



Technology Executive Committee

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Follow-up of the key messages and relevant recommendations of the updated evaluation report of the Poznan strategic programme on technology transfer

Background note

I. Introduction

A. Background

1. The Subsidiary Body for implementation (SBI), at its forty third session, invited the Technology Executive Committee (TEC) to update the evaluation report¹ of the Poznan strategic programme on technology transfer (PSP), with the aim of enhancing the effectiveness of the Technology Mechanism.² In doing so, the SBI invited the TEC to draw upon the experiences gained and lessons learned from: (i) the PSP climate technology transfer and finance centres and (ii) pilot projects of the fourth replenishment of the Global Environment Facility (GEF).³ The source of information for the experiences gained and lessons learned is the mid-term evaluation reports on these activities.⁴

2. In response to this request, the TEC submitted the updated evaluation report of the PSP⁵ to SBI 50 (June 2019), for its consideration. Following Parties consideration at SBI 50, the SBI invited the Climate Technology Centre and Network (CTCN) and the TEC to include in their joint annual report for 2019 information on how they will address the key messages and relevant recommendations contained in the updated evaluation report of the PSP.⁶ SBI 50 also agreed to continue to consider the recommendations contained in the updated evaluation report at SBI 51 (December 2019).⁷

B. Scope of the note

3. This background note provides a proposal on how the TEC could address the key messages and relevant recommendations contained in the updated evaluation report of the PSP, prepared by the task force on climate technology financing. It focusses on the recommendations that are directed to the TEC.

C. Approach

4. The recommendations of the TEC contained in the updated evaluation report of the PSP were developed with a view to enhance the effectiveness of the Technology Mechanism in accordance with the guidance provided by the SBI. As such, the recommendations were directed to various

¹ Available at: <https://unfccc.int/resource/docs/2015/sbi/eng/16.pdf>.

² FCCC/SBI/2015/22, para 79.

³ Idem.

⁴ FCCC/SBI/2015/22, para 78.

⁵ Available at: <https://unfccc.int/sites/default/files/resource/7e.pdf>.

⁶ FCCC/SBI/2019/9, para 82.

⁷ FCCC/SBI/2019/9, para 83.

stakeholders engaged in the PSP, including the GEF, the regional climate technology and finance centres supported under the PSP, the CTCN and the TEC.

5. In preparing its proposal on how to address the key messages and relevant recommendations contained in the updated evaluation report of the PSP, the TEC task force focused on the recommendations explicitly addressed to the TEC. These recommendations and the potential activities arising from them were then compared with activities already planned by the TEC as part of its draft workplan for 2019–22 with a view to identify potential overlaps, rather than adding new activities.

D. Possible action by the Technology Executive Committee

6. The TEC will be invited to consider the proposals of the task force on climate technology financing and agree on how to address the key messages and relevant recommendations contained in the updated PSP evaluation report.

II. Analysis of the key messages and relevant recommendations contained in the updated evaluation report of the PSP

7. Based upon the updated evaluation of the PSP, the TEC provided seven recommendations to enhance the effectiveness of the Technology Mechanism (see the annex to this note). The majority of these recommendations were addressed to the CTCN, the GEF and the regional climate technology and finance centres supported under the PSP; one recommendation was explicitly addressed to the TEC (see Table 1).

Table 1
Recommendations from the updated evaluation of the PSP

<i>Recommendation</i>	<i>Targeting</i>
(a) Encourages the GEF, the CTCN and the regional centres to consider the experience and the lessons learned detailed in this report;	GEF, CTCN, regional centres
(b) Encourages further learning and sharing of experience between the centres and the CTCN and with Parties and NDEs;	CTCN, regional centres, Parties and NDEs
(c) Encourages the GEF to consider options for continuing the role of regional centres and the CTCN in scaling up the level of investment in climate technologies;	GEF
(d) Encourages the GEF to explore how it can continue to support the CTCN in providing enhanced TA;	GEF
(e) Encourages the GEF, in consultation with the CTCN and regional centres, to consider options for enhancing its cooperation with the CTCN on the activities undertaken by regional centres;	GEF, CTCN, regional centres
(f) Recommends that a dialogue be organized between the GEF, regional centres and the CTCN to identify lessons learned and options for continuing the work of the centres;	GEF, CTCN, regional centres
(g) Notes the need to enhance understanding of and further analyse some elements highlighted in the key messages, which it could take into consideration when developing its future workplans.	TEC

Source: Updated evaluation of the Poznan strategic programme on technology transfer. Report by the Technology Executive Committee.

