



SUBSIDIARY BODY FOR SCIENTIFIC AND TECHNOLOGICAL ADVICE

Twenty-sixth session

Bonn, 7–18 May 2007

Agenda item 4

Development and transfer of technologies

Development and transfer of technologies

Draft conclusions proposed by the Chair

1. The Subsidiary Body for Scientific and Technological Advice (SBSTA) considered the text of a draft decision, as requested by decision 5/CP.12, and decided to forward a draft decision to the SBSTA (see annex I) for consideration at its twenty-seventh session (December 2007).
2. The SBSTA welcomed the informal initiatives taken by the Governments of China and Japan in facilitating the dialogue among Parties towards advancing consultations on the draft decision referred to in paragraph 1 above.
3. The SBSTA welcomed the election of Mr. Chow Kok Kee (Malaysia) as Chair and Mr. Elmer Holt (United States of America) as Vice-Chair of the Expert Group on Technology Transfer (EGTT) for 2007. It also welcomed the oral report by the Chair of the EGTT on the outcomes of the group's eleventh meeting, held on 4–5 May 2007 in Bonn, Germany, and endorsed the EGTT work programme for 2007 (see annex II).
4. The SBSTA noted with appreciation the work plan of the EGTT¹ for disseminating and using the UNFCCC publication *A Guidebook on Preparing Technology Transfer Projects for Financing* with assistance from the secretariat, and invited the Global Environment Facility, the United Nations Environment Programme, the United Nations Development Programme, the United Nations Industrial Development Organization and the Climate Technology Initiative (CTI) as well as other relevant international organizations to collaborate in the implementation of this work plan.
5. The SBSTA noted the report on the senior-level round-table discussions on international technology cooperation and partnerships in the development, deployment, diffusion and transfer of environmentally sound technologies and know-how (FCCC/SBSTA/2007/2). It invited Parties to draw

¹ <<http://ttclear.unfccc.int/ttclear/jsp/index.jsp?mainFrame=../html/EGTT10Training.html>>.

on the information contained in this report when considering possible actions to enhance the implementation of the technology transfer framework, and ways and means to realize the full potential of technologies in the context of long-term cooperative action to address climate change.

6. The SBSTA further noted a report on the pilot project on networking between the UNFCCC technology information clearing house (TT:CLEAR) and regional and national technology information centres (FCCC/SBSTA/2007/INF.1). It acknowledged that activities implemented under the pilot phase have provided useful information for assessing the feasibility of such a network. The SBSTA will reconsider this matter at its twenty-seventh session.
7. The SBSTA recognized that the implementation of the results of the technology needs assessments (TNAs) remains a key objective that could be enhanced through technical assistance to improve the preparation of project proposals, and through improved access to financing resources and models which could be based on financing advice provided by advisory networks such as the pilot project on the private financing advisory network of the CTI.
8. The SBSTA noted with appreciation the financial assistance provided by the Governments of Norway, Sweden and the United States of America, and the European Community and the CTI, for the implementation of the activities listed for immediate follow-up (FCCC/SBSTA/2006/11, para. 80) and for the ongoing work of the EGTT and the secretariat.
9. The SBSTA requested the secretariat, subject to the availability of resources:
 - (a) To make available to Parties a paper on best practices in conducting TNAs based on outcomes of the workshop referred to in paragraph 9 (b) below, the TNA synthesis report (FCCC/SBSTA/2006/INF.1), recently completed TNAs and other relevant documents. This paper will be made available for reference at the workshop organized by the secretariat on exchange of experiences and good practices among Parties not included in Annex I to the Convention in preparing national communications and on cross-cutting issues, to be held from 20 to 22 September 2007 in Cairo, Egypt. The paper will be considered by the SBSTA at its twenty-seventh session;
 - (b) To report to the SBSTA, at its twenty-seventh session, on the outcomes of the workshop on best practices in conducting TNAs, to be organized jointly by the secretariat and the United Nations Economic and Social Commission for Asia and the Pacific from 27 to 29 June 2007 in Bangkok, Thailand.
10. The SBSTA encouraged consultations within the regional groups with a view to nominating the members of the constituted body referred to in the draft decision (see annex I, para. 3), pending the adoption of a decision on this matter by the Conference of the Parties at its thirteenth session.

ANNEX I

Draft decision proposed by the Co-Chairs

The Conference of the Parties,

Recalling chapter 34 of Agenda 21 and the relevant provisions of the programme for the further implementation of Agenda 21 on the transfer of environmentally sound technologies adopted by the United Nations General Assembly at its nineteenth special session,

Recalling the relevant provisions of the Convention, in particular Article 4, paragraphs 1, 3, 5, 7, 8 and 9, Article 9, paragraph 2(c), Article 11, paragraphs 1 and 5, and Article 12, paragraphs 3 and 4,

Recalling its decisions 4/CP.7, 6/CP.10, 6/CP.11, and 3/CP.12,

Welcoming the progress of the work and achievements of the Expert Group on Technology Transfer since its inception in advancing and facilitating the implementation of the framework for meaningful and effective actions to enhance the implementation of Article 4, paragraph 5, of the Convention, and its related activities under the framework,

