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Development and transfer of technologies

Alignment between processes pertaining to the review of the Climate Technology Centre and Network and the periodic assessment referred to in paragraph 69 of decision 1/CP.21

Possible options, and their implications, for aligning processes pertaining to the independent review of the Climate Technology Centre and Network and the periodic assessment of the Technology Mechanism

Note by the secretariat

Summary

The Subsidiary Body for Implementation initiated at its fifty-first session its consideration of alignment between processes pertaining to the independent review of the Climate Technology Centre and Network and the periodic assessment of the effectiveness and adequacy of the support provided to the Technology Mechanism in supporting implementation of the Paris Agreement on matters relating to technology development and transfer in accordance with decision 1/CP.21. This document presents possible options, and their implications, for such alignment for consideration by the Subsidiary Body for Implementation at its fifty-second session.

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Abbreviations and acronyms

CMA	Conference of the Parties serving as the meeting of the Parties to the Paris Agreement
COP	Conference of the Parties
CTC	Climate Technology Centre
CTCN	Climate Technology Centre and Network
MOU	memorandum of understanding
SBI	Subsidiary Body for Implementation
TEC	Technology Executive Committee
UNEP	United Nations Environment Programme

I. Introduction

A. Background and mandate

1. CMA 1 adopted the scope of and modalities for the periodic assessment of the effectiveness and adequacy of the support provided to the Technology Mechanism in supporting implementation of the Paris Agreement on matters relating to technology development and transfer in accordance with decision 1/CP.21 (hereinafter referred to as the periodic assessment of the Technology Mechanism).¹

2. SBI 51 initiated consideration of alignment between processes pertaining to the review of the CTCN² and the periodic assessment of the Technology Mechanism with a view to recommending a draft decision thereon for consideration and adoption at CMA 3.³

3. SBI 51 considered the concept of alignment, the timelines for the independent review of the CTCN and the periodic assessment of the Technology Mechanism, and possible options, and their implications, for aligning the relevant processes, and agreed that consideration of the matter will continue at SBI 52.⁴

4. This document has been prepared in response to the request of SBI 51 for the secretariat to prepare an information note on possible options, and their implications, for aligning processes pertaining to the independent review of the CTCN and the periodic assessment of the Technology Mechanism for consideration at SBI 52.⁵

B. Possible action by the Subsidiary Body for Implementation

5. The SBI may wish to consider the options identified herein, and their implications, for aligning processes pertaining to the independent review of the CTCN and the periodic assessment of the Technology Mechanism; and to recommend a draft decision on the matter for consideration and adoption at CMA 3.

II. Elements to be taken into account in considering options for aligning the processes

6. SBI 51 noted the importance of the effectiveness, efficiency and complementarity of the processes referred to in paragraph 2 above in considering alignment between the independent review of the CTCN and the periodic assessment of the Technology Mechanism.⁶

7. It acknowledged the need to take into account, in considering such alignment, information on, inter alia:

(a) The process for undertaking the independent review of the CTCN, including the areas of evaluation, the methodology used, and the scope, purpose, objective, impact and lessons learned;

(b) The scope of and modalities for the periodic assessment of the Technology Mechanism;

(c) The term of the agreement to host the CTC, the process for renewing the agreement, the review of the functions of the CTC and the decision of the COP in 2026 on whether to extend the term of the CTC;

¹ Decision 16/CMA.1, para. 1.

² In accordance with decisions 2/CP.17, 14/CP.18 and 12/CP.24.

³ Pursuant to decision 16/CMA.1, para. 6.

⁴ FCCC/SBI/2019/20, para. 61.

⁵ FCCC/SBI/2019/20, para. 62.

⁶ FCCC/SBI/2019/20, para. 59.

