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**Conference of the Parties**  
**Nineteenth session**  
**Warsaw, 11–22 November 2013**

Item 11(e) of the provisional agenda

**Matters relating to finance**

**Report of the Global Environment Facility to the Conference of the Parties  
and guidance to the Global Environment Facility**

**Report of the Global Environment Facility to the Conference  
of the Parties**

**Note by the secretariat**

**Addendum\***

1. At its thirty-fourth session, the Subsidiary Body of Implementation (SBI) invited the Global Environment Facility (GEF) to provide reports on the progress made in carrying out its activities under the Poznan strategic programme on technology transfer, for consideration at subsequent SBI sessions, for the duration of the programme.<sup>1</sup>
2. At SBI 37, the SBI invited the GEF to consult with the Climate Technology Centre and Network (CTCN), through its advisory board, on the support the GEF will provide for the work of the CTCN and to report on the findings of those consultations at COP 19.<sup>2</sup>
3. This addendum contains the information provided by the GEF secretariat on the findings of the consultations conducted by the GEF with the Advisory Board of the CTCN.
4. The information (see the annex) is reproduced here as submitted, without formal editing and with the original pagination.

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\* This addendum was received from the Global Environment Facility secretariat on 16 October 2013.

<sup>1</sup> FCCC/SBI/2011/7, paragraph 137.

<sup>2</sup> FCCC/SBI/2012/33, paragraph 124.

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Annex



**GLOBAL ENVIRONMENT FACILITY**

October 11, 2013

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**Addendum to the**

**REPORT OF THE GLOBAL ENVIRONMENT FACILITY TO THE  
NINETEENTH SESSION OF THE CONFERENCE OF THE PARTIES TO  
THE UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE  
CHANGE**

**on**

**GEF consultation with the Climate Technology Center and Network**

1. Following guidance from the eighteenth Conference of the Parties (COP 18) to the United Nations Framework Convention on Climate Change (UNFCCC) and the thirty seventh meeting of its Subsidiary Body for Implementation (SBI37), this addendum to the Global Environment Fund (GEF) report to UNFCCC COP nineteenth session (COP 19) provides detailed information on the GEF consultations with the Climate Technology Center and Network (CTCN).
2. UNFCCC COP decision 14/CP.18, Arrangements to make the Climate Technology Center and Network fully operational, paragraph 15, reiterated that the financial support to the Climate Technology Centre and Network (CTCN) shall be provided in accordance with decision 2/CP.17, paragraphs 139–141.
3. Under SBI 37 agenda item 13, Development and transfer of technologies<sup>1</sup>, the SBI: (i) stressed the need for the further implementation of the element of the Poznan strategic program on support for climate technology centers and a climate technology network, which should be aligned with, and support, the operationalization and activities of the CTCN, taking into account decision 2/CP.17, paragraph 140; (ii) invited the GEF to consult with the CTCN, through its advisory board, on the support the GEF will provide for the work of the CTCN and to report on the findings of those consultations to the COP at its nineteenth session.

### **GEF consultations with the CTCN**

4. During the first quarter of 2013, the GEF secretariat contacted the UNFCCC secretariat and the United Nations Environment Programme (UNEP), as the CTCN host, to inquire on how to liaise with the CTCN Advisory Board. The GEF participation in the CTCN Advisory Board meetings as an observer was identified as a venue for consultation. Based on this feedback from the UNFCCC secretariat and UNEP, the GEF participated, as an observer, in the second CTCN Advisory Board meeting in Bonn, Germany, held from September 9 to 11, 2013.
5. The GEF also initiated contact with the chair and vice-chair of the CTCN Advisory Board and UNEP, as the CTCN host, and held discussions with them on June 2 and 10, 2013, at the margins of SB 39 in Bonn, Germany. Following the second CTCN Advisory Board meeting, the GEF also had discussions with the chair of the CTCN Advisory Board on September 19, 2013 identifying ways for the GEF to support the CTCN activities. Through these contacts, the GEF articulated the following areas of collaboration.
  - o The GEF secretariat reiterated that the GEF, with the means at its disposal and in line with GEF procedures<sup>2</sup>, is ready to support the operationalization and activities of the CTCN in response to decision 2/CP.17<sup>3</sup>. GEF ability to fund projects that combine technical assistance, policy support, capacity building and investment was identified as an opportunity for the CTCN since it could enable the CTCN (i) to respond to the most challenging requests from countries, and (ii) to develop responses that can go beyond pure technical assistance to have real impact on the ground. Developing countries and economies in transition that have such requests selected through the CTCN can submit project proposals to the GEF, through any of the existing GEF agencies<sup>4</sup>, for the financing of concrete project activities. These proposals can be submitted as medium sized projects (for projects below \$2 million of GEF financing) or full size projects (for projects beyond \$2 million of GEF financing). Proposals for small grant projects (for projects requesting up to \$50,000 of GEF financing) can also be submitted for activities in countries that have a