8. The following recommendation was explicitly addressed to the TEC: *the TEC noted the need to enhance understanding of and further analyse some elements highlighted in the key messages, which it could take into consideration when developing its future workplans* (recommendation (g)).

9. Based upon the updated evaluation of the PSP, the TEC provided fourteen key messages (see the annex to this note). Some of these key messages highlighted the need for additional analytical work to enhance understanding on specific elements, such as project origination modalities, technical assistance instruments, project design and implementation and intermediate metrics. These are key messages (e), (k), (l) and (m) (see Table 2).

Table 2
Key messages from the updated evaluation of the PSP and their possible links with activities in draft TEC workplan for 2019–22

<i>Key message</i>	<i>Element</i>	<i>Possible link with activities in the draft TEC workplan</i>	<i>Proposal</i>
(e) Better understanding of the implications and limitations of different project origination modalities and their effect on accelerating the adoption of new climate technologies and scaling up investment, and on addressing regional and national priorities and country-drivenness, is needed;	Project origination modalities	Analyse data related to GCF/GEF projects/programmes portfolio with climate technology components (thematic area on support - activity 5)	Integrate this element in this activity of the draft TEC workplan
(k) Experience from the pilot projects and regional centres shows that TA instruments, including pre-feasibility studies, technology assessments and road maps, are essential as early-stage support for scaling up investment. Some analytical tools were also used to support decision-making on technologies. An analysis is needed of the different instruments and how and at what stage they can be utilized to support countries and projects;	Technical Assistance instruments	Prepare concept note on innovative financing and investment options at different stages of the technology cycle (including private sector) (thematic area on support – activity 6)	Integrate this element in this activity of the draft TEC workplan
(l) Experience also highlights the need to better understand which technology transfer models and mechanisms and good practices should inform project design and implementation;	Project design and implementation	Analyse data related to GCF/GEF projects/programmes portfolio with climate technology components (thematic area on support - activity 5)	Integrate this element in this activity of the draft TEC workplan
(m) Intermediate metrics are needed that can capture and measure the value of knowledge created, spillovers and de-risking future investment as well as of building a climate innovation system;	Intermediate metrics	Prepare concept note on innovative financing and investment options at different stages of the technology cycle (including private sector) (thematic area on support – activity 6)	Integrate this element in this activity of the draft TEC workplan

Source: Updated evaluation of the Poznan strategic programme on technology transfer. Report by the Technology Executive Committee; Draft TEC rolling workplan 2019–2022 (version 31 May 2019).

III. Proposal to address the key messages and relevant recommendations contained in the updated evaluation report of the PSP

10. The TEC already included an activity in its draft workplan for 2019–2022 to follow up any relevant recommendations from the updated evaluation of the PSP (activity 3 of the support theme). How could the analytical work emerging from the key messages be addressed by the TEC? Many

of the elements highlighted in the key messages that may require additional analytical work have close linkages with activities already planned by the TEC as part of its draft workplan for 2019–22 (see Table 2). These elements could be integrated within the scope of these activities for efficiency reasons, rather than adding new activities. As highlighted in the draft TEC workplan, these activities will be undertaken in close collaboration with relevant organizations.

11. One of the recommendations emerging from the updated evaluation of the PSP proposes that a dialogue be organized between the GEF, the regional centres and the CTCN to identify lessons learned and options for continuing the work of the centres (recommendation (f)). In this context, the TEC could also play an active role in supporting the organization of such dialogue in collaboration with the CTCN, GEF and the regional centres by sharing the findings from the updated evaluation of the PSP.

Annex

Key messages and recommendations regarding the Poznan strategic programme relevant to enhancing the effectiveness of the Technology Mechanism¹

1. The TEC drew on the evaluation described in this report to provide the following key messages and recommendations regarding the PSP relevant to enhancing the effectiveness of the Technology Mechanism.

