

WORK OF THE AWG-LCA CONTACT GROUP

Agenda item 3.5

Technology development and transfer

Technology development and transfer under the Ad Hoc Working Group on Long-term Cooperative Action under the Convention

version of 6 October 2011 @ 13:00

This draft text reflects the state of discussion among Parties during the third part of the fourteenth session of the Ad Hoc Working Group on Long-term Cooperative Action under the Convention. The Parties had detailed discussions on operative paragraphs 1–22 and more general discussion on the section dealing with the governance of the Climate Technology Centre and Network (CTCN), as well as the annex related to the procedure for the call for proposals on criteria to be used to evaluate and select the host of the CTCN. Parties agreed to continue to work on the basis of this version of the draft text in Durban, South Africa.

Draft text for a draft decision

The Conference of the Parties,

Recalling the commitments under the Convention, in particular Article 4, paragraphs 1, 3, 5, 7, 8 and 9,

Recalling paragraph 1(d) of decision 1/CP.13, to enhance action on technology development and transfer to support action on mitigation and adaptation,

Reaffirming that the objective of enhanced action on technology development and transfer is to support action on mitigation and adaptation in order to achieve the full implementation of the Convention and that, in pursuit of this objective, the identification of technology needs will be based on a country-driven approach and national circumstances and priorities,

Underlining the importance of nationally determined technology needs, based on national circumstances and priorities, the setting of appropriate enabling environments to scale up the development and transfer of technologies in developing countries and the need to accelerate action at different stages of the technology cycle,

Noting the establishment of a Technology Executive Committee, and a Climate Technology Centre and Network in the Cancun Agreements, and their respective functions,

Recalling decision 1/CP.16, paragraph 128, on the work programme for the Ad Hoc Working Group on Long-term Cooperative Action on technology development and transfer with a view to the Conference of the Parties taking a decision on, among other things, a call for proposals to host the Climate Technology Centre and Network and the criteria to be used to evaluate and select a host of the Climate Technology Centre and Network at its seventeenth session in order to make the Technology Mechanism fully operational in 2012,

Stressing the importance of making its two components, the Technology Executive Committee and the Climate Technology Centre and Network, fully operational as soon as possible in 2012 in order

to promote and enhance the research, development, deployment and diffusion of environmentally sound technologies in support of action on mitigation and adaptation in developing countries, in order to achieve the ultimate objective of the Convention,

Recalling the Climate Technology Centre and Network and the Technology Executive Committee shall relate so as to promote coherence and synergy,

Note: The following two paragraphs to be considered as part of the pre-ambular text.

[Decides that both components of the Technology Mechanism shall facilitate the implementation of the objective set out in decision 1/CP.16, paragraph 113, in line with their respective functions already agreed in 1/CP.16 and consistent with the mandate of the Technology Executive Committee, contained in annex V to decision 1/CP.16 and the terms of reference for the Climate Technology Centre and Network contained in paragraphs 13–45 of the same decision, respectively;

Agrees to further pursue the implementation of the Technology Mechanism and its two components with a view to making the Technology Mechanism fully operational as early as possible in 2012;]

{Governance structure and terms of reference for the Climate Technology Centre and Network}

1. *Adopts* the terms of reference for the Climate Technology Centre and Network as contained in paragraphs 13–45 of this decision;

2. *Decides* that the Climate Technology Centre and Network shall begin its activities [with an achievable scope of work] [so as to meet the needs of developing countries] and be flexible so that it can learn, adapt and [expand] [adjust] its scope and reach over time in response to the [technology] needs of developing countries and the demands of the emerging international climate change regime;

{Selection process and call for proposals}

3. *Decides* that the selection process for the host of the Climate Technology Centre and Network shall be launched [immediately] upon the conclusion of the [seventeenth][XX] session of the Conference of the Parties and be conducted in an open, transparent, fair and neutral manner in accordance with the selection [procedure] [criteria] as contained in the annex to this decision and [with] [taking into account] [informed by] the United Nations practices in order to make the Technology Mechanism become fully operational in 2012;

4. *Requests* the secretariat:

(a) To issue the call for proposals from interested organizations to host the Climate Technology Centre and Network;

(b) To provide relevant information to interested organizations and the detailed elements of how the proposals should be structured;

(c) To compile [the] executive summaries of the proposals received and distribute them to Parties;

(d) To make the [entire proposals][executive summaries] available on the UNFCCC website;

4 *alt Requests* the secretariat to issue the call for proposals specified in annex X to this decision;

