

## Annex

[English only]

### **Key messages to be delivered to the Conference of the Parties at its twenty-first session**

#### **I. Joint key messages of the Technology Executive Committee and the Climate Technology Centre and Network**

1. Throughout 2015, the Technology Executive Committee (TEC) and the Climate Technology Centre and Network (CTCN) have continued to collaborate closely on a number of activities and events in order to ensure coherence and synergy in the work of the Technology Mechanism.

2. The TEC and the CTCN wish to provide Parties with the following joint key messages on how to further enhance action on climate technology development and transfer. The Technology Mechanism:

(a) Stands ready to support Parties in implementing enhanced action on mitigation and adaptation, in both the short and long terms, including through the implementation of the outcomes of the twenty-first session of the Conference of the Parties (COP), without prejudging the outcomes of the deliberations among Parties on this matter;

(b) Acknowledges the important role and active participation of stakeholders in supporting the Technology Mechanism's activities and operations in 2015, including by participating in the Network of the CTCN and actively contributing to the work of the TEC;

(c) Notes with appreciation the efforts of Parties to nominate their national designated entity (NDE) in 2015, being a substantive increase compared with in 2014, and invites those Parties that have yet to do so to nominate their NDE;

(d) Reiterates its invitation to eligible Parties to submit, through their NDE, requests to the CTCN for technical assistance on climate technology development and transfer activities;

(e) Invites Parties, through their NDE, to inform the CTCN on how they could support its activities;

(f) Recognizes that the active participation of NDEs as key players in the implementation of nationally prioritized technologies can facilitate the technical assistance of the CTCN to enhance the implementation of the results of technology needs assessments (TNAs), and that capacity-building for NDEs would help them to perform more effectively;

(g) Invites the Global Environment Facility (GEF) to continue to provide financial support to developing country Parties to conduct or update their TNAs;

(h) Underlines the need for financial resources for the implementation of the results of TNAs;

(i) Welcomes the full operationalization and activities of the Green Climate Fund (GCF) in 2015 and the initiation of an ongoing dialogue on linkages between the Technology Mechanism and the GCF;

(j) Appreciates the continued financial and technical support for the activities of the Technology Mechanism;

(k) Encourages Parties to create enabling environments conducive to mobilizing increased levels of investment in climate technologies;

(l) Reaffirms that the TEC and the CTCN will continue to collaborate to enhance coherence and synergy, including through the knowledge management system of the CTCN and the technology information clearing house (TT:CLEAR), in accordance with decision 17/CP.20, paragraph 3.

## II. Key messages of the Technology Executive Committee

3. Building on the work carried out in 2015, the TEC wishes to deliver the following key messages to COP 21.

### Technology needs assessments

4. TNAs, those already conducted and future ones, provide useful information for the implementation of future activities aimed at mitigating or adapting to climate change. The purpose of the TNA process is to assist developing countries to identify and analyse their priority technology needs, which can be the basis for a portfolio of programmes and projects, including environmentally sound technologies.

5. COP 20 recognized the need for the TNA process to be improved in order to facilitate the implementation of the project ideas emanating from it.

6. The TEC prepared an interim report on guidance on the enhanced implementation of the results of TNAs. The following key messages were derived from the findings contained in the interim report:

(a) Human capacities are at least as important as the process. Early identification and involvement of champions or enablers can give visibility to a project and promote political support;

(b) Information derived from the TNA process is useful to other national development processes and should therefore be mainstreamed into them;

(c) Awareness and outreach of successfully implemented results of TNAs are necessary in order to share good practices and encourage countries to learn from them;

(d) Active participation of NDEs as key players in the implementation of nationally prioritized technologies can facilitate the technical assistance of the CTCN to enhance the implementation of the results of TNAs;

(e) Project proposals will be most successful if they have funding identified, which is facilitated by providing detailed information on costs, cost-benefit ratios, co-benefits, funding options, monitoring plans and risk analyses, which can make projects more attractive to funders;

(f) Tracking challenges and lessons learned from implemented technology action plans (TAPs) and project ideas provides information that can expand the range of successfully implemented actions.