- (d) The MOU between the COP and UNEP regarding the latter hosting the CTC.⁷

A. Technology Mechanism

8. The Technology Mechanism was established at COP 16 to enhance action on technology development and transfer to support action on mitigation and adaptation in order to achieve full implementation of the Convention.⁸ It comprises the CTCN and the TEC. The CTCN facilitates a network of national, regional, sectoral and international technology networks, organizations and initiatives with a view to engaging Network members in the implementation of its functions and mandated activities.⁹ The TEC focuses on identifying policies that can accelerate development and transfer of mitigation and adaptation technologies in accordance with its functions.¹⁰ The Technology Mechanism also serves the Paris Agreement.¹¹

B. Periodic assessment of the Technology Mechanism

9. SBI 48 initiated the elaboration of the scope of and modalities for the periodic assessment of the Technology Mechanism, and CMA 1 adopted them.¹² The assessment covers two elements:

(a) The effectiveness of the Technology Mechanism in supporting implementation of the Paris Agreement on matters relating to technology development and transfer;

(b) The adequacy of the support provided to the Technology Mechanism in supporting implementation of the Paris Agreement on matters relating to technology development and transfer.

10. The assessment is to be undertaken by the CMA with the support of the SBI every five years and take a maximum of one year to complete. The first periodic assessment is scheduled to be initiated at CMA 4 with a view to being completed at CMA 5.¹³

C. Independent review of the Climate Technology Centre and Network

11. The terms of reference of the CTCN¹⁴ stipulate an independent review of the effective implementation of the CTCN every four years. The review findings, including any recommendations for enhancing the performance of the CTCN, are considered by the COP.¹⁵

12. The first review of the effective implementation of the CTCN took place at COP 23 (December 2017). In the lead-up to COP 23, the secretariat commissioned an independent review of the effective implementation of the CTCN. The findings of the independent review, including the main findings for each area evaluated (relevance, effectiveness, efficiency, impacts and sustainability), conclusions, and recommendations for enhancing the performance of the CTCN were reflected in a report to COP 23.¹⁶

13. Following the review, COP 23:

(a) Decided to renew the MOU between the COP and UNEP regarding the latter hosting the CTC for a further four-year period;

⁷ FCCC/SBI/2019/20, para. 60.

⁸ Decision 1/CP.16, para. 113.

⁹ Decision 1/CP.16, para. 123.

¹⁰ Decision 1/CP.16, para. 121.

¹¹ Article 10, para. 3, of the Paris Agreement.

¹² Decision 16/CMA.1, annex.

¹³ Decision 16/CMA.1, para. 3.

¹⁴ Decision 2/CP.17, annex VII.

¹⁵ Decision 2/CP.17, annex VII, para. 20.

¹⁶ FCCC/CP/2017/3.

(b) Invited UNEP, with the support of the CTCN and in consultation with the CTCN Advisory Board, to provide a management response¹⁷ to the relevant findings and recommendations from the review, which was considered at SBI 48 and COP 24;

(c) Requested the secretariat to commission the second independent review of the effective implementation of the CTCN for consideration and completion at COP 27, taking into account lessons learned from the first review, including in relation to the timing of the issuance of the review report, and the aforementioned management response from UNEP.¹⁸

14. Following continued consideration of the findings and recommendations from the review and of the management response from UNEP at SBI 48, COP 24 requested the CTCN to include in the joint annual report of the TEC and the CTCN for 2019 and in the subsequent reports to the COP, through the subsidiary bodies, information on its plans and action taken in response to the relevant recommendations from the review; and also requested the secretariat to organize a dialogue, to be held in conjunction with SBI 55, to consider the findings from the second independent review of the effective implementation of the CTCN.¹⁹

D. Climate Technology Centre

15. In accordance with the terms of reference of the CTCN, the initial term of the agreement to host the CTC was for five years, with two possible four-year renewal periods. The renewal of the agreement is subject to the host organization fulfilling the functions²⁰ and responding to the direction set out in those terms of reference, as identified in the findings from the independent review of the CTCN. The CTC shall operate for initial terms until 2026, when the COP will review the functions of the CTC and decide whether to extend its term.²¹

E. Memorandum of understanding between the Conference of the Parties and the United Nations Environment Programme regarding the latter hosting the Climate Technology Centre

