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DEVELOPMENT AND TRANSFER OF TECHNOLOGIES

Report of the Expert Group on Technology Transfer for 2003

Note by the Chair of the EGTT

Summary

The terms of reference of the Expert Group on Technology Transfer (EGTT), contained in the appendix to the annex to decision 4/CP.7, require the EGTT to report on its work each year to the Subsidiary Body for Scientific and Technological Advice (SBSTA) and propose a programme of work for the following year for decision by the SBSTA. This note reports on the activities of the EGTT for the period from its second meeting held in New Delhi, India, in October 2002 to its third meeting held in Bonn, Germany, in May 2003. It also includes organizational matters, such as the election of its officers for 2003 and a change in its membership.

Parties may wish to consider the report of the EGTT with a view to providing guidance to the EGTT on the completion of its present programme of work, and on possible elements of its programme of work for 2004.

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I. INTRODUCTION

A. Mandate

1. The Conference of the Parties, by its decision 4/CP.7, established the Expert Group on Technology Transfer (EGTT), with members to be nominated by Parties, with the objective of enhancing implementation of Article 4, paragraph 5, of the Convention. The terms of reference of the EGTT, contained in the appendix to the annex to the same decision, specified that the EGTT shall report on its work each year to the Subsidiary Body for Scientific and Technological Advice (SBSTA) and propose a programme of work for the following year for approval by the SBSTA (FCCC/CP/2001/13/Add.1).

2. The SBSTA, at its sixteenth session, adopted the work programme of the EGTT for the biennium 2002–2003 and requested the EGTT to provide a brief report on the progress of its work to the SBSTA at its seventeenth session (FCCC/SBSTA/2002/6, para. 38 (b)).

B. Scope of the note

3. This note reports on the activities of the EGTT for the period from its second meeting held in New Delhi, India, in October 2002 to its third meeting held in Bonn, Germany, in May 2003.

C. Possible action by the SBSTA

4. The SBSTA may wish to take note of the information in this document and, where necessary:

(a) Provide guidance to the EGTT on the completion of its present programme of work and on the possible elements of its programme of work for 2004;

(b) Provide further guidance to the secretariat on its support to the work of the EGTT and the Parties in the implementation of the framework for meaningful and effective actions to enhance the implementation of Article 4.5 of the Convention, and for the advancement of technology transfer activities under the Convention.

II. ORGANIZATIONAL MATTERS

5. The EGTT held three meetings during the reporting period. The Chair of the EGTT reported on the outcomes of each meeting to the SBSTA at its seventeenth and eighteenth sessions.

A. Election of the Chair and the Vice-Chair

6. In accordance with paragraph 6 of its terms of reference, the EGTT elected, by consensus, Mr. William Kojo Agyemang-Bonsu (Ghana) as Chair and Mr. Richard Bradley (United States of America) as Vice-Chair of the EGTT for 2003. During the eighth session of the COP, a member of the EGTT, Ms. Martha Yvette Munguí de Aguilar (El Salvador), resigned. Mr. Leonidas Osvaldo Girardin (Argentina) was nominated by the Government of Argentina to replace Ms. Munguí de Aguilar in the seat of the Latin America and the Caribbean group. Based on the terms of reference of the EGTT, this nomination was subsequently endorsed by the Latin America and the Caribbean group. Mr. Girardin will serve on the EGTT for the remaining period of the membership of Ms. Munguí de Aguilar, i.e. until the end of 2003.

B. Nomination of new members

7. The tenures of the EGTT members are given in document FCCC/SBSTA/2002/9.

8. The terms of reference of the EGTT stipulate that half of the members nominated initially shall serve for a period of three years, taking into account the need to maintain the overall balance of the

group. The remaining half of the members serve for a period of two years. Every year thereafter, half of the members shall be nominated for a period of two years.

9. At the nineteenth session of the SBSTA, Parties will have to nominate or confirm, as appropriate, half of the members of the EGTT for the period 2004–2005 and inform the secretariat on these nominations. The EGTT will also have to elect its Chair and Vice-Chair for 2004.

