At the first special meeting of the EGTT, the UNDP agreed to take the lead and coordinate the work of updating the handbook, in close collaboration with the EGTT, the UNFCCC secretariat, UNEP and the CTI. At its first regular meeting, the EGTT discussed and agreed to the terms of reference for updating the handbook. At its second regular meeting, the representative of the UNDP informed the EGTT of its progress in updating the handbook and the timeline for finalizing it. The EGTT noted that the UNDP plans to make the updated handbook available by early 2009.

C. Innovative options for financing the development and transfer of technologies

19. The COP, at its thirteenth session, requested the secretariat to coordinate a regional training programme on project preparation, to be initiated by a training of trainers programme in the second half of 2008 and followed by regional training workshops in 2008 and 2009, with the participation of, inter alia, the United Nations Industrial Development Organization (UNIDO), the United Nations Institute for Training and Research (UNITAR), UNEP, UNDP, CTI and the Renewable Energy and Energy Efficiency Partnership, and build on available methods, tools and experiences from other relevant international organizations.

20. In response to this request, the secretariat, with the support of the EGTT, and in collaboration with UNIDO and CTI, organized a training of trainers workshop on preparing technology transfer projects for financing from 29 September to 1 October 2008 in Vienna, Austria.¹² The workshop was attended by 25 participants, representing: UNIDO–UNEP National Cleaner Production Centres; UNITAR Climate Change Programme partners; the CTI–Private Financing Advisory Network (CTI–PFAN); and network partners of the technology information clearing house (TT:CLEAR).

21. The workshop aimed to enhance the capacity of project developers in developing countries to prepare technology transfer project proposals that will meet the standards of international financial providers. More specifically, the workshop aimed to support efforts to implement the results of technology needs assessments, with a view to scaling up the level of investment for technology transfer to help developing countries address their need for environmentally sound technologies. Participants were trained in preparing project proposals for financing, in particular project proposals related to

¹⁰ FCCC/SB/2008/INF.8.

¹¹ Gross R, Dougherty W and Kumarsingh K. 2004. *Conducting Technology Needs Assessments for Climate Change*. Available at: <<http://unfccc.int/ttclear/jsp/TNAHandbook.jsp>>.

¹² <<http://unfccc.int/ttclear/jsp/TrnDetails.jsp?EN=TrainingTrainer>>.

environmentally sound technologies to mitigate and/or adapt to climate change. Special attention was given to financial aspects such as financial structuring and risk management.

22. A call for project proposals was organized as an input to the workshop. These proposals were reviewed by a network of financial experts to assess their finance and investment potential before the workshop took place. A selected number of proposals were included in the training material and further developed by participants and trainers over the course of the workshop via a number of targeted exercises aimed at improving the quality of these proposals. These project proposals will be further developed by the project developers, taking into account the feedback received before and during the workshop as well as coaching services provided by CTI-PFAN after the workshop.

23. Equipped with the necessary project preparation skills, and training materials, the workshop participants are now in a position to offer these training services at both the national and local levels, thereby multiplying the number of beneficiaries of this workshop, as well as the option to capitalize on these training services. Regional follow-up workshops, which will follow a similar approach, are scheduled to be held next year for Africa, Asia and Latin America and the Caribbean. These workshops will engage participants from the training of trainers workshop mentioned in paragraph 20 above.

D. Consultations with relevant international organizations

24. By its decision 3/CP.13, the COP requested the EGTT, with the support of the secretariat, to consult with relevant international organizations, and solicit information on their abilities to support certain activities identified in the set of actions contained in annex I to decision 3/CP.13, and to report on its findings to the subsidiary bodies at their twenty-ninth sessions.

25. The EGTT, with the support of the secretariat, consulted with a number of international organizations to determine their abilities to support certain activities identified in the set of actions contained in annex I to decision 3/CP.13. A summary of possible areas for future collaboration with these organizations is contained in the annex to this document. The table summarizes the activities reported by organizations as well as possible linkages between these activities and specific actions contained in annex I to decision 3/CP.13, as identified by the secretariat.

26. Additional information may be reported by other organizations. The EGTT will provide updated information in its oral report to be presented at the twenty-ninth sessions of the subsidiary bodies.