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<sup>1</sup> FCCC/SBI/2012/33, paragraphs 123-124

<sup>2</sup> “*The GEF shall operate [...] for the purpose of providing new and additional grant and concessional funding to meet the agreed incremental costs of measures to achieve agreed global environmental benefits*” (Instrument for the Establishment of the Restructured Global Environment Facility, October 2011, paragraph 2).

<sup>3</sup> GEF Council meeting 42 decision, June 7, 2012 (Paragraph 18 of the Joint Summary of the Chair, [http://www.thegef.org/gef/sites/thegef.org/files/documents/Joint\\_Summary\\_of\\_the\\_Chairs\\_0.pdf](http://www.thegef.org/gef/sites/thegef.org/files/documents/Joint_Summary_of_the_Chairs_0.pdf))

<sup>4</sup> The Asian Development Bank, the African Development Bank, the European Bank for Reconstruction and Development, the Food and Agriculture Organization of the United Nations, the Inter-American Development Bank, the International Fund for Agricultural Development, the United Nations Development Programme, the United Nations Environment Programme, the United Nations Industrial Development Organization, and the World Bank

GEF Small Grant Project program. Details on the eligibility criteria for GEF funding are available through the GEF website ([www.thegef.org](http://www.thegef.org)).

- All national project proposals submitted to the GEF are formally endorsed by the GEF Operational Focal Point (OFP) in each country to ensure that they are consistent with national plans and priorities. Therefore, the GEF indicated that it is important for the CTCN to ensure that National Designated Entities for the CTCN work in coordination with GEF OFPs at the national level. In particular, requests submitted to the CTCN and that could qualify for GEF support would have to be discussed with the GEF OFP prior to submitting a project proposal for GEF financing.
- The GEF secretariat provided written contributions on August 30, 2013 to be shared with the CTCN Advisory Board members, including: (i) a list of relevant GEF supported projects related to climate technology transfer, (ii) information on how to access GEF financing; (iii) the list of GEF OFPs in the recipient countries, and; (iv) the list of contact persons in the GEF agencies, which provide information on the modalities of the GEF and its support for technology transfer projects.
- The modalities of GEF support for technology transfer activities during the GEF sixth replenishment period (GEF-6, from 2014 to 2018) are under negotiation and therefore not yet finalized. The draft versions of the GEF-6 climate change mitigation strategy are available on the GEF web site<sup>5</sup>.
- The CTCN Advisory Board chair and the GEF secretariat agreed to coordinate on their respective reports to the UNFCCC COP, starting with their report to COP 19;
- The CTCN Advisory Board chair agreed to consult with the GEF secretariat on the modalities of implementation of the CTCN to ensure that these modalities identify adequate windows for the GEF and its implementing agencies to provide support in line with their respective procedures and objectives.

6. Furthermore, a meeting between the GEF CEO and the UNEP Executive Director was held in China on July 20, 2013 where coordination and cooperation among the two institutions, including CTCN, was discussed.