C. Calendar of meetings in 2003

10. The EGTT, at its second meeting, agreed a calendar of its regular meetings in 2003. Envisaging the need for the EGTT to hold additional meetings, the SBSTA, at its seventeenth and eighteenth sessions, agreed for the EGTT to hold two special meetings. Therefore, the calendar of the EGTT meetings in 2003 was as follows:

11 April 2003	Ghent, Belgium (special meeting), in conjunction with the UNFCCC workshop on enabling environments for technology transfer.
30–31 May 2003	Bonn, Germany (third meeting) in conjunction with the eighteenth session of the SBSTA.
11–12 November 2003	New Delhi, India (special meeting) in conjunction with the technology events organized by the Government of India.
28–29 November 2003	Milan, Italy (fourth meeting) in conjunction with the nineteenth session of the SBSTA.

III. IMPLEMENTATION OF THE EGTT PROGRAMME OF WORK

11. The mandate for the current programme of work of the EGTT originates from the framework for meaningful and effective actions to enhance the implementation of Article 4, paragraph 5, of the Convention in which the key themes described below are identified (FCCC/CP/2001/13/Add.1, decision 4/CP.7). Some of the activities launched in 2003 are ongoing and their progress will be reported to future sessions of the SBSTA.

A. Technology needs assessments

12. At the second meeting of the EGTT, a representative of the United Nations Development Programme (UNDP) serving as member of the EGTT presented a draft UNDP handbook on methodologies for technology needs assessments prepared in collaboration with the Climate Technology Initiative (CTI). The group provided substantive comments on the draft and agreed to continue to collaborate with UNDP in finalizing this handbook.

13. The EGTT, at its third meeting, received a revised version of the handbook. It noted the plan of UNDP, in cooperation with the CTI, to include additional section in the handbook to cover the assessment of adaptation technology needs, and to translate it into other selected United Nations official languages, once completed.

14. The progress of this work was also noted by the SBSTA, at its eighteenth session, where it encouraged UNDP to expedite its work with the EGTT and the secretariat to finalize the handbook, and invited Parties to make available to the secretariat their technology needs assessments, once completed, for dissemination via TT:CLEAR (FCCC/SBSTA/2003/10, para. 33 (h) and (i)).

15. The EGTT noted the need to undertake some other tasks relating to technology needs assessments. It will explore this matter further when preparing its programme of work for 2004.

B. Technology information system

16. The EGTT, at its second meeting, endorsed the project proposal on "Outreach and maintenance of the technology information system (TT:CLEAR)" prepared by the secretariat. It also recommended that the SBSTA invite the United Nations Environment Programme (UNEP) to collaborate further with the secretariat in the work on its Sustainable Alternatives Network (SANet) and TT:CLEAR, including the SANet function of 'matchmaking' between persons and/or organizations interested in the transfer of environmentally sound technologies.

17. The EGTT, at its third meeting, welcomed the progress made by the secretariat in implementing the outreach programme, including the materials prepared, such as the technology panel for the climate change kiosk, the TT:CLEAR leaflet, and the TT:CLEAR stand-alone version on CD-ROM, as well as the presentation made at the UNFCCC workshop on enabling environments.

18. At the same meeting, the EGTT noted the presentation from a representative of UNEP, serving as member of the EGTT, on the status of SANet, and requested the secretariat to continue its cooperation with UNEP on establishing links between TT:CLEAR and SANet. The SBSTA, at its eighteenth session, reiterated this message by requesting the secretariat to continue its work on the development of links between TT:CLEAR, SANet, the CTI and other relevant technology information systems and clearing houses and existing national/regional technology centres, for the primary purpose of providing an efficient means of showcasing to potential financial and/or technical partners those opportunities for technology transfer identified by Parties during the conduct of their technology needs assessments (FCCC/SBSTA/2003/10, para. 33 (l) (iii)).

19. The programme of work also included an activity on assessing options to deliver technology information to intended users, including through the Internet and other means and opportunities. Work on this activity is now under way and will be considered by the EGTT at a subsequent meeting.

20. The last activity in the programme of work on this area is to provide advice to the secretariat on the assessment of the effectiveness of the use of the TT:CLEAR. The EGTT agreed that the assessment should be conducted through a client survey of existing and potential users of TT:CLEAR, including a compilation of clients' interests and identification of information gaps and possible ways to fill them. The secretariat will contract a consultant to help conduct this survey, based on the agreed terms of reference reviewed by the EGTT, with a view to presenting the initial results to the fourth meeting of the EGTT and to the SBSTA at its nineteenth session.