16. COP 18 selected UNEP, as the leader of the consortium of partner institutions, as the host of the CTC for an initial term of five years, with possible renewal if so decided by the COP.²² In addition, it adopted the MOU between the COP and UNEP regarding the latter hosting the CTC²³ and authorized the Executive Secretary to sign the MOU on behalf of the COP,²⁴ which was done in early 2013. The MOU stipulates the terms of the relationship between the COP and UNEP with respect to UNEP hosting the CTC in accordance with decision 14/CP.18.²⁵

17. Following the first independent review of the CTCN, COP 23 decided to renew the MOU between the COP and UNEP for a further four-year period and authorized the Executive Secretary to sign the MOU on behalf of the COP.²⁶ Therefore, the current MOU between the COP and UNEP has a four-year term, from 23 February 2018 to 22 February 2022, after which it could be renewed again for another four years if so decided by the COP.

¹⁷ FCCC/SBI/2018/INF.5.

¹⁸ Decision 14/CP.23, paras. 5, 7 and 10, respectively.

¹⁹ Decision 12/CP.24, paras. 6–7.

²⁰ Decision 1/CP.16, para. 123.

²¹ Decision 2/CP.17, annex VII, chap. VIII.

²² Decision 14/CP.18, para. 2.

²³ Decision 14/CP.18, annex I.

²⁴ Decision 14/CP.18, paras. 3–4.

²⁵ Decision 14/CP.18, annex I, para. 1.

²⁶ Decision 14/CP.18, paras. 5–6.

III. Comparing the independent review of the Climate Technology Centre and Network with the periodic assessment of the Technology Mechanism

18. The table below presents a comparison of the processes for the independent review of the CTCN and the periodic assessment of the Technology Mechanism in accordance with relevant COP and CMA decisions for the purpose of highlighting the differences in the scope and the modalities. The timelines, including milestones, of the CTCN review and periodic assessment of the Technology Mechanism are presented in the annex.

Comparison of the processes for the independent review of the Climate Technology Centre and Network and the periodic assessment of the Technology Mechanism

<i>Aspect</i>	<i>CTCN review</i>	<i>Periodic assessment of the Technology Mechanism</i>
Scope	Periodic independent review of the effectiveness of the CTCN in supporting implementation of the Convention in accordance with its original mandate and functions	Periodic assessment of the effectiveness and adequacy of the support provided to the Technology Mechanism in supporting implementation of the Paris Agreement on matters relating to technology development and transfer
Responsible entity	Independent review; findings considered by the COP	Undertaken by the CMA with support from the SBI
Timing and periodicity	First review completed at COP 23 Second review scheduled for 2021 and to be completed at COP 27 Third review scheduled for 2025 Every four years, at least until 2026, completed at one session	First periodic assessment scheduled to be initiated in 2021 at CMA 4 with a view to being completed in 2022 at CMA 5 Every five years, completed within one year (initiated at one and completed at the following CMA session)
Input	Secretariat commissions independent review	Secretariat prepares interim and final reports on the periodic assessment
Output	Review findings, including any recommendations for enhancing the performance of the CTCN, which are considered by Parties	Report to the CMA through the SBI Recommendations of the CMA on updating the technology framework
Outcomes	Decision on renewal of the MOU between the COP and UNEP regarding hosting the CTC is based on the review findings on the host's fulfilment of its functions and responsiveness to direction	Outcomes of the periodic assessment should serve as input to the global stocktake and be used to improve the effectiveness of and enhance the support provided to the Technology Mechanism in supporting implementation of the Paris Agreement

IV. Options, and their implications, for aligning the processes

19. Considering the above, several options in relation to aligning the independent review of the CTCN and the periodic assessment of the Technology Mechanism are possible:

- (a) Maintaining stand-alone processes under the COP and the CMA, respectively, in accordance with their respective relevant decisions;

(b) Maintaining stand-alone processes under the COP and the CMA, respectively, but aligning their timing;

(c) Conducting the CTCN review as a component of the periodic assessment of the Technology Mechanism.