#### **Poznan Strategic Program supporting the operationalization and activities of the CTCN**

7. The GEF support to technology transfer under the current fifth replenishment period (2010-2014) follows the Long-Term implementation of the Poznan Program on Technology Transfer. This program consists of the following elements:

- (a) Support for Climate Technology Centers and a Climate Technology Network
- (b) Piloting Priority Technology Projects to Foster Innovation and Investments
- (c) Public-Private Partnership for Technology Transfer
- (d) Technology Needs Assessments (TNA)
- (e) GEF as a Catalytic Supporting Institution for Technology Transfer

8. Projects supported under the first window during the reporting period are summarized in the Annex to this addendum.

9. As indicated in paragraph 5 above, existing GEF financing modalities may be utilized to support technology transfer projects that would help respond to some requests received by the CTC, provided such activities are eligible for GEF financing. Paragraphs 10 to 14 below detail the efforts that are being made to enhance the coordination between the CTCN activities and the existing GEF Support for Climate Technology Centers and a Climate Technology Network. Furthermore, a better coordination is sought between GEF support to TNAs and CTCN activities as presented in paragraph 15.

10. The GEF Secretariat organized consultative meetings on November 12, 2012 and June 17, 2013 with the

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<sup>5</sup> [http://www.thegef.org/gef/replenishment\\_meetings/6](http://www.thegef.org/gef/replenishment_meetings/6)

regional development banks to enhance cooperation and coordination of CTCN-relevant activities supported by the GEF. UNEP participated in the June 2013 meeting and provided an update on the CTCN operationalization and work plan development. The GEF Secretariat has agreed to continue organizing regular consultative meetings with these Agencies twice a year.

11. The consultative meeting organized on June 17, 2013, on the margins of the GEF Council meeting, by the GEF secretariat was an informal meeting with UNEP, as CTCN host, and the four regional development banks implementing the GEF-supported regional Technology Transfer and Financing Centers. The objectives of this informal meeting were to: (i) exchange information on the status of each project and some of the experience gained, and (ii) identify possible areas of collaboration between regional development banks and UNEP.

12. For the four GEF-supported regional technology transfer and financing centers, the informal consultative meeting allowed to identify the following areas of collaboration:

- (a) The Asia Development Bank (ADB) is already collaborating closely with UNEP on the “*Pilot Asia-Pacific Climate Technology Network and Finance Center*” project, ADB and UNEP both being its implementing agencies. The GEF participated to the first steering committee of the project organized by ADB and UNEP in November 2012 during COP 18 in Doha, Qatar;
- (b) The Inter-American Development Bank (IDB) and UNEP have identified promising areas of collaboration in relation to the implementation of the “*Climate Technology Transfer Mechanisms and Networks in Latin America and the Caribbean*” project. They are currently coordinating efforts on regional capacity development and are identifying common partners in the region (e.g. Centro Agronómico Tropical de Investigación y Enseñanza (CATIE) in Costa Rica and Fundación Bariloche in Argentina);
- (c) The African Development Bank (AfDB) is completing the preparation of a full project proposal for the “*Pilot African Climate Technology Finance Center and Network*” project and has to identify regional partners through which a collaboration with UNEP could be designed;
- (d) The European Bank for Reconstruction and Development (EBRD) is also proactively seeking regional partners for its GEF-approved “*Finance and Technology Transfer Centre for Climate Change – FINTECC*” project which will become operational in the fourth quarter of 2013. Identifying common partners is more difficult for EBRD because few local counterparts through which collaboration with UNEP could be developed have been identified in the region of operation of FINTECC;
- (e) The four regional development banks are ready to provide inputs to the CTCN based on the experience and lessons learned during the implementation of the regional projects;
- (f) The four regional development banks expressed their willingness to consider responding, when possible, to some requests addressed to the CTC that may be eligible for multilateral development bank financing. This may be achieved through the regional projects mentioned above or through their own resources;
- (g) The regional development banks also highlighted that they could help countries develop structured requests to the CTCN on specific ideas related to climate technology financing.

13. The informal consultative meeting also enabled to identify the following elements for the CTCN implementation:

- (a) Participants stressed the importance for the CTCN to take stock of existing initiatives, financial mechanisms and lessons learned on climate technology transfer;
- (b) Participants also stressed the importance for the CTCN to take into consideration the importance of the financing of climate technologies to ensure concrete impacts on the ground.