C. Enabling environments

21. In order to implement its programme of work in this area, the EGTT, at its second meeting, recommended that the SBSTA request the secretariat to organize a workshop on enabling environments for technology transfer in April 2003. The aim of the workshop, which was held in Ghent, Belgium, on 9 and 10 April 2003, was to facilitate an exchange of views and experiences to promote enabling environments, and to report on its findings to the SBSTA at its eighteenth session (FCCC/SBSTA/2003/INF.4). The EGTT also requested the secretariat to prepare a technical paper on enabling environments for technology transfer on the basis of the terms of reference agreed by the EGTT, with a view to finalizing the paper at its third meeting. This technical paper reviewed the professional literature on the subject, including the Intergovernmental Panel on Climate Change (IPCC) Special Report on Technology Transfer and highlighted the central role that enabling environments have in facilitating the international transfer of technology. The paper was made available to the SBSTA at its eighteenth session (FCCC/TP/2003/2).

22. The EGTT, at its third meeting, in finalizing the technical paper, found that a wide range of views exist on what constitutes barriers to the transfer of technologies, and on the best responses to those barriers. Nevertheless, it was able to draw the following conclusions:

- (a) There are various levels (e.g. local, national, regional and global) at which institutional environments influence technology transfer. Creating effective technology transfer environments frequently involves fostering changes at all these levels;
- (b) At the global level, and within the context of the UNFCCC, there are important differences between developed countries, developing countries and countries with economies in transition, and between regional groups, on how best to address technology transfer;
- (c) Barriers to technology transfer exist at every stage of transfer and take a variety of forms including technical, economic, political, cultural, social, behavioural and/or institutional;
- (d) Barriers frequently exist because of public policies designed to address social, economic or institutional issues other than climate change. Removing barriers in order to promote technology transfer can have positive and/or negative consequences in terms of these related issues. These effects should be addressed in considering the best policies for creating enabling environments for climate-friendly technology transfer;
- (e) There is agreement that international cooperation and partnerships can enhance the transfer of technology between countries and thus help to meet the objectives of all participating countries and leverage experiences and resources available. This will also assist in the timely identification of issues and the appropriate means for addressing barriers;
- (f) A multidisciplinary approach and improved international cooperation will be important in climate technology development stages, including research and development, diffusion and implementation;
- (g) Although national circumstances differ widely, opportunities exist for facilitating technology transfer through appropriate enabling environments in transferring and recipient countries;
- (h) Successful technology transfer is highly dependent on the involvement of a wide variety of stakeholders, and governments have a crucial role in creating favourable conditions.
- (i) Technology transfer is financed through government and the private sector, although the private sector is by far the largest source of funding. Opportunities should be realized through all financial flows to increase the transfer of mitigation and adaptation technologies;
- (j) The creation of enabling environments for climate-friendly technology transfer should take into account not only trade and investment policies, but environmental policies as well;
- (k) Although the focus of enabling environments and international technology transfer has been on mitigation technologies, it is important to foster enabling environments that encourage the transfer of adaptation technologies. The barriers and effective means for encouraging the transfer of adaptation technologies may be different to those relating to mitigation technologies.

23. Having considered the technical paper, and the report of the Ghent workshop, the EGTT recommended that the SBSTA:

- (a) Request the secretariat, resources permitting, to organize, in consultation with the EGTT and in cooperation with other relevant organizations, a senior level round-table discussion between governments, business and industry at COP 9, to discuss enabling environments for technology transfer under Article 4.5 of the Convention.

(b) Invite business and industry non-governmental organizations (NGOs), and relevant international organizations, to organize, in consultation with the EGTT and the secretariat, sector-specific workshops and other activities relevant to enabling environments for the development and transfer of technologies, for the purpose of exchanging experiences and lessons learned, and to make available to the secretariat information on the outcome of those activities.

24. The EGTT successfully completed all the activities on enabling environments contained in its programme of work. Some further steps have been already identified in the recommendations above and other activities could be included in the programme of work of the EGTT for 2004.

D. Capacity-building

25. In order to implement its programme of work in this area, the EGTT, at its second meeting, recommended that the SBSTA request the secretariat to prepare a technical paper outlining experiences, lessons learned, success stories and challenges in building the capacity of developing country Parties and Parties with economies in transition in the development and transfer of technologies. It also encouraged expert groups constituted under the Convention to discuss among themselves ways to avoid duplication of efforts and further enhance cooperation on the implementation of capacity-building decisions.