5. *Invites* interested organizations to submit their proposals to the secretariat by XX XXX 2011, with information as specified in annex , paragraphs 49–56 to this decision;

5 *alt Invites* interested Parties and organizations to submit their proposals as specified in annex X to this decision

Option 1:

6. *Requests* [the secretariat to convene a [selection] [evaluation] committee of [six][eight to ten] members (three expert nominees put forward by Parties included in Annex I to the Convention (Annex I Parties) and three expert nominees put forward by Parties not included in Annex I to the

Convention (non-Annex I Parties))][the Technology Executive Committee] to review the proposals based on the evaluation criteria contained in annex, paragraphs 46–48,

6 *alt Requests* the ... to initiate the selection process as specified in annex X to this decision, with a view to recommending a decision on the choice of the organization to host the Climate Technology Centre and Network for adoption by the Conference of the Parties at its eighteenth session.

7. *Requests* [the [selection][evaluation] committee referred to in paragraph 6 above][the Technology Executive Committee] to recommend by consensus the organization to be selected as the host of the Climate Technology Centre and Network [for consideration by the subsidiary bodies at their thirty-sixth sessions], with a view to recommending a decision for adoption by the Conference of the Parties at its eighteenth session,

Option 2:

8. *Requests* the secretariat to launch the procedure for a call for proposals to host the Climate Technology Centre consistent with the provisions contained in the annex to the decision, starting in January 2012 and to be concluded in April 2012, and to compile and undertake an initial assessment of the proposals taking into account the selection criteria contained in annex, paragraphs 46–48 to be made available for consideration by the SBI at its thirty sixth session.

9. *Requests* the Subsidiary Body for Implementation at its thirty-sixth session to decide upon the host institution of the Climate Technology Centre.

{Budget, financial means of the Climate Technology Centre and Network}¹

10. *[Decides* that the costs associated with the operations of the Climate Technology Centre and Network shall in the short term be met from existing bilateral and multilateral sources of funding, and in the long term from the Green Climate Fund as well as be funded from various sources, for example possibly including the financial mechanism of the Convention, bilateral, multilateral and private sector channels, [Parties requesting services from the CTCN] as well as in-kind contributions from the host organization and participants of the Network;]

11. *[Requests* developed country Parties and other developed country Parties included in Annex II to the Convention to support the Climate Technology Centre and Network through the provision of financial and other resources;]

{Relationship between the Technology Executive Committee and the Climate Technology Centre and Network, and their reporting lines}

Note: Placeholder for relationship between the Technology Executive Committee and the Climate Technology Centre and Network, and their reporting lines

{Potential links between the TM and the financial mechanism, and other institutions under the Convention}

Note: Placeholder for potential links between the TM and the financial mechanism, and other institutions under the Convention

12. *Decides* that the Technology Executive Committee and the Climate Technology Centre shall achieve coherence and maintain interactions with other relevant institutional arrangements under and outside of the Convention, [notably by promoting synergies and consultations between the Technology Executive Committee and the Adaptation Committee, as appropriate, or by consulting and seeking input from other international relevant organizations];

12 *alt* [The components of the Technology Mechanism, particularly the Technology Executive Committee, shall, in the fulfillment of its mandate in accordance with paragraphs 120 and 121 of decision 1/CP.16, have the following links with the Financial Mechanism and other institutions under the Convention:

¹ To be considered together with paragraph 23–24.

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- a) As a thematic funding window of the Green Climate Fund and through mechanisms to be set up under the Green Climate Fund;
- b) To provide information, advice and recommendations on matters related to technology transfer to the Standing Committee;
- c) As active implementation and strategic partner of existing institutions under the Convention from where specific or broad classes of technologies may be accessed and diffused, including but not limited to the Adaptation Committee and other entities that deal with mitigation and capacity-building.

The Climate Technology Centre and Network, upon guidance by the Technology Executive Committee, shall also establish links with the above entities and bodies within and outside of the UNFCCC, as appropriate, to enable it to fulfill its mandate in accordance with paragraph 123 of decision 1/CP.16.]

{Additional function of the Technology Executive Committee and the Climate Technology Centre and Network}

Note: placeholder for additional functions of the Technology Executive Committee and the Climate Technology Centre and Network to be elaborated by Parties

Note: Parties may want to decide if the terms of references should be presented as annex or included in the main body.