14. The bi-annual meetings that the GEF Secretariat organizes with the regional development banks and UNEP, as the CTC host, enable all participants to (i) monitor the progress of the regional projects, (ii) identify experiences

gained in these projects that can help the CTCN implementation, and (iii) discuss what may be done under the GEF-6 framework to follow up on the results of these regional projects to further support the CTCN.

15. During COP 18, the GEF co-organized with the Asian Development Bank a side event titled: “*High Level Event on Technology Transfer and Finance*”, on December 3, 2012 as part of its effort to inform and discuss the GEF support to initiatives for climate technology transfer, financing and networking. The event focused on existing initiatives supporting climate technology transfer and financing. Various high level speakers discussed the role of the development banks in climate technology financing, and presented private sector experiences and views on the subject.

16. A new project by UNEP supporting additional TNAs in 24 low- and medium-income countries, approved by the GEF Council in April 2013, has been designed with the intent to seek close coordination with the CTCN and the regional Climate Technology Transfer and Financing projects funded by the GEF in Asia, Africa, Europe and Latin America. This project will, among others, seek the involvement of the funding community at an early stage in the technology action planning process in order to increase the prospects of funding project proposals emanating from Technology Action Plans and TNAs.

## Annex

### **Technology Transfer Projects Support in line with the first objective of the Long-Term Program on Technology Transfer: Support for Climate Technology Centers and a Climate Technology Network**

1. In December 2008, COP 14 welcomed the GEF's Strategic Program on Technology Transfer (renaming it the Poznan Strategic Program on Technology Transfer) as a step toward scaling up the level of investment in the transfer of ESTs to developing countries. In response to decision 2/CP.14, the GEF submitted a Long-Term Program on Technology Transfer to COP 16. The GEF submission included the following elements to further scale up investment in ESTs in developing countries in accordance with the GEF climate change strategy, and to enhance technology transfer activities under the Convention:
  - (a) Support for Climate Technology Centers and a Climate Technology Network;
  - (b) Piloting Priority Technology Projects to Foster Innovation and Investments;
  - (c) PPP for Technology Transfer;
  - (d) Support for TNAs; and
  - (e) GEF as a Catalytic Supporting Institution for Technology Transfer
2. This annex summarizes the status of preparation and implementation of GEF supported initiatives under the first item of the Long-Term Program on Technology Transfer: Support for Climate Technology Centers and a Climate Technology Network. The annex presents the progress made by the GEF Agencies in the delivery of the associated projects and summarizes experiences gained and lessons learned so far.
3. The GEF funded regional and national projects supporting climate technology centers, networks for climate technology transfer and financing are in early phases of implementation. Information on their implementation status and experience, provided by the GEF Agencies concerned, is summarized below.
4. ***Pilot Asia-Pacific Climate Technology Network and Finance Center (ADB and UNEP)***. The project was endorsed by the GEF CEO in May 2012, and has started implementation. Its first steering committee meeting (with ADB, UNEP, and the GEF) was held in November 2012 during COP 18 in Doha, Qatar.
5. This project objective is to pilot a regional approach to facilitating deployment of climate technologies (mitigation and adaptation) that combines capacity development, enhancement of enabling environments for market transformation, financial investments and investment facilitation.
6. As of June 2013:
  - (a) A preliminary list of countries (People's Republic of China, Cambodia and Bangladesh) has been identified for potential strategic engagement aimed at mainstreaming climate technology into countries' development plans and strategies.
  - (b) Technical support and advisory service have been extended for three mitigation projects in ADB's investment pipeline: (i) evaluating design of solar project in Tonga, (ii) preparing due diligence and project feasibility reports for proposed solar power investments in Maharashtra, India, (iii) assistance in feasibility study for solar street lighting in support of potential road projects in Tajikistan. Discussions are also underway to support an adaptation project in Pakistan (Jalalpur Irrigation Project). A detailed analysis of ADB's investment pipeline has been undertaken to identify projects which could benefit from a strengthened climate technology aspect as well as to draw up a preliminary list of priority sectors.
  - (c) The venture capital subproject has broadened its operations to include support for other private sector funds beyond the three venture capital funds initially targeted. It has also started engagement with the Indian



INFUSE fund on the delivery of specific technical assistance and knowledge services.