III. Future meetings of the Expert Group on Technology Transfer

27. The third regular meeting of the EGTT will take place from 28 to 29 May 2009 in conjunction with the thirtieth sessions of the subsidiary bodies. The EGTT has tentatively planned to convene a special meeting from 24 to 26 February 2009 to advance its work, in particular its work on performance indicators, financing and the strategy paper.

Annex

**Possible contributions of international organizations to the set of actions
contained in annex I to decision 3/CP.13**

Organization	Programme/project/activity	Technology transfer framework theme	Actions contained in annex I to decision 3/CP.13
United Nations Development Programme	Updating the handbook <i>Conducting Technology Needs Assessments for Climate Change</i> . ^a	Technology needs assessment	Paragraph 8 (e) (i)
	Capacity-building to assess technology needs.	Technology needs assessments	Paragraph 8 (d)
	Developing a website under the National Communications Support Plan ^b containing information on technology transfer, including technology needs assessment reports.	Technology needs assessments	Paragraph 8 (f)
United Nations Environment Programme	Supporting the creation of capacity-building platforms for climate change focal points in developing countries.	Capacity-building	Paragraph 14 (a) and (d)
	Supporting UNDP efforts to update the handbook <i>Conducting Technology Needs Assessments for Climate Change</i> and application of the methodology in developing countries.	Technology needs assessments	Paragraph 8 (e) (i)
	Supporting long-term national technology planning, including analyses of market and trade barriers to technology transfer, and ways and means to overcome these barriers.	Enabling environments	Paragraph 12 (a) and (e)
	Supporting the integration of technology market assessments and national plans into broader policy effort to develop standards, norms, labelling and certification procedures for selected products.	Enabling environments	Paragraph 12 (e)
	Establishing programmes on clean energy financing, including a climate policy advisory facility, a financial innovation support programme, a small and medium enterprises finance programme, an end-user finance programme and the African Carbon Market Initiative.	Innovative financing	
Global Environment	Sharing information on the range of programmes and activities that the	General	

Table (continued)

Organization	Programme/project/activity	Technology transfer framework theme	Actions contained in annex I to decision 3/CP.13
Facility (GEF)	GEF has financed and undertaken in partnership with other organizations.		
United Nations Industrial Development Organization	Cooperating with the United Nations Department of Economic and Social Affairs (UNDESA) as a 'convener' organization for the focus area on technology transfer, in order to enhance system-wide coherence on technology transfer and to facilitate cooperation among United Nations organizations on technology transfer.	Cooperation with relevant conventions and intergovernmental processes	Paragraph 19 (a)
	Supporting governments in their technology development process, taking into consideration future risks such as the effects of climate change.	Technology needs	
	Building institutional capacities in technology-related bodies to facilitate increased access to technology markets and information.	Technology information	Paragraph 10 (f)
	Developing standardized licensing agreements to facilitate technology transfer, and an international standard on energy management.	Enabling environments	
	Developing capacities to evaluate and implement policies, including on energy efficiency, renewable energy, cleaner production and corporate social responsibility.	Capacity-building	Paragraph 14 (a)
	Supporting decision-making on the application of technology and innovation for sustainable and competitive economic and industrial policy.	Mechanisms	
UNDESA	Organizing meetings and workshops on clean energy technologies.	Capacity-building	Paragraph 14 (a)
	Preparing and facilitating analytical studies, reports and materials, in particular on enabling environments and mechanisms for technology transfer.	Enabling environments	Paragraph 12 (a)
	Developing and maintaining partnership platforms and knowledge management tools relevant to technology transfer.	Technology information	Paragraph 10 (e)

Table (continued)

Organization	Programme/project/activity	Technology transfer framework theme	Actions contained in annex I to decision 3/CP.13
World Intellectual Property Organisation	Sharing information resources, including on access to patent information and specific studies on intellectual property rights and intellectual property considerations affecting technology diffusion in selected technology areas, tailored search tools, specific patent landscapes and case studies.	Enabling environments	Paragraph 12 (a)
	Capacity-building, including training programmes on the use of information systems, policy analysis for technology transfer, training in the management of intellectual property and the judicious use of the intellectual property system.	Capacity-building	Paragraph 14 (a)

^a Gross R, Dougherty W and Kumarsingh K. 2004. *Conducting Technology Needs Assessments for Climate Change*. Available at: <<http://unfccc.int/ttclear/jsp/TNAHandbook.jsp>>.

^b <<http://ncsp.undp.org>>.