Terms of reference of the Climate Technology Centre and Network²

Mission

13. The mission of the Climate Technology Centre and Network is to stimulate technology cooperation [and to enhance the development and transfer of technologies] and to assist developing country Parties at their request, consistent with their respective capabilities and national circumstances and priorities, [bearing in mind the different needs of women and men] in order to build or strengthen their capacity to identify technology needs, to facilitate the preparation and implementation of technology projects and strategies [with a gender perspective] to support action on mitigation and adaptation and enhance low emissions and climate-resilient development[, through the following:

- (a) Identifying currently available climate-friendly technologies for mitigation and adaptation that meet their key low carbon and climate resilient development needs;
- (b) Facilitating the preparation of project proposals for the deployment and utilization of currently available mitigation and adaptation technologies;
- (c) Facilitating adaptation and deployment of currently available technologies to meet local needs and circumstances;
- (d) Facilitating research, development and demonstration of new climate-friendly technologies for mitigation and adaptation, which are required to meet key sustainable development objectives;
- (e) Enhancing the national and regional human and institutional capacity to manage the technology cycle, and to support the challenges for the above activities;
- (f) Facilitating the financing of these activities through the Green Climate Fund and other bilateral, multilateral and private-sector sources.]³

Functions

14. The Climate Technology Centre and Network shall perform the functions designated by the Conference of Parties as contained in decision 1/CP.16, paragraph 123.

15. In performing these functions, the Climate Technology Centre and Network will:

- (a) [[Involve stakeholders at appropriate stages in planning and undertaking its work;]
- (b) [Build on the experiences and lessons learned from the Technology Needs Assessment Process in assisting developing countries with identifying and prioritizing technology needs;]
- (c) Balance consideration of mitigation and adaptation technologies consistent with the needs, requests, and capabilities of developing country Parties;
- (d) Maintain neutrality when advising on environmentally sound technologies for mitigation and adaptation;
- (e) [Maximize the effective use of available resources and prioritize the allocation of resources, as appropriate];

² It was suggested that the concept of Climate Technology Centre be broadened to include Climate Technology Centre and regional centres.

³ There was a suggestion that these sub-paragraphs be moved to the section on roles and responsibilities.

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- (f) [Form multisectoral expert groups to conduct technology assessments and will look into the potential environmental, social and economic impacts and the appropriateness of new and emerging technologies on a needs basis];
 - (g) [To undertake assessments in an independent manner, without conflict of interest, including existing, new and emerging technologies so as ascertain their appropriateness for adoption in or transfer to developing countries;
 - (h) To identify, suggest, and take measures to promote initiatives to overcome or remove obstacles or barriers to technology transfer to and in adopting in developing countries and to endogenous development of technologies in developing countries;
 - (i) To explore and implement measures to ensure that international rights and obligations relating to intellectual property shall be supportive and do not run against the objectives of the Convention, identifying, and promoting actions in all relevant forums or flexible mechanisms or intellectual property rights protection, especially those in the public domain];

Architecture

16. The Climate Technology Centre and Network will consist of:

- (a) A Climate Technology Centre, [which will have a broad understanding of regional and sectoral issues and differences and how it will manage them;]
- (b) A Network with the participation of relevant [existing] [institutions][entities] [capable of responding to requests from non-Annex I Parties] related to technology development and transfer. The Network may include, [inter alia]:
 - (i) [Regional climate technology centres and networks;]
 - (ii) Intergovernmental, international, regional and sectoral organizations, [partnerships] and initiatives that may contribute to technology deployment and transfer;
 - (iii) Research, academic, financial, non-governmental, private-sector and public-sector organizations, partnerships and initiatives;
 - (iv) National technology centres and institutions.⁴

Roles and responsibilities

Climate Technology Centre

17. The [Climate Technology Centre (CTC)] shall manage the process of receiving and responding [for the improvements of the proposals] to requests from developing country Parties and shall work with the Network to respond to such requests. The Climate Technology Centre will receive these requests from developing country Parties [through][from] a nationally designated [institution and/or individual][focal points]. [This institution and/or individual][These focal points] [shall consult national stakeholders from the public and private sectors before requesting services from the CTC and] will serve as the official interface between developing country Parties and the Climate Technology Centre, consistent with the country-driven approach of the Climate Technology Centre and Network and in a manner that builds in-country capacity over the long term, [and [the CTC] shall assess the viability, feasibility and [eligibility] of requests from non-Annex I Parties][on the basis of the agreed guidelines] [in order that the CTC provide reports of this process to the approbation of the Technology Executive Committee (TEC)].