- (d) The setting up of the Marketplace for Low Carbon Technology has progressed with the engagement of an Implementation Consultant (firm) who will provide oversight during the design and demonstration stages of the Marketplace for Low Carbon Technology. In preparation for the Marketplace operation, a partnership with the World Intellectual Property Organization (WIPO) has been established and a database of low carbon technologies created under WIPO Green.
- (e) The project supported UNEP in organizing the first of a series of CTCN regional expert dialogues to get practitioners views on barriers, needs and priorities, and on how the CTCN can best support countries in each region. The first project partners meeting took place in Bangkok, Thailand in May 2013. Representatives of 15 partner countries participated and indicated their needs and priorities. The information collected from this and future dialogues will be used to support the CTCN Advisory Board in its discussions and decision making to ensure a fully functional and effective CTCN.

7. The project experience to date highlights a few initial elements. Engaging with private sector fund managers on climate technologies is not easy and can be done by showcasing that climate technology investment can provide long term high returns even though they entail technical risks. Knowledge sharing activities and development of knowledge products are important to promote climate technology investment, because they can spark interest to pursue climate technology as an important agenda among policy- and decision-makers. Packages of “hard interventions” (investments) and “soft interventions” are therefore more likely to effectively support climate technologies. Partner countries that conducted TNAs and developed Technology Action Plans appear more advanced and ready to voice clearer requests for climate technology transfer support.

8. A key challenge facing the project is how to operationalize the mainstreaming of climate technology into development plans and strategies within the short timeframe of the project. A response strategy to this challenge is being implemented. Another challenge is in identifying the appropriate climate technologies which is affordable and suitable and hence can be adopted for projects – considering available resources limited in developing countries.

9. ***Regional Climate Technology Transfer Center (EBRD)***. The project has been endorsed by the GEF CEO in June 2013 and should start implementation by the end of 2013.

10. It aims to accelerate investments in climate change mitigation and adaptation technologies in the Early Transition Countries (ETCs) by combining regional technology transfer networking, technical assistance (for policy makers and projects) with financial support and mechanisms. The project is designed to kick-start the market for climate technology investments in the ETCs.

11. The project has already generated a lot of interest at the EBRD. In that respect, the EBRD has already approved a concept extending the project to Southern and Eastern Mediterranean countries of the EBRD region with its own resources. Despite its early stage, the project has the Energy Efficiency and Climate Change Team of EBRD to identify a pipeline of technology transfer investments in the Kyrgyz Republic and Mongolia (17 projects), in other ETC countries of EBRD region (10 projects), and in the new EBRD countries in the Southern and Eastern Mediterranean (10 projects). The project team is now planning to undertake a project screening in Moldova and Belarus to identify further projects for the pipeline.

12. ***Climate Technology Transfer Mechanisms and Networks in Latin America and the Caribbean (IDB)***. The project was approved by the GEF Council in June 2012. It is completing the preparation of a full project proposal for GEF CEO Endorsement request expected to be submitted by September 2013.

13. Its aim is to promote the development and transfer of environmentally sustainable technologies in Latin America and the Caribbean (LAC), in order to contribute to the ultimate goal of reducing greenhouse gas (GHG) emissions and reducing the vulnerability to climate change in specific sectors in LAC. The Project's strategy is to build the national capacities to identify, assess, develop and transfer EST, focusing on (i) the promotion of and support to regional collaborative efforts; (ii) the support to planning and policy-making processes at national and sectoral levels; (iii) the demonstration of policies and enabling mechanisms; and, (iv) the mobilization of private and public financial

and human resources.

14. The IDB is collaborating with UNEP with a view to ensuring that the efforts under the project will also contribute to the region's capabilities to engage with and participate in the technology mechanism under the United Nations Framework Convention on Climate Change. The IDB and UNEP have identified potential collaborations around the objectives on regional capacity building, as well as enhanced interaction with regional organizations that are also members of the UNEP-led consortium hosting the CTCN. One such organizations, CATIE (Centro Agronómico Tropical de Investigación y Enseñanza), has also been selected under the project as the leading organization for the activities focusing on the forestry sector. Similar discussions are underway with Fundación Bariloche, another member of the CTCN consortium based in Latin America.