Noting the range of important actions and partnerships undertaken by Parties within and outside the framework of the Convention, which contribute to the development, transfer and deployment of environmentally sound technologies, including through joint research and development programmes,

Noting with appreciation the progress made by Parties included in Annex II to the Convention in establishing innovative financing partnerships such as the Global Energy Efficiency and Renewable Energy Fund and the European Union Energy Initiative,

Further noting the actions of Parties to contribute to addressing technology financing issues, through such vehicles as the Global Environment Facility, the Special Climate Change Fund, the Least Developed Countries Fund, the World Bank and the Climate Technology Initiative,

Recognizing that there is a crucial need to accelerate innovation in the development, deployment, adoption, diffusion and transfer of environmentally sound technologies among all Parties, and particularly from developed to developing countries, for both mitigation and adaptation,

Emphasizing that effective actions to address climate change require a broad portfolio of activities, including the widespread uptake of new and existing technologies and the creation of appropriate enabling environments,

Recognizing that close collaboration between government, industry and the research community, in particular through public-private partnerships, can stimulate the development of a wide range of mitigation and adaptation technologies and reduce their costs,

[Further recognizing that [current] financial provisions and institutional arrangements under the Convention [are important][, in the form of the Special Climate Change Fund and the Expert Group on Technology Transfer, are inadequate [and should be strengthened]] to deliver immediate and urgent technology development, deployment, diffusion and transfer to developing countries,]

[Further recognizing that the immediate and urgent delivery of technology development, deployment, diffusion and transfer to developing countries requires suitable responses [including a continued emphasis by all Parties[, in particular Annex I Parties,]] on enhancement of enabling environments, [facilitating access to technology information and capacity building][, identification of technology needs] and innovative financing that mobilizes the vast resources of the private sector to supplement public finance sources where appropriate,]

Further recognizing the importance of an effective institutional arrangement, access to financing and suitable indicators for monitoring and evaluating effectiveness to the development, deployment, diffusion and transfer of environmentally sound technologies to developing countries,

1. *Agrees that the five themes listed in the framework for meaningful and effective actions to enhance the implementation of Article 4, paragraph 5, of the Convention (technology transfer framework), as contained in the annex to decision 4/CP.7, and the structure, definitions and purpose of this framework, continue to provide a solid basis for enhancing the implementation of Article 4, paragraph 5, of the Convention;*

2. *[Adopts the set of actions in annex I to enhance the implementation of the technology transfer framework, in line with the actions recommended by the Expert Group on Technology Transfer and endorsed by the Subsidiary Body for Scientific and Technological Advice,¹ and agrees that these activities would complement the actions in the technology transfer framework;]*

2 alt. *[Adopts the set of actions, for consideration by the [constituted body] in formulating its future work programmes, as set out in the recommendations for enhancing the framework for meaningful and effective actions to enhance the implementation of article 4 paragraph 5, of the Convention contained in the annex I to this decision;]*

3. *Agrees to [reconstitute a] [establish a constituted] body on technology transfer for five years with the terms of reference contained in the [annex II] and to review, at its eighteenth session, progress of the work and terms of reference, including, if appropriate, the status and continuation of this body;*

4. *[Decides to establish a new multilateral technology cooperation fund to finance the development, deployment, diffusion and transfer of EST's to developing countries. This funding arrangement will inter alia:*

- (a) Supporting implementation of technology needs assessments;
- (b) Participating in joint research and development programmes and activities in the development of new technologies;
- (c) Conducting demonstration projects;
- (d) Establishing enabling environments for technology transfer;
- (e) Providing incentives for private sector engagement;
- (f) Supporting South-South cooperation;
- (g) Developing and enhancing endogenous capacities and technologies;
- (h) Meeting the agreed full incremental costs;

¹ FCCC/SBSTA/2006/5, annex II.

- (i) Purchasing licenses to support the transfer of low carbon technologies and infrastructure.
- (j) Financing through setting up a venture capital fund located in a multilateral financial institution.]

4 alt. [Decides that the [constituted body] shall constitute the effective institutional arrangement within the Convention, which is necessary to support action, and that this constituted body shall have particular regard to the need for, and in accordance with the TOR's referred to in paragraph 3:

- (a) Adequate and timely financial support, within the context of Article 4, paragraph 5 of the Convention;
- (b) Development of performance indicators, for monitoring and evaluating effectiveness.]

5. [Requests the [constituted body] to develop performance indicators to regularly monitor and evaluate the effectiveness, impact and progress of the implementation of the set of actions for enhancing the implementation of the technology transfer framework contained in the [annex I], for consideration by the Conference of the Parties at its fourteenth session;]

6. Requests the [constituted body] with the support of the secretariat to consult with relevant international organizations, and solicit information on their abilities to support certain activities identified in the set of actions contained in [annex I] and to report annually on its findings to the [Subsidiary Body for Scientific and Technological Advice at its twenty-ninth session][and the Conference of the Parties];

7. Urges Parties not included in Annex I to the Convention to use the United Nations Development Programme handbook *Conducting Technology Needs Assessments for Climate Change*² when undertaking their technology needs assessments;

8. [Urges Parties, and in particular developed country Parties, to provide technical and financial assistance, as appropriate, through existing bilateral and multilateral cooperative programmes to support the efforts of Parties in implementing the set of actions for enhancing the implementation of the technology transfer framework referred to in paragraph 2 above];

9. Urges Parties included in Annex II to the Convention, relevant intergovernmental organizations, international financial institutions, and other partnerships and initiatives, including the Climate Technology Initiative, in a position to do so, to provide technical and financial support to Parties not included in Annex I to the Convention and countries with economies in transition to conduct, identify and help implement prioritized technology needs;

10. Requests the secretariat to facilitate the implementation of the actions for enhancing the technology transfer framework further elaborated in [annex I], and of the work of the [constituted body] on technology transfer in cooperation with Parties, the Global Environment Facility, and other relevant international organizations, initiatives and intergovernmental processes.