18. The Climate Technology Centre [and Network] would respond to requests by developing country Parties either by itself or by identifying [an] appropriate organization(s) in the network [in order to improve the proposals], [in an open and competitive manner on the basis of their expertise and experience, resources committed to respond to the request, regional coverage, and capacity to build teams appropriate to respond in an expeditious manner,] in consultation with the requesting

⁴ There was a suggestion to move this sub-paragraph to become sub-paragraph i.

developing country Party. The Centre will, as appropriate [in line with policies set out by the governing board]:

(a) Receive and assess requests and refine and prioritize those requests in conjunction with the nationally designated institution or individual as appropriate, before deciding whether or not to act on a request;

a alt Receive, assess, refine and evaluate each request in order to establish its technical feasibility;

(b) To the extent capacity exists within the Centre, respond directly to approved requests;

b alt Initiate the implementation after the determination of the extent to which capacities and resources are available, or can be accessed;

(c) To the extent capacity does not exist within the Centre, provide information on, facilitating access to, mobilize and engage the most appropriate technical assistance and support available in the Network, and stimulate the creation of a tailor-made network to respond to approved requests in order of priority. The engagement of the Network may require the Centre to develop a scope of work, terms of reference and an estimated project cost that can be used to guide the engagement of the Network;⁵

c alt submit a record of the evaluation and recommendation of the prioritization for approval by the TEC;

(d) Provide oversight related to the appropriateness and timeliness of the response [by the Network].⁶

19. [The Climate Technology Centre [in collaboration with regional centres] shall][establish and maintain the Network by connecting, through an open invitation, a range of relevant institutions such as national, regional and sectoral technology centres as well as other stakeholders, such as non-governmental organizations, academia, research and business communities, as well as other international organizations]. [The governing board of the CTCN shall][It shall] oversee and manage the Network, and in doing so the Climate Technology Centre will establish procedures for:

(a) Participation in the Network that will ensure that the Network is effective, efficient, open, transparent, [inclusive, of a high quality and cost-effective];

(b) Engaging the Network and individual Network members to respond to specific projects that distribute the work efficiently, effectively and transparently;

(c) Monitoring and evaluating the performance of the Network and [Network members to [maintain][ensure] quality [delivery] control] and to gather the data and information needed to disseminate results, outcomes, and lessons learned [from each project];

(d) [Receiving and responding to any potential grievances raised by [developing country] Parties related to the performance of the [CTC and] Network and taking any necessary actions to resolve those grievances];

(e) [Ensuring fair and open international tendering for any procurement of services, in particular through the Network];

(f) [Procedures for the implementation of principles and provisions of the Convention on matters related to the development and transfer of technologies];

(g) [Procedures to implement measures to ensure that flexible mechanisms related to international rights and obligations on intellectual property shall be supportive and do not run counter to the objective of the Convention];

(h) [Transfer of skills and know-how to use, operate, maintain as well as to understand the technology software and hardware to enhance the capacities in developing countries and

⁵ There was a suggestion that this sub-paragraph could be moved to the section on network.

⁶ There was a suggestion that this sub-paragraph could be moved to the section on the governance of the Climate Technology Centre and Network.

promote research and further independent innovation by developing countries, including the potential to recover and promote traditional, local and indigenous knowledge].

20. The Climate Technology Centre [and regional centres] will also [facilitate the provision of information, training and support for programmes to build or strengthen capacity of developing countries to identify technology options, make technology choices and operate, maintain and adapt technology]:

- (a) Catalyse and facilitate the development and utilization of new and enhanced networks, partnerships and initiatives to respond to identified gaps and opportunities;
- (b) [[Coordinate][Establish and manage] a roster of technology experts and ensure that all relevant fields of expertise are included in this roster [including gender], in order to serve the various needs of the Technology Mechanism];
- (c) [Engage with the members of the Network, as appropriate, with a view to obtaining information on the technology needs assessments and related activities performed on the ground that supported mitigation and adaptation action in developing countries][in order to implement them];
- (d) [Facilitate the broad dissemination of information] Act as a knowledge centre by maintaining a highly accessible, interactive and user-friendly knowledge and information platform that will form part of the overall knowledge and information platform of the Technology Mechanism;
- (e) [Facilitate the broad dissemination of information and information sharing through information sharing platforms and compiling and disseminating technology information, and best practices and lessons learned through Climate Technology Centre and Network activities];
- (f) [Ensure cooperation and information sharing with the Technology Executive Committee as appropriate];
- (g) [To undertake or delegate assessments of new and emerging technologies, considering the following criteria: climate friendliness, environmental soundness and safety, human health and safety, social implications and economic affordability];
- (h) [To identify and overcome barriers to technology transfer and deployment decides high costs.]