A. Key messages

2. Except those related specifically to the modalities of the pilot centres, the messages apply to both the pilot centres and projects. The TEC has the following key messages:

(a) The PSP has significantly raised awareness on the important role that climate technology development and transfer play in supporting countries in achieving their climate mitigation and adaptation goals, including among multilateral development banks;

(b) Piloting the regional centres has generated experience and a better understanding of different modalities for originating climate technology projects; different TA instruments of support; technology transfer mechanisms; financing needs; the importance of long-term engagement, ownership and capacity-building; and the need for realistic timescales for technology transfer mechanisms to become operational and self-sustaining;

(c) The pilot regional centres and the CTCN are in effect operating as climate technology project accelerators and, more broadly, as builders of a climate innovation system, connecting technology, climate, finance and policy actors, creating synergies, supporting capacity development, and catalysing learning and knowledge;

(d) Project origination both in the pipelines of regional development banks and externally from public or private entities is resource intensive and requires strategic and expert engagement, as well as capacity development and support during development of externally originated projects;

(e) Better understanding of the implications and limitations of different project origination modalities and their effect on accelerating the adoption of new climate technologies and scaling up investment, and on addressing regional and national priorities and country-drivenness, is needed;

(f) Facilitating access to finance is key to scaling up investment in climate technologies. Investment and therefore upscaling are contingent upon access to climate finance, including blended finance. It is too early to determine the success of the centres at mobilizing finance for the projects they originated but lessons can be learned. Climate technology financing needs could be integrated into regional multilateral banks' country partnership strategies and the country operations business plans of member countries;

(g) The implementation of the regional centres and the CTCN have drawn attention to the need for long-term engagement with policymakers and government agencies, including NDEs, in particular on policy issues, to ensure upscaling, and the need for capacity development at the national level;

(h) The time frames for testing and operationalizing new technology transfer mechanisms (and, where applicable, ensuring they are self-sustaining) need to be realistic. It takes time to establish a track record, develop business or cooperative models and fine-tune operating procedures;

(i) The PSP pilot projects are a rich source of experience and lessons learned relevant to designing and implementing climate technology projects, highlighting the need for strong government leadership, the importance of engagement and dialogue with government, the importance of enabling environments, the importance of outreach, the need for flexibility in project

¹ Source: Updated evaluation of the Poznan strategic programme on technology transfer. Report by the Technology Executive Committee.

design, the need for access to finance, the importance of pre-feasibility and market studies, and the need for intermediate metrics;

(j) Enabling environments are key to scaling up investment in climate technologies. In line with the new technology framework, enhanced technical support for creating enabling environments should be provided. Although some of the centres provide policy-related TA, there is insufficient information thereon to foster any insights or recommendations;

(k) Experience from the pilot projects and regional centres shows that TA instruments, including pre-feasibility studies, technology assessments and road maps, are essential as early-stage support for scaling up investment. Some analytical tools were also used to support decision-making on technologies. An analysis is needed of the different instruments and how and at what stage they can be utilized to support countries and projects;

(l) Experience also highlights the need to better understand which technology transfer models and mechanisms and good practices should inform project design and implementation;

(m) Intermediate metrics are needed that can capture and measure the value of knowledge created, spillovers and de-risking future investment as well as of building a climate innovation system;

(n) Adaptation was addressed to a limited degree in the PSP projects and has proven challenging for the centres.

B. Recommendations

3. With a view to enhancing the effectiveness of the Technology Mechanism, the TEC:

(a) Encourages the GEF, the CTCN and the regional centres to consider the experience and the lessons learned detailed in this report;

(b) Encourages further learning and sharing of experience between the centres and the CTCN and with Parties and NDEs;

(c) Encourages the GEF to consider options for continuing the role of regional centres and the CTCN in scaling up the level of investment in climate technologies;

(d) Encourages the GEF to explore how it can continue to support the CTCN in providing enhanced TA;

(e) Encourages the GEF, in consultation with the CTCN and regional centres, to consider options for enhancing its cooperation with the CTCN on the activities undertaken by regional centres;

(f) Recommends that a dialogue be organized between the GEF, regional centres and the CTCN to identify lessons learned and options for continuing the work of the centres;

(g) Notes the need to enhance understanding of and further analyse some elements highlighted in the key messages, which it could take into consideration when developing its future workplans.