7. To enhance the implementation of the results of TNAs, in particular TAPs and project ideas, the TEC recommends that the COP:

(a) Urge Parties to identify and engage experienced stakeholders in developing implementable TNAs, including specifying stakeholders' roles as 'champions' and 'enablers';

(b) Encourage developing country Parties to integrate TNAs with other relevant national and sectoral plans and programmes, such as national development plans and other related mitigation and adaptation processes;

(c) Invite Parties and relevant organizations to increase awareness and enhance the outreach of successfully implemented results of TNAs to allow countries to effectively share and replicate successful implementation experiences;

(d) Recognize that the active participation of NDEs as key players in the implementation of nationally prioritized technologies can facilitate the technical assistance of the CTCN to enhance the implementation of the results of TNAs, and that capacity-building for NDEs would help them to perform more effectively;

(e) Recognize the need to expedite the implementation of TAPs and to incorporate funding options for implementing project ideas, and the potential need for additional financial and human resources when conducting TAPs, and improving those previously conducted, in order to trigger investors' interest in project implementation;

(f) Invite Parties and relevant organizations to track and share challenges and lessons learned from implemented TAPs and project ideas for the effective implementation of the results of TNAs.

Climate technology financing

8. Based on the TEC Brief on enhancing access to climate technology financing, which focused on the challenges of financing climate technologies faced by developing countries, best practices in and lessons learned from climate technology financing and the roles of different stakeholders in facilitating access to climate technology finance, the TEC highlights that:<sup>1</sup>

(a) Attracting financing for climate technologies requires a combination of governmental policies that are:

(i) Long-lasting: sustained for a duration that reflects the financing time frame of a project;

(ii) Loud: establish policies and provide incentives that make a difference to the bottom line and improve the bankability of projects;

(iii) Legal: provide a clear, legally established regulatory framework to build confidence that the regime is stable and can provide the basis for capital-intensive investments;

(b) Capacity-building and support for national champions at each stage of the technology project cycle are important for effective climate technology financing and technology transfer;

(c) Public finance for climate technologies should be used efficiently through financial and/or other instruments that share risks, both real and perceived, between public and private actors, to catalyse investments in climate technologies;

(d) Wide, early and effective stakeholder engagement helps reduce risks and barriers to investment in relatively newer technologies;

(e) It is important to ensure an integrated approach between technology and climate finance related plans and programmes at the national level, in particular the integration of TNAs with other relevant national and sectoral plans and programmes;

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<sup>1</sup> More information may be found in the TEC Brief on enhancing access to climate technology financing (October 2015).

(f) Given the different criteria for and evaluations of international climate finance and technology support, there is a need to enhance coherence between international institutions in order to reduce the complexity of the processes that developing countries have to follow to request financing.

9. To enhance access to climate technology financing, the TEC recommends that the COP:

(a) Encourage Parties to promote enabling environments, conducive to climate technology financing and investment, that are long-lasting, loud and legal;

(b) Encourage Parties to use public finance for climate technologies through financial and/or other instruments that share risks between public and private actors;

(c) Encourage Parties in a position to do so and invite relevant organizations to enhance support for capacity-building and for national champions at each stage of the technology project cycle for effective climate technology financing and technology transfer;

(d) Invite relevant organizations to facilitate market development through providing information, data and business support for new entrants and business models;

(e) Encourage developing country Parties to integrate TNAs with other relevant national and sectoral plans and programmes, such as national development plans and other related mitigation and adaptation processes.

#### National systems of innovation

10. The TEC highlights that:<sup>2</sup>

(a) A national system of innovation (NSI) plays a central role in supporting a Party in undertaking efficient and effective technological change in response to climate change;

(b) To accelerate global climate efforts, there is a need to support developing countries in strengthening their NSI. Effective NSIs are essential for enhancing developing countries' capacity to absorb, distribute, diffuse and deploy climate technologies, adapt these technologies to their needs and implement and maintain them. This will also support continued technological development and adaptation to regional needs;

(c) There are national, regional and international efforts under way to support developing countries in strengthening their NSI with regard to climate technology innovation. Those efforts could identify areas of cooperation and collaboration for strengthening NSIs, with a view to enabling countries to achieve their climate technology goals.