Network

21. The members of the Network will undertake the substantive work to address the [approved] requests [to be acted] on made to the Climate Technology Centre by [focal points of the UNFCCC of] developing country Parties.

22. The relevant members of the Network, in undertaking actions, at the request and under the guidance of the Climate Technology Centre [approved by TEC], will, inter alia:

- (a) [In delivering][Deliver] practical technical assistance on the ground [the network should forge partnerships with relevant national entities] in relation to issues including but not limited to, technology strategies, programmes, plans and cooperation projects [to ensure skills transfer at the national level], [while ensuring coordination at the country level];
- (b) Assist developing country Parties to transform project, programme [plan] or policy concepts into proposals that meet the standards and criteria of international financial providers;
- (c) Provide information, training, capacity-building and technical assistance [in consideration of decision 7/CP.16 on Article 6 of the Convention] for the preparation of country-driven planning, the identification of technology options [, including endogenous technologies] [(including technology needs assessments)] and the development of technology strategies across the stages of the technology cycle, for action on mitigation and adaptation, including stimulating technology innovation;

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- (d) Provide advice, related to capacity building and technical assistance on policy options that could encourage the more rapid adoption and diffusion of environmentally sound technologies and practices;
- (e) [Serve as and provide experts for the roster of technology experts referred to in paragraph 20(b), above];
- (f) [Make information available for the identification of potential funding resources].
- (g) [Enable the implementation of activities that will result in the development/adaptation, transfer and commercialization of technologies which respond to national needs and circumstances.]
- (h) [Submit periodical reports of CTC, including recommendation and support necessary actions to address and remove the barriers to technology development and transfer which were identified by developing country Parties, in order to enable enhanced action on mitigation and adaptation. As well as assessments of the progress and evaluation];
- (i) Ensure sharing of publicly funded technologies and related know-how, including by making the technologies and know-how available the public domain in a manner that promotes transfer of and/or access to environmentally sound technology and know-how to developing countries on royalty-free terms;
- (j) Develop technology assessment is important, as the Technology Mechanism has to assess the suitability of technology before recommending or arranging its transfer or adoption.
- (k) Identify, suggest and take measures promote initiatives to overcome or remove obstacles/barriers to technology transfer to and adoption in developing countries. Among the barriers may be high cost of the technology, lack of financial resources and human expertise, lack of institutional arrangements to identify and introduce technologies, and intellectual property that may influence access;
- (l) Analyse and recommend further activities to expand technologies in the public domain. Nothing in international intellectual property agreements shall be interpreted or implemented in a manner that limits or prevents any Party from taking measures to address climate change, in particular the development and transfer of technologies;
- (m) Identify, suggest and promote actions in all relevant forums to exclude from intellectual property rights (IPR) protection and revoke existing IPR protection in developing countries and least developed countries on environmentally sound technologies to adapt to and mitigate climate change, including those developed through funding by governments or international agencies;
- (n) Promote research and further independent innovation by developing countries, including the potential to recover and promote traditional and indigenous knowledge;
- (o) Based on policies and guidelines of the TEC, the components of CTCN are in charge to develop a strategic mid/term work programme, with annual work plans that specify its milestones, activities and deliverables in performing its agreed functions and the requirements of the Parties, the linkages with other institutional arrangements under and outside of the Convention, resources needed to support their work and procedures for measuring its performance and impact.]

[Budget, financial means and estimate of expected funding

23. The funding for the core operating budget of the Climate Technology Centre should be sufficient to ensure its effective operation.
24. In kind contributions from the host organization and participants of the Network will also help to support the Climate Technology Centre and Network.]

Governance of the Climate Technology Centre and Network

25. The Climate Technology Centre will be hosted by the organization [selected] [approved] by the Conference of the Parties, in accordance with the selection procedure and criteria contained in the annex.

Option 1:

26. The Climate Technology Centre will be independent and accountable to, and under the guidance of, the Conference of the Parties and its related bodies as delegated. The legal and administrative arrangements for hosting the Climate Technology Centre will be developed by the host organization for approval by the Conference of the Parties.