11. Requests the Global Environment Facility, as the operating entity of the financial mechanism of the Convention, to provide financial support for the [framework for meaningful and effective actions to enhance the implementation of Article 4, paragraph 5, of the Convention adopted under 4/CP.7 and, to the extent incorporated into the future work programme of the [constituted body], the set of recommendations for enhancing the implementation of Article 4, paragraph 5, of the Convention through its climate change focal area][implementation of the technology transfer framework as complemented by the set of actions contained in [annex I]].

² <http://ttclear.unfccc.int/ttclear/pdf/TNA/UNDP/TNA%20Handbook_Final%20version.pdf>

[ANNEX I]

**RECOMMENDATIONS FOR ENHANCING THE IMPLEMENTATION OF THE
FRAMEWORK FOR MEANINGFUL AND EFFECTIVE ACTIONS
TO ENHANCE THE IMPLEMENTATION OF ARTICLE 4, PARAGRAPH 5,
OF THE CONVENTION**

1. The purpose of the recommendations presented in the annex is to identify specific actions for enhancing the implementation of the framework for meaningful and effective actions to enhance the implementation of Article 4, paragraph 5, of the Convention (referred to hereinafter as the technology transfer framework), as requested by decision 6/CP.10.
2. These recommendations were developed taking into account:
 - (a) Experience and lessons learned from the implementation of the technology transfer framework since its adoption by the Conference of the Parties (COP) at its seventh session (decision 4/CP.7);
 - (b) Progress of the work and the activities completed since the inception of the Expert Group on Technology Transfer (EGTT) in 2001 and the outcomes of its deliberations;
 - (c) Relevant ongoing activities relating to the development and transfer of technologies of various national, regional and international organizations, governments and the private sector, in different forums;
 - (d) That the work on advancing the uptake of mitigation technologies and technologies for adaptation to climate change involves cross-cutting activities and, as such, normally is implemented under multiple key themes of the framework;
 - (e) The need to promote a broader involvement of Parties, international organizations, the private sector (in particular business and industry as well as the financial community), technology practitioners and other relevant stakeholders for the implementation of the framework;
 - (f) The need to strike a balance between strategic and operational actions, whereby the strategic actions are implemented by organizing technical workshops and expert meetings. These lead to the preparation of reports, technical papers and other tools on specific issues that provide technical inputs and operational guidance for the benefit of Parties and other users.
3. The existing structure, five thematic areas of work, definitions and purpose under the current technology transfer framework contained in the annex to decision 4/CP.7 continue to provide a solid basis for implementing the provisions of the Article 4, paragraph 5, of the Convention.
4. Given that technology is one of the important elements for discussions on the future long-term cooperative actions to address climate change by enhancing implementation of the Convention, the suggested time frame for the implementation of the actions outlined below is for the medium term covering the period between 2007 and 2012 or until the eighteenth session of the COP (2012). These recommendations address the medium-term work, pending the results of the Dialogue on long-term cooperative actions on climate change by enhancing implementation of the Convention (Dialogue).

5. The implementation of the recommendations presented below should be considered as further actions for enhancing the implementation of Article 4, paragraph 5, of the Convention set out in the technology transfer framework.
6. Work developed under each key theme has evolved to a more practical and results-oriented level and should continue to do so by promoting actions in specific sectors and regions. Therefore, there is a need to undertake periodic review on implementation of the framework and its effectiveness.
7. The EGTT recognized the need for financial and technical support to enable the Parties not included in the Annex I to the Convention (non-Annex I Parties) to implement the recommended actions below. In this regard Parties, when considering these recommendations, may wish to consider ways and means to address these needs.