26. The EGTT, at its third meeting, requested the secretariat to continue its work in preparing this technical paper. Work is in progress, and the EGTT will consider a draft technical paper at its special meeting in November 2003 in New Delhi, India, with a view to finalizing it at its fourth meeting.

E. Mechanisms and cross-cutting activities

27. The programme of work on mechanisms includes an activity on identifying linkages and possible collaboration with other Convention groups (e.g., the Least Developed Countries Expert Group (LEG), and the Consultative Group of Experts on National Communications from Parties not included in Annex I to the Convention (CGE)) and other conventions, as appropriate.

28. Based on the recommendations of the EGTT and the SBSTA, the COP, by its decision 10/CP.8, requested the Chair of the SBSTA to conduct consultations and facilitate collaboration among expert groups established under the Convention, to the extent practicable, on their work programmes on cross-cutting issues, including those relating to technology transfer and capacity-building activities.

29. The Chair of the SBSTA informed the SBSTA, at its eighteenth session, that, in response to this request, he had held initial consultations with the chairs of the EGTT and the LEG. As some of the expert groups were established under SBI, the Chair of the SBI had joined these consultations. Both Chairs reported that the initial consultations proved to be very useful, that the participants agreed to meet regularly in conjunction with the Subsidiary Body sessions and that he will inform Parties on the progress made at subsequent sessions of the SBSTA (FCCC/SBSTA/2003/10, para. 32).

30. On “cross-cutting activities”, under the heading “Respond to needs for technology information, capacity-building, and programmes to create enabling environments identified during technology needs assessments”, the programme of work included holding regional workshops to assess the use of the handbook for assessing technology needs and to improve access to information in existing in global and regional/thematic networks and clearing houses. Two of these workshops were held by the Climate Technology Initiative (CTI), in cooperation with UNDP and the secretariat, in 2002 – in Beijing, China, and Dakar, Senegal. The EGTT welcomed the assistance provided to developing country Parties and Parties with economies in transition through these workshops and further encouraged CTI, UNDP and other organizations to organize the remaining workshops contained in its programme of work, giving special attention to small island developing States and the least developed countries.

31. Another activity under “cross-cutting activities” was to analyse the types of international networks of stakeholders, including business and financial communities, that need to be established or strengthened to support effective technology transfer. This activity was initiated at SBSTA 18 where consultations with the business and industry NGOs led to the recommendations reflected in the enabling environments section above.

32. Due to the heavy workload in other areas, the EGTT was not in a position to complete its work as planned for the mechanisms and cross-cutting activities areas. In preparing its programme of work for 2004, the EGTT may consider which of the remaining activities can be delayed or can be included as priorities for immediate action. The remaining activities are:

(a) To assess current initiatives on technology transfer relevant to subregional, regional and international mechanisms and institutions relating to climate change;

(b) To identify means to facilitate development of regional and subregional projects on research and development, including national systems of innovation and innovative options for development and transfer of technologies;

(c) To analyse ways to strengthen institutional capacities and promote networking of national focal points;

(d) To analyse the technology transfer component in the guidelines for national communications and the national adaptation programmes of action in relation to adaptation technologies;

(e) To compile and synthesize information on capacity-building needs, enabling environments and technology information contained in national communications, in needs assessments reports and under the technology transfer consultative process.

33. As an additional activity, and in response to decision 7/CP.7, the EGTT discussed and agreed on its submission on the Special Climate Change Fund (FCCC/SBI/2003/INF.12/Add.1).

IV. FUTURE MEETINGS OF THE EGTT

34. The SBSTA, at its eighteenth session, requested the secretariat to organize a special meeting of the EGTT in conjunction with the technology events planned for November 2003 by the Government of India in New Delhi, India (FCCC/SBSTA/2003/10, para. 33(l) ii)).

35. The agenda of the special meeting of the EGTT will focus on the finalization of the technical paper on capacity-building for technology transfer, and on the preliminary results of the survey conducted by the secretariat on the effectiveness of the use of TT:CLEAR.

36. The EGTT will also initiate a discussion on possible elements of the EGTT programme of work for 2004, taking into consideration the progress made in implementing the framework for meaningful and effective actions to enhance the implementation of Article 4.5 of the Convention as well as new activities on adaptation technologies and the development of new technologies, as requested by the SBSTA at its eighteenth session.

37. The fourth meeting of the EGTT will take place on 28 and 29 November 2003 in Milan, Italy. The EGTT will finalize its programme of work for 2004, to be considered by the SBSTA at its nineteenth session.