27. The Climate Technology Network, in undertaking work at the request of the Centre, will be responsive to and accountable to the Climate Technology Centre.

28. The Climate Technology Centre will be governed by a governing body, constituted by the host organization.

29. In constituting the governing body, the host organization will include appropriately knowledgeable representatives from civil society.

30. To facilitate linkages between the Technology Executive Committee and the Climate Technology Centre and Network, the Chair and Vice-chair of the Technology Executive Committee should be invited to attend meetings as ex officio members.

31. The governing body, in governing the Climate Technology Centre and Network, will:

- (a) Ensure the accountability of the Climate Technology Centre and Network to the United Nations Framework Convention on Climate Change;
- (b) Develop operational criteria and guidelines in line with the guidance provided by the United Nations Framework Convention on Climate Change and its related bodies as delegated;
- (c) Ensure effective management and planning, including the smooth functioning of the Network, to meet the requirements of timeliness, appropriateness and responsiveness to requests from Parties, consistent with the guidance provided;
- (d) Review and approve the budget, business plan, annual operating plans and reports of the Climate Technology Centre and ensure good business practices and prudent use of resources;
- (e) Ensure the application of fiduciary standards, and legal and ethical integrity.

Option 2:

32. The Climate Technology Centre shall be governed by the Technology Executive Committee, which shall provide, inter alia:

- (a) Recommendations to the Conference of the Parties on matters related to activities and/or outcomes of activities eligible for financial support from the financial mechanism;
- (b) Policy direction on issues such as prioritization, operational criteria and guidelines, human resources policies, and designation of organizations as the Network members;
- (c) Oversight, including review, on issues such as responsiveness to requests, timelines, and appropriateness of response;
- (d) Financial control of the Climate Technology Centre, such as approval of budget, resources and audit;
- (e) Monitoring and evaluation of the speed and effectiveness of technologies transferred;
- (f) Reviewing the implementation of the approved work programme of the Climate Technology Centre and reporting it back to the Conference of the Parties;

Option 3:

33. The Climate Technology Centre and Network shall operate independently within its terms of reference and be accountable to, and under the guidance of, the Conference of the Parties and its related bodies as delegated; it will also take into account the strategic guidance provided on an annual basis by the Technology Executive Committee;

34. The Climate Technology Centre shall establish annually a work programme in order to operationalize its roles as referred to in paragraphs 17–20 above, while prioritizing action on requests from developing countries, which are submitted through national focal points;

35. The evaluation of the operational performance, the auditing of the budgetary performance, the approval of the budget, operating/business plans and reports, ensuring fiduciary standards, and the legal and ethical integrity of the Climate Technology Centre should be ensured in accordance with the governance structure of the host.

Organizational structure of the Climate Technology Centre

36. The organizational structure of the Climate Technology Centre will be designed and managed to maximize the effectiveness and efficiency of its operations.

37. The Climate Technology Centre shall have a lean cost-efficient organizational structure, within an existing institution, led by a Director that will manage a small core team of professional and administrative staff, as required, and to be appointed by and responsible to the host organizations governance structure in order to meet its responsibilities and to efficiently and effectively perform its functions.

38. The Director will be approved by and accountable to the governing body for the effectiveness and efficiency of the Climate Technology Centre in carrying out its functions.

39. As soon as practicable after appointment, the Director will facilitate the timely recruitment of the staff of the Climate Technology Centre.

40. In addition to the core team of the Climate Technology Centre, the host organization, national governments and members of the Network are encouraged to second appropriately skilled experts to the Climate Technology Centre on a fixed-term basis. Secondment arrangements will be made in such a manner as to avoid and manage conflicts of interest.

Reporting and review

41. The Climate Technology Centre shall provide an annual report on its activities and those of the network and the performance of their respective functions,

Option 1: to the Technology Executive Committee two months prior to the Conference of the Parties in order to allow it to review and forward the report with its comments

Option 2: to be approved by the governing body to the Conference of the Parties through the subsidiary bodies in accordance with the interim reporting arrangements contained in decision 1/CP.16, paragraph 126.

Option 3: to the Conference of the Parties through the subsidiary bodies in accordance with the interim reporting arrangements contained in decision 1/CP.16, paragraph 126. The Climate Technology Centre should also provide the Technology Executive Committee with an annual report on its activities and the performance of its function, with a view to providing an input to the Technology Executive Committee, on its recommendations to the Conference of the Parties.