20. An overview of these options, and their implications, taking into account guidance provided by Parties at SBI 51 regarding the importance of the effectiveness, efficiency and complementarity of the processes in considering their alignment is provided below.

A. Maintaining stand-alone processes

21. Under this scenario, the CTCN review and the periodic assessment of the Technology Mechanism would be kept as stand-alone processes under the COP and the CMA, respectively, in accordance with the relevant COP and CMA decisions. The review of the CTCN would continue to be conducted every four years (at least until 2026, when the COP will review the functions of the CTC and decide whether to extend its term). The periodic assessment of the Technology Mechanism would be undertaken by the CMA every five years, with the first initiated in 2021 with a view to being completed one year later.

Implications

22. **Practical:** Since the CTCN would be reviewed every four years and the periodic assessment of the Technology Mechanism would be taking place every five years, the timelines for the processes would not be aligned, which could have implications for their efficiency (e.g. necessary information from stakeholders for undertaking the processes would be obtained at different times and as such would be challenging to integrate). In addition, the review of the functions of the CTC would also take place at a different time, resulting in three separate processes being undertaken within three years (third independent review of the CTCN in 2025; review of the functions of the CTC in 2026; completion of the second periodic assessment of the Technology Mechanism in 2027). Finally, the MOU between the COP and UNEP regarding the latter hosting the CTC is due for renewal in February 2022, with the possibility of extension for a final four years until February 2026, in which case a new MOU regarding the hosting of the CTC would have to be negotiated in 2025, just one year before the scheduled review of the functions of the CTC in 2026.

23. **Financial:** The secretariat would hire consultants to support the review of the CTCN and the periodic assessment of the Technology Mechanism. Having multiple consultants support the separate processes can be less cost-effective.

24. **Procedural:** This scenario is in accordance with the respective COP and CMA decisions, so no relevant decisions would have to be taken or amended.

B. Maintaining stand-alone processes but aligning their timing

25. Under this scenario, the CTCN review and the periodic assessment of the Technology Mechanism would be kept as stand-alone processes under the COP and the CMA, respectively, but the periodicity of the CTCN review and of the periodic assessment of the Technology Mechanism would be aligned (every five years) so that the review of the CTCN would coincide with the initiation of the periodic assessment of the Technology Mechanism.

Implications

26. **Practical:** Elements of the processes could be integrated, resulting in efficiency gains. For example, regarding collecting information from stakeholders, national designated entities could be approached just once to obtain information necessary for undertaking both processes. Since the timing of the processes would be aligned, the findings from the CTCN

review could easily be used as a source of information for the periodic assessment of the Technology Mechanism.²⁷

27. **Financial:** Efficiency gains, including cost-wise, could be made by hiring consultancy services to undertake both processes at once.

28. **Procedural:** Changing the periodicity of the CTCN review from every four to every five years would require a COP decision, which could be taken with respect to the second review of the CTCN in 2021. Consequently, the third review of the CTCN would coincide with the review of the functions of the CTC in 2026, when the COP will decide whether to extend the term of the CTC.

29. In addition, depending on the outcomes of the second CTCN review, in 2021 the COP is to decide whether to extend for a final four years the MOU between the COP and UNEP regarding the latter hosting the CTC,²⁸ and may wish to agree on a five-year extension instead of four years. The COP and UNEP may amend the MOU by written agreement.²⁹ Accordingly, the extension letter to be signed by the COP and UNEP could provide that, in view of the alignment of the periodicity of the CTCN review with that of the periodic assessment of the Technology Mechanism, the term of the MOU should be extended until the next CTCN review, that is for five years, until February 2027. If the extension were only granted for four years, new hosting arrangements for the CTC would need to be negotiated by Parties in 2025, one year before the end of its term and the review of its functions in 2026.

