



Technology Executive Committee

24 August 2021

Twenty-third meeting

Virtual meeting, 7-10 September and 13 September 2021 (TEC-CTCN joint session)

Draft key messages and recommendations on innovative approaches to stimulating the uptake of existing climate technology solutions

Cover note

I. Background

1. Under activity 4 of the key theme of implementation set out in its workplan for 2019–2022, the Technology Executive Committee (TEC) is to identify innovative approaches to stimulating the uptake of existing climate technology solutions. Under this activity, the TEC published a report titled “Innovative approaches to accelerating and scaling up climate technology implementation for mitigation and adaptation”¹ and a policy brief titled “Innovative approaches to accelerating and scaling up implementation of mature climate technologies”.²
2. On the basis of this policy brief, the TEC task force on implementation developed draft key messages and recommendations for consideration by the Conference of the Parties (COP) at its twenty-sixth session and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA) at its third session.
3. Once agreed by the TEC, the key messages and recommendations will be included in the joint annual report of the TEC and the Climate Technology Centre and Network for 2021.

II. Scope of the note

4. The annex to this note contains the draft key messages and recommendations of the TEC on innovative approaches to stimulating the uptake of existing climate technology solutions for consideration at COP 26 and CMA 3.

III. Expected action by the Technology Executive Committee

5. The TEC will be invited to consider and agree on these key messages and recommendations.

¹ Available at <https://unfccc.int/tclear/tec/innovativeapproaches>.

² Available at <https://unfccc.int/tclear/tec/brief14.html>.

Annex

Draft key messages and recommendations on innovative approaches to stimulating the uptake of existing climate technology solutions

1. The TEC undertook work on identifying innovative approaches to stimulating the uptake of existing climate technologies. Drawing on this work, the TEC highlights the following:

(a) Successful entry of technologies for climate change mitigation and adaptation into developing country markets is supported by a range of innovations. Innovations take place not only in relation to the technicalities of climate solutions, but also in how actions are planned, how market actors collaborate and how funding is attracted. These innovations enable markets to ‘pull’ technologies alongside government actions for ‘pushing’ them, especially in the least developed countries;

(b) For scaling up technology implementation, technologies should be co-designed. Through participatory co-design processes, stakeholders have a key role in ensuring that technologies not only deliver climate benefits but also help to meet countries’ sustainable development objectives. Technology implementation is further supported by technology ‘champions’, including youth, who drive the development of technologies and support policies already in place for diffusion. They also support technology-neutral and demand-driven decision-making, both in the least developed and higher-income developing countries;

(c) Innovations in attracting private sector funding for mature climate technologies in developing country markets have taken place in terms of both increasing revenue and reducing investment risk. Green or climate bonds, as well as climate-related investment criteria, have increased opportunities for climate-friendly investment. One innovative approach to risk sharing is the blending of private and public funds: the latter include capital provided by national or international funds, which unlocks access to private funding under more commercially attractive conditions;

(d) Public–private partnerships make technology diffusion more effective as governments can focus on their key roles, such as enforcing policies and measures, enhancing access to international climate funding programmes and providing financial instruments, while private entities are leveraging public funding and readying technologies for market;

(e) International institutions, including multilateral development organizations, support this process through incubation and acceleration of mature climate technologies by:

(i) Establishing efficient links between complementary institutions and stakeholders in different countries;

(ii) Enhancing access to international funding programmes through provision of technical assistance or resources;

(iii) Facilitating alliances and partnerships to leverage resources for scaled-up projects and foster the development of start-ups and new market entrants through global incubation and acceleration programmes.

2. In order to enhance **stakeholder ownership of climate technology planning and implementation**, the TEC recommends that the COP and the CMA encourage:

(a) Parties and international cooperation programmes to encourage local social and economic actors to actively engage in identifying and prioritizing climate technologies, so that climate planning results from co-design in addition to assessment of technical and economic potential;

(b) Technology proponents, including youth, to be ‘champions’ in inspiring and informing other stakeholders in support of wider-scale climate technology implementation;

(c) National research groups, non-governmental organizations and other private entities to participate in international research programmes for enhancing skills, and knowledge-gathering

and case study research within developing countries on the technical and economic potential of climate technologies and how acceptable, and therefore viable, they are from a social perspective.

3. The TEC further recommends that the COP and the CMA encourage Parties and non-State actors to enhance **developing countries' access to private sector funding** through:

(a) Risk sharing, such as by blending private with public capital, including multilateral funds, so that private investors can negotiate commercially attractive conditions;

(b) Facilitating predictable yields on climate investments by labelling them as 'climate' or 'green', such as climate bonds, so that investors can clearly distinguish between climate-beneficial and other investments. This is supported by national and international classification schemes and benchmarks for financial products that incorporate climate change considerations;

(c) Training market actors in developing countries to formulate funding proposals according to investors' requirements for risk management and in line with (inter)national funding criteria for 'green' or 'climate' recognition.

4. The TEC also recommends that the COP and the CMA encourage Parties and non-State actors to enhance **private sector engagement** by:

(a) Mobilizing local resources as a key component of supporting climate-friendly economic activities. In that respect, support for small and medium-sized enterprises to build small- and medium-scale businesses remains important, including vocational training of small and medium-sized enterprises and the young workforce to work with climate-friendly technologies and develop sustainable business models for them. This support can be solicited from multi-stakeholder partnerships and initiatives in developing countries, which help to leverage resources for climate technology programmes, with local private sector engagement;

(b) Enhancing support for climate innovation centres, in their role as national or regional knowledge hubs, to support entrepreneurs in exploring the market potential of climate technologies in their countries as well as identifying solutions for accessing markets. Incubation and acceleration programmes foster the development of start-ups, young entrepreneurs and new market entrants for the utilization of local resources for climate technology implementation.