42. The report will contain all the information necessary to meet the principles of accountability and transparency required by the UNFCCC, and shall also include information on requests received and activities carried out by the Climate Technology Centre and Network, information on the efficiency and effectiveness in responding to these requests, and information on ongoing work as well as lessons learned and best practices gained from that work.

43. The Conference of the Parties will undertake an independent review of the effective implementation of the Climate Technology Centre and Network after three years following its inception. The findings of the review, including any recommendations for enhancing the performance of the Climate Technology Centre and Network, will be considered by the Conference of the Parties. Subsequently, periodic independent reviews of the effectiveness of the Climate Technology Centre and Network will be conducted every five years.

Term of Agreement

44. The initial term of agreement to host the Climate Technology Centre and Network will be for three years, with two three-year renewal options. Following the renewal options, there could be a new solicitation to host the Climate Technology Centre and Network or there could be further renewal options if so decided by the Conference of the Parties.

45. The renewal of agreement is subject to the host organization fulfilling its functions laid out above and its responsiveness to the direction given to it in paragraph 17–20 above.

Annex

Procedure for the call for proposals and criteria to be used to evaluate and select the host of the Climate Technology Centre and Network

I. Criteria to be used to evaluate and select the host of the Climate Technology Centre and Network

46. The proposals will be evaluated against the following criteria:

- (a) Technical approach, which includes:
 - (i) A cost-efficient organizational structure able to ensure effective implementation with appropriate regional focus;
 - (ii) Feasible approach on how it plans to approach and organize the Network.
 - (iii) Capacity to respond to requests from Parties;
- (b) Management plan, which includes a transparent governance structure with the capability to ensure the evaluation of operational performance, the auditing of budgetary performance, the approval of the budget, operating/business plans and reports, fiduciary standards, as well as legal and ethical integrity;
- (c) Experiences, expertise, capacity and record of sound financial management, which include:
 - (i) A proven track record of several years of activities directly connected to the functions of the Climate Technology Centre and Network as referred to in decision 1/CP.16, paragraph 123 of and the roles of the Climate Technology Centre as referred to in the terms of reference of the Climate Technology Centre and Network;
 - (ii) Demonstrated capability/experience in international multi-stakeholder cooperation, including especially involvement with the private sector, in development and transfer of environmentally sound technologies for adaptation and mitigation and the facilitation of networks;
 - (iii) Demonstrated capability to ensure fair and open international tendering for any procurement of services;
 - (iv) Maintain fiduciary standards and legal and ethical integrity that comply with the principles of the United Nations;
 - (v) Regional coverage, and capacity to build teams appropriate to respond fully to the Parties not included in Annex I to the Convention (non-Annex I Parties) requests in an expeditious manner.
- (d) Cost-effectiveness;
- (e) In kind resources to be provided which include capacity and preparedness to provide some in kind contribution for the Climate Technology Centre operations;
- (f) Administrative and logistic aspect including the ability to provide high-quality administrative, infrastructural and logistic arrangements and accessibility to all the Parties not included in Annex I to the Convention (non-Annex I Parties).

47. The respective weights are 0.2 for technical approach, 0.25 for management plan, 0.3 for experiences, expertise, capacity and record of sound financial management, 0.1 for cost effectiveness, 0.15 for in kind resources to be provided.

48. All other criteria being equal, preference shall be given to a host organization located in a developing country.

II. Information required to be included in the proposals

49. The prospective host's proposal must address how the prospective host has performed work similar to that described in the terms of reference as well as how they will excel in conducting this work if selected. Failure to include all information as specified or to organize the proposal in the manner prescribed may result in rejection of the proposal as being non-responsive.

50. Prospective hosts of the Climate Technology Centre must provide information in their proposals demonstrating how they will implement the terms of reference. The proposal should be organized to respond to the outline of the evaluation criteria. In addition to the information listed above information required includes:

A. Technical approach

51. The proposal must address two key areas relating to the prospective host's technical approach, including:

- (a) Understanding of issues relating to technology transfer and diffusion:
 - (i) The potential role of regional centres and the proposed organization at the regional and sub-regional level;
 - (ii) Present a comprehensive understanding of challenges and opportunities in developing countries in the context of the development, transfer and diffusion of technology and the necessary/needed technical services along the entire technology cycle;
 - (iii) Describe realistic measures to be taken and a clear strategy for promoting sustainability through the development of local technical capacity;
 - (iv) How the Climate Technology Centre and Network can be an effective tool to diffuse climate friendly technology.
- (b) A strategic approach to setting up and operating the Climate Technology Centre and Network:
 - (i) The overall vision of the prospective host for the Climate Technology Centre and Network and how to accomplish the mission as contained in paragraph 13;
 - (ii) Challenges in the development, set up and administration of the Climate Technology Centre and Network;
 - (iii) A plan and schedule for initiating the rapid startup of the centre and network including the recruiting of essential staff (for the Centre) and securing working space and facilities necessary for the Centre to become operational;
 - (iv) The proposed modalities and delivery mechanisms to operationalize the functions of the Climate Technology Centre and Network, including the information in paragraph 18 in order to ensure scarce resources are allocated where they will have a long-term sustainable impact;
 - (v) Understanding of regional and sectoral issues and differences regarding specific technology information;
 - (vi) An initial indication of how the host would structure the Network and involve a wide range of other relevant organizations, initiatives and the private sector in the Network;
 - (vii) How the relationship with the Network will be forged;
 - (viii) Interaction of the Climate Technology Centre with the national entities and the Network.

B. Management Plan

52. The Management Plan shall include the following elements, inter alia:
- (a) The proposed organizational arrangements, including a staffing plan and an organizational chart for the Climate Technology Centre and Network, management systems, team members and methodological approaches, such as how the Climate Technology Centre and Network would prioritize its work and allocate its resources in an effective and efficient manner in order to handle a broad content spectrum and volume of requests;
 - (b) Risk and scenario planning;
 - (c) How the Climate Technology Centre and Network will create and maintain relationships with developing countries to ensure effective and efficient lines of communication for assistance solicitation;
 - (d) A Performance Monitoring Plan that provides details on how the host organization will provide oversight, monitor and evaluate the performance of the Climate Technology Centre and Network and identify and make mid-course corrections to resolve issues or problems and improve project performance, results and outcomes;
 - (e) How the Climate Technology Centre and Network will interact and coordinate with other development assistance organizations (e.g. donor organizations) to minimize redundancy;
 - (f) [A draft charter for the governing body which includes operational modalities of the governing body, as well as frequency of meetings and venue, length of term, term limits, removal and replacement criteria and procedure, voting rules, etc., as well as a notional position description for the director of the Climate Technology Centre and Network.]⁷

C. Experience, expertise, and capabilities and record of sound financial management

53. The proposal shall describe the prospective host's institutional experience, expertise, and capability along with a documented record of sound financial management as described in the two main categories below:

- (a) Institutional capacity, experience, and capabilities
 - (i) Capability to manage complex projects and worldwide/regional/in-country contracts/etc.; work effectively with different clients and interest groups towards shared and complementary objectives; manage and administer large and small, short- and long-term projects in developing countries, and to manage any associated potential liabilities and legal risks;
 - (ii) Capability to leverage current relationships and assemble technical assistance teams, including subcontractors, place them in the field in a timely manner, and provide them with all necessary support; simultaneously manage multiple assistance projects involving collaborative efforts drawing upon multi-disciplinary skills; and manage cross-sectoral teams of experts, in-country contractors, and private sector entities;
 - (iii) Capability to build host-country capacity and facilitate the transfer of technology and technology diffusion in developing countries;
 - (iv) Involvement with similar networks and description of relevant projects/activities including functions that overlap with the Climate Technology Centre and Network;
 - (v) Work done in a broad range of regions in the world including scope of current operations (regional offices/bureau that could support the Climate Technology Centre);

⁷ To be considered together with option 1, paragraph 26–31.

(vi) Current relationships that could be leveraged for development of the Network;

(b) Fiscal management

(i) The prospective host must provide background information and documented experience in the management of large sums of money over several years as well as experience in preparing detailed budgets, financial plans, and working within constrained and potentially fluctuating budgets without compromising quality.

D. Cost-effectiveness

54. Cost-effectiveness should include:

(a) Budget estimation for delivery of assigned functions of the Climate Technology Centre and Network;

(b) Percentage of the overall operating budget to be used for administrative costs, infrastructure, budgetary support, human resources, and overhead;

(c) Information on the business model for the Climate Technology Centre that will enable its financial sustainability.

E. In kind resources to be provided

55. It should include commitment of resources from the host (e.g. financial, in kind, staff, infrastructure, budgetary support, expertise and human resources);

F. Administrative and logistics

56. It will include administrative and legal arrangements, logistics and infrastructural services to be provided by the host including management of potential liabilities and legal risks in particular the accessibility to all Parties not included in Annex I to the Convention.