A. Technology needs and needs assessments

8. Most of the actions described in paragraph 7 of the technology transfer framework under the theme of technology needs assessments (TNAs) have been completed as described in paragraphs 16–21 of the main part of document FCCC/SBSTA/2006/INF.4. Based on lessons learned in the implementation of this theme, the following recommendations are made to enhance the implementation of this key theme:
- (a) To encourage non-Annex I Parties that have not yet undertaken or completed their TNAs, to do so as soon as possible, and to make these reports available to the secretariat for posting on the UNFCCC technology information clearing house (TT:CLEAR);
 - (b) To encourage non-Annex I Parties to provide updated information on their technology needs in their second national communications and other national reports and to make them available to the secretariat;
 - (c) To request the secretariat to prepare a synthesis report(s) of the information mentioned in paragraph 8 (a) and (b) above for consideration by the Subsidiary Body for Scientific and Technological Advice (SBSTA);
 - (d) To request the Global Environmental Facilities (GEF) and its implementing agencies, other intergovernmental organizations (IGOs), international financial institutions (IFIs), Climate Technology Initiative (CTI) and Parties that are in a position to do so to provide capacity-building for non-Annex I Parties to conduct, report and use TNAs;
 - (e) To request that, not later than 2009:
 - (i) The secretariat, in collaboration with the EGTT, United Nations Development Programme (UNDP), United Nations Environment Programme (UNEP) and CTI, update the handbook for conducting technology needs assessments before SBSTA 28, taking into account experience and lessons learned indicated in the synthesis report on technology needs prepared by the secretariat,¹ cross-referencing the work on innovative financing and technologies for adaptation, and widely disseminate the updated handbook to Parties through TT:CLEAR and other means in different United Nations official languages;
 - (ii) The EGTT, with the assistance of the secretariat, prepare a report on good practices for conducting TNAs in collaboration with UNDP, UNEP and CTI for

¹ FCCC/SBSTA/2006/INF.1.

consideration by the SBSTA, and disseminate it to relevant stakeholders and practitioners;

- (f) To make available the results of TNAs, related experience and lessons learned in the TNA process and sharing them at national and international levels through the network of technology information centres, including through the organization of workshops by the secretariat in collaboration with relevant international organizations and initiatives;
- (g) The secretariat to provide regular updates on progress of the implementation of the results of technology needs identified in TNAs, including success stories for consideration by the SBSTA at its subsequent sessions, as appropriate;
- (h) To invite the EGTT to cooperate closely with the other expert groups constituted under the Convention, especially the Consultative Group of Experts on National Communication from Parties not included in Annex I to the Convention (CGE), with the aim of coordinating activities relating to TNAs and national communications.

9. The main actors in this work are Parties, the EGTT, the secretariat, the GEF and its implementing agencies, and CTI in collaboration with relevant national and international stakeholders.

B. Technology information

10. The actions identified under this theme of the technology transfer framework were mainly completed as described in paragraphs 27–34 of the main part of document FCCC/SBSTA/2006/INF.4. Based on lessons learned in the implementation of this theme, the following recommendations are made to enhance the implementation of this theme:

- (a) To maintain, update and further develop TT:CLEAR taking into account relevant conclusions of the SBSTA at its twentieth session and client surveys;
- (b) To enhance outreach activities by the secretariat to increase the numbers of users of TT:CLEAR from developing country Parties;
- (c) To share experiences and lessons learned among national and regional experts participating in the pilot project on TT:CLEAR networking through the organization of expert meetings;
- (d) To use TT:CLEAR and the network of technology centres developed through the current pilot programme to share technical information on technologies for adaptation and the associated capacity-building to meet the needs for technology information of vulnerable communities and countries;
- (e) To encourage the link between TT:CLEAR and technical information providers, including the private sector, in technology transfer;
- (f) To encourage the organization of training programmes and workshops by the secretariat in collaboration with the EGTT and relevant national, regional and international organizations for building capacity of experts in the creation of their national technology information databases;
- (g) To encourage Parties to provide more information on their technology transfer activities in their national communications.

11. The main actors in the work are the secretariat, Parties and their national and regional technology centres, relevant international organizations, and the private sector.

C. Enabling environments for technology transfer

12. Based on lessons learned in the implementation of this theme, the following recommendations are made to enhance the implementation of this theme:

- (a) Preparation of technical studies on barriers, good practice and recommendations for developing enhanced enabling environments that accelerate the development and transfer of environmentally sound technologies (ESTs), at the national and international levels. This should cover related trade issues, technology development (including endogenous technologies), and technology push and market pull factors for consideration by the SBSTA;
- (b) To encourage Parties to avoid trade and intellectual property rights policies, or lack thereof, restricting transfer of technology;
- (c) To encourage Parties to make available through TT:CLEAR and other means information on ongoing and planned publicly funded research and development (R&D) activities where there are opportunities for non-Annex I Parties to jointly participate in such R&D activities, along with the terms under which Parties might participate and the steps necessary to establish such a collaborative relationship;
- (d) Close cooperation with public and/or private partnerships that focus on improving enabling environments for accelerating development and transfer of ESTs and which have been established in the context of processes such as the World Summit on Sustainable Development, the Group of Eight, and other initiatives (Renewable Energy and Energy Efficiency Partnership, Johannesburg Renewable Energy Coalition, Carbon Sequestration Leadership Forum, and CTI and other International Energy Agency implementing agreements);
- (e) To encourage Parties to integrate the objective of technology transfer into national policies and to enhance the interaction between governments and the private sector.

13. The main actors in this work are Parties, the secretariat, relevant international organizations and initiatives, and the private sector.

D. Capacity-building for technology transfer

14. Activities relating to capacity-building are also listed under other sections of these recommendations. Based on lessons learned in the implementation of this theme, the following additional recommendations are made to enhance its implementation:

- (a) To encourage Parties, IGOs and other institutions and initiatives to support capacity-building activities to promote technology transfer, at the regional and national levels, that are targeted to respond to priority capacity-building needs identified by non-Annex I Parties in their TNAs, national communications and other national reports;
- (b) The secretariat to prepare periodic reports containing information relating to capacity-building needs for the development, deployment, application and transfer of technologies from all relevant sources of information, such as national communications of non-Annex I Parties, reports of TNAs, and National Capacity Self Assessment reports supported by the GEF for consideration by the SBSTA. To the extent possible those reports could identify key elements for successful capacity-building for development and transfer of technologies for both mitigation of and adaptation to climate change;

- (c) To increase communication and outreach with regard to technology transfer activities under the framework and the work of the EGTT by creating learning centres (tools and methods) and partnership fairs (opportunities) in parallel with subsidiary body sessions and side events;
- (d) To encourage Parties, IGOs and other institutions and initiatives to organize training in management and operation of climate technologies; to establish/strengthen relevant organizations/institutions in developing countries for capacity-building for technology transfer; to establish/strengthen training, expert exchange, scholarship and cooperative research programmes in relevant national and regional institutions in developing countries for transfer of ESTs; and to organize seminars/training/workshops on capacity-building for adapting to the adverse effects of climate change.

15. The main actors in this work are Parties, the EGTT, the secretariat, the GEF and its implementing agencies, and relevant international organizations and initiatives.

E. Mechanisms for technology transfer

16. The following recommendations were built on ongoing work of the secretariat and the EGTT in different areas for enhancing the implementation of the technology transfer framework.

1. Innovative options for financing the development and transfer of technologies

17. The recommended actions in this area are:

- (a) To invite relevant international organizations and initiatives, such as CTI, in collaboration with the EGTT and the secretariat, to provide technical support through coaching and training programmes for project developers in developing countries and countries with economics in transitions (EITs) to transform project ideas resulting from TNAs into project proposals that meet the standards of the international financial providers;
- (b) To disseminate the new UNFCCC practitioners' guide for preparing and presenting project financing proposals to Parties and practitioners in developing countries and encourage its use in the activity mentioned in paragraph 14 (a) above; post the guide on TT:CLEAR for distance learning purposes and for use in other training programmes;
- (c) To request the EGTT to promote success stories in financing technology transfer projects in emerging markets involving the private sector, including carbon funds, corporate-social-responsible, and triple-bottom-line² investors;
- (d) To encourage Parties to create an environment conducive for private sector investments by providing such incentives as greater access to multilateral sources and other sources of targeted "smart" subsidy schemes that trigger private sector co-financing;
- (e) To encourage Parties to scale up and/or develop innovative public-private financing mechanisms and instruments that increase access to developing country project and business developers that play a role in the transfer, development, and/or deployment of ESTs, focusing in particular on:
 - (i) Increasing the potential of public funds to leverage private sector capital;

² These measure the economic, social and environmental benefit of a project.

- (ii) Increasing options for sharing and mitigating risks and for bundling small-scale projects to bridge the distance between large-scale infrastructure investors and small-scale project and business developers;
 - (iii) The role that small and medium-sized enterprises, particularly joint ventures, can play in transferring, deploying and developing environmentally sound technologies;
 - (iv) Providing options for integrated technical assistance to help developing, managing and operating EST projects and businesses;
 - (v) Promoting enterprise and corporate driven R&D, innovation, and cost reductions;
- (f) To strengthen the dialogue between government and industry to encourage discussions between relevant ministries in recipient countries and private sector organizations to enhance the investment conditions for climate friendly technologies;
- (g) For the EGTT to report regularly on the implementation of the mechanisms for technology transfer as spelled out in this document on a regular basis with a view to recommending new approaches that will further enhance technology transfer.

18. The main actors in this work are Parties, the EGTT, the secretariat, the GEF and its implementing agencies, public and private funding institutions, relevant international organizations and initiatives, and the private sector.

2. Possible ways and means to enhance cooperation with relevant Conventions and intergovernmental processes

19. The recommended actions in this area are:

- (a) For the EGTT to explore possible ways to enhance cooperation between the UNFCCC and other multilateral environmental agreements (MEAs), through, inter alia, the Joint Liaison Group and other intergovernmental processes, in particular the Commission on Sustainable Development, where technology transfer is considered. It may be useful to look beyond MEAs and look for synergy with other intergovernmental processes (e.g. World Trade Organization, International Energy Agency (IEA), the Group of Eight, Asia-Pacific Economic Cooperation);
- (b) For the UNFCCC to be proactive in sharing information and experiences relating to the transfer of technologies, in particular for adaptation;
- (c) For the COP to encourage Parties, when formulating climate change strategies programmes and projects, to take into consideration objectives of other MEAs;
- (d) Identification of areas for potential cooperation and formulation of clear objectives for this cooperation.

20. The main actors in this work are Parties, the EGTT, the secretariat, and relevant international organizations and processes.

3. Promotion of endogenous development of technology through provision of financial resources and joint R&D

21. The recommended actions in this area are:
- (a) To invite non-Annex I Parties to provide information on barriers encountered in the development of endogenous technologies. And to invite Parties to share good experiences in the promotion of endogenous technologies in non-Annex I Parties;
 - (b) To consider options for encouraging the setting up of institutions such as national systems of innovation that could lead to the endogenous development of technologies in developing countries and countries with economies in transition;
 - (c) To share lessons learned in endogenous technology development through TT:CLEAR;
 - (d) To report regularly to the SBSTA on endogenous technology development and seek further guidance from the SBSTA and the COP.
22. The main actors in this work are Parties, the EGTT and the secretariat.