11. To support the strengthening of developing countries' NSIs, the TEC recommends that the COP:

(a) Encourage relevant organizations to collect data and information and undertake analyses to develop an enhanced understanding of the state of play of developing countries' NSIs with regard to climate technology innovation;

(b) Encourage all NSI stakeholders to enhance the sharing of experiences, good practices and lessons learned from initiatives supporting the strengthening of developing countries' NSIs with regard to climate technology innovation;

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<sup>2</sup> More information may be found in the TEC Brief on strengthening national systems of innovation to enhance action on climate change (October 2015).

(c) Encourage developing country Parties to consider how to strengthen their NSI when they undertake TNAs and formulate TAPs, with a view to enabling them to achieve their specified climate technology goals and submit requests to the CTCN;

(d) Invite developed country Parties to highlight to the CTCN, through their NDE, how they could support developing countries in strengthening their NSI;

(e) Encourage the CTCN to explore<sup>3</sup> how it may act as a focal point for knowledge on experiences, good practices and lessons learned in supporting the strengthening of developing countries' NSIs with regard to climate technology innovation, including by utilizing existing platforms through which NDEs and other stakeholders may exchange information on the strengthening of NSIs.

12. To support the actions identified in paragraph 11 above, the TEC informs the COP that it stands ready to undertake further activities on NSIs as part of its rolling workplan for 2016–2017, including by collaborating with the CTCN, international organizations and relevant stakeholders.

Technology deployment in distributed renewable electricity generation

13. The TEC highlights to Parties that the deployment of technology in distributed renewable electricity generation can, inter alia:<sup>4</sup>

(a) Contribute significantly to reducing greenhouse gas emissions by generating low-carbon electricity;

(b) Deliver electricity services in areas that cannot be supplied by centralized grids in addition to providing co-benefits to all communities, such as enhanced energy security, reduced local air pollution and reduced dependence on imported fossil fuels;

(c) Provide additional sources of electricity in grid-connected systems, thus enhancing the energy security, resilience and efficiency of such grids.

14. In order for technology in distributed renewable electricity generation to reach widespread use, the TEC recommends that the COP encourage Parties to:

(a) Build and strengthen in-country capacity in the form of human and institutional capabilities, including through NSIs, in order to fully enable countries to develop, transfer, deploy and operate nationally distributed renewable systems. More assistance and technology improvement may be needed to enable systems to cope with intermittency in a cost-effective manner;

(b) Develop or update and implement transparent, effective policy and regulatory frameworks that promote distributed renewable electricity generation, including quality control of photovoltaic systems and power management systems and measures to ensure security of investments, as appropriate;

(c) Stimulate robust private-sector involvement and investment through appropriate incentives and facilitate the implementation of effective and proven business models;

(d) Enhance demand-side monitoring and conservation technologies to reduce excessive peaks in demand during operation;

(e) Ensure the active participation of, and effective collaboration between, all stakeholders.

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<sup>3</sup> In accordance with decision 1/CP.16, paragraph 123(c)(ii).

<sup>4</sup> More information may be found in the TEC Brief on facilitating technology deployment in distributed renewable electricity generation (October 2015).

15. The TEC also recommends that the COP invite Parties, the operating entities of the Financial Mechanism and other financial institutions to provide financial support for the development and transfer of technology in distributed renewable electricity generation, taking into account the recommendations provided in paragraph 14 above.

16. The TEC informs Parties that it has initiated the preparation of a technical paper on distributed renewable electricity generation.

### **III. Key messages of the Climate Technology Centre and Network**

17. Developing country NDEs need continued and sustained institutional support to manage and supervise their climate-related commitments under the Convention. There is a need for more comprehensive institutional capacity support for developing countries, which will assist them in preparing for the implementation of their TAPs, national adaptation plans and nationally appropriate mitigation actions.

18. There is also a need for enhanced synergies and linkages with other relevant thematic bodies and stakeholders in order for the CTCN to improve on the delivery of its services.

19. The CTCN notes that its current funding model relies mainly on bilateral contributions. This is challenging as it does not assure future funding for the delivery of its services.

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