

Agenda item 4 e i

Experiences and Lessons from Support for Climate Technologies provided by Operating Entities of the UNFCCC's Financial Mechanism

TEC/2021/23/11

Technology Executive Committee, 23rd meeting
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Objective: Use insights from GEF/GCF experience in providing support to Parties for technology development & transfer

- to enhance operation of Technology Mechanism and collaboration between Technology Mechanism and Financial Mechanism

Scope: 42 projects reviewed

- 18 funded under GEF 4/5 replenishment cycles re: Poznan Strategic Programme (PSP)
- 24 GCF readiness support and climate change projects with technology elements
==> focus on SIDS, LDCs

Methodology: desk research + 17 key stakeholder interviews

Limitation: comparatively larger focus on GEF-funded projects

- Due to high availability of Terminal Evaluations, Mid-Term Reviews, documented lessons
- GCF projects are in their infancy ==> performance reporting focus on outputs achieved



Relevance and Impact of Support Provided

- CTCN and regional Climate Technology Centres supported by MDBs: in Asia, Africa, Europe, Latin America and Caribbean operate as:
 - “project accelerators” for technology development and transfer
 - “builders of a climate innovation system”
 - connect climate/finance/policy actors; are demand-driven and gap-filling; have institutional legitimacy & stakeholder recognition
 - extent to which MDB-supported centres (all 4 followed different approach) have quickened EST uptake could not be determined (Project TE, 2020)
 - CTCN has systemic impact: its activities inform / influence NDCs, NAPs, and other national climate strategies and plans
 - still limited collaborative work across NDEs, NDAs, GEF Op. Focal Points
- TNA plays a foundational role, but perceived to be insufficiently funded *“there’s a disinclination to fund upstream, soft activities that relate to changing mindsets and getting individuals empowered to actually make change”*
 - Lebanon example: highly effective with dedicated national coordinator

Financial Support Linked with Achieving Sectoral Technology Benchmarks



- Get national governance structure 'right' to facilitate funding support
- Incorporate financial mechanisms early ==> to align data collection, analysis, descriptions of plans – to their financing requirements
- Take broad view: financial instruments + innovative business models
- Embed ways to mitigate later funding barriers in project exit strategy (e.g. AfDB requires adaptation proposals to identify potential funding sources)
- GCF projects incorporate notion to enhance endogenous capacities (Malawi, Zambia, Tonga, Myanmar, Timor Leste) and promote indigenous knowledge management capacities and approaches (Bangladesh)
- Private sector engagement and leverage need to be improved ==> seize 'right' time, manage expectations, build trust, be more agile ==> deepen understanding of ways in which IPR is, or is not, a barrier

Gender Mainstreaming



- Operating Entities and their Implementing Agencies reflect Parties’ commitment to mainstream gender in climate change/UNFCCC process
 - GEF offers guidance vis-à-vis projects and programmes
 - GCF’s Annual Performance template obliges implementers to report Environmental Social Safeguards & Gender, Action Plan, progress
- Translation of this guidance to the ground has generated mixed results
 - PSP-era projects (GEF 4/5): gender aspects “were less important”
 - ongoing confusion about level and ways in which this topic can make a difference (particularly observed in mitigation projects)
 - adaptation projects offer entry points: co-benefits stemming from community involvement allow for emphasizing gender sensitivity
- Strengthen link between gender and vulnerability - is this a way forward?
 - this could foreground attention on groups most impacted by climate change – still risks leaving women as the most negatively impacted

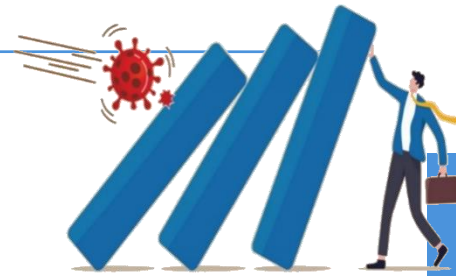
Stakeholder Engagement

- GEF & GCF position public involvement as “critical to project success”
- Limited documentation in project evaluations of stakeholder engagement approaches that proved to accelerate technology development & transfer
- Consensus: insufficient meaningful engagement of private sector actors
- Imbalance in knowledge across stakeholders hampers discussion
- Way forward: use a fit-for-purpose, phased approach
 - early-stage large consultations can generate “quick wins”, ideas with few institutional hurdles ==> get something happening
 - then shift from technical experts to decision-makers, 1:1 discussion, work on specifics to generate inputs that go into other processes (especially those feeding into a facilitating framework)



Critical Enabling Conditions, Good Practices

- Prioritize development of facilitating policy and legislation
- Resist technology push; leverage technology pull & grassroots demand
- Where “institutionalization” is the objective, this can drive national governments to take ownership (e.g. TNA can be driven more usefully)
- Use alignment incentives to change business as usual
- Trust underpins adoption
- Community engagement is a powerful: it can maintain and sustain
- Outreach to education/vocational actors to build succession capacity



Key Challenges

- Dealing with (ongoing) COVID-19 effects
- Need to have a realistic understanding of absorption capacity
 - differs dramatically across settings (SIDS, LDCs tends lower)
 - TNA did not create a sustainable structure in countries where this process can be independently reproduced
 - transferring technology to a setting where there’s no market to commercialize that technology is inappropriate
 - “all these initiatives for small countries and provinces with limited population are not very meaningful...there’s a strong risk of needing to be run by outsiders as there are few local people who can understand and carry on the work”
- Maintaining coherence of compartmentalized project management-driven approach and the system-level response needed to tackle the immensity of the climate change challenge



For TEC consideration

- Technology is indeed a key instrument to address climate change
 - but increased complexity/rigidity of project architecture (reflecting higher ambition level) risks being misaligned with recipient environment’s dynamic nature
==> may hamper technology development & transfer, minimize opportunities for agile, adaptive response overlook situational (context-dependent) approaches
- Call (again) for increased inter-actor collaboration and alignment
 - through stronger anchoring to NDC
 - in line with SCF’s mandate, encourage Operating Entities to improve effectiveness addressing Paris Agreement technology-related elements
- Encourage early-stage inclusion of financial actors to bridge gap in developing bankable projects
- Advocate for exit strategies that embed climate in development and prosperity and include ways to reduce subsequent funding barriers

Thank you!

