Framework Convention on Climate Change

TEC/2023/27/04

Technology Executive Committee

05 September 2023

Twenty-seventh meeting

19–21 September and 22 September 2023 (TEC-CTCN Joint session)

Draft key messages and recommendation to Parties on national systems of innovation

Cover note

I. Background

1. As per activity A.1.1 of workstream 1 of the Technology Executive Committee's (TEC) rolling workplan for 2023–2027, the TEC is to continue work on National Systems of Innovation (NSI), including finalising the work begun under its previous workplan on the setup and implementation of NSIs.

2. Outputs for this activity in 2023 are:

(a) A compilation of good practices and lessons learned on the setup and implementation of NSIs, and

(b) A summary for policymakers and targeted stakeholders.

3. At TEC 26 the TEC provided guidance for the open-ended activity group to finalize the compilation and the summary for policymakers. The Summary for Policy Makers[1] was launched at the Technology Mechanism side-event[2] at SB 58. The Summary for Policy Makers was translated in French, Spanish and Arabic. The six case-studies were finalized and launched at an event[3] on the margins of the Africa Climate Week.

4. These draft key messages and recommendations draw upon information contained in the Compilation and Summary for Policy makers: *Good practices and lessons learned on the setup and implementation of National Systems of Innovation.*

5. At TEC 27 the co-leads of the A.1.1 activity group will present the draft key messages and recommendations contained in the annex.

II. Scope of the note

6. The annex to this note contains the draft key messages and recommendations of the TEC to COP 28 and CMA 5 on *Good practices and lessons learned on the setup and implementation of National Systems of Innovation*.

III. Expected action by the Technology Executive Committee

7. The TEC will be invited to consider and agree on the key messages and recommendations on this topic.

[1] https://unfccc.int/ttclear/tec/NSI.html.
[2] https://unfccc.int/ttclear/events/2023/2023_event03.
[3] https://unfccc.int/ttclear/events/2023/2023_event06.

Annex

Draft key messages and recommendations to Parties on Good practices and lessons learned on the setup and implementation of National Systems of Innovation

Drawing from the findings of a TEC publication[1] Good practices and lessons learned on the setup and implementation of National Systems of Innovation:

1. The TEC compiled good practices and lessons learned on the set-up and implementation of NSIs for developing country policymakers aiming to strengthen NSIs in the context of climate action. The compilation and its summary for policymakers, aimed at deepening understanding of selected parts of the systems, identifies measures and approaches that have improved their effectiveness.

2. The TEC highlights the following good practices presented in the summary for policymakers:

(a) Taking a systemic approach to establishing and/or strengthening the NSI, which is aligned with host country development objectives;

(b) Tailoring approaches to bridging gaps in the innovation process given that innovation needs vary by phase and sector;

(c) Understanding the local context so as to engage relevant actors, mobilizing the required resources, identifying and addressing gaps in the innovation process, and tapping into the complementary structures and processes of the overall innovation system to advance climate initiatives;

(d) Promoting participation of and interaction among local actors to facilitate innovation and alignment of NSI with country development objectives. Local actors have the best understanding of local context and institutions, as well as often having the largest stake in the outcome, and are therefore best placed to help to fill gaps in and advance the functions of the NSI;

(e) Engaging with international institutions to help to build local institutions and networks as they can play an important role, by introducing global best practices, assisting with the development, adaptation and diffusion of new technologies, helping to mobilize financial and technical resources and building the capacity of local actors and institutions in strengthening NSIs;

(f) Ensuring that innovation and organizations, developing NSIs, evolve and are able to adapt to new circumstances through continuous monitoring and review;

(g) Identifying a portfolio of solutions to strengthen functions across the innovation cycle and to build the capacity of a variety of actors to address the scale and complexity of climate change adaptation and mitigation challenges;

(h) Dealing with structural problems, since in some cases the underlying problems of poverty, lack of influence and voice, and environmental or social challenges are not acknowledged when designing and only become clear during the intervention of the NSI.

3. The TEC recommends that the COP and the CMA encourage Parties, in implementing NSIs to advance climate action, to take a systematic approach to using NSI functions, such as knowledge development and diffusion; entrepreneurial experimentation; market formation; influence on the direction of search; resource mobilization; legitimation; and development of positive externalities. This approach should help to ensure that the NSI is performing the relevant functions, which may require the strengthening of such functions, mobilization of resources, and addressing weaknesses

[1] UNFCCC and IUCN. 2022. Innovative Approaches for Strengthening Coastal and Ocean Adaptation - Integrating Technology and Nature-based Solutions. Bonn: UNFCCC. Available at https://unfccc.int/ttclear/coastalzones/.

or gaps in structural elements of the NSI. However, as these are sector specific, it is recommended that the NSI builds on an initial identification of sectoral priorities, aligned with national policy goals, socioeconomic objectives and climate action. If implemented (and sufficiently resourced), the NSI would provide a signal from the political or policy domain to the NSI about both the direction and ambition.