

SUBSIDIARY BODY FOR SCIENTIFIC AND TECHNOLOGICAL ADVICE

Seventh session

Bonn, 20-29 October 1997

Item 6 (b) of the provisional agenda

FCCC/SBSTA/1997/CRP.3

20 October 1997

ENGLISH ONLY

**SECOND COMMUNICATIONS FROM PARTIES INCLUDED
IN ANNEX I TO THE CONVENTION**

**ACTIVITIES OF PARTIES INCLUDED IN ANNEX II
RELATED TO TECHNOLOGY TRANSFER**

Comments from experts included on the Roster

1. The Conference of the Parties (COP), in decision 7/CP.2, requested the secretariat to prepare a report on technology transfer activities undertaken by Annex II Parties to the Convention. It also requested the Subsidiary Body for Implementation (SBI) to evaluate and report on the transfer of technologies being undertaken between Annex II Parties and other Parties, and to do so by drawing on a roster of experts.
2. The secretariat has prepared a note on actions taken by reporting Annex II Parties with respect to finance and transfer of technology (FCCC/SBSTA/1997/13). This note complements the compilation and synthesis of second national communications from Annex I Parties, prepared for consideration by the SBI (FCCC/SBI/1997/19 and Add.1). Parties may wish to refer to those documents for a comprehensive analysis of the subject.
3. The draft of document FCCC/SBSTA/1997/13 was sent to 20 experts, nominated by governments to the roster for their review. They were invited to submit their comments to the Subsidiary Body for Scientific and Technological Advice (SBSTA). Five such submissions have been received and are attached for consideration by the SBSTA. They are reproduced in the language in which they were received and are without formal editing.

MR. EDUARDO SANHUEZA (Chile)

I would like to say that although I share in general the content of the document, in particular the letter D of it, I had preferred a more stronger and compulsive wording for recommendations (b) and (c). To count with information on activities undertaken by Annex II Parties along these years to give effect to each of their commitments under Article 4.3, 4.4. and 4.5, at least with the grade of detail as asked for in Decision 9/CP.2, is crucial for the future evolution of the Convention. There a number of fundamental decision that non-Annex I countries have to take quite shortly that are to heavily depend on the evaluation of this data.

Mr. HOLGER LIPTOW (Germany)

1. The report summarizes the Annex II countries' information in an orderly manner, despite complications caused by the reporting of individual countries. The tables presented, which were intended above all to support the summarising evaluation, were not really complete and contain statements that are difficult to verify. The report thus offers insight only into activities that serve climate protection - not a coherent survey. If the COP wishes to have this sort of comprehensive survey, it must see that government reporting conforms to a unified scheme.
2. On the other hand, the desired reporting scheme cannot allow for the fact that many governments promote activities that are not primarily geared to climate protection - many receiving countries do not even want them to be - but which do make in the end a considerable contribution. It remains unclear how such material is presented and integrated.
3. The summarized information reveals above all which funds, in the view of the reporting states, were spent or made available for technology transfer. Qualitative statements are limited to general headings, such as "energy efficiency" and leave a more exact description and a - surely useful - evaluation open. The reader does not learn how successful the supporting measures were. The amount of greenhouse gases "saved" should not serve as the sole criterion for success, because many important activities are based on long-term effects, serve capacity-building and the consolidation of structure and/or the planning of climate protection measures.

Mr. SAEID FERDOWSI (Islamic Republic of Iran)

1. Annex II Parties should be urged to provide all reporting tables.
2. A global project approval process should be laid down in order to:
 - (a) regard fair geographical distribution of funds,
 - (b) consider the most urgent needs of developing countries,
 - (c) decide on the types and scales of the projects on a step-by-step basis taking into consideration the different needs, capabilities, and status of developing countries.
3. Short-term response activities are of great importance to developing countries. Due attention should hence be paid to this category of projects through allocating greater percentile of funds.
4. Reasonable balance should be maintained between bi- and multi-lateral activities. Generally speaking, the former must not undermine the latter.
5. The forestry and land use projects should, in many cases be dealt with on a regional or transboundary basis. This needs the multi-national elaboration of project concepts.
6. A mechanism of effective feed back gathering and evaluating of project effectiveness should be established to evaluating all activities and improving the practices. This should especially focus on two main questions:
 - (a) the compatibility of technologies transferred to the specific situation of each recipient country and,
 - (b) the long term consequences and sustainability.
7. The transfer of not well-established and research-stage technologies should be strictly avoided.

Mr. FOUAD ABOSAMRA (Syrian Arab Republic)

I welcome the experts report on Activities of Parties included in Annex II related to transfer of technology and appreciate the efforts of the Parties to implement an effective procedure for a successful transfer of technology, and recognizing the importance of the task for the developing countries, we state the following:

1. It is important for the transfer of technology projects to be associated with a building capacity programs in order to allow the hosting country to assimilate, assure the internal transfer and update the new technology introduced. Therefore the report doesn't mention any type of information regarding:

- The number of people trained during the implementation of the project
- The type of outputs
- The compliance of the results with national policy and plans
- The follow up procedure
- The support to the national private sector in order to assure a successful national implementation of the projects results

2. It seems that most of the projects were oriented towards the energy sector in spite of the fact that the developing countries are not the major consumer of energy. In fact it is shown in tables 2, 3a substantial increase of 44% to 55% of the bilateral contributions respectively in 1994-1995 allocated to the energy projects, and a reduction of the contributions allocated to other sectors for the same period was as follow:

<u>Sector</u>	<u>% Reduction</u>
transport	4.5 to 1.3
forestry	30 to 25
agriculture	24 to 14
adaptation	2.3 to 0.1

3. More efforts should be done in increasing the contributions to sectors which are more adapted to the developing countries conditions and enhance their sustainable development efforts.

4. It is noticeable that some reports are not compatible with the guidelines.

Mr. BRADFORD HOLLOMON (United States of America)

1. Paragraphs 2 and 6: While Section I.C. discusses the availability of data from the reporting parties and the level of detail, there is no analysis of the quality and validity of the data, nor is there any analysis of the effectiveness of the underlying programs. This is no doubt a politically touchy problem, but as indicated in Section I.A., the COP explicitly requested the SBI "to EVALUATE" and report on the transfer of technologies..." (emphasis added).
2. Paragraph 7(e): The SBSTA might consider adding a suggestion that the Secretariat designate an independent organization to collect the data from Annex II countries actively, rather than passively compiling reports by these countries on their own activities. This would allow for consistent definitions and criteria and would temper any tendency for countries to overstate the resources dedicated to meeting commitments to "new and additional" finance and transfer of technology under articles 4.3, 4.4 and 4.5 of the Convention.
3. Paragraph 8: The annex to Decision 9/CP.2 is unfortunately not as definitive as it might have been concerning the information to be reported, and it calls for some information that would be difficult or impossible to produce. Provision (a) of the annex, for example, leaves to the reporting country the determination of what resources are "new and additional". "Technology transfer" is not defined, leaving the reporting country to determine a host of questions, such as whether promoting exports of sophisticated hardware, say, really constitutes transfer of the underlying technology to the recipient country. Respondents are expected to indicate what resources they have provided to meet the full costs incurred by developing countries in complying with certain obligations, but the developing countries in questions are likely to be the only ones that know what these costs are. Similarly, activities of the private sector may be unknown to the Annex II governments that are expected to report on them.
4. Paragraphs 20-24: Why not collect the data on financial contributions to other multilateral institutions in the same fashion as with the GEF? These institutions will know what the contributions from individual countries have been, and they will be in a better position to report on a consistent basis how these resources have been used for the purposes of the Convention.
5. Paragraphs 25,26: As in the case of multilateral institutions, recipient nations would be a good source of data on bilateral contributions and initiatives. Comparison of Annex II reports and corresponding information from developing countries would be instructive, and the developing countries would be able to display Annex II contributions against the background of the costs incurred in complying with their own obligations under the Convention.
6. Paragraph 41: The percentages add to 105.88%.
7. Paragraph 52: The desirability of addressing questions of effectiveness and ways to enhance the quality and quantity underscores my recommendation 2 (above) that an

independent institution, with adequate resources, might be in a better position than the reporting countries alone to provide useful information on their activities related to technology transfer.

8. Paragraphs 53,60: As suggested earlier, why not gather information on the multilateral institutions other than GEF directly from those institutions?