4. Promotion of collaborative research and development on technologies

23. The recommended actions in this area are:
- (a) To provide guidance for TNA reporting on joint R&D needs and use of information in the national communications and TNAs to identify needs and opportunities for R&D;
 - (b) To provide opportunities for reporting joint R&D agreements, including voluntary agreements, on TT:CLEAR;
 - (c) To invite relevant intergovernmental organizations (e.g. Intergovernmental Panel on Climate Change, United Nations Development Programme, United Nations Environment Programme, United Nations International Development Organization, Food and Agriculture Organization of the United Nations) and international organizations (e.g. IEA) to provide information on supported R&D activities relating to climate change;
 - (d) To consider options for promoting regional research platforms, making use of existing networks of centres of excellence, where possible;
 - (e) To prepare periodic stock-taking papers on status, opportunities, and needs for further R&D;
 - (f) To invite governments to encourage academia and industry to develop research programmes to address climate friendly technologies and to promote investment in climate change.

5. The Expert Group on Technology Transfer

24. The COP may wish to take into account the work of the EGTT and the recommendations contained in this document when reviewing the EGTT at its twelfth session.]

[ANNEX II]

Terms of reference of the [constituted body] on technology transfer*

1. Objectives

1. The [constituted body] shall have the objectives of enhancing the implementation of Article 4, paragraph 5, of the Convention and advancing the technology transfer activities under the Convention.
2. The [constituted body] shall have the objectives of enhancing the implementation of the Convention provisions relevant to advancing the development, deployment, adoption, diffusion and transfer of ESTs to developing countries, taking into consideration differences in accessing and applying technologies for mitigation and adaptation.

2. Functions

3. The [constituted body] shall:
 - (a) [Analyse and identify ways and means to facilitate and advance technology transfer activities, including those identified in the technology transfer framework and in the [annex I] to this decision, and make recommendations for consideration by the Subsidiary Body for Scientific and Technological Advice (SBSTA) and [refer relevant subjects to] the Subsidiary Body for Implementation (SBI) [to inform subsequent decisions by the Conference of the Parties (COP) related to technology transfer;]]
 - (a) alt. [Analyse and identify ways and means to facilitate and advance technology transfer activities, including those identified in the technology transfer framework and in the [annex I] to this decision and:
 - (i) make recommendations for consideration by the SBSTA;
 - (ii) refer appropriate subjects to the SBI; and
request that SBSTA and SBI report to the Conference of the Parties on actions taken under the related agenda item.]
 - (b) Help implement results of technology needs assessments (TNAs), building on the work of the EGTT on innovative financing and on other areas of the technology transfer framework;
 - (c) [Develop performance indicators to regularly monitor and evaluate the effectiveness, impact and progress of the implementation of the technology transfer framework complemented by the set of actions for enhancing the implementation of this framework contained in the [annex I]. The terms of reference for development of performance indicators should be made available for consideration by the subsidiary bodies at their twenty-eight session. In developing the performance indicators the [constituted body] shall take into consideration related work activities under the Convention and other relevant bodies and make its final report available at the thirtieth session of the subsidiary bodies;]

* The text in this annex has not been edited.

- (c) alt1. [Give consideration, in formulating its future programmes of work, to including the development of terms of reference for a broad set of performance indicators to regularly monitor and evaluate the effectiveness of implementation of the technology transfer framework considering related work under the Convention and other relevant bodies.]
- (c) alt2. [Develop, as part of its future programmes of work, a set of performance indicators, as related to the actions of all Parties, to regularly monitor and evaluate the effectiveness of the implementation of the technology transfer framework, complemented by the set of actions for enhancing the implementation of this framework contained in [annex I] considering related work under the Convention and other relevant bodies, such as the workshop, pursuant to Decision 4/CP.12, on monitoring capacity building activities, being contemplated under the SBI agenda item on capacity building. The terms of reference for the development of performance indicators should be available for consideration by SBSTA at its 29th session with a view to conducting a workshop on indicators as related to the broader scope of technology transfer, including technology needs assessments, technology information, enabling environments, mechanisms, technologies for adaptation, and innovative financing by SBSTA 30.]
- (d) [Develop by the twenty-eighth session of the SBSTA the terms of reference for medium and long term strategies and approaches including sectoral approaches, to further accelerate the development, transfer and diffusion of technologies particularly considering needs, barriers and opportunities for developing countries. Such strategies will be proposed by thirtieth session of the SBSTA.]
- (d) alt. [Propose a 2 year rolling programme of work, for endorsement by the twenty-eighth session of the [subsidiary bodies] [SBSTA], to facilitate the development, deployment, diffusion and transfer of technologies under the Convention. The setting of this programme of work should:
- (i) for the medium term perspective (2008-2012), take into account the set of actions for enhancing the implementation of the technology transfer framework complemented by the [annex I] to this decision; this work in the context of the Convention could benefit from becoming more focused on practical actions, in particular with special attention given to African region, SIDS and LDCs:
 - accelerate the implementation of technology transfer through practical action, that fully consider sectoral and regional aspects and differences in national circumstances,
 - consider a better integration of national strategies for sustainable development and poverty reduction, based on the Millennium Development Goals;
 - (ii) for the long term perspective beyond 2012: elaborate a strategy that should draw on the work undertaken by Parties in processes under the Convention and outside the Convention as well as the results of work undertaken by other international Organizations and fora.]
- (e) [Assess existing strategies and innovative funding opportunities or incentives for engaging the participation of relevant stakeholders and partner organizations, and make recommendations to the subsidiary bodies for their implementation;]

- (f) [As part of its role to facilitate innovative financing for technology transfer, liaise with, and provide advice to, the pilot project on [private] financing advisory network of the CTI. Additionally, taking into consideration the work of other organizations, access to existing financing resources including innovative funding opportunities for engaging the participation of relevant stakeholders and partner organizations.]
- (f) alt [Identify and analyse existing and [potential] [new] financing sources and relevant vehicles such as, inter alia, the GEF, SCCF, the LDCF, the World Bank, the GEEREF and other financing options, opportunities and incentives in terms of their engagement of relevant stakeholders, in particular the private sector, in supporting the development, deployment, diffusion and transfer of ESTs to developing countries [and report these findings to the SBs.][report these findings to SBSTA for possible referral to SBI as appropriate.] This shall look at, inter alia, existing means of [facilitating] [support for]:
- (i) [[Supporting] implementation of technology needs assessments;
 - (ii) The role of joint research and development programmes and activities in the development of new technologies;
 - (iii) Encouraging demonstration projects of environmentally sound technologies
 - (iv) Promoting enabling environments for technology development, deployment, diffusion, and transfer;
 - (v) Engaging the private sector;
 - (vi) Promoting North-South and triangular cooperation;
 - (vii) Enhancing endogenous capacities and technologies;
 - (viii) [Meeting the agreed full incremental costs]
 - (ix) Issues of purchasing licenses to support the transfer of low carbon technologies and infrastructure;
 - (x) Role of venture capital fund located in a multilateral financial institution.]
- (g) [Provide strategic guidance on the management of the new multilateral technology cooperation fund established to fund the deployment, diffusion and transfer of environmentally sound technologies to developing countries to the SBI at its twenty ninth session.]
- (h) [Consider, as part of its near term activities to develop medium and long term strategies, existing approaches, activities and initiatives that are contributing to the development, diffusion and transfer of environmentally sound technologies to developing countries. Further, to contribute to discussions on future actions to address climate change, the [constituted body] shall explore ways and means to promote access by developing countries to cleaner and climate-friendly technologies and technologies for adaptation through the creation of enabling environments, concrete actions and programmes, inter alia:
- (i) Supporting implementation of technology needs assessments;
 - (ii) The role of joint research and development programmes and activities in the development of new technologies;

- (iii) Encouraging demonstration projects of environmentally sound technologies
 - (iv) Promoting enabling environments for technology development, deployment, diffusion, and transfer;
 - (v) Engaging the private sector;
 - (vi) Promoting North-South and triangular cooperation;
 - (vii) Enhancing endogenous capacities and technologies;
 - (viii) [Meeting the agreed full incremental costs]
 - (ix) Issues of purchasing licenses to support the transfer of low carbon technologies and infrastructure;
 - (x) Role of venture capital fund located in a multilateral financial institution.]
- (h) alt. [Based on the above analysis, assess gaps and barriers to the use of, and access to, these financing sources, and consider their adequacy and predictability, with a view to making recommendations on future financing options necessary for enhancing the implementation of the Convention with regard to the technology transfer framework and the set of actions set out in [annex I], at the thirtieth session of the SBSTA.]

3. Membership

4. The [constituted body] shall comprise 23 experts, as follows:
- (a) Three members from each of the regions of the Parties not included in Annex I to the Convention (non-Annex I Parties), namely Africa, Asia and the Pacific, and Latin America and the Caribbean;
 - (b) One member from the small island developing States;
 - (c) Eight members from Parties included in Annex I to the Convention (Annex I Parties);
 - (d) One member from other non-Annex I Parties; and
 - (e) Four resource persons representing relevant international organizations and initiatives (e.g. Global Environment Facility, UNDP, AfDB, FAO, ADB, United Nations Environment Programme, United Nations Industrial Development Organization, World Bank, International Energy Agency and [Climate Technology Initiative]). If needed, the group may invite resource persons from other relevant organizations on an issue-oriented basis.
5. The members of the [constituted body] shall be nominated by Parties for a period of two years and be eligible to serve two consecutive terms. The [SBSTA][SBs][COP] shall ensure that half of the members of the expert group nominated initially shall serve for a period of three years, taking into account the need to maintain the overall balance of the group. Every year thereafter, half of the members shall be nominated for a period of two years. Appointment pursuant to paragraph 6 below shall count as one term. The members shall remain in office until their successors are nominated. [The resource persons from [four] relevant international organizations and initiatives shall serve on an issue-oriented basis.]
6. If a member of the [constituted body] resigns or is otherwise unable to complete the assigned term of office or to perform the functions of that office, [the secretariat][the constituted body] may,

depending on the proximity of the next session of the COP, request the group that had nominated the member to nominate another member to replace the said member for the remainder of that member's mandate. In such a case, the [secretariat] [constituted body] shall take into account any views expressed by the group that had nominated the member.

7. The [constituted body] shall elect annually a chair and a vice-chair from among its members, with one being a member from an Annex I Party and the other being a member from a non-Annex I Party. The positions of chair and vice-chair shall alternate annually between a member from an Annex I Party and a member from a non-Annex I Party.

8. The members of the [constituted body] shall serve in their personal capacity and shall have expertise in the five thematic areas of the current framework and/or in any of the following areas, inter alia, greenhouse gas mitigation and [adaptation technologies][technologies for adaptation], technology assessments, information technology, resource economics including public and private financing instruments, or social development.

4. Organization of work

9. The [constituted body] shall provide an annual report to the [SBSTA][SBs] with a view to seeking guidance for further actions.

10. The secretariat shall facilitate the organization of meetings of the group and the preparation of its reports and recommendations to the SBSTA and SBI and at their subsequent sessions.

11. The [constituted body] shall meet [at least] twice a year [in conjunction with the SBs], and resources permitting, additional sessions may be organized.]]

ANNEX II

Work programme of the Expert Group on Technology Transfer (EGTT) for 2007

Activities	Target dates
Technology needs assessments	
1. Consider the terms of reference for a background paper prepared for the workshop on good practices in conducting technology needs assessments (TNAs)	EGTT 11 (May 2007)
2. Finalize the paper, taking into consideration feedback from the workshop and make it available to Parties conducting TNAs	Intersessional activities up to SB 27
3. Organize a workshop in collaboration with UNEP, UNDP, GEF and CTI, to share best practices with non-Annex I Parties working on TNAs	June 2007
4. Consider the workshop report prepared by the secretariat	EGTT 12 (November 2007)
5. Consider the outcome of the workshop in future work on updating the TNA handbook	EGTT 12
6. Collaborate with the CGE on the development of the reporting template of technology transfer related activities in accordance with decision 4/CP.7 in the second national communications of the non-Annex I Parties	Intersessional activities up to SB 26
Technology information	
1. Collaborate with the secretariat, UNIDO, UNEP and UNDP in organizing a small seminar for the technology information centres participating in the pilot project to share lessons learned from the pilot project on networking	March 2007
2. Consider the outcome of the small seminar and provide recommendations to the SBSTA and the secretariat on possible ways forward	EGTT 11
3. Follow up the discussion on the outcome of the small seminar by: (1) conducting an analysis of options for going forward and (2) conducting a survey of users, particularly those current and potential network members, to determine their clean technology information needs and the most appropriate and accessible format for information delivery	EGTT 12

Activities	Target dates
<p>Mechanisms</p> <ol style="list-style-type: none"> 1. Prepare a concise summary of achievements of the EGTT over the past five years written in a language that can be understood by those who are not familiar with the UNFCCC process 2. Consider the report of the secretariat on its outreach initiatives with other relevant international organizations to strengthen collaboration in relevant activities including a briefing on the publication <i>A Guidebook on Preparing Technology Transfer Projects for Financing</i> (practitioners' guidebook) and work for its wider dissemination 3. Prepare a scoping paper on joint research and development (including stocktaking) 	<p>EGTT 11</p> <p>EGTT 12</p> <p>EGTT 12</p>
<p>Innovative financing</p> <ol style="list-style-type: none"> 1. Establish a work plan for the dissemination and use of the practitioners' guidebook 2. Promote and disseminate the practitioners' guidebook to target audiences 3. Prepare and disseminate a brochure based on the technical paper on innovative financing 4. Consider possible technical support to the LEG in implementing the results of NAPAs by preparing project proposals for financing as follow-up activities from the Expert Group Chairs Meeting held during the twenty-fourth session of the subsidiary bodies in May 2006 5. Stocktaking of the work plan for the dissemination and use of the practitioners' guidebook 	<p>EGTT 11</p> <p>Ongoing/Post 2007</p> <p>EGTT 11</p> <p>EGTT 11</p> <p>EGTT 12</p>
<p>Technologies for adaptation</p> <ol style="list-style-type: none"> 1. Consider possible activities in support of the implementation of the Nairobi work programme on impacts, vulnerability and adaptation to climate change 2. Disseminate the brochure on technologies for adaptation to target audiences 3. Consider the synthesis report on submissions from Parties on the Nairobi work programme 4. Participate in the Nairobi work programme workshop on adaptation practices and planning 	<p>EGTT 11</p> <p>Ongoing/Post 2007</p> <p>EGTT 12</p> <p>September 2007</p>

Note: EGTT = Expert Group on Technology Transfer, CGE = Consultative Group of Experts on National Communications from Parties not included in Annex I to the Convention, CTI = Climate Technology Initiative, GEF = Global Environment Facility, LEG = Least Developed Countries Expert Group, NAPAs = national adaptation programmes of actions, non-Annex I Parties = Parties not included in Annex I to the Convention, SBSTA = Subsidiary Body for Scientific and Technological Advice, TNA = technology needs assessments, UNDP = United Nations Development Programme, UNEP = United Nations Environment Programme, UNIDO = United Nations Industrial Development Organization.
