

Work of the Technology Executive Committee of relevance to the in-session workshop on Long- term Finance

In-session workshop on Long-term Finance

Bonn, Germany

4 June 2015



Mr. Kunihiro Shimada
Chair of the Technology Executive Committee

Introduction

- Technology Executive Committee
- Cooperation on enhanced enabling environments and support for readiness activities
- Needs for support to developing country Parties
- Adaptation finance

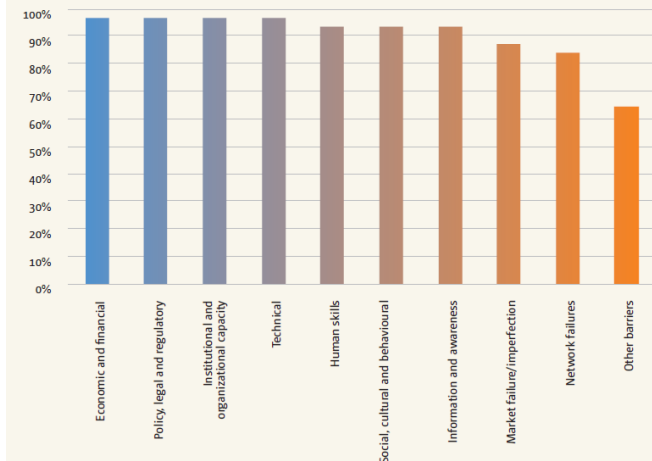
Technology Executive Committee

- Policy arm of Technology Mechanism
- Undertakes analysis and provides policy recommendations on climate technology
- 20 member executive committee with balanced regional representation
- Workstreams include:
 - Enabling environments and barriers
 - Technology needs assessments
 - Climate technology financing
 - Technologies for adaptation and mitigation
 - Strategic and emerging issues
- Following provides an overview of the outcomes of work undertaken by the TEC of relevance to workshop focus areas

TEC work on enabling environments and barriers for technologies for adaptation

- TEC undertakes work on enabling environments and barriers for technology development and transfer
- The 3rd synthesis report on technology needs identified by non-Annex I Parties synthesizes the information contained in the technology needs assessment reports of 31 non-Annex I Parties:
 - Almost all Parties identified the following types of barriers to the development and transfer of their prioritized technologies for adaptation:
 - economic and financial;
 - policy, legal and regulatory;
 - institutional and organizational capacity;
 - technical.
 - Within the category of economic and financial barriers, most of the Parties identified the lack of or inadequate access to financial resources as the main barrier.

Figure 8: Reported barriers to the development and transfer of technologies for adaptation (percentage of Parties)



TEC work on enabling environments and barriers for technologies for adaptation (cont.)

In identifying enablers for the prioritized technologies for adaptation:

- Most commonly mentioned enabler was the measure to increase the financial resources available for the technology (e.g. introducing or increasing the allocation for the technology in the national budget or by identifying and creating financial schemes, funds, mechanisms or policies)
- Another commonly mentioned measure was to strengthen the current relevant institutions, via increased human resources and facilities, in order to accelerate the research and development of the technology.

TEC work on enabling environments and barriers for technologies for adaptation (cont.)

TEC key messages on enabling environments to COP 18

- Activities related to the technology cycle, policy, regulatory frameworks and financing should be considered in an integrated manner.
- Engaging the financial and business community, at both the international and the national level, at an early stage is crucial to enhance access to financing for the development and transfer of technologies.
- The Technology Mechanism and other international instruments used to promote technology transfer to developing countries should be clearly aligned with the enabling frameworks that facilitate private- and public-sector investment.

TEC work on technology needs

Long term finance needs for technology development and transfer

Findings of the report of the Expert Group on Technology Transfer on recommendations on future financing options for enhancing the development, deployment, diffusion and transfer of technologies under the Convention:

- For technologies for adaptation, R&D is focused on tailoring the technology to the specific site and application; it therefore forms part of the project cost.
- Current spending on adaptation projects in developing countries is about USD 1 billion per year, however estimates of the future spending needs for adaptation range from tens of billions to hundreds of USD billion per year.
- Report concludes that despite the uncertain figures (...) current financing resources need to be increased significantly.

TEC work on technology needs (cont.)

Financial needs identified by Developing Countries in technology needs assessments

- As part of the global TNA project, almost all of the Parties developed Technology Action Plans (TAPs), which consist of a group of measures to address the identified barriers to a prioritized technology.
- The total accumulative estimated budget of Parties for the implementation of their TAPs was USD 5.2 billion for mitigation and USD 2.4 billion for adaptation.
- Almost all of the Parties developed project ideas as part of their TNA processes. In the context of their TNAs, Parties envisaged project ideas as concrete actions for the implementation of a prioritized technology.
- The total accumulative estimated budget of Parties for the implementation of their projects was USD 12.5 billion for mitigation and USD 12.2 billion for adaptation.

TEC work on technology needs (cont.)

TEC key messages on technology needs assessments to COP 20

- Stakeholders such as technology owners and developers should be encouraged to submit project proposals for technologies prioritized in TNAs with a view to sharing those proposals with potential investors.
- Communication of technology action plans and project ideas identified by Parties in their TNA reports should be expanded in order to better engage national and international financial communities and enhance the potential of project implementation.
- Technology implementation could benefit from intercountry cooperation, beyond the current regional training support, which could result in an improved coordination of TNAs and requests for international support.
- National designated entities should be encouraged to identify opportunities to coordinate with the national focal points for other UNFCCC processes, such as NAMAs, NAPs and low-emission development strategies. Such a role provides an opportunity to encourage the bodies and actors involved to align the processes and outputs of their work in a way that will enhance the prospects for successful implementation.

TEC work on technologies for adaptation

TEC key messages on technologies for adaptation to COP 20

- Technologies for adaptation that have mitigation co-benefits should be identified, encouraged and promoted.
- Effective coordination and integration of technologies for adaptation in cross-sectoral planning and policy formulation by local and national governments is essential to ensure the implementation of appropriate adaptation actions.
- Local stakeholders should be involved and empowered to enable the replication and improvement of local solutions and thus promote the sustainable application of technologies for adaptation.
- Parties are encouraged to share experiences and promote regional and international cooperation on successful implementation of policies and measures related to technologies for adaptation, including South–South cooperation, to catalyse the replication and scaling-up of these actions.

Final considerations

- Project proponents face many challenges in securing financing for technology projects and programmes. Solutions to these challenges require close stakeholder collaboration to ensure that policies, finance, technologies and project planning are aligned to produce projects and programmes that are economically, environmentally and socially sound.
- The TEC will further consider assessing the technology and RD&D financing needs, including options to stimulate RD&D investments and to deploy low-carbon technologies, in the preparation of its workplan for 2016-2017.
- The TEC will include the work it has completed on technology needs assessments, climate technology financing, enabling environments and barriers and technologies for adaptation and mitigation when preparing its annual report and key messages for COP 21.

Thank you!