30. Therefore, under this scenario, the COP would decide in 2026 on the extension of the term of the CTC on the basis of the outcomes of the third independent review of the CTCN and the review of the functions of the CTC. If such extension were agreed, the COP would also agree in 2026 on hosting arrangements for the CTC and conclude a new MOU with minimum terms of five years.

C. Conducting the review of the Climate Technology Centre and Network as a component of the periodic assessment of the Technology Mechanism

31. Under this scenario, the CTCN review would be conducted by the CMA as a component of the periodic assessment of the Technology Mechanism. This would come into effect only after the second periodic assessment, starting with the third periodic assessment (in 2031), in the event that the COP decides in 2026 to extend the term of the CTC after reviewing its functions.

32. Therefore, the second-option scenario, referred to in chapter IV.B above, could be applied regarding the last renewal of the MOU between the COP and UNEP for a period of five years (avoiding the one-year gap) and the date of the second CTCN review being pushed back by one year so that the CTCN review coincides with the review of the functions of the CTC.

Implications

33. **Practical:** Efficiency gains could be made since there would be only one process and the frequency of CTCN reviews would be reduced given that the CTCN review would be conducted through the periodic assessment only every five years.

34. **Financial:** Only having one process would be more cost-effective.

35. **Procedural:** Since the CTC was established by the COP, the COP is the governing body and must decide in 2026 on whether or not to extend the term of the CTC on the basis of the review of its functions. Any departure from this would require decisions to that effect by the COP and the CMA. This option covers the review of the CTCN being conducted under the CMA, with the COP remaining the main governing body of the CTCN.

²⁷ As provided for in decision 16/CMA.1, annex, para. 9(e).

²⁸ Decision 14/CP.18, annex I, para. 31.

²⁹ Decision 14/CP.18, annex I, para. 33.

36. If the COP were to decide to extend the term of the CTC in 2026, it would then need to be agreed that the periodic independent review of the CTCN would be conducted in future under the CMA as a component of the periodic assessment of the Technology Mechanism. The COP would nevertheless decide on the new term of the CTC and the timing of the next review of its functions.

37. Therefore, a COP decision would be required in 2026 to supersede decision 2/CP.17, annex VII, paragraph 20, and any other provisions adopted by the COP pertaining to the CTCN review. A CMA decision on the independent review of the CTCN as a component of the periodic assessment of the Technology Mechanism would also be required.

38. In considering this option, it should be borne in mind that any Parties that are Parties to the Convention but not Parties to the Paris Agreement would not retain the same level of governance over the functioning of the CTCN if the review of the CTCN were to be conducted under the CMA as a component of the periodic assessment of the Technology Mechanism.

39. Regarding the MOU on the hosting of the CTC, the new MOU to be concluded after the review of the functions of the CTC by the COP in 2026 would still be concluded by the COP but its renewal would be dependent on the outcome of each periodic assessment of the Technology Mechanism and its CTCN review component. The CMA would have to invite the COP to take a corresponding decision regarding the renewal of the MOU. Such renewals should have terms of five years so that each term ending coincides with the completion of a periodic assessment of the Technology Mechanism.

40. Therefore, under this scenario:

(a) The COP would decide in 2026 on the extension of the term of the CTC on the basis of the outcomes of:

(i) The third independent review of the CTCN;

(ii) The review of the functions of the CTC;

(b) If such extension were decided, the COP would also, in 2026:

(i) Decide that the CTCN review would in future be conducted under the CMA as a component of the periodic assessment of the Technology Mechanism, thereby superseding decision 2/CP.17, annex VII, paragraph 20, and any provision adopted by the COP pertaining to the CTCN review;

(ii) Agree on the hosting arrangements for the CTC and conclude a new MOU with terms of a minimum five years to coincide with the periodicity of the periodic assessment of the Technology Mechanism;

(c) The CMA would adopt in 2026 a corresponding decision to organize the independent review of the CTCN as part of the periodic assessment of the Technology Mechanism.

Timelines, including milestones, of the independent review of the Climate Technology Centre and Network and the periodic assessment of the Technology Mechanism