15. ***Pilot African Climate Technology Finance Center and Network (AfDB)***. The project was approved by the GEF Council in June 2012. It is completing the preparation of a full project proposal for GEF CEO Endorsement request expected to be submitted by the end of 2013.

16. The project aims to support on the ground the deployment of technologies for both climate change mitigation and adaptation in developing countries of Africa by (i) catalyzing public and private finance for low-carbon technologies and climate resilient development projects and (ii) assisting with integrating technology transfer considerations into developing countries' policies and investment programs and strengthening design and enforcement capacities of public institutions. It seeks thus to overcome several barriers to technology transfer and especially the lack of information and awareness-raising the lack of access to finance, the lack of adequate policies, technical limitations, the lack of human capacity and the lack of institutional capacity.

17. ***Enhancing Capacity, Knowledge and Technology Support to Build Climate Resilience of Vulnerable Developing Countries (UNEP)***. The project was endorsed in January 2013 and is in the early stages of implementation. The inception workshop was held in April 2013, and concrete on the ground activities have not begun yet.

18. The project aims at reducing risks from increased desertification, floods and erosion, and sea level rise to the target communities in the identified project sites in Mauritania, Nepal and Seychelles respectively. The best practices from on-the-ground interventions supported through the Special Climate Change Fund (SCCF) grant will be disseminated through the regional networks that are a part of the proposed project. The project will also contribute towards developing evidence based indicators for Ecosystem-based approaches to Adaptation. The project will be based in China with China's National Development and Reform Commission (NDRC) as the main executing partner. Project will leverage a number of existing programs such as the South-South Cooperation, Africa Adaptation Network, the Global Adaptation to Climate Change Network and Asia-Pacific Adaptation Network.

19. ***Facility for Low Carbon Technology Deployment (World Bank)***. The project was approved by the GEF Council in June 2012. The World Bank is currently preparing the full project proposal for GEF CEO Endorsement request expected to be submitted by the end of 2013. The project implementation is expected to start by June 2014. This project aims to facilitate identification and deployment of low carbon technologies in India that can address technology gaps to mitigate climate change and improve the economy's energy efficiency. The project will do so through a Facility for Low Carbon Technology Deployment that will bring together government, industry, consumer, academia, and CSO representatives. Four key technology areas are identified to begin operations: refrigeration, air conditioning, lighting, and low-temperature waste heat recovery. It is proposed to be part of the CTCN at the national level.

20. ***Mexico Sustainable Energy Technology Development (World Bank)***. The project was approved by the GEF Council in June 2013. The World Bank is now preparing the full project proposal for GEF CEO Endorsement request. The project objective is to support the development of new and innovative clean energy technologies (energy efficiency, renewable energy) through the linking of the public, academic and productive sectors in Mexico. This will be achieved through (i) the identification of local clean energy technology needs and available capabilities at the regional level among public and private sector stakeholders; (ii) the creation of regional Strategic Alliances and

Innovation Networks for Competitiveness on clean energy for a set of potentially high-impact technologies; (iii) the identification of portfolios of high-impact projects in clean energy technology involving the private sector; and (iv) the support and funding of these high-impact projects involving the private sector.

21. The project will be coordinated with the Inter-American Development Bank project “Climate Technology Transfer Mechanisms and Networks in Latin America and the Caribbean” and with the forthcoming CTCN to make use of potential complementarity and avoid redundancy and duplication of efforts.

22. Although the Project has just been approved and thus has not started implementation, the following lessons drawn from the conceptual preparation of the project: (i) most stakeholders, especially at the local level, do not have access to valuable existing experiences, knowledge, initiatives related to technology transfer; (ii) international stakeholders do not have sufficient knowledge of the existing specific local barriers for technology transfer. Efforts towards the dissemination of existing experiences, results and processes are therefore useful